2019
Annual
Conference

Industry
Collaboration
Effort

DELEGATION OVERSIGHT IN A NEW ERA OF HEIGHTENED SCRUTINY, SESSION 4C

Dorothy DeAngelis, Senior Managing Director
Ankura Consulting
Paula Gumpher, Clinical Compliance Manager
Anthem Inc.

1

TABLE OF CONTENTS

2019
Annual
Conference

Industry
Collaboration
Effort

SECTION 1: The Challenge of Delegation Oversight

SECTION 2: The Regulatory and Enforcement Environment

SECTION 3: The Audit Team

SECTION 4: Audit Tools and the Use of Data Analytics

SECTION 5: Enhancing the Approach

SECTION 6: Summary and Key Take-Aways

2

GOAL & OBJECTIVES

2019
Annual
Conference

Industry
Collaboration
Effort

- Balancing needs to oversee multiple lines of business using various tools/templates for NCQA, DMHC, DHCS, and CMS compliance

- Digging deeply enough to find the root cause of issues and resolve them

- Discuss payer and provider perspectives on delegation oversight

- Use of risk assessment to tailor and ensure you are looking for the right things

- Use of tools, templates and data analytics to target samples

3

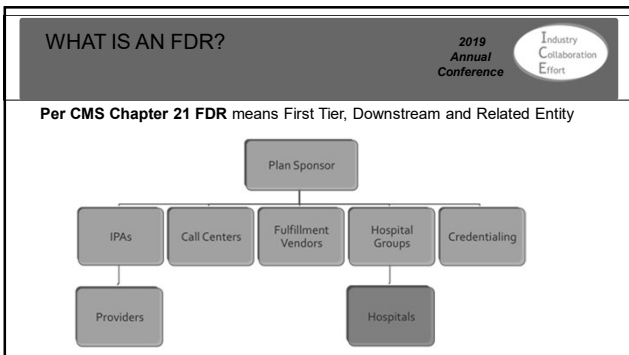## SECTION 1: THE CHALLENGE OF DELEGATION OVERSIGHT

4

4

DEFINITION
Per NCQA 2020

2019
Annual
Conference

Industry
Collaboration
Effort

An organization gives an entity the authority to perform certain functions on its behalf. Although the organization may delegate the authority to perform a function, it may not delegate the responsibility for ensuring that the function is performed appropriately.

5

WHAT IS AN FDR?

2019
Annual
Conference

Industry
Collaboration
Effort

Per CMS Chapter 21 FDR means First Tier, Downstream and Related Entity

Plan Sponsor

IPAs | Call Centers | Fulfillment Vendors | Hospital Groups | Credentialing

Providers

Hospitals

6

THE CHALLENGE

- Delegation or FDR Oversight is required CMS, NCQA, DMHC, DHCS
- Regulators have published different audit tools with varying focus areas, levels of detail, and methods or review
- Plans can literally have hundreds of delegates to audit each year
- The managed care regulatory environment in California and other heavily managed markets is highly complex
- Plans and Medical Groups have limited resources and have to make the most out of the contractual audit clause

7

7

SECTION 2: THE ENVIRONMENT

8

8

THE HEADLINES

Whistleblower says Medicaid managed-care firm improperly denied care to thousands of Californians

Aetna's California Case Puts New Focus on Prior Authorization
The CNN story once again puts controversy about prior authorization into the spotlight. But is it necessary to review the entire medical record?

Coverage denied: Medicaid patients suffer as layers of private companies profit

9

9

THE ENVIRONMENT

- In the 2017 Synermed case, a whistleblower sent an internal investigation report to DMHC alleging among other things fraud in materials presented to health plans for audit
- Subsequent government investigations into UM and claims practices at MSOs and health plans called into question processes by which appropriate professionals performed medical necessity reviews
- Government agencies placed the onus on plans to investigate
- All of this activity has resulted in a call to action by state agencies to evolve delegation oversight auditing
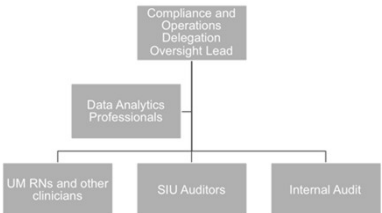
10

SECTION 3: THE TEAM

11

THE TEAM
Consider Including the following on the Team

Compliance and Operations Delegation Oversight Lead

Data Analytics Professionals

UM RNs and other clinicians

SIU Auditors

Internal Audit

12

SECTION 4: AUDIT TOOLS AND USE OF DATA ANALYTICS

13

13

AUDIT TOOLS AND USE OF
DATA ANALYTICS

2019
Annual
Conference

Industry
Collaboration
Effort

- CMS Data validation is critical and should be conducted on all universes/reports prior to monthly submissions
- CMS only allows for (3) attempts to submit universes/reports
- Validation Tools
  - Change to Text
  - CMS Protocol Requirements
  - Sequencing errors
  - Turnaround Checks

ICE_ODAG_SOD_E
_SAMPLE_VALIDAT

14

14

SECTION 5: ENHANCING THE APPROACH

15

15

EVOLVING THE AUDIT FOR 2020

2019 Annual Conference

Industry Collaboration Effort

- CMS has long used a risk-based outcomes focused methodology and moved away from reliance on policies and procedure and performs audits in "live" systems.
- Types of UM issues found during investigations makes a case to include the following in delegation audits:
  - Review all transaction types (paid, denied, approved, modified, cancelled, other?)
  - Dig into system controls and levels of access (e.g. did appropriate professionals make medical necessity decisions, who could change key fields in the system?)
  - Focus on the culture of compliance, a check box approach to the compliance program will not help find the issues.

16

16

FDR OVERSIGHT – A RECOMMENDED APPROACH

2019 Annual Conference

Industry Collaboration Effort

Risk Assess delegates and employ a different approach for those that rank higher based on environmental factors

Use a multi-pronged approach including: document review at appropriate levels, system walk-throughs, transactional testing, and interviews
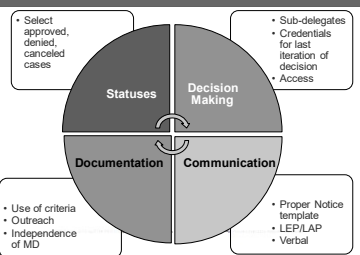
Use special data runs in addition to prescribed universe layouts where needed, review across universes, and look at all case statuses

Utilize non-structured data such as free text fields in medical record review, UM files, and denial letter files to look for patterns and identify issues

17

TARGETED VS RANDOM APPROACH

2019 Annual Conference

Industry Collaboration Effort

- Select approved, denied, canceled cases

Statuses

Decision Making

- Sub-delegates
- Credentials for last iteration of decision
- Access

Documentation

Communication

- Use of criteria
- Outreach
- Independence of MD

- Proper Notice template
- LEP/LAP
- Verbal

18

NCQA 2020 NEW UM 12 STANDARD

Industry Collaboration Effort

The Organization has policies and procedures to ensure data controls for UM and Appeal systems.

- Define dates of receipt and notification
- Describe process for recording dates in the system
- Specify who is authorized to make changes and when
- Specify how system tracks modified dates
- Describe system controls and protections from unauthorized use
- Describe how the processes above are audited

19

SECTION 6: SUMMARY AND KEY TAKE-AWAYS

20

SUMMARY AND KEY TAKEAWAYS

Industry Collaboration Effort

- Re-Calibrate your risk assessment of FDRs based on current and future environmental factors
- Adjust your work plan and audit tools for FDRs to focus on outcomes and controls
- Employ or partner with additional personnel for focused audits
- Expand use of custom data universes where warranted
- Utilize data analytics to target samples, delegates, and look for patterns over time
- In the new environment compliance culture is key, so be sure to assess compliance programs in a fulsome way

21