SAN MATEO COUNTY HEALTH
BEHAVIORAL HEALTH & RECOVERY SERVICES

Policy:	**17-02**
Subject:	**Delegation Oversight and Audit Program**
Authority:	42 CFR (438.608) Managed Care Regulations, Program Integrity. Contracts with Department of Health Care Services (DHCS) for: Behavioral Health, Substance Use Disorders Services (SUDS) and Drug Medi-Cal (DMC) Center for Medicaid & Medicare (Chapter 21 - Compliance Program Guidelines and Prescription Drug Benefit Manual Chapter 9 - Compliance Program Guidelines). BHRS Policies 98-05, 04-01 and 04-02 Behavioral Health & Recovery Services (BHRS) Compliance Program.
Original Policy Date:	February 9, 2017
Amended:	Technical Edits October 24, 2017; December 21, 2017; December 18, 2019; June 14, 2024 Attachment A: Technical Edit December 18, 2019
Supersedes:	N/A
Attachments:	Attachment A: Contractor Attestation

PURPOSE

The purpose of this policy and procedure is to outline the responsibility of BHRS to audit, monitor, and conduct risk assessments of contracted entities and BHRS Owned and Operated facilities that perform administrative and health care functions on behalf of BHRS.

This procedure applies to formal internal audit activities that have been identified and included in the annual Audit Plan, as developed by the Compliance Officer and approved by the Compliance and Delegation Oversight Committee.

POLICY

BHRS maintains ultimate responsibility for fulfilling the terms and conditions as set forth in its contracts with the Health Plan of San Mateo (HPSM), CMS, and Department of Health Care Services (DHCS), including all statutory, legal and regulatory requirements related to all lines of business.

BHRS evaluates a contractor's ability to perform the delegated activities, monitors ongoing performance, and for contractors that pose a risk to BHRS or its members, audits the contractors as necessary to ensure compliance.

Oversight includes confirmation of ongoing compliance with benefit regulations, data accuracy and completeness, and reliability of data generated and submitted, as well as sub-regulatory guidance and State and Federal law.

BHRS is responsible for all data submitted to DHCS and HPSM, including data generated and/or reported to BHRS by Contractors.

BHRS maintains a Compliance and Delegation Oversight Committee, charged with the routine and systemic evaluation of BHRS-county run and contracted programs and agencies. In addition, the committee is charged with identifying potential issues, tracking, and resolving matters that are inconsistent with the requirements set forth in policy or contract agreements.

At a minimum and on an annual basis, BHRS will provide communications regarding the compliance training, the BHRS Code of Conduct, compliance program, and pertinent compliance policies and procedures to all contractors.

In this policy and procedure, the term "FDR" refers to those entities that meet the CMS definition of the term, as well as those subcontractors who meet the Medi-Cal definition of "delegated entity." The delegation oversight activities contained in this document occur across all lines of business for entities that have been delegated responsibility for administrative and health care services for all BHRS lines of business. The term "contractor" will be inclusive of all contractors, subcontractors and related entities for all line of business.

RESPONSIBILITY AND AUTHORITY:

- The BHRS Compliance Officer has ultimate responsibility for ensuring compliance with the procedures outlined below.

- The Contracts department and county contract monitors are responsible to report any possible compliance issues to the Compliance Officer who serves as Chair of the Compliance and Delegation Oversight Committee.

PROCEDURE/PROTOCOL

1. Medi-Cal Program Certification and Recertification:
   Prior to certification and recertification BHRS Quality Management will ensure that the following screening has been conducted:

   - All Medi-Cal certified programs credentials are verified:
     a) National Provider Identifiers are verified at https://npiregistry.cms.hhs.gov/
     b) Any licenses that the program holds are verified.
     c) Office of Inspector General (OIG) and the Medi-Cal Suspended and Ineligible list are checked in the exclusion review at: http://files.medi-cal.ca.gov/pubsdoco/SandILanding.asp

d) All BHRS and contract staff credentials will be verified prior to certification and recertification as specified in Policies 98-05, 04-02, and 04-01.

Credentialing Contractor Agencies

Prior to contracting with a contractor agency the BHRS Contracts department will conduct a credentialing verification as follows:

1. Screening New Contracted Organizational Providers/Agencies:
   Prior to contracting, BHRS Contracts Department will ensure that the following screening has been conducted:
   - Agency's credentials are verified:
     e) National Provider Identifiers are verified at https://npiregistry.cms.hhs.gov/
     f) Any licenses that the agency holds are verified.
     g) Office of Inspector General (OIG) and the Medi-Cal Suspended and Ineligible list are checked in the exclusion review at: http://files.medi-cal.ca.gov/pubsdoco/SandILanding.asp
   - The agency will be required to provide a list of staff to be credentialed by Streamline Verify; this list will then be required to be submitted monthly to BHRS and will be checked as stated in policy, Compliance Policy for Funded Services Provided by Contracted Organizational Providers: 04-01.

2. Ongoing checks:
   - Monthly, an exclusion database check is conducted for all contracted agencies. This includes the Office of Inspector General (OIG), Medi-Cal Suspended and Ineligible Lists and the Medicare Exclusion list.

3. Screening Findings:
   - The contractor will not submit for reimbursement any services performed by the excluded individual and/or the agency and may not submit billing for an excluded individual and/or agency until any discrepancies are resolved and it is clear that the individual and/or agency is not and will not be excluded or debarred. If an individual and/or agency provides satisfactory evidence that they are not on the Office of Inspector General (OIG) and the Medi-Cal Suspended and Ineligible Lists and Medicare Exclusion lists, that individual and/or agency may be considered eligible for contract.
   - If an individual or agency is found to be excluded on a monthly review, BHRS will inform them that they must immediately stop providing services, and they shall not submit billings/claims to BHRS for reimbursement. Any claims

to Federal and State funds will be blocked and/or voided by BHRS program administration as necessary.

- No individual and/or agency will be contracted with if they appear on any exclusion list or if their NPI is not valid and up-to-date. Any agency and/or individual found to be out of compliance with regulatory and/or licensing requirements or on an exclusion list will be terminated.

Auditing, Monitoring, and Risk Assessment of Contractors

At the time of initial contracting, BHRS will identify the risk ranking assigned to the contractor which will be taken into consideration when developing the contractor's Audit Plan, as indicated below.

All contract agencies are required to complete a yearly attestation and submit that document to BHRS Contracts Unit at contract initiation and yearly thereafter (see attachment A).

Contractors will be designated as high risk based on audits or violations or non-compliance with policy. This rating is given on a case-by-case evaluation and will be determined based on client safety issues and documentation or billing irregularity.

The level of monitoring and auditing assigned to contractors is based on the rating given and the type of operation:

Ranking System:

Individual Providers in the provider network:

1. Will be subject to a compliance review at least every three years to be performed jointly by Quality Management staff and the contract monitor.

Managed Care Agencies:

1. Will be required to complete an annual compliance attestation and will be monitored in regularly scheduled oversight meetings with the BHRS contract monitor.
2. Will be subject to a compliance review at least every three years to be performed jointly by Quality Management staff and the contract monitor.

Mental Health System of Care Contractors and Substance Use Treatment Agencies:
All Drug Medi-Cal Organized Delivery System and System of Care Short-Doyle Medi-Cal contractors are designated as requiring regular reviews and will undergo the following:

1. Annual compliance attestation.
2. Will be monitored with regularly scheduled oversight meetings with the assigned BHRS contract monitor.
3. Will be subject to a compliance audit performed jointly by Internal Audit staff and the contract monitor.

4. When feasible, audits of high risk contractors will be performed on-site at the contractor's location.
5. Audits will include a review of 10% of medical records including all billed services for a three month period and supporting documentation.
6. Will undergo mandated site certification reviews conducted by BHRS staff as required by contract with DHCS and DMC.

The BHRS Contracts Unit:

- Distributes the annual compliance attestation and track receipt of the attestations, which highlight adherence to applicable policies and procedures.
- Escalates compliance findings to the Compliance Officer and Senior Management.
- Acts on instances of non-compliance concerning the contractors, including but not limited to the issuance of a Corrective Action Plan (CAP), mandating additional self-monitoring and reporting to be performed by the Contractors, and any request for documentation regarding non-compliance.

Auditing, Monitoring, and Risk Assessment of BHRS Owned and Operated Programs
The Quality Management Department produces an annual Audit Plan.

The Audit Plan may be given priority through input from the Compliance Officer, Compliance Committee and based on member impact, financial impact, or reputational impact.

The Compliance Officer identifies compliance risks to BHRS by reviewing, at a minimum:

- CMS and DHCS guidance relating to regulatory risks
- Audit findings from external reviewers (e.g., CMS, OIG, DHCS, DMC, etc.)
- Audit and monitoring findings from internal reviewers (e.g., departments; Internal Audit)
- New regulatory requirements
- New operational systems or practices
- CAPs and Plans of Correction from previous audits

The Audit Plan lists the specific BHRS program to be audited, objectives of the audit, frequency and exact month(s) that the audits are to take place.

Yearly chart audits will be conducted for Medi-Cal and Medicare charts. At least 10% of charts will be audited by independent contract chart auditors under the direction of Quality Management. Additional ongoing chart audits will be conducted to address risk areas.

The findings identified from an audit will be included in department monitoring and quality improvement efforts in order to discover the root cause of any findings and to implement measures to prevent those findings from recurring.

Reporting

A summary of contractor monitoring and auditing activities are included in the Compliance Report submitted to and approved by the Compliance and Delegation Oversight Committee at each scheduled meeting.

Approved: *Signature on File*
Scott Gruendl, MPA
Assistant Director
Compliance Officer

Approved: *Signature on File*
Dr. Jei Africa, PsyD, FACHE
BHRS Director

ANNUAL REVIEW OF COMPLIANCE POLICY			
Next Review Due:	June 2025		
Last Reviewed by:	Scott Gruendl, Compliance Officer	**Date:**	6/14/24