



## Overview

L.A. Care Health Plan (“L.A. Care”) contracts with healthcare providers (“Subcontractors”) to perform services and functions on behalf L.A. Care as part of their contractual agreements (“Agreement”). Subcontractors include, but are not limited to, other Managed Care Plans (“Plan Partners”), Specialty Health Plans, Vendors, and medical groups (“PPGs”).

- Plan Partners, Specialty Health Plans and Vendors obligations and duties are outlined in their Agreements, which contain a Delegated Activities section that specifies the specific functions the Subcontractor must perform for each delegated activity pursuant to the terms and conditions of the Agreement.
- PPGs are provided L.A. Care’s Delegation Manual (“Manual”), which contains guidelines and information on performance requirements, standards, and activities required to meet the regulatory, contractual, and operational requirements. This Manual outlines how L.A. Care delegates obligations and duties to PPGs.

All delegated activities are to be performed by Subcontractors in accordance with applicable federal and state regulations and guidelines as well as accreditation standards. Subcontractors are accountable for all services, activities, and functions delegated by L.A. Care and oversight of any sub-delegated activities and Downstream Subcontractors performing services on their behalf.

L.A. Care performs regular oversight of the Subcontractors’ performance to ensure adherence to regulatory, contractual, and operational requirements. Oversight activities include, but are not limited to:

- Annual Audits;
- Monitoring; and
- Regular Reporting.

If any deficiencies and noncompliance are identified, L.A. Care works with Subcontractors to assess and address any issues. Exigent or continual noncompliance may result in further escalation to include possible administrative and monetary sanctions. Issues of noncompliance will be escalated and discussed at the Delegation Oversight Committee.

## Annual Audits

Each year, L.A. Care conducts annual audits of Subcontractors regarding delegated functions to ensure compliance with applicable federal and state regulatory, contractual, and National



## Delegation Oversight Plan Summary

Committee for Quality Assurance (NCQA) accreditation requirements. It is L.A. Care's responsibility to ensure audits of delegates are properly executed, documented, and evidenced. As results of annual audits, Subcontractors are proactively alerted of performance improvement opportunities and compliance gaps.

### Monitoring

L.A. Care is responsible for maintaining a centralized, integrated, proactive internal and external performance monitoring program.

Collectively, this program uses quantitative and qualitative Key Performance Indicators ("KPIs") to systematically assess, track and trend, and report on performance against applicable requirements, quality standards, and policy targets. L.A. Care employs attestations to reinforce accountabilities and assure Subcontractor compliance with requirements that are not able to be assessed through evidence, such as the non-performance of prohibited actions.

### Regular Reporting

Subcontractors are contractually required to provide L.A. Care with specified reports to ensure that all regulatory requirements are met, and submissions to Regulatory Agencies are completed timely. To standardize these submissions, templates are provided, as necessary. L.A. Care requires each Subcontractor to adhere to the format outlined in the template, as well as the guidelines specified for submission of reports, data, and information. Deviations from the format or guidelines will require corrections to ensure regulatory submission are accurate and conform to the appropriate standards.

### Subcontractor Noncompliance

If a Subcontractor is found to be noncompliant through one of the delegation oversight mechanisms, L.A. Care has a process to assess and determine if the issue should be referred for corrective action and/or sanctions. Corrective Action Plans (CAPs) are required to address deficiencies and ensure that Subcontractors can meet or exceed the standards required to serve L.A. Care members. L.A. Care also has a progressive disciplinary process, including the issuance of notices of non-compliance up to referral for penalties through the Sanctions Committee.