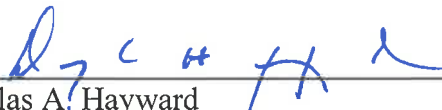




KERN HEALTH SYSTEMS

KERN HEALTH SYSTEMS					
POLICY AND PROCEDURES					
SUBJECT: Delegated Credentialing				POLICY #: 4.32-P	
DEPARTMENT: Provider Relations					
Effective Date: 11/15/2010	Review/Revised Date: 09/09/2019	DMHC	X	PAC	
		DHCS		QI/UM COMMITTEE	
		BOD		FINANCE COMMITTEE	



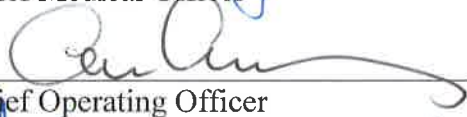
 Douglas A. Hayward
 Chief Executive Officer

Date 9/9/19



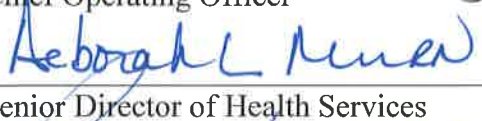
 Chief Medical Officer

Date 9/6/19



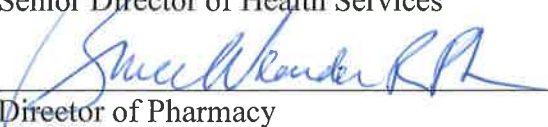
 Chief Operating Officer

Date 9/5/19



 Senior Director of Health Services

Date 9/4/19



 Director of Pharmacy

Date 8/30/19



 Director of Provider Relations

Date 8/27/19

POLICY¹:

Kern Health System (KHS) may delegate credentialing and re-credentialing responsibilities to qualified entities in accordance with the provisions of this policy. Each delegated entity shall sign a Delegated Credentialing Agreement (See Attachment A) which describes i) the responsibilities of KHS, ii) the responsibilities of the delegated entity, iii) the process for evaluation and oversight of the delegated entity's performance, and iv) other applicable criteria as outlined in this policy. The credentialing process will adhere to applicable state and federal law and the requirements of KHS' Medi-Cal contract with the State. A contracted practitioner must be credentialed to participate in KHS' health plan in order to treat KHS members. KHS will only delegate credentialing to Qualified Entities, as defined within this policy.

PURPOSE:

To outline the areas of responsibility, process, criteria used, potential disciplinary actions, and appeals for the delegated credentialing and re-credentialing of KHS practitioners. To ensure the delegated credentialing/re-credentialing process meets KHS' policies, and the standards set forth by applicable governing bodies including the Department of Health Services (DHCS), the Department of Managed Health Care (DMHC) and the National Committee for Quality Assurance (NCQA).

DEFINITIONS:

1. *Delegation*: The process whereby KHS gives another entity authority to perform certain functions on its behalf. While KHS may delegate the authority to perform a function, it cannot delegate the responsibility for assuring that the function is performed appropriately.
2. *Oversight*: The monitoring and directing of a set of activities in order to assess performance.
3. *Delegation Audit*: An annual evaluation of a delegate's capacity to perform delegated credentialing activities using KHS' policies and NCQA and other legal and regulatory standards as applicable.
4. *Qualified Entities*: Hospital based physicians and/or physician groups that provide physician services, that KHS has determined have the capability of performing all required delegated credentialing processes.
5. *Participating Practitioners*: Clinicians requesting participation with KHS through Qualified Entities. Participating practitioners include, but are not limited to: Doctors of Medicine or Osteopathy (MDs/DOs), Podiatrists (DPMs), Chiropractors (DCs), Behavioral Health Practitioners, Mid-Levels, and any other licensed independent practitioner with whom the delegated entity contracts or who provides care to KHS members.
6. *Credentials Committee*: The qualified entity's designated committee which is responsible for making recommendations regarding decisions about practitioners' credentials.

PROCEDURES:

1.0 DELEGATED CREDENTIALING PROCESS

Prior to entering into a Delegated Credentialing Agreement, KHS evaluates the capability of the delegated entity to perform the credentialing functions according to KHS standards, applicable state standards and those established by pertinent governing bodies including DHCS, DMHC and NCQA. The evaluation includes review of the following:

1. The delegated entity's credentialing criteria, policies, and procedures to assure they meet or exceed those of KHS' applicable state standards including those established by the National Committee for Quality Assurance (NCQA).
2. The delegated entity's quality assurance written plan and/or policies & procedures to assure that the entity's network panel is sufficient to provide accessibility, availability and continuity of the care covered by the health care services being delegated to this entity.
3. Minutes of the delegated entity's Credentials Committee meetings to verify critical review of the practitioners' credentials.
4. Five percent (5%) or twenty-five (25) of individual practitioners' credentialing files, whichever is less. A minimum of ten (10) initial credentialing files and (10) ten re-credentialing files are audited.
5. The pre-delegation assessment and evaluation may include a site visit, written review of the delegate's understanding of the standards and delegated tasks, staffing capacity, and

performance records. The pre-delegation evaluation may be accomplished through a site visit, the exchange of documents and/or through pre-delegation meetings.

6. If the GROUP is NCQA Accredited or the delegate possesses NCQA-Certification, KHS may use the accredited health plan audit results in its pre-delegation evaluation as an additional mechanism of ensuring the GROUP's credentialing program and quality assurance program meets or exceeds KHS' applicable state, federal standards including those established by the National Committee for Quality Assurance (NCQA). NCQA Accreditation or Certification is not the sole method for determining if the GROUP is deemed capable to complete the specific delegation functions (i.e., credentialing and recredentialing),
7. KHS must evaluate any changes to the delegation agreement, responsibilities and/or activities made by the GROUP prior to the implementation date.

2.0 COMMITTEE AND BOARD REVIEW

The KHS Physician Advisory Committee reviews the audit results. The recommendation of the Physician Advisory Committee is presented to the Board of Directors, and if delegated credentialing is approved, an agreement is executed between the parties outlining the responsibility of each and the specific activities that are delegated.

3.0 DELEGATED ENTITY'S RESPONSIBILITIES

Qualified entities shall conduct plan and practitioner reviews, including utilization review, quality assurance and peer review within the meaning of California Health and Safety Code Section 1370 *et seq.*, and California Evidence Code Section 1157. Pursuant to these obligations, qualified entities' responsibilities will include, but not be limited to, the following:

1. Accept applications, reapplications and attestations from the delegated entity's participating practitioners and collect all data elements from NCQA approved "primary sources".
2. Collect and verify the following practitioner credentials from "primary sources", as defined by NCQA, and document and date this verification in writing according to NCQA standards:
 - a. All current and valid Medical Licensure information
 - b. Drug Enforcement Administration (DEA) Certificate or Controlled Dangerous Substances (CDS), if applicable
 - c. Education and training
 - d. Work history
 - e. History of liability claims
 - f. Licensure sanction(s)
 - g. Medicare and Medicaid sanction(s)
3. Ensure the protected health information (PHI) of KHS members treated by participating practitioners remains protected. The delegated entity's credentialing policies and procedures must address the following:
 - a. allowable uses of PHI
 - b. safeguards to protect the information from inappropriate use or further disclosure
 - c. requirements to ensure sub-delegates have similar safeguards
 - d. how are individual practitioners are allowed access to their PHI
 - e. KHS will be informed within one business day if inappropriate use of PHI occurs
 - f. safeguards to ensure that PHI is returned, destroyed, or protected if the delegation agreement ends

4. Notify KHS of any changes to NCQA healthcare accreditation status within thirty (30) days of change notification.
5. Adhere to the following in accordance to KHS, NCQA and DHCS standards:
 - a. Ongoing review and evaluation of practitioner qualifications
 - b. Ongoing monitoring of practitioner sanctions, complaints and quality issues
 - c. Conducting site visits and medical record reviews
 - d. Conduct site visits of practitioners who reach member complaint threshold
 - e. Reporting of practitioner credentialing, re-credentialing, and demographic information to KHS' Provider Relations Department
 - f. Reporting of credentialing and re-credentialing decisions to KHS' Provider Relations Department
 - g. Maintaining written policies and procedures for credentialing and re-credentialing activities. KHS must be notified of all revisions to policies and procedures within fifteen (15) days of approval.
6. Responding to KHS' Corrective Action Plan (CAP) in a timely manner.
7. At a minimum of once a week, KHS must be notified in writing of any changes to practitioner logistics, scheduling, or contact information as required for compliance with California Health and Safety Code Section 1367.27
8. Submit practitioner data per DHCS Health Care Provider Directory (274) requirements to KHS on a monthly basis via file format.
9. Timely submission of requested credentialing documents during a KHS audit by a regulatory entity.
10. Sub-Delegation: Delegated entity shall obtain KHS approval prior to assigning or sub-delegating any delegated duties. Assignment or sub-delegation shall be void unless prior written approval is obtained from DHCS. If a delegated entity sub-delegates any or all of the delegated credentialing or re-credentialing functions to a third party, the delegated entity shall provide to KHS i) written description of the delegated activities, and ii) documentation of any sub-delegate oversight performed by delegated entity for KHS review.

4.0 KERN HEALTH SYSTEMS' RESPONSIBILITIES

1. Prior to delegation and annually thereafter, conduct a review and audit of the credentialing and re-credentialing activities to ensure that the delegated entity is in accordance with KHS approved policies and procedures, and established criteria. KHS will conduct an annual evaluation and audit of all delegates. The evaluation and audit will include a review of applicable credentialing & quality assurance policies and procedures related to the delegated function. If the delegate is NCQA accredited or possesses NCQA Certification, KHS may use the accredited health plan audit in its annual evaluation; however, the NCQA Accreditation or Certification is not the sole method for determining if the GROUP is deemed capable to complete the specific delegation functions (i.e., credentialing and recredentialing).
2. Results of KHS oversight audit shall be reported to the KHS PAC and BOD in writing including any corrective action plans, time period for correcting such deficiencies or re-audit if necessary. If any area of the credentialing/re-credentialing process is found to be out of compliance with NCQA guidelines and/or GROUP's credentialing policies and procedures approved by KHS, KHS may choose, in its sole discretion, to require a written corrective action plan (CAP) from GROUP and perform a follow-up review in sixty (60) days. If the GROUP does not implement corrective plan, or does not improve its

performance, or its performance is deemed inadequate by KHS in its sole discretion, KHS may implement additional methods to improve performance such as joint meetings, on-site audits, regular conference calls until deficiencies are resolved. KHS, in its sole discretion, may impose additional actions to revoke, terminate or amend the delegation agreement as necessary.

3. Notify the delegated entity in writing of any changes to KHS's credentialing and re-credentialing policy and/or outside regulatory requirements that impact the delegated entity's responsibilities.
4. Retain the authority to approve and to suspend, limit, or terminate the participation of any practitioner, who does not meet KHS' participation requirements or fails to comply with KHS' operating procedures.

KHS shall maintain ultimate responsibility for all delegated credentialing and re-credentialing activities. Notwithstanding any other provision of this policy, KHS retains the right to:

1. Approve a Practitioner or Practitioner location
2. Terminate or suspend a Practitioner from the KHS network
3. Overturn a Health Network Peer Review Body's credentialing or re-credentialing decision

5.0 DELEGATED ACTIVITIES FOR INITIAL CREDENTIALING

All practitioners must be qualified to participate in Medi-Cal in order to treat KHS members. Practitioners must not be excluded, suspended or ineligible from participation in the Medi-Cal or Medicare programs. Failure to meet Medi-Cal requirements may be cause for removal from KHS's network.

Credentialing activities must include collecting and verifying the following clinician credentials from "primary sources", as defined by NCQA and document and date this verification in writing according to NCQA standards:

1. Complete, signed and accurate practitioner application.
2. Hospital privileges must be valid, current, unrestricted and in good standing at a contracted hospital.
3. Valid, current unrestricted license for the appropriate scope of medical practice in the State of California.
4. Valid, current, unrestricted Drug Enforcement Administration Certificate or Controlled Dangerous Substances, when applicable.
5. Current and valid NPI.
6. Board Certification or eligibility, as applicable.
7. Professional work history for the most recent 5 year period. Absence of gaps in work history or CV that exceed six months must have verbal or written clarification from practitioner.
8. Current malpractice insurance with a minimum of \$1,000,000 per occurrence/\$3,000,000 aggregate.
9. National Practitioner Data Bank (NPDB) Query
10. History or disciplinary actions affecting applicant's professional license, DEA Certificate, or other required certification.
11. History of denial, suspension, restriction or termination of hospital privileges.
12. Review the following information for the most recent five (5) year period:
 - a. Any sanctions, exclusions imposed by regulatory agencies including Medicare/Medicaid,

- b. State sanctions, restrictions on licensure or limitations on scope of practice, and
 - c. Professional liability claims history, including civil judgments, criminal convictions, contract terminations, malpractice suits, arbitration and settlements.
13. Medicare Opt-Out list.
 14. Individuals and organizations debarred from participating in government contracts or receiving government benefits or financial assistance.
 15. Graduation from a medical/professional school or a degree in the appropriate medical curriculum and completion of residency/full training in the physician's practicing specialty in the United States.
 16. Current, signed attestation statement by the practitioner confirming the correctness and completeness of their application and must address the following:
 - a. Reasons for any inability to perform the essential functions of the position, with or without accommodation;
 - b. Lack of present use of illegal drugs;
 - c. History of loss or limitation of privileges or disciplinary action or negative license or privilege actions;
 - d. History of loss of license and felony convictions; and,
 - e. History of all past and present issues regarding loss or limitation of clinical privileges at all facilities or organizations with which a practitioner has had privileges.

6.0 DELEGATED ACTIVITIES FOR RE-CREDENTIALING

The delegated entity must formally re-credential its practitioners at least every three (3) years. The three-year period must be within 36 months of the last delegated entities last Credentialing Committee approval date.

Re-credentialing activities must include collecting and verifying the following clinician credentials from "primary sources", as defined by NCQA and document and date this verification in writing according to NCQA standards:

1. Complete, signed and accurate practitioner application;
2. Current state license;
3. Current and valid DEA and/or CDS, if applicable;
4. Board certification, if applicable;
5. Current and valid NPI;
6. Hospital privileges must be valid, current, unrestricted and in good standing at a contracted hospital;
7. Current malpractice insurance with a minimum of \$1,000,000 per occurrence/\$3,000,000 aggregate;
8. Current, signed attestation statement by the practitioner confirming the correctness and completeness of their application and must address the following:
 - a. Reasons for any inability to perform the essential functions of the position, with or without accommodation;
 - b. Lack of present use of illegal drugs;
 - c. History of loss or limitation of privileges or disciplinary action or negative license or privilege actions;
 - d. History of loss of license and felony convictions; and,
 - e. History of all past and present issues regarding loss or limitation of clinical privileges at all facilities or organizations with which a practitioner has had privileges.

9. Review the following information for the most recent three (3) year period:
 - a. Any sanctions, exclusions imposed by regulatory agencies including Medicare/Medicaid,
 - b. State sanctions, restrictions on licensure or limitations on scope of practice, and
 - c. Professional liability claims history, including civil judgements, criminal convictions, contract terminations, malpractice suits, arbitration and settlements.
10. Medicare Opt-Out list.
11. Individuals and organizations debarred from participating in government contracts or receiving government benefits or financial assistance.
12. Performance Monitoring of the following items:
 - a. Member complaints and grievances
 - b. Quality Improvement activities
 - c. Utilization Management activities
 - d. Member Satisfaction Survey Data

7.0 REPORTING REQUIREMENTS

The delegated entity will notify KHS's Provider Relations Department of the following:

1. A roster of newly approved practitioners within seven (7) days of approval by Credentialing Committee. The roster must include at a minimum, the specific data elements outlined below or use the standardized ICE roster format:
 - a. Last Name
 - b. First Name
 - c. Middle Name
 - d. Degree/Title
 - e. Gender
 - f. Practitioner Practice Addresses
 - g. Practitioner phone, fax, and email, if applicable
 - h. Social Security Number and Tax ID Number
 - i. Specialty and Sub-Specialty
 - j. All valid and current Medical License Numbers and expiration dates
 - k. Board Status and/or Certifications
 - l. DEA/CDS Number and expiration date
 - m. NPI Number
 - n. Languages Spoken
 - o. Date of Credentialing Committee and/or Peer Review Approval (credentialing effective date)
 - p. Modified credentialing terms, if applicable
2. On an ongoing basis, but at least semi-annually, submit a roster of contracted participating practitioners which includes at a minimum, the specific data elements outlined below or use the standardized ICE roster format:
 - a. Last Name
 - b. First Name
 - c. Middle Name
 - d. Degree/Title
 - e. All valid and current Medical License Numbers and expiration dates
 - f. Board Status and/or Certifications
 - g. Gender
 - h. Languages Spoken

- i. Practitioner Practice Addresses
 - j. Practitioner phone, fax, and email, if applicable
 - k. NPI and Tax ID Numbers
 - l. Specialty and Sub-Specialty
 - m. Credentialing Committee dates (initial and re-credentialing dates)
 - n. Modified credentialing terms, if applicable
3. Changes to its credentialing and re-credentialing policies and procedures, processes, delegation or sub-delegation, and criteria within thirty (30) days of the change.
 4. Submit thirty (30) days prior or upon notification any changes in the status of any of the delegated entity's participating practitioners, including, but not limited to terminations, resignations, or extended leave (more than 4 weeks), and changes in privileges.
 5. Notify within ten (10) days of becoming aware of significant changes in an individual practitioners credentialing or re-credentialing status, including, but not limited to, loss of hospital privileges, loss of restriction of any state license, loss of limit of DEA permit, ineligibility or exclusion from any federal program, or disciplinary action taken against a practitioner.

7.1 ONGOING MONITORING OF SANCTIONS, COMPLAINTS, and QUALITY ISSUES

The delegated entity must implement the following:

1. Process for monitoring practitioner sanctions, complaints and the occurrence of adverse events between re-credentialing cycles. The delegated entity must conduct on-going monitoring of all practitioners who fall within the scope of credentialing. The delegated entity must be fully compliant with KHS, NCQA, and DHCS and use approved current sources of sanction information.
2. Policies and procedures for on-going monitoring of practitioner sanctions, complaints and quality issues between re-credentialing cycles and takes appropriate action against practitioners when it identifies occurrence of poor quality. Delegated entity identifies and, when appropriate, acts on important quality and safety issues in a timely manner during the interval between formal credentialing.
3. Collect and evaluate ongoing monitoring information (OIG, Medi-Cal Suspended & Ineligible List, Medicare Opt-Out, etc.) and maintain current and accurate information about contracted participating practitioners.
4. Conduct site visits and medical record reviews as applicable under NCQA healthcare accreditation organization standards.

KHS retains the right, based on quality, facility site review, adverse events, criminal actions, or changes in privileges, accusations, and/or probation to close practitioners to new member assignment until such time the KHS Physician Advisory Committee determines otherwise.

7.2 CREDENTIALING DECISIONS

To ensure that a consistent and equitable process is used throughout the KHS network, the credentialing and re-credentialing policies of the delegated entity will adhere to at least the same qualification standard and participation terms and conditions set forth in KHS' Credentialing Policy and Procedure. The delegated entity's policy and procedures shall include the practitioner's right to appeal according to applicable laws. KHS will report all delegated credentialing and re-credentialing decisions to its Physician Advisory Committee,

within **thirty (30) days** receipt of the delegated entity's decisions for final action. KHS retains the right to approve or reject each individual practitioner and/or practitioner sites, and to terminate, suspend, and/or limit participation by any individual practitioner.

7.3 REPORTING TO REGULATORY AGENCIES

Each delegated entity must file a Section 805 with the Medical Board of California and a report to the National Practitioner Data Bank (NPDB) within three (3) business days after the effective date of the adverse action, if the action is reportable.

8.0 ONGOING OVERSIGHT AND RENEWAL OF DELEGATION AGREEMENT

1. The delegated entity agrees, upon delegation, to make available to KHS the credentialing and re-credentialing status on the delegated entity's participating practitioners, including credentialing data elements as well as documents and quarterly reports, as appropriate, using the standardized ICE form or another approved KHS format.
2. KHS annually evaluates the delegated entity's credentialing and quality assurance process to assure it continues to meet or exceed KHS' standards, applicable state standards and those established by NCQA. The evaluation includes review of the following:
 - a. The delegated entity's credentialing criteria, policies and procedures to assure they meet or exceed KHS' standards, applicable state standards and those established by NCQA.
 - b. The delegated entity's quality assurance written plan and/or policies & procedures to ensure that the entity's network panel is sufficient to provide accessibility, availability and continuity of the covered health care services being delegated to this entity
 - c. Minutes of the delegated entity's Credentials Committee meeting to verify critical review of the practitioner's credentials.
 - d. Five percent (5%) or fifty (50) of the individual practitioner's credentialing files, whichever is less. A minimum of ten (10) initial credentialing files and ten (10) re-credentialing files are audited. In lieu of KHS conducting its own file review, KHS may request results from the delegated entities annual ICE or NCQA reaccreditation audit results.
3. KHS annually evaluates the delegated entity enrollee/member experience survey process to validate and assess the GROUP's accessibility, availability and continuity of care including but not limited to information obtained through enrollee and provider surveys, enrollee grievances and appeals, and timely access to primary care & specialty appointments. The GROUP, will be required to submit quarterly reports to the plan regarding accessibility and availability to validate compliance and ensure GROUP's network of providers are sufficient to provide accessibility, availability and continuity of care of the covered health services.
4. The KHS Medical Director and/or designee and the Physician Advisory Committee review results of the annual audit. If deficiencies are found during the evaluation, KHS may choose to work with the delegated entity to develop a plan for improvement with specified time frames and actions to achieve KHS standards. If the improvement process is unsuccessful, KHS reserves the right to terminate the Delegated Credentialing Agreement.
5. Results of KHS' oversight audits may be reported to the delegated entity in

writing, including a corrective action plan (CAP) if deficiencies area noted. The delegated shall implement such a corrective action plan within the specified time period and shall permit a re-audit by KHS or its agent if requested. KHS may perform a follow-up review within sixty (60) days.

ATTACHMENTS:

- Attachment A – Delegated Credentialing Agreement

REFERENCE:

Revision 2019-08: Policy revised after review by DSR Health Law, minor revisions incorporated at the request of Alec Stone, Attorney.

¹ **Revision 2017-03:** Policy revised to incorporate requirements of adopted legislation SB 137. Policy submitted and approved by DMHC. **Revision 2012-11:** Attachment A revised. Only formatting changes applied to policy, no substantial changes. **Revision 2010-11:** Policy created by Provider Relations.

DELEGATED CREDENTIALING AGREEMENT

The Delegated Credentialing Agreement ("Agreement") is between Kern Health Systems ("KHS") and the undersigned health care provider organization ("GROUP"). The Agreement is effective when signed by KHS and GROUP and in effect until terminated in writing by either party pursuant to the terms of this Agreement. This Agreement is attached to and incorporated with the existing Provider Agreement, including all attachments and addenda thereto.

RECITALS

- A. KHS is licensed under the California Knox-Keene Health Care Service Plan Act of 1975 as a licensed health care service plan.
- B. GROUP is a peer review body within the meaning of California Business and Professions Code Section 805 and conducts plan and practitioner reviews, including utilization review, quality assurance and peer review within the meaning of California Health and Safety Code Section 1370 *et seq.*, and California Evidence Code Section 1157.
- C. KHS is willing to delegate to GROUP the performance of credentialing and re-credentialing of all practitioners of GROUP who provide services to members of KHS' Medi-Cal Plan. GROUP is able and willing to perform the credentialing and re-credentialing of practitioners pursuant to the terms of this Agreement and the National Committee for Quality Assurance (NCQA) standards.

Now, therefore, the parties agree to the following terms:

1. DELEGATION

- A. KHS hereby delegates the authority and responsibility for credentialing and re-credentialing of GROUP practitioners to GROUP.
- B. KHS retains absolute authority and accountability for exercising decisions on the qualifications of GROUP practitioners as it relates to KHS' acceptability of participation for providing services to members of KHS' Medi-Cal Plan.
- C. KHS reserves the right to terminate this Agreement upon written notice in its sole discretion.

2. GROUP'S RESPONSIBILITIES

- A. GROUP shall assume all risk and responsibility of ensuring that credentialing and re-credentialing complies with KHS' standards, monitoring, reporting and credentialing policies, as amended from time to time. GROUP shall comply with all applicable state and federal laws and regulations including but not limited to fraud waste and abuse. GROUP shall maintain any and all licenses, certificates, registration or permits required to perform credentialing and re-credentialing.
- B. On an ongoing basis, but at least semi-annually, GROUP shall provide KHS with a list of contracted GROUP practitioners, including, but not limited to name, title, specialty, committee date, board status, initial/re-credentialing status, and other additional information as may be required, per KHS 4.32-P Delegated Credentialing Policy – Section 7.0 Reporting Requirements.
- C. GROUP shall initially credential, and up to three years thereafter, re-credential all GROUP practitioners, in accordance with credentialing and re-credentialing policies and procedures, approved by KHS and which meet accreditation standards and requirements including, but not limited to NCQA. Annually, GROUP shall provide a copy of its credentialing and re-credentialing policies and procedures to KHS for consideration. Any revisions to the NCQA standards shall be deemed to be a mandated amendment to this Agreement.

- D. The GROUP shall conduct the following activities for all GROUP practitioners per NCQA requirements:
1. Accept credentialing and re-credentialing applications (including attestations) from the GROUP's practitioners.
 2. Collect and verify the following practitioner credentials from "primary sources," as defined by NCQA, and document and date this verification in writing according to NCQA standards:
 - a. All current and valid medical licensure information, including current and valid NPI.
 - b. Complete, signed and accurate practitioner application.
 - c. Hospital privileges must be valid, current, unrestricted and in good standing at a contracted hospital.
 - d. Valid, current unrestricted license for the appropriate scope of medical practice in the State of California.
 - e. Drug Enforcement Administration (DEA) Certificate or Controlled Dangerous Substances (CDS), if applicable
 - f. Education and training
 - g. Work history
 - h. History of liability claims
 - i. Licensure sanction(s)
 - j. Medicare and Medicaid sanction(s)
 3. Collect and evaluate ongoing monitoring information and maintain current and accurate information about the affiliated practitioners serving KHS' members.
 4. Conduct site visits and medical record keeping reviews as applicable under NCQA healthcare accreditation standards.
 5. Incorporate member satisfaction results (if available), member complaints, results of quality review, risk management and utilization management information (if available) into the re-credentialing process.
 6. Cooperate in the annual onsite review to be performed by KHS. Such review may include interviews of appropriate representatives of GROUP, review of credentialing policies and procedures and review of files relating to practitioners or a request for copies of required documentation. KHS may, at its sole discretion, choose to use the results of the annual Industry Collaborative Effort (ICE) audit or NCQA healthcare accreditation audit in lieu of conducting its own.
 7. GROUP shall implement and maintain policies and procedures that are designed to detect and prevent fraud, waste, and abuse.
 8. GROUP will notify KHS of any changes to its NCQA healthcare accreditation status within thirty (30) days of change notification.
 9. GROUP shall provide a roster of newly approved practitioners within seven (7) days of approval, and shall also notify KHS within thirty (30) days of any change in practitioner status. This includes but is not limited to terminations, resignations, changes in privileges, and changes in demographic information.
 10. GROUP shall notify KHS within ten (10) days of becoming aware of a significant change in a practitioner's credentialing or re-credentialing status, including but not limited to loss of hospital privileges, loss or restriction of any state license, loss or limit of DEA permit, ineligibility or exclusion from any federal program, or disciplinary action taken against a practitioner.
 11. GROUP shall comply with the privacy and security laws and regulations set forth in the Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH). Protected health information (PHI) shall be

used for credentialing and re-credentialing purposes only. All files will be kept in a locked cabinet or room and protected from inappropriate use or further disclosure.

12. GROUP must give individuals' access to their PHI upon request with appropriate notification to the delegated entity.
 13. GROUP will notify KHS if inappropriate use of PHI occurs within one business day discovery of same.
 14. GROUP will ensure that PHI is returned, destroyed or protected if this Agreement terminates.
 15. GROUP will notify KHS in writing no less than once a week of any changes to credentialed practitioner logistics, scheduling, or contact information as required by per Section 1367.26 of the California Health & Safety Code.
 16. GROUP will submit practitioner data per DHCS Health Care Provider Directory (274) requirements to KHS on a monthly basis via file format.
- E. GROUP acknowledges that it is KHS' responsibility to monitor GROUP's compliance with its credentialing policies and GROUP agrees to cooperate with KHS' monitoring of such compliance in accordance with the policies and procedures (4.32-P), including sections 7.1 and 8.0, as well as the attachment titled Medi-Cal Plan Program Requirements as attached to the Provider Agreement.
- F. GROUP shall file a Section 805 with the Medical Board of California and a report to the National Practitioner Data Bank (NPDB) within fifteen three (3) business days after the effective date of any adverse action against a practitioner if the action is reportable.

3. KHS RESPONSIBILITIES

- A. At the beginning of the term of this Agreement, KHS will conduct an initial onsite review of GROUP's credentialing and re-credentialing files and credentialing policies and procedures, and the GROUP's quality assurance written plan and/or policy & procedures to ensure GROUP's network of providers is sufficient to provide accessibility, availability, and continuity of the care covered by the health care services being delegated. Thereafter, an onsite review may be performed annually by KHS.

The pre-delegation assessment and evaluation may involve a site visit, written review of the delegate's understanding of the standards and delegated tasks, staffing capacity, and performance records. The pre-delegation evaluation may be accomplished through a site visit, the exchange of documents and/or through pre-delegation meetings.

If the GROUP is NCQA Accredited or the delegate possesses NCQA-Certification, KHS may use the accredited health plan audit results in its pre-delegation evaluation as an additional mechanism of ensuring the GROUP's credentialing program and quality assurance program meets or exceeds KHS' applicable state, federal standards including those established by the National Committee for Quality Assurance (NCQA). NCQA Accreditation or Certification is not the sole method for determining if the GROUP is deemed capable to complete the specific delegation functions (i.e., credentialing and recredentialing), KHS will submit the completed evaluation summary to the KHS Physician Advisory Committee (PAC) and Board of Directors for final approval.

KHS must evaluate any changes to the delegation agreement, responsibilities and/or activities made by the GROUP prior to the implementation date.

- B. Annual Audit and Evaluation of delegated entity:
KHS will conduct an annual evaluation and audit of all delegates. The evaluation and audit will include a review of applicable credentialing & quality assurance policies and procedures related to the delegated function. If the delegate is NCQA accredited or possesses NCQA

Certification, KHS may use the accredited health plan audit in its annual evaluation; ; however, the NCQA Accreditation or Certification is not the sole method for determining if the GROUP is deemed capable to complete the specific delegation functions (i.e., credentialing and recredentialing),

Results of KHS oversight audit shall be reported to the KHS PAC and BOD in writing including any corrective action plans, time period for correcting such deficiencies or re-audit if necessary. If any area of the credentialing/re-credentialing process is found to be out of compliance with NCQA guidelines and/or GROUP's credentialing policies and procedures approved by KHS, KHS may choose, in its sole discretion, to require a written corrective action plan (CAP) from GROUP and perform a follow-up review in sixty (60) days. If the GROUP does not implement corrective plan, or does not improve its performance, or its performance is deemed inadequate by KHS, KHS may implement additional methods to improve performance such as joint meetings, on-site audits, regular conference calls, and if applicable, financial sanctions until deficiencies are resolved. KHS may impose additional actions to revoke, terminate or amend the delegation agreement as necessary.

- C. In the event KHS amends its KHS 4.32-P Delegated Credentialing policy, including Section 7.0 Reporting Requirements, it shall provide GROUP notice of such amendments in accordance with Provider Agreement, specifically Section 11.02.
- D. KHS retains the sole right to accept, suspend, limit, or terminate individual practitioners and sites in where it has delegated decision-making or deny participation of any GROUP practitioner providing services to members of KHS' Medi-Cal Plan.

4. INFORMATION

- A. GROUP acknowledges and agrees to keep information gained during the credentialing process pertaining to practitioners strictly confidential. Except to the extent required by law or judicial process, without the express consent of KHS, neither GROUP nor its agents, employees or subcontractors shall not discuss, disclose, disseminate, divulge or publish any confidential information. Information gained during the credentialing or re-credentialing process shall be used by GROUP and its agent, employees, and subcontractors solely for the purpose of making a credentialing or re-credentialing determination. Such information shall not be used by GROUP in any manner in connection with practitioners' employment at GROUP including, but not limited to, any adverse action, discipline, termination, administrative actions or the filing of a Section 805 report to the Medical Board of California.

5. INDEMNIFICATION

- A. GROUP agrees to accept all responsibility for loss or damage to any person or entity, and shall hold harmless and indemnify KHS, its agents, officers, affiliates, practitioners, members and employees against any and all actions, claims, liability, loss, demands, damages or injury or expenses including, but not limited to, claims of practitioners' malpractice or services outside the scope of practice, arising out of or in any way resulting from GROUP, its agents, employees or subcontractors' performance of this Agreement, including, but not limited to any negligent acts, or omissions of GROUP, its agents, employees or subcontractors. Indemnity shall include damages, costs, expenses and attorneys' fees as incurred by KHS. Indemnification shall also extend to and include any administrative fines or penalties imposed on KHS as a result of the GROUP's conduct or misconduct. This indemnification provision will survive and remain in effect following termination of this Agreement.

6. TERMINATION

A. The term of this Agreement begins on the Effective Date and ends upon a written notice of termination by either party pursuant to the terms of this Section. KHS may terminate this Agreement with or without cause immediately upon written notice to GROUP. GROUP may terminate this Agreement with or without cause by providing ninety (90) days' notice to KHS.

7. NOTICES

A. Notices to the Parties in connection with the provisions of this Agreement shall be given by regular mail or overnight courier addressed as follows:

[insert name and address of each party]

8. MISCELLANEOUS

A. GROUP may not assign or sub-delegate any credentialing or re-credentialing rights or duties under this Agreement without the prior written consent of KHS, which may be withheld in the sole discretion of KHS. Any such attempted assignment or delegation without the prior written consent of KHS shall be null and void. If any sub-delegation of credentialing or re-credentialing occurs, the same responsibilities lie with the sub-delegate with respect to protected health information. Assignment or sub-delegation will be void unless prior written approval is obtained from DHCS.

B. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

C. Except as otherwise provided herein, this Agreement may be modified or amended by a written instrument executed by the parties hereto.

D. By their signatures below, each of the following represent that they have the authority to execute this Agreement and to bind the party on whose behalf the execution is made.

KERN HEALTH SYSTEMS

PROVIDER NAME

Signature

Signature

Douglas A. Hayward
Chief Executive Officer

Print Name: _____

Title: _____

Date: _____

Date: _____