



KERN HEALTH SYSTEMS POLICY AND PROCEDURES			
<b>Policy Title</b>	Delegated Credentialing	<b>Policy #</b>	23.10-P
<b>Policy Owner</b>	Quality Performance/Contracting	<b>Original Effective Date</b>	11/2010
<b>Revision Effective Date</b>	9/2025	<b>Approval Date</b>	11/13/2025
<b>Line of Business</b>	<input checked="" type="checkbox"/> Medi-Cal <input checked="" type="checkbox"/> Medicare <input type="checkbox"/> Corporate		

## I. PURPOSE

To outline the delegation guidelines and information for monitoring the credentialing and re-credentialing activities of practitioners and providers when authority to perform credentialing activities is delegated to another entity. To ensure the delegated credentialing/re-credentialing process meets Kern Health System (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), and Centers for Medicare and Medicaid Services (CMS). To standardize Delegate's submission templates and format outline to be used for reporting required practitioner data and information.

## II. POLICY

Kern Health System (KHS) may delegate credentialing activities 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:

1. The responsibilities of KHS,
2. The responsibilities of the delegated entity,
3. The process for evaluation and oversight of the delegated entity's performance,
4. Ensure the delegated entity has credentialing information integrity policies and procedures, audits credentialing information for inappropriate documentation and updates and implements corrective actions that address identified information integrity issues,
5. Other applicable criteria as outlined in "Attachment A, Delegation Agreement" including reporting requirement descriptions, format, frequency and how and to whom is reported.

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.

### III. DEFINITIONS

TERMS	DEFINITIONS
CMS	Centers for Medicare and Medicaid Services
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.
DHCS	Department of Health Care Services
Oversight	The monitoring and directing of a set of activities in order to assess performance.
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.
Delegated Entities	Hospital based physicians and/or physician groups (Group) that provide physician services, that KHS has determined have the capability of performing all required delegated credentialing processes.
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), Doctor of Podiatric Medicine (DPMs), Doctor of Chiropractic (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.
Credentials Committee	The qualified entity's designated committee which is responsible for making recommendations regarding decisions about practitioners' credentials.

### IV. PROCEDURES

#### A. 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 CMS, 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. Minutes of the delegated entity's Credentials Committee meetings to verify critical review of the practitioners' credentials.

3. 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.
4. If the Delegated Entity 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 Delegated Entity'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),
5. KHS must evaluate any changes to the delegation agreement, responsibilities and/or activities made by the Delegated Entity prior to the implementation date. Prior written approval must be received from KHS prior to sub-delegating any activity. The delegate will oversee the work performed by the sub-delegate, as outlined in the Exhibit/Agreement. Failure on the part of the delegate to oversee any sub-delegated activity may result in termination of the delegation agreement with KHS.
  - a. KHS will conduct, at a minimum, an annual due-diligence oversight review of delegates' credentialing and recredentialing activities to include policies, procedures, file review and minutes from the credentialing committee. KHS has partnered with the Healthcare Industry Collaboration Effort ("HICE") and will accept audit results approved by HICE in lieu of conducting its own review. KHS reserves the right to conduct their own review during annual oversight, and if chosen, a file review may include one of the following methods: Five percent (5%) or fifty (50) of its files, whichever is less, to ensure that information is verified appropriately (sample should include at minimum ten (10) credentialing files and ten (10) recredentialing files; if fewer than ten (10) practitioners were credentialed or recredentialed since the last annual audit, the organization audits the universe of files rather than a sample).
  - b. NCQA eight (8)/ thirty (30) methodology
6. KHS will also include a review of the GROUP's credentialing policy and procedures including the policy for credentialing information integrity as required by NCQA Credentialing Standards 2025 CR- eight (8) Element A,. KHS will ensure the Group is compliant with CR- eight (8) Element B pertaining to "Information Integrity Training", Element C pertaining to evidence of "Information Integrity Training" and Element D pertaining to "Information Integrity Improvement Action".
7. The annual evaluation may be conducted on-site, telephone consultation, virtual/remote review and/or desk-top documentation review.
8. Summary of the annual delegation review is recorded on the KHS Delegation Oversight Audit Summary Report which is presented to the KHS Physician Advisory Committee for review and approval.

## **B. COMMITTEE AND BOARD REVIEW**

The KHS Physician Advisory Committee (PAC) 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.

KHS may delegate to a separate entity all of the credentialing/recredentialing responsibilities or a portion of that process, such as primary source verification and maintenance of credentialing and recredentialing files.

KHS retains the right to approve, suspend, and terminate individual practitioners, providers, and sites. The PAC bases the delegation decision on quality of services, experience, and availability of resources.

The credentialing delegate agrees that it will not sub-delegate delegated activities without prior written approval from KHS. Functions, which the delegate, directly or indirectly, delegates to a delegated third party, shall be in writing. The credentialing delegate acknowledges that the delegated third party will be limited to performing only those functions set forth and delegated in accordance with the agreement with such delegated third party, using standards approved by KHS and that are in compliance with applicable State, Federal laws and NCQA Credentialing Standards.

## **C. WRITTEN DELEGATION AGREEMENT**

A mutually agree upon written document (Attachment A), signed by both parties, serves as the delegation agreement (Exhibit A) of the contracted entity. The agreement includes, but is not limited to, the following elements:

1. Describes the delegated activities and responsibilities of KHS and the Delegate Entity or Group
2. Includes detailed language of specific credentialing activities being delegated which may include any or all of the following:
  - a. Maintenance of credentialing committee activities
  - b. Initial credentialing process for practitioners and/or providers
  - c. Primary source verification process
  - d. Ongoing monitoring of license and sanctions
  - e. Recredentialing process for practitioners and/or providers
  - f. Initial Site Visit Process, if required or delegated
  - g. Credentialing appeals process
  - h. Appropriate reporting to authorities
  - i. Decision making process
  - j. Credentialing Information Integrity
3. Frequency, type of reporting, including semi-annual reporting describing:
  - a. Information reported/activities delegated
  - b. How and to whom information is reported
4. The process by which KHS evaluates the delegate's performance, including adherence to

CMS regulations and quarterly reporting of the delegated entity to KHS.

5. KHS retained right, based on quality issues, to approve, suspend, and terminate individual practitioners, providers and sites in situations where it has delegated decision making.
6. Statement of consequences and corrective action process if the delegate fails to meet the terms of the agreement, up to and including revocation of the delegation agreement.

#### **D. 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. Delegation requirements will include, but not be limited to, the following:

1. Delegate has a minimum of fifty (50) providers that fall in the scope of credentialing. Less than fifty (50) providers will be at the full discretion of KHS upon review and consideration of the pre-delegation audit.
2. Delegate has a credentialing program that has been in place for at least twelve (12) consecutive months and determined to have the capacity to meet NCQA requirements before delegation begins.
3. Delegate has credentialed their entire network of providers.
4. Delegate has held at least three (3) credentialing committee meetings.
5. Verification of potential Delegated Entity's accreditation or certification by NCQA.
6. Non-NCQA accredited or certified potential Delegated Entities must have ability to meet KHS credentialing standards including but not limited to: Credentialing and Recredentialing Policies and procedures, credentialing and recredentialing application and attestations, Credentialing System Controls Policy and reports, and other relevant credentialing and recredentialing documents or files, including those related to suspension and/or restrictions, fair hearing and appeals process, termination and notification to authorities, confidentiality, and non-discriminatory credentialing process.
7. 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
8. Notify KHS of any changes to NCQA healthcare accreditation status within thirty (30)

days of change notification.

9. Process for monitoring practitioner sanctions, complaints and the occurrence of adverse events at least monthly and in-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. Delegated entity's credentialing/peer review body minutes will include the sanction/complaints/adverse events that are reportable and were reviewed and actions or appropriate interventions taken.
10. 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.
11. Collect and evaluate, at least monthly (every thirty (30)-days) ongoing monitoring information from the Office of Inspector General (OIG), Medi-Cal Suspended & Ineligible List, Medicare Opt-Out, etc.) and maintain current and accurate information about contracted participating practitioners using monitoring logs/spreadsheet for review for expiration and must include: Name of Board, date of query, date of report and signature/initials of staff reviewing report. Additionally, the delegated entity will include documentation of license expiration in the credentialing files and/or system and monitors licenses that will expire.
12. Conduct site visits and medical record reviews as applicable under NCQA healthcare accreditation organization standards.

## **E. 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.
5. 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:
  - a. Approve a Practitioner or Practitioner location
  - b. Terminate or suspend a Practitioner from the KHS network
  - c. Overturn a Health Network Peer Review Body's credentialing or re-credentialing decision

#### **F. 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. Current valid license to practice healthcare in California
2. Current privileges in good standing or coverage arrangements, as applicable
3. Current valid unrestricted Drug Enforcement Agency (DEA) or Controlled Dangerous Substance (CDS) Certificate or appropriate waiver in California
4. Current board certification in the appropriate specialty, if applicable
5. Education and training in practicing specialty, if not board certified
6. Five years of work history with documentation of gaps greater than six months
7. Current professional liability insurance within KHS approved limits
8. Review of Medicare/Medi-Cal Sanction Activities

9. Review of the Medicare Opt-Out Report
10. Site visit process, if applicable
11. Ongoing monitoring of sanction activities including Medicare/Medi-Cal, state licensure, Medicare Opt Out, as applicable. Reports must be reviewed at least monthly (every thirty (30) -days).
12. State and/or Medi-Cal Requirements as applicable
13. 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;
  - e. Current malpractice insurance coverage
  - f. Practitioner race, ethnicity and languages (voluntarily),
  - g. Current and signed attestation confirming the correctness and completeness of the application.

## **G. DELEGATED ACTIVITIES FOR RE-CREDENTIALING**

The delegated entity must formally re-credential its practitioners at least every thirty-six (36) months. The three-year period must be within thirty-six (36) months of the last delegated entities last Credentialing Committee approval date. As part of the recredentialing process, all credentialing information must be reverified except for work history, education, and training.

1. Performance Monitoring of the following items:
  - a. Member complaints and grievances
  - b. Quality Improvement activities
  - c. Utilization Management activities, if applicable

## **H. REPORTING REQUIREMENTS**

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

1. A monthly roster of newly approved practitioners. The roster must include at a minimum, the specific data elements outlined below or use the standardized Industry Collaborative Effective (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 Identity document (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. Drug Enforcement Agency (DEA)/Controlled Dangerous Substances (CDS) Number and expiration date
  - m. National Provider Identifier (NPI) Number
  - n. Practitioner race, ethnicity and languages
  - o. Date of Credentialing Committee and/or Peer Review Approval (credentialing effective date)
  - p. Modified credentialing terms, if applicable
2. Quarterly, Delegated entity will submit the Healthcare Industry Collaboration Effort (HICE) Quarterly Credentialing Submission Form and Roster of providers credentialed, recredentialed and terminated providers and credentialing activities, during the specified reporting period.
  3. At least semi-annually, submission of 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
  4. Changes to its credentialing and re-credentialing policies and procedures, processes, delegation or sub-delegation, and criteria within thirty (30) days of the change.
  5. 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 four (4) weeks), and changes in privileges.
  6. 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. Should the Delegated Entity file a Section 805 with the Medical Board of California and a report to the National Practitioner Data Bank (NPDB) within fifteen (15) business days after the effective date of any adverse action against a practitioner, the Delegated Entity will notify KHS within fifteen (15)-days business days.

## **I. 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.

## **J. 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 Date Bank (NPDB) within three (3) business days after the effective date of the adverse action, if the action is reportable.

## **K. REVOCATION AND RESUMPTION OF DELEGATED FUNCTIONS:**

1. KHS, in its sole discretion, reserves the right to revoke any or all of the Delegated Functions at any time if it is determined that Delegated Functions are not being performed in accordance with the terms of this Exhibit, the Agreement, the Delegation Grid, all Applicable Requirements, and NCQA standards.
2. Upon notice to GROUP that any or all Delegated Functions are revoked, KHS will work with GROUP to transition revoked Delegated Functions to KHS. The resumption of revoked Delegated Functions will be at the sole discretion of KHS and may require a new Delegation Grid mutually agreed to and executed by the parties.
3. In the event of revocation of Delegated Functions by KHS, or termination of this Delegation Agreement by either party, GROUP will use best efforts to facilitate KHS's resumption of Delegated Functions, including to the extent applicable, assisting with the transition of Members' care.
4. Notwithstanding KHS's ability to revoke delegated functions, GROUP's failure to perform the Delegated Functions or respond to any corrective action plan shall be considered a material breach of this Delegation Agreement.

5. The resumption of revoked Delegated Functions will be at the sole discretion of KHS. If KHS determines GROUP may resume some or all Delegated Functions, a new Delegation Grid will be mutually agreed to and executed by the parties.
6. KHS retains the right to approve, suspend and terminate individual practitioners for which KHS has delegated decision-making or deny participation of any Group practitioner provider services to Members of KHS' Medi-Cal Managed Care Health Plan.

## V. ATTACHMENTS

Attachment A:	Delegated Credentialing Agreement (Exhibit and Attachment Grid)
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## VI. REFERENCES

Reference Type	Specific Reference
Other	NCQA Accreditation Credentialing Standards 2025
Other	California Health and Safety Code Section 1370
Other	California Evidence Code Section 1157

## VII. REVISION HISTORY

Action	Date	Brief Description of Updates	Author
Revised	09/2025	Revised policy to include new NCQA Standards that became effective 7/1/2025 pertaining to Delegates credentialing policies, verifications, ongoing monitoring, new credentialing information integrity (standards, audit, training and analysis) and delegation of credentialing.	Yolanda Herrera
Revised	09-2024	Revised policy entirely to align with NCQA Delegated Credentialing Standards CR.8 and New Delegated Credentialing Agreement Exhibit with outlined responsibility grid. P&P Renumbered from 4.32-P to Quality Performance 23.10-P Exhibit/Attachment A- Delegation Agreement is a new template approved by KHS Compliance, DSR Health Law and TMG Consultants.	Yolanda Herrera
Revised	08-2019	Policy revised after review by DSR Health Law, minor revisions incorporated at the request of Alec Stone, Attorney	Yolanda Herrera
Revised	03-2017	Policy revised to incorporate requirements of adopted legislation SB 137. Policy submitted and approved by DMHC	Unknown

Revised	11-2012	Attachment A revised. Only formatting changes applied to policy, no substantial changes.	Unknown
Effective	11-2010	Policy created by Provider Relations	Yolanda Herrera

## VIII. APPROVALS

<b>Committees   Board</b> (if applicable)	<b>Date Reviewed</b>	<b>Date Approved</b>
Physician Advisory Committee (PAC)	9/10/2025	
Board of Directors (BOD)	10/23/2025	
Physician Advisory Committee (PAC)		10/2/2024
Board of Directors (BOD)		10/17/2024

<b>Regulatory Agencies</b> (if applicable)	<b>Date Reviewed</b>	<b>Date Approved</b>
Department of Health Care Services (DHCS)	11/01/2024, Post OR R.0025	12/9/2024
Department of Health Care Services (DHCS)	12/19/2022, 2024 OR R.0045	2/6/2023
Department of Health Care Services (DHCS)	9/12/2022, 2024 OR R.0025	9/30/2022
Department of Managed Health Care (DMHC)	Revision 2017-03 revised to incorporate requirements of adopted legislation SB 137. Policy submitted and approved by DMHC.	