

Vendor and Delegate Oversight Policy



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Contact: Mina Stier

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POLICY: It is the policy of Verisys (the “Organization”) to oversee its vendors’ and delegates’ compliance with state, federal, regulatory, contractual, and/or accreditation requirements. This policy documents the Organization’s vendor performance oversight plan.

SCOPE: This policy applies to vendors and delegated entities requiring oversight in accordance with the requirements described in the procedures.

Verisys delegates Site Visits in accordance with customer agreements. Verisys uses contract labor and staffing augmentation to support resource model demands.

The vendors in scope of this policy will be determined by the Compliance Committee.

For ease of reading only, the terms “vendor”, “delegated entity” and “delegate” will be used interchangeably.

PROCEDURE:

1. Written Agreement

- a. The Organization will have a mutually agreed upon written agreement with the delegated entity.
- b. The document will describe the vendor, the delegated activities, and the responsibilities in scope for the vendor, and the responsibilities of the Organization.
- c. The agreement will require that services will be performed in accordance with the Organization's requirements and accreditation standards to include affiliated programs with NCQA and URAC.
- d. The agreement will require the delegate to notify the Organization of any material change in the delegate’s ability to perform its delegated functions.
- e. The vendor agreement will require at least semiannual reporting.
- f. The agreement will allow for the Organization to conduct surveys of the delegate as needed.
- g. The agreement will describe remedies available to the Organization if the vendor does not fulfill the obligations defined in the contract, up to and including revocation of the delegation agreement.
- h. The delegation agreement will specify the circumstances under which activities may be further delegated by the vendor, including any requirements for obtaining permission from the Organization before any further delegation.
- i. In the event the vendor further delegates organizational functions, those functions shall be subject to the terms of the delegation agreement between the

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vendor and the Organization and in accordance with applicable accreditation standards.

- j. In the event the client delegation agreement includes rendering credentialing decisions, and in the event of further delegation (sub-delegation), the written sub-delegation agreement will stipulate that the Organization retains the right to approve, suspend and terminate individual practitioners, providers, and sites, even if the Organization sub-delegates decision making.

2. Pre-delegation:

- a. For new delegation agreements, the Organization will evaluate a delegate's capacity to meet the business objectives while adhering to state, federal, regulatory, contractual, and applicable accreditation requirements.
- b. The Organization will employ a systematic process to evaluate the delegate that will include established criteria to assess the contractor's written policies and documented procedures, assess the vendor's understanding of the accreditation standards and the delegated tasks, and consider staffing capabilities and performance records.
- c. The evaluation process will include collecting data, evaluating the data against pre-defined criteria, applying a scoring methodology, and presenting the findings to leadership.
- d. Should deficiencies be identified, the Organization may elect to terminate the applicable agreement or require the deficiency be mitigated through a formal corrective action plan.
- e. Pre-delegation assessment does not require an on-site vendor visit as standard criteria, but the Organization reserves the right to conduct an on-site visit, as well as establish any other specific criteria based on the specific business needs in defining the evaluation criteria.
- f. The Organization will notify customers of new delegation arrangements when applicable to the services provided and in accordance with the customer agreement.

3. Monitoring:

- a. The Organization will establish and implement an oversight program for each vendor with delegated functions.
- b. The Organization retains accountability for the functions performed by delegates and/or vendors.

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- c. The Organization will perform periodic oversight of the quality of performance and ongoing compliance with pertinent accreditation standards.
- d. The Organization will hold a vendor oversight committee as needed and no less than twice a year that will include:
 - i. Review of written policies and procedures (at least annually).
 - ii. Compliance with contractual requirements (ongoing).
 - iii. Compliance with policies and procedures (at least annually).
 - iv. Monitoring of financial incentives to ensure quality of service is not compromised (at least annually).
 - v. Review of documentation of quality activities (at least semi-annually).
- e. For delegation agreements in effect for 12 months or longer, the Organization will:
 - i. Annually review the Delegate's credentialing policies and procedures
 - ii. Annually audit the Delegate's credentialing and recredentialing files against NCQA standards (required for each year the delegation has been in effect)
 - iii. Annually evaluate the Delegate performance against NCQA standards for delegated activities.
 - iv. Semi -annually evaluate regular reports as applicable to the Delegation Agreement
 - v. Annually monitor the Delegate's credentialing system security controls to ensure that the Delegate is monitoring (its own) compliance with the delegation agreement or with the delegate's (credentialing system controls) policies and procedures
 - Annually act on findings from the above for each Delegate and implement a quarterly monitoring process until each Delegate demonstrates improvement for one finding over three consecutive quarters
 - vi. For delegation arrangements that have been in effect for more than 12 months, at least once in each of the past 2 years, the organization will monitor the Delegate has identified and followed up on opportunities for improvement, if applicable.
- f. The performance measurement scale will be based on the following compliance ratings:
 - i. Pass (1)
 - ii. Pass with recommended corrective actions (2)

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- iii. Insufficient, continued delegation not recommended (3)

DEFINITIONS:

Vendor: a person or company that supplies goods or services to a business

Delegated Entities: an organization that is contracted to perform functions that would otherwise be the contractual responsibility of the organization to perform

Delegation: a business relationship between the organization and another entity, through a mutual agreement or contract, to perform specific activities that would otherwise be the responsibility of the organization to deliver

Delegate: an entity who receives the authority to act on an organization's behalf, but the organization remains accountable

AFFILIATE PROCESSES/DOCUMENTS:

Corporate Governance Policy

REVISIONS LOG

Approval Date	Change Summary	Reason for Change
06.29.2016	Policy Created	Compliance
01.30.2017	Annual Review - Template Modification	Compliance
06.27.2017	Annual Review - no change	Compliance
05.16.2018	Annual Review – no change	Compliance
07.17.2018	Amended Monitoring section to align with URAC standard revision.	URAC standards change
06.14.2019	Updated references to accreditation standards; added detail regarding Aperture providing notification to clients about new delegation arrangements.	Compliance, Clarification
06.17.2020	Annual Review	Updated title (previously was from Vendor Oversight)
06.17.2021	Annual Review - removed reference to quarterly meetings.	Aligned with schedule
11.18.2021	Annual Review - updated template and branding	Compliance

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08.18.2022	Annual Review – updated language for NCQA Credentialing System Security Controls standards	Compliance
03.16.2023	Updated to include language to address NCQA CR 8 A (5). Added bullet j, in Section 1.	Compliance

REFERENCES

Source	Citation
URAC Standards	Core 6, 7, 8 and 9
NCQA Standards	CVO 15: Delegation of CVO CR 8: Delegation of CR