

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Exhibit J: Delegation Reporting and Compliance Plan

This Exhibit contains instructions and templates for Contractor to make submissions to DHCS per the requirements set forth in Exhibit A, Attachment III, Subsection 3.1.3 (*Contractor's Duty to Disclose All Delegated Relationships and to Submit Delegation Reporting and Compliance Plan*). As with all Exhibits to the Contract, Exhibit J is a part of this Contract and the reporting requirements in this Exhibit J and the use of the prescribed template are binding and enforceable contractual obligations under this Contract. Contractor must complete Exhibit J for each county in which they operate.

Template A: Delegation Function Matrix

Instructions: Complete *Table A1: Delegation Function Matrix – For Subcontractor* for all functions that are delegated through applicable Subcontractor Agreements. Contractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Use additional pages of Table A1 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Contractor Name: Blue Shield of California Promise Health Plan

Applicable County: San Diego

Compliance Officer: Yasamin Hafid

Compliance Contact Information: Email: Yasamin.Hafid@blueshieldca.com; Office Phone: (310) 908-1487

- 1. Subcontractor Name:** Name of the Subcontractor with whom Contractor has a Subcontractor Agreement
- 2. Type of Subcontractor:** Fully Delegated Subcontractor, Partially Delegated Subcontractor, Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Contractor is delegating to Subcontractor. In the case of a Fully Delegated Subcontractor, this may be “all delegable functions.”
- 4. Address:** The address for location of the performance of Subcontractor’s functions

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

5. **Contact Info:** Name and contact information for each of Subcontractor's key personnel who is responsible for ensuring compliance.
6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Subcontractor if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A1: Delegation Function Matrix—For Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Contact Info (4)	(5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)
Family Health Centers of San Diego	Administrative	Credentialing	823 Gateway Center Way San Diego, CA 92102	Xochilt Gutierrez Sr. Credentialing Coordinator xochiltg@fhcsd.org (619) 906-4623		
Integrated Health Partners	Partially Delegated	Claims Credentialing UM	1 5301 Ventura Blvd, Bldg. D # 200, Sherman Oaks, CA 91403	Claims: Erica Tate MedPOINT - etate@medpointmanagement.com & Anne Rohr, Compliance Officer arohr@medpointmanagement.com (818)702-0100 Ext 1247		

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Contact Info (4)	(5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)
				Credentialing: Nicole Armstrong Lead Credentialing Audit and Oversight narmstrong@medpointmanagement.com (818) 702-0100 ext. 1329 UM: Anne Rohr, Compliance Officer arohr@medpointmanagement.com (818) 702-0100 Ext 1247		

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Contact Info (4)	(5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)
Community Care IPA	Partially Delegated	Claims Credentialing UM	Claims: 15301 Ventura Blvd, # 200, Sherman Oaks, CA 91403 UM: 6400 Canoga Ave, Ste 163, Woodland Hills, CA 91367	Claims: Erica Tate MedPOINT - etate@medpointmanagement.com Credentialing: Nicole Armstrong Narmstrong@medpointmanagement.com (818)702-0100 Ext 236. UM: Anne Rohr, Compliance Officer arohr@medpointmanagement.com (818)702-0100 Ext 1247.		

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Contact Info (4)	(5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)
<p>Rady's Children's Specialists of San Diego, A Medical Foundation / Rady Children's Health Network (RCHN)</p>	<p>Partially Delegated</p>	<p>Claims Credentialing UM</p>	<p>Claims/Credentialing/UM: Rady Children's Health Network, 5855 Copley Drive, Suite 100, San Diego, CA 92111</p> <p>Credentialing: Rady Children's Specialist of San Diego, 3020 Children's Way, San Diego, CA 92123</p>	<p>Claims: Loni Chun Inchun@rchsd.org</p> <p>RCHN) Credentialing: Sokhom Taun, Lead Medical Staff staun@rchsd.org (858) 502-1135</p> <p>Credentialing Sokhom Taun staun@rchsd.org (858) 502-1135</p> <p>(RCSSD) Credentialing Starr Brown</p>		

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Contact Info (4)	(5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)
				KBrown3@rchsd.org 858-309-6290 Ext. 241111 UM: Katie Coleman, Director of UM Operations & Member Services KColeman@rchsd.org (858)634-4963		
Prospect San Diego	Partially Delegated	Claims Credentialing UM	Claims/Credentialing/UM: 600 City Parkway West, Suite 800, Orange, CA 92867	Claims: Debbie Ramirez Debbie.Ramirez@prospectmedical.com Credentialing Richard Montalvo		

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Contact Info (4)	(5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)
				Credentialing & PIM Quality Assurance Auditor Richard.Montalvo@prospectmedical.com (626)435-7252 UM: Rosa Catalano, Senior VP Healthcare Services Rosa.Catalano@prospectmedical.com (714)796-5741		
Imperial Health Holdings Medical Group-SD	Partially Delegated	Claims Credentialing UM	Claims/Credentialing/UM: 1100 E Green St, Pasadena, CA 91106	Claims: Paveljit Bindra, MD pbindra@imperialhealthholdings.com Credentialing		

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Contact Info (4)	(5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)
				Zarinah Reed Credentialing Manager zarinah.reed@imperialhealthholdings.com (626)838-5100 Ext. 601 UM: Erica Ruiz, Compliance Officer Eruiz@imperialhealthplan.com (562)239-5675		
Planned Parenthood of the Pacific Southwest	Administrative	Credentialing	1075 Camino del Rio S., San Diego, CA 92107	Leslie Chase, Clinical Services Project Coordinator LChase1@planned.com		

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Contact Info (4)	(5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)
Teladoc Health Medical Group, P.A.	Administrative	Credentialing	945 Lakepointe Drive Lewisville, TX 75057	Melinda Mann, Director, Provider Operations Contracting mmann@teladochealth.com (617) 963-1163		
UCSD Medical Group	Administrative	Credentialing	1450 Frazee Rd., Ste 400 San Diego, CA 92108	Fabiana Ferlita, COCS Project Specialist fferlita@health.ucsd.edu and ucsd-medstaffadmin@health.ucsd.edu (619) 543-6010		
American Specialty Health Plan	Administrative	Claims Credentialing	Claims/Credentialing/UM: American	Claims: Arthur Teodosio,		

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Contact Info (4)	(5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)
			Specialty Health, 10221 Wateridge Circle, San Diego, CA 92121	Delegation Support Manager ArthurT@ashn.com (619) 746-7561 Credentialing Arthur Teodosio, Delegation Support Manager ArthurT@ashn.com (619) 746-7561 UM: Frank Greenwood, Manager of Delegation Support		

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Contact Info (4)	(5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)
				frankg@ashn.com (800) 848-3555 ext. 3772		
VSP Vision Care	Administrative	Claims Credentialing	Claims/ Credentialin g3333 Quality Drive, Ranch Cordova, CA 95670	Claims: Lacky Adkins Senior Account Manager, Health & Government Markets lacky.adkins@vsp.com 916-851-4466 Credentialing Lacky Adkins Senior Account Manager, Health & Government Markets		

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Contact Info (4)	(5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)
				lucky.adkins@vsp.com 916-851-4466		
CAQH: Council for Affordable Quality Healthcare	Administrative	Credentialing/ Recredentialing	2020 K Street, NW Suite 900 Washington D.C. 20006	Veronica Neff vneff@caqh.org 202-517-0374		
Psychiatric Alternatives and Wellness Center	Administrative	Credentialing	3609 Sacramento St, San Francisco, CA 94118	Rachel Lansman Manager of Contracting Rlansman@psyciaticalternatives.com 415-237-0377		

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete Table A2 Delegation Function Matrix—Downstream Subcontractors for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Family Health Centers of San Diego

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Xochiti Gutierrez

Subcontractor Key Personnel Contact Information: xochitl@fhcsd.org

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractor Name: Family Health Centers of San Diego

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Xochiti Gutierrez

Subcontractor Key Personnel Contact Information: xochitl@fhcsd.org

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative,

Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Family Health Centers of San Diego to support Blue Shield Promise in the delivery of services for Medi-Cal members. As a Federally Qualified Health Center (FQHC) they serve as a critical safety net provider and serve a large percentage of our members. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this delegation arrangement:

- Credentialing and Recredentialing

b) Pre-Existing Relationships: Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise has been contracted with Family Health Centers of San Diego since May 2006.

- c) **Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Identification of non-compliance with State and federal regulatory requirements
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of Subcontractors and Downstream Subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a Subcontractor and/or Downstream Subcontractors. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the Subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

In addition, Blue Shield Promise has established processes to monitor a Subcontractor's and Downstream Subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and annually audits Subcontractors through data/reports measuring key performance indicators, participation in Joint Operations Meetings, and through the performance of ad hoc focus audits. All results of Subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor: Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable.

Formal, annual audits of our Subcontractors and Downstream Subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories.

Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement,

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Integrated Health Partners

Applicable County(ies): San Diego

Compliance Officer: Anne Rohr

Compliance Contact Information: arohr@medpointmanagement.com

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Sub-contractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)
Gemini Diversified Services	Downstream Administrative	Credentialing	18881 Von Karman Avenue Suite 285, Irvine, CA 92612	Heather Bently HBently@servicesbygemini.com 866-437-6968	N/A	N/A
MedPOINT Management MSO	Downstream Administrative	Claims Credentialing UM	15301 Ventura Blvd, Bldg. D # 200, Sherman Oaks, CA 91403	Alex Carey ACarey@medpointmanagement.com	N/A	N/A
Calibrated	Downstream Administrative	Claims UM	633 Inland Empire Blvd Suite 301 Ontario, CA 91764	Jovita Montes De Oca Jovita@CalibratedHealthcare.com	N/A	N/A

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractor Name: Integrated Health Partners

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel:

- Claims: Erica Tate and Anne Rohr
- Credentialing: Nicole Armstrong
- UM: Anne Rohr

Subcontractor Key Personnel Contact Information:

- etate@medpointmanagement.com
- arohr@medpointmanagement.com (818)702-0100 Ext 1247
- Narmstrong@medpointmanagement.com (818)702- 0100 Ext 236

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Partially delegated

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Integrated Health Partners to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this partially delegated arrangement:

- Claims Payment and Processing
- Credentialing and Recredentialing
- Utilization Program Management
 - o Prior Authorizations and Review Procedures
 - o Timeframes and Medical Authorization
 - o Review of Utilization Data
 - o Delegating UM Activities

b) Pre-Existing Relationships: Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Blue Shield Promise has been contracted with Integrated Health Partners since January 2018.

c) Sub-Delegation: Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of subcontractors and downstream subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a subcontractor. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

In addition, Blue Shield Promise has established processes to monitor a subcontractor's and downstream subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversights and audits subcontractors through data/reports measuring key performance indicators, Joint Operations Meetings, and through the performance of annual and ad hoc audits. All results of subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

- d) Impact on Contractor:** Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise’s investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

e) Contractor’s Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:
Describe Contractor’s administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories.

Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings onboarding and ongoing training for all employees responsible for supporting our Medi-Cal operations.

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

- i) **Financial Arrangement:** Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

- j) **Other Information:** Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

- k) **Previously Approved Documents: (Applicable to annual submissions only)** If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Gemini Diversified Services

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Heather Bently, Director of Operations

Subcontractor Key Personnel Contact Information: HBently@servicesbygeminicom

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractor Name: Gemini Diversified Services

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Heather Bently, Director of Operations

Subcontractor Key Personnel Contact Information: HBently@servicesbygemini.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Downstream Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Integrated Health Partners to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this delegation arrangement:

- Credentialing and Recredentialing

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- b) Pre-Existing Relationships:** Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Integrated Health Partners established this subcontracting relationship. There is no direct relationship with Blue Shield Promise.

- c) Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of Subcontractors and Downstream Subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a Subcontractor and/or Downstream Subcontractors. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the Subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

In addition, Blue Shield Promise has established processes to monitor a Subcontractor's and Downstream Subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and annually audits Subcontractors through data/reports measuring key performance indicators, participation in Joint Operations Meetings, and through the performance of ad hoc focus audits. All results of Subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consists of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

- g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions:** Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: MedPOINT Management MSO

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Alex Carey

Subcontractor Key Personnel Contact Information: ACarey@medpointmanagement.com

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractor Name: MedPOINT Management MSO

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Alex Carey

Subcontractor Key Personnel Contact Information: ACarey@medpointmanagement.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Downstream Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Integrated Health Partners (IHP) to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this delegation arrangement:

- Claims Payment and Processing
- Credentialing and Recredentialing
- Utilization Program Management
 - o Prior Authorizations and Review Procedures

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- o Timeframes and Medical Authorization
- o Review of Utilization Data
- o Delegating UM Activities

b) Pre-Existing Relationships: Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Integrated Health Partners (IHP) established this subcontracting relationship. There is no direct relationship with Blue Shield Promise.

c) Sub-Delegation: Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of subcontractors and downstream subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a subcontractor. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the subcontractor, including financial capacity and viability,

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

In addition, Blue Shield Promise has established processes to monitor a subcontractor's and downstream subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and audits subcontractors through data/reports measuring key performance indicators, Joint Operations Meetings, and through the performance of annual and ad hoc audits. All results of subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories.

Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- f) **Subcontractor's and Downstream Administrative Capacity:** Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

- g) **Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions:** Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Calibrated

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Jovita Montes De Oca

Subcontractor Key Personnel Contact Information: Jovita@CalibratedHealthcare.com

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractor Name: Calibrated

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Jovita Montes De Oca

Subcontractor Key Personnel Contact Information: Jovita@CalibratedHealthcare.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Downstream Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Integrated Health Partners (IHP) to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this partially delegated arrangement:

- Claims Payment and Processing
- Utilization Program Management
 - o Prior Authorizations and Review Procedures
 - o Timeframes and Medical Authorization

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- o Review of Utilization Data
- o Delegating UM Activities

b) Pre-Existing Relationships: Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Integrated Health Partners (IHP) established this subcontracting relationship. There is no direct relationship with Blue Shield Promise.

c) Sub-Delegation: Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of Subcontractors and Downstream Subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a Subcontractor and/or Downstream Subcontractors. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the Subcontractor, including

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

In addition, Blue Shield Promise has established processes to monitor a Subcontractor's and Downstream Subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and annually audits Subcontractors through data/reports measuring key performance indicators, participation in Joint Operations Meetings, and through the performance of ad hoc focus audits. All results of Subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor: Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

- g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions:** Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Community Care IPA

Applicable County(ies): San Diego

Compliance Officer: Anne Rohr

Compliance Contact Information: arohr@medpointmanagement.com

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Sub-contractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)
Gemini Diversified Services	Downstream Administrative	Credentialing Recredentialing	10055 Slater Ave., Suite 214, Fountain Valley, CA 92708	Debbie Siegrist, CPCS Manager, Client Services dsiegrist@servicebygemini.com		
MedPOINT Management	Downstream Administrative	Credentialing	15301 Ventura Blvd, Bldg. D # 200, Sherman Oaks, CA 91403	Alex Carey ACarey@medpointmanagement.com		
Calibrated	Downstream Administrative	Claims	3633 Inland Empire Blvd Suite 301 Ontario, CA 91764	Jovita Montes De Oca Jovita@CalibratedHealthcare.com		
ImageNet	Downstream Administrative	Claims	10004 N. Dale Mabry Hwy., Tampa, FL 33618	Patrick Smith psmith@imagenetllc.com		

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractor Name: Community Care IPA

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel:

- Claims: Erica Tate and Anne Rohr
- Credentialing: Nicole Armstrong, Lead Credentialing and Oversight
- UM: Anne Rohr

Subcontractor Key Personnel Contact Information:

- etate@medpointmanagement.com
- arohr@medpointmanagement.com (818)702-0100 Ext 1247
- Narmstrong@medpointmanagement.com (818)702- 0100 Ext 236

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative,
Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Partially Delegated

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Community Care IPA to support Blue Shield Promise in the delivery of services for Medi-Cal members. As a Federally Qualified Health Center (FQHC) they serve as a critical safety net provider and serve a large percentage of our members. Blue Shield Promise

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this delegation arrangement:

- Claims Payment and Processing
- Credentialing and Recredentialing
- Utilization Program Management
 - o Prior Authorizations and Review Procedures
 - o Timeframes and Medical Authorization
 - o Review of Utilization Data
 - o Delegating UM Activities

b) Pre-Existing Relationships: Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Blue Shield Promise has been contracted with Community Care IPA since November 2017.

c) Sub-Delegation: Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of subcontractors and downstream subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a subcontractor. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

In addition, Blue Shield Promise has established processes to monitor a subcontractor's and downstream subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversights and audits subcontractors through data/reports measuring key performance indicators, Joint Operations Meetings, and through the performance of annual and ad hoc audits. All results of subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

- d) Impact on Contractor:** Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories.

Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) **Subcontractor's and Downstream Administrative Capacity:** Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) **Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions:** Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings onboarding and ongoing training for all employees responsible for supporting our Medi-Cal operations.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

- i) **Financial Arrangement:** Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

- j) **Other Information:** Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

- k) **Previously Approved Documents: (Applicable to annual submissions only)** If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Gemini Diversified Services

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Heather Bently, Director of Operations

Subcontractor Key Personnel Contact Information: HBently@servicesbygemini.com

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractor Name: Gemini Diversified Services

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Heather Bently, Director of Operations

Subcontractor Key Personnel Contact Information: HBently@servicesbygemini.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Downstream Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Community Care IPA to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this partially delegated arrangement:

- Credentialing and Recredentialing

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- b) Pre-Existing Relationships:** Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Community Care IPA established this subcontracting relationship. There is no direct relationship with Blue Shield Promise.

- c) Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of Subcontractors and Downstream Subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a Subcontractor and/or Downstream Subcontractors. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the Subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

In addition, Blue Shield Promise has established processes to monitor a Subcontractor's and Downstream Subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and annually audits Subcontractors through data/reports measuring key performance indicators, participation in Joint Operations Meetings, and through the performance of ad hoc focus audits. All results of Subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:**
Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreement's outline Subcontractor's and Downstream Subcontractors requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: MedPOINT Management MSO

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Alex Carey

Subcontractor Key Personnel Contact Information: ACarey@medpointmanagement.com

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractor Name: MedPOINT Management MSO

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Alex Carey

Subcontractor Key Personnel Contact Information: ACarey@medpointmanagement.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Downstream Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Community Care IPA to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this partially delegated arrangement:

- Credentialing and Recredentialing

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- b) Pre-Existing Relationships:** Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Community Care IPA established this subcontracting relationship. There is no direct relationship with Blue Shield Promise.

- c) Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of Subcontractors and Downstream Subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a Subcontractor and/or Downstream Subcontractors. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the Subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

In addition, Blue Shield Promise has established processes to monitor a Subcontractor's and Downstream Subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and annually audits Subcontractors through data/reports measuring key performance indicators, participation in Joint Operations Meetings, and through the performance of ad hoc focus audits. All results of Subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreement's outline Subcontractors and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
 - Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.
- j) Other Information:** Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

- k) Previously Approved Documents: (Applicable to annual submissions only)** If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Calibrated

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Jovita Montes De Oca

Subcontractor Key Personnel Contact Information: Jovita@CalibratedHealthcare.com

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractor Name: Calibrated

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Jovita Montes De Oca

Subcontractor Key Personnel Contact Information: Jovita@CalibratedHealthcare.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Downstream Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Community Care IPA to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this partially delegated arrangement:

- Claims Payment and Processing

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- b) Pre-Existing Relationships:** Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Community Care IPA established this subcontracting relationship. There is no direct relationship with Blue Shield Promise.

- c) Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of Subcontractors and Downstream Subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a Subcontractor and/or Downstream Subcontractors. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the Subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

In addition, Blue Shield Promise has established processes to monitor a Subcontractor's and Downstream Subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and annually audits Subcontractors through data/reports measuring key performance indicators, participation in Joint Operations Meetings, and through the performance of ad hoc focus audits. All results of Subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consists of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

- g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions:** Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures. Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: ImageNet

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Patrick Smith

Subcontractor Key Personnel Contact Information: psmith@imagenetllc.com

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractor Name: ImageNet

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Patrick Smith

Subcontractor Key Personnel Contact Information: psmith@imagenetllc.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Downstream Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Community Care IPA to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this partially delegated arrangement:

- Claims Payment and Processing

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- b) Pre-Existing Relationships:** Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Community Care IPA established this subcontracting relationship. There is no direct relationship with Blue Shield Promise.

- c) Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of Subcontractors and Downstream Subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a Subcontractor and/or Downstream Subcontractors. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the Subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

In addition, Blue Shield Promise has established processes to monitor a Subcontractor's and Downstream Subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and annually audits Subcontractors through data/reports measuring key performance indicators, participation in Joint Operations Meetings, and through the performance of ad hoc focus audits. All results of Subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consists of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures. Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Rady's Children's Specialists of San Diego, A Medical Foundation (RCSSD) / Rady Children's Health Network (RCHN)

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel:

- Claims: Loni Chun
- Credentialing: Sokhom Taun, Lead Medical Staff
- (RCHN) Credentialing: Starr Brown, Credentialing Specialist
- UM: Katie Coleman, Director of UM & Member Services

Subcontractor Key Personnel Contact Information:

- lnchun@rchsd.org
- staun@rchsd.org (858) 502-1135
- BKBrown3@rchsd.org 858-309-6290 Ext. 241111
- KColeman@rchsd.org (858)634-4963

1. **Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

2. **Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
3. **Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be “all delegable functions.”
4. **Address:** The address of the location of the performance of the Downstream Subcontractor’s functions
5. **Contact Info:** Name and contact information for each of the Downstream Subcontractor’s key personnel who is responsible for ensuring compliance.
6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Sub-contractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)
Rady Children's Physicians Management Services	Downstream Administrative	Credentialing	3880 Murphy Canyon Road, Suite 200, San Diego, CA 92123	Sokhom Taun staun@rchsd.org		

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractors Name: Rady's Children's Specialists of San Diego, A Medical Foundation (RCSSD) / Rady Children's Health Network (RCHN)

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel:

- Claims: Loni Chun
- Credentialing: Sokhom Taun, Lead Medical Staff
- (RCHN) Credentialing: Starr Brown, Credentialing Specialist
- UM: Katie Coleman, Director of UM & Member Services

Subcontractor Key Personnel Contact Information:

- Inchun@rchsd.org
- staun@rchsd.org (858) 502-1135
- BKBrown3@rchsd.org (858)-309-6290 Ext. 241111
- KColeman@rchsd.org (858)634-4963

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Partially delegated

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Rady's Children's Specialists of San Diego, A Medical Foundation (RCSSD) / Rady Children's Health Network (RCHN) to support Blue Shield Promise in the delivery of services for Medi-Cal members. As a Federally Qualified Health Center (FQHC) they serve as a critical safety net provider and serve a large percentage of our members. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this delegation arrangement:

- Claims Payment and Processing
- Credentialing and Recredentialing
- Utilization Program Management
 - o Prior Authorizations and Review Procedures
 - o Timeframes and Medical Authorization
 - o Review of Utilization Data
 - o Delegating UM Activities

b) Pre-Existing Relationships: Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Blue Shield Promise has been contracted with Rady's Children's Specialists of San Diego; A Medical Foundation (RCSSD) / Rady Children's Health Network (RCHN) since November 2018.

c) Sub-Delegation: Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of Subcontractors and Downstream Subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a Subcontractor and/or Downstream Subcontractors. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the Subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

In addition, Blue Shield Promise has established processes to monitor a Subcontractor's and Downstream Subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and annually audits Subcontractors through data/reports measuring key performance indicators, participation in Joint Operations Meetings, and through the performance of ad hoc focus audits. All results of Subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:
Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings onboarding and ongoing training for all employees responsible for supporting our Medi-Cal operations.

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

- i) **Financial Arrangement:** Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

- j) **Other Information:** Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

- k) **Previously Approved Documents: (Applicable to annual submissions only)** If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete Table A2 Delegation Function Matrix—Downstream Subcontractors for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Rady's Children's Physician's Management Services

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Sokhom Taun

Subcontractor Key Personnel Contact Information: staun@rchsd.org (858) 502-1135

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractors Name: Rady's Children's Physician's Management Services

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Sokhom Taun

Subcontractor Key Personnel Contact Information: staun@rchsd.org (858) 502-1135

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Downstream Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Rady's Children's Specialists of San Diego, A Medical Foundation (RCSSD) / Rady Children's Health Network (RCHN) to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this delegation arrangement:

- Credentialing and Recredentialing

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- b) Pre-Existing Relationships:** Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Rady's Children's Specialists of San Diego; A Medical Foundation (RCSSD) / Rady Children's Health Network (RCHN) established this subcontracting relationship. There is no direct relationship with Blue Shield Promise.

- c) Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of subcontractors and downstream subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a subcontractor. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

In addition, Blue Shield Promise has established processes to monitor a subcontractor's and downstream subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and audits subcontractors through data/reports measuring key performance indicators, Joint Operations Meetings, and through the performance of annual and ad hoc audits. All results of subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete Table A2 Delegation Function Matrix—Downstream Subcontractors for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Prospect San Diego

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel:

- Claims: Debbie Ramirez
- Credentialing: Richard Montalvo, Credentialing & PIM Quality Assurance Auditor
- UM: Rosa Catalano, VP Healthcare Services

Subcontractor Key Personnel Contact Information:

- Debbie.Ramirez@prospectmedical.com
- Richard.Montalvo@prospectmedical.com (626) 435-7252
- Rosa.Catalano@prospectmedical.com (714) 796-5741

1. **Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor’s Downstream Subcontractor further delegates functions downstream.
2. **Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

3. **Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be “all delegable functions.”
4. **Address:** The address of the location of the performance of the Downstream Subcontractor’s functions
5. **Contact Info:** Name and contact information for each of the Downstream Subcontractor’s key personnel who is responsible for ensuring compliance.
6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Sub-contractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)
Gemini Diversified Services	Downstream Administrative	Credentialing	18881 Von Karman Avenue Suite 285, Irvine, CA 92612	Heather Bently HBently@servicesbygemini.com 866-437-6968		
Calibrated	Downstream Administrative	Claims	3633 Inland Empire Blvd Suite 301 Ontario, CA 91764	Jovita Montes De Oca Jovita@CalibratedHealthcare.com		
ImageNet	Downstream Administrative	Claims	10004 N. Dale Mabry Hwy., Tampa, FL 33618	Patrick Smith psmith@imagenetllc.com		

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractors Name: Prospect San Diego

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel:

- Claims: Debbie Ramirez
- Credentialing: Richard Montalvo, Credentialing & PIM Quality Assurance Auditor
- UM: Rosa Catalano, VP Healthcare Services

Compliance Contact Information:

- Debbie.Ramirez@prospectmedical.com
- Richard.Montalvo@prospectmedical.com (626) 435-7252
- Rosa.Catalano@prospectmedical.com (714) 796-5741

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Partially delegated

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Prospect San Diego to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this delegation arrangement:

- Claims Payment and Processing
- Credentialing and Recredentialing
- Utilization Program Management
 - o Prior Authorizations and Review Procedures
 - o Timeframes and Medical Authorization
 - o Review of Utilization Data
 - o Delegating UM Activities

b) Pre-Existing Relationships: Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Blue Shield Promise has been contracted with Prospect San Diego since February 2018.

c) Sub-Delegation: Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of Subcontractors and Downstream Subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a Subcontractor and/or Downstream Subcontractors. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors.

This provides a multi-faceted view of the relationship between Blue Shield Promise and the Subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

In addition, Blue Shield Promise has established processes to monitor a Subcontractor's and Downstream Subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and annually audits Subcontractors through data/reports measuring key performance indicators, participation in Joint Operations Meetings, and through the performance of ad hoc focus audits. All results of Subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

- d) Impact on Contractor:** Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories.

Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings onboarding and ongoing training for all employees responsible for supporting our Medi-Cal operations.

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

- i) **Financial Arrangement:** Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

- j) **Other Information:** Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Gemini Diversified Services

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Heather Bently, Director of Operations

Subcontractor Key Personnel Contact Information: HBently@servicesbygeminicom

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractor Name: Gemini Diversified Services

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Heather Bently, Director of Operations

Subcontractor Key Personnel Contact Information: HBently@servicesbygemini.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Downstream Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Prospect San Diego to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this partially delegated arrangement:

- Credentialing and Recredentialing

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- b) Pre-Existing Relationships:** Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Prospect San Diego established this subcontracting relationship. There is no direct relationship with Blue Shield Promise.

- c) Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of Subcontractors and Downstream Subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a Subcontractor and/or Downstream Subcontractors. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the Subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

In addition, Blue Shield Promise has established processes to monitor a Subcontractor's and Downstream Subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and annually audits Subcontractors through data/reports measuring key performance indicators, participation in Joint Operations Meetings, and through the performance of ad hoc focus audits. All results of Subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

- g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions:** Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Calibrated

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Jovita Montes De Oca

Subcontractor Key Personnel Contact Information: Jovita@CalibratedHealthcare.com

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractor Name: Calibrated

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Jovita Montes De Oca

Subcontractor Key Personnel Contact Information: Jovita@CalibratedHealthcare.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Downstream Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Prospect San Diego to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this partially delegated arrangement:

- Claims

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- b) Pre-Existing Relationships:** Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Prospect San Diego established this subcontracting relationship. There is no direct relationship with Blue Shield Promise.

- c) Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of Subcontractors and Downstream Subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a Subcontractor and/or Downstream Subcontractors. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the Subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

In addition, Blue Shield Promise has established processes to monitor a Subcontractor's and Downstream Subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and annually audits Subcontractors through data/reports measuring key performance indicators, participation in Joint Operations Meetings, and through the performance of ad hoc focus audits. All results of Subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories.

Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures. Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: ImageNet

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Patrick Smith

Subcontractor Key Personnel Contact Information: psmith@imagenetllc.com

Compliance Contact Information: Downstream Subcontractor Name: Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor’s Downstream Subcontractor further delegates functions downstream.

- 1. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 2. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be “all delegable functions.”
- 3. Address:** The address of the location of the performance of the Downstream Subcontractor’s functions
- 4. Contact Info:** Name and contact information for each of the Downstream Subcontractor’s key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

5. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
6. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractor Name: ImageNet

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Patrick Smith

Subcontractor Key Personnel Contact Information: psmith@imagenetllc.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Downstream Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Prospect San Diego to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this partially delegated arrangement:

- Claims

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- b) Pre-Existing Relationships:** Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Prospect San Diego established this subcontracting relationship. There is no direct relationship with Blue Shield Promise.

- c) Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of Subcontractors and Downstream Subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a Subcontractor and/or Downstream Subcontractors. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the Subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

In addition, Blue Shield Promise has established processes to monitor a Subcontractor's and Downstream Subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and annually audits Subcontractors through data/reports measuring key performance indicators, participation in Joint Operations Meetings, and through the performance of ad hoc focus audits. All results of Subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consists of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures. Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Imperial Health Holdings Medical Group - SD

Applicable County(ies): San Diego

Compliance Officer: Erica Ruiz

Compliance Contact Information: Erica Ruiz Eruiz@imperialhealthplan.com

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In **the case of a Downstream Fully Delegated Subcontractor, this may be “all delegable functions.”**
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Sub-contractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractors Name: Imperial Health Holdings Medical Group - SD

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel:

- Claims: Pavelijit Bindra, MD
- Credentialing: Zarinah Reed, Credentialing Manager
- UM: Erica Ruiz, Compliance Officer

Subcontractor Key Personnel Contact Information:

- pbindra@imperialhealthholdings.com
- zarinah.reed@imperialhealthholdings.com (626) 838-5100 Ext. 601
- Eruiz@imperialhealthplan.com (562) 239-5675

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Partially delegated

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Imperial Health Holdings Medical Group - SD to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this delegation arrangement:

- Claims Payment and Processing
- Credentialing and Recredentialing
- Utilization Program Management
 - o Prior Authorizations and Review Procedures
 - o Timeframes and Medical Authorization
 - o Review of Utilization Data
 - o Delegating UM Activities

b) Pre-Existing Relationships: Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Blue Shield Promise has been contracted with Imperial Health Holdings Medical Group – SD since July 2018.

c) Sub-Delegation: Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor’s assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of Subcontractors and Downstream Subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a Subcontractor and/or Downstream Subcontractors. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight,

Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the Subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

In addition, Blue Shield Promise has established processes to monitor a Subcontractor's and Downstream Subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and annually audits Subcontractors through data/reports measuring key performance indicators, participation in Joint Operations Meetings, and through the performance of ad hoc focus audits. All results of Subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

- d) Impact on Contractor:** Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise’s investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

e) Contractor’s Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:
Describe Contractor’s administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings onboarding and ongoing training for all employees responsible for supporting our Medi-Cal operations.

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

- i) **Financial Arrangement:** Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

- j) **Other Information:** Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

- k) **Previously Approved Documents: (Applicable to annual submissions only)** If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Planned Parenthood of the Pacific Southwest

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Leslie Chase, Clinical Services Project Coordinator

Subcontractor Key Personnel Contact Information: LChase1@planned.org

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Sub-contractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)
Credential America, Inc	Downstream Administrative	Credentialing	5400 Whiteside Rd, Sandston, VA 23150 1506 Hull Street, Richmond VA 23224	Amy Ruth Carsley, acarsley@credentialamerica.com		

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractors Name: Planned Parenthood of the Pacific Southwest

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Leslie Chase, Clinical Services Project Coordinator

Subcontractor Key Personnel Contact Information: LChase1@planned.org

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Planned Parenthood of the Pacific Southwest to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this delegation arrangement:

- Credentialing and Recredentialing

b) Pre-Existing Relationships: Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise has been contracted with Planned Parenthood of the Pacific Southwest since July 2015.

- c) Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of subcontractors and downstream subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a subcontractor. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

In addition, Blue Shield Promise has established processes to monitor a subcontractor's and downstream subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversights and audits subcontractors through data/reports measuring key performance indicators, Joint Operations Meetings, and through the performance of annual and ad hoc audits. All

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

results of subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor: Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings onboarding and ongoing training for all employees responsible for supporting our Medi-Cal operations.

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Credential America, Inc.

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Amy Ruth Carsley

Subcontractor Key Personnel Contact Information: acarsley@credentialamerica.com

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractors Name: Credential America, Inc.

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Amy Ruth Carsley

Subcontractor or Key Personnel Contact Information: acarsley@credentialamerica.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Downstream Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Planned Parenthood of the Pacific Southwest to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this partially delegated arrangement:

- Credentialing

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- b) Pre-Existing Relationships:** Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Planned Parenthood of the Pacific Southwest established this subcontracting relationship. There is no direct relationship with Blue Shield Promise.

- c) Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of subcontractors and downstream subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a subcontractor. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

In addition, Blue Shield Promise has established processes to monitor a subcontractor's and downstream subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and audits subcontractors through data/reports measuring key performance indicators, Joint Operations Meetings, and through the performance of annual and ad hoc audits. All results of subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consists of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures. Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Teladoc Physicians, P.A.

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Melinda Mann, Director, Provider Operations Contracting

Subcontractor Key Personnel Contact Information: mmann@Teladochealth.com

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Sub-contractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractors Name: Teladoc Physicians, P.A.

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Melinda Mann, Director, Provider Operations Contracting

Subcontractor Key Personnel Contact Information: mmann@Teladochealth.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Teladoc Physicians, P.A. to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this delegation arrangement:

- Credentialing and Recredentialing

b) Pre-Existing Relationships: Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise Health Plan will continue this contracting relationship to support Medi-Cal members in San Diego County.

- c) **Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of Subcontractors and Downstream Subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a Subcontractor and/or Downstream Subcontractors. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the Subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

In addition, Blue Shield Promise has established processes to monitor a Subcontractor's and Downstream Subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and annually audits Subcontractors through data/reports measuring key

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

performance indicators, participation in Joint Operations Meetings, and through the performance of ad hoc focus audits. All results of Subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consists of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

- g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions:** Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures. Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: UCSD Medical Group

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Fabiana Ferlita, COCS Project Specialist

Subcontractor Key Personnel Contact Information: ferlita@health.ucsd.edu

Compliance Contact Information:

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

5. **Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.
6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Sub-contractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractors Name: UCSD Medical Group

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Fabiana Ferlita, COCS Project Specialist

Subcontractor Key Personnel Contact Information: ferlita@health.ucsd.edu

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with UCSD Medical Group to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this delegation arrangement:

- Credentialing and Recredentialing

b) Pre-Existing Relationships: Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise has been contracted with UCSD Medical Group since October 2012.

- c) **Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of Subcontractors and Downstream Subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a Subcontractor and/or Downstream Subcontractors. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the Subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

In addition, Blue Shield Promise has established processes to monitor a Subcontractor's and Downstream Subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and annually audits Subcontractors through data/reports measuring key performance indicators, participation in Joint Operations Meetings, and through the performance of ad hoc focus audits. All results of Subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor: Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

- g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions:** Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures. Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete Table A2 Delegation Function Matrix—Downstream Subcontractors for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: American Specialty Health (ASH)

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel:

- Claims & Credentialing: Arthur Teodosio, Delegation Support Manager
- UM: Frank Greenwood, Manager of Delegation Support

Subcontractor Key Personnel Contact Information:

- arthurT@ashn.com (619) 746-7561
- frankg@ashn.com (800) 848-3555 ext. 3772

Downstream Subcontractor Name: Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.

1. **Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
2. **Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be “all delegable functions.”

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

3. **Address:** The address of the location of the performance of the Downstream Subcontractor's functions
4. **Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.
5. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
6. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)
VerifPoint	Downstream Administrative	Credentialing		Joleen Thomas Joleen@verifpoint.com		

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractors Name: American Specialty Health (ASH)

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel:

- Claims & Credentialing: Arthur Teodosio, Delegation Support Manager
- UM: Frank Greenwood, Manager of Delegation Support

Subcontractor Key Personnel Contact Information:

- arthurT@ashn.com (619) 746-7561
- frankg@ashn.com (800) 848-3555 ext. 3772

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with American Specialty Health (ASH) to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this delegation arrangement:

- Claims Payment and Processing

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Credentialing and Recredentialing

b) Pre-Existing Relationships: Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Blue Shield Promise has been contracted with American Specialty Health (ASH) since August 2019.

c) Sub-Delegation: Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of Subcontractors and Downstream Subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a Subcontractor and/or Downstream Subcontractors. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the Subcontractor, including

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

In addition, Blue Shield Promise has established processes to monitor a Subcontractor's and Downstream Subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and annually audits Subcontractors through data/reports measuring key performance indicators, participation in Joint Operations Meetings, and through the performance of ad hoc focus audits. All results of Subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: VerifPoint

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Joleen Thomas

Subcontractor Key Personnel Contact Information: Joleen Thomas Joleen@verifpoint.com

Downstream Subcontractor Name: Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.

- 1. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 2. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be “all delegable functions.”
- 3. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 4. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

5. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
6. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractors Name: VerifPoint

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Joleen Thomas

Subcontractor Key Personnel Contact Information: Joleen Thomas Joleen@verifpoint.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Downstream Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with American Specialty Health Plan to support Blue Shield Promise in the delivery of services for Medi-Cal members. American Specialty Health Plan has established a downstream subcontracted relationship with Credentials Service, Inc/VPoint to support the functions listed below. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this partially delegated arrangement:

- Credentialing

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- b) Pre-Existing Relationships:** Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

American Specialty Health Plan established this subcontracting relationship. There is no direct relationship with Blue Shield Promise.

- c) Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of subcontractors and downstream subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a subcontractor. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

In addition, Blue Shield Promise has established processes to monitor a subcontractor's and downstream subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and audits subcontractors through data/reports measuring key performance indicators, Joint Operations Meetings, and through the performance of annual and ad hoc audits. All results of subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Contractor’s Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor’s administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

e) Subcontractor’s and Downstream Administrative Capacity: Describe Subcontractor’s and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor’s and Downstream capacity to perform quality monitoring and community engagement, if applicable.

Blue Shield Promise assesses each Subcontractor’s and Downstream Subcontractor’s administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

- f) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions:** Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

g) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

h) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

i) **Other Information:** Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

j) **Previously Approved Documents: (Applicable to annual submissions only)** If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete Table A2 Delegation Function Matrix—Downstream Subcontractors for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Vision Services Plan (VSP)

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel:

- Claims & Credentialing: Lucky Adkins, Senior Account Manager, Health & Government Markets

Subcontractor Key Personnel Contact Information:

- lucky.adkins@vsp.com (916) 851-4466

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

5. **Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.
6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Sub-contractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)
FIS	Downstream Administrative	Claims	100 Grove Road, # E, West Deptford, NJ 08066	Tori Cook tori.cook@fisglobal.com		
Change Healthcare	Downstream Administrative	Claims	3055 Lebanon Pike, Nashville, TN 37214	Nancy Marino nmarino@changehealthcare.com		
Gemini Diversified Services	Downstream Administrative	Credentialing	10055 Slater Ave, Suite 214, Fountain Valley, CA 92708	Nicole Turner Compliance Officer Nturner@servicesbygemini.com		

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Edifecs	Downstream Administrative	Claims	1756 114th SE, Bellevue, WA 98004	Nina Foster Compliance Officer nina.foster@edifecs.com		
PaySpan	Downstream Administrative	Claims	7751 Belfort Parkway # 200, Jacksonville, FL 32256	Claire Campbell Compliance Officer Claire.Campbell@payspan.com		

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractors Name: Vision Services Plan (VSP)

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel:

- Claims & Credentialing: Lucky Adkins, Senior Account Manager, Health & Government Markets

Subcontractor Key Personnel Contact Information:

- lucky.adkins@vsp.com (916) 851-4466

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Vision Services Plan (VSP) to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this delegation arrangement:

- Claims Payment and Processing
- Credentialing and Recredentialing

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

b) Pre-Existing Relationships: Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Blue Shield Promise has been contracted with Vision Services Plan (VSP) since May 2016.

c) Sub-Delegation: Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of subcontractors and downstream subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a subcontractor. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

In addition, Blue Shield Promise has established processes to monitor a subcontractor's and downstream subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and audits subcontractors through data/reports measuring key performance indicators, Joint Operations Meetings, and through the performance of annual and ad hoc audits. All results of subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreement's outline Subcontractors and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

Blue Shield Promise uses multiple channels to identify instances of non-compliance by Blue Shield, such as through, ongoing monitoring, review of internal controls, and/or other means which indicate delegates are at risk of violating financial, quality, or other standards:

- Self-reporting through health plan legal, contracting, and/or other internal departments.
- Identified through audit, quality, or compliance oversight; or
- An anonymous report.

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- i) **Financial Arrangement:** Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

- j) **Other Information:** Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

- k) **Previously Approved Documents: (Applicable to annual submissions only)** If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: FIS

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Tori Cook

Subcontractor Key Personnel Contact Information: tori.cook@fisglobal.com

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractors Name: FIS

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Tori Cook

Subcontractor Key Personnel Contact Information: tori.cook@fisglobal.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Downstream Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Vision Services Plan (VSP) to support Blue Shield Promise in the delivery of services for Medi-Cal members. Vision Services Plan (VSP) has established a downstream subcontracted relationship with FIS to support the functions listed below. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this partially delegated arrangement:

- Claims Payment and Processing

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- b) Pre-Existing Relationships:** Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Vision Services Plan (VSP) established this subcontracting relationship. There is no direct relationship with Blue Shield Promise.

- c) Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of subcontractors and downstream subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a subcontractor. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

In addition, Blue Shield Promise has established processes to monitor a subcontractor's and downstream subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and audits subcontractors through data/reports measuring key performance indicators, Joint Operations Meetings, and through the performance of annual and ad hoc audits. All results of subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

- g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions:** Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Change Healthcare

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Nancy Marino

Subcontractor Key Personnel Contact Information: nmarino@changehealthcare.com

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractors Name: Change Healthcare

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Nancy Marino

Subcontractor Key Personnel Contact Information: nmarino@changehealthcare.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Downstream Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Vision Services Plan (VSP) to support Blue Shield Promise in the delivery of services for Medi-Cal members. Vision Services Plan (VSP) has established a downstream subcontracted relationship with Change Healthcare to support the functions listed below. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this partially delegated arrangement:

- Claims Payment and Processing

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- b) Pre-Existing Relationships:** Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Vision Services Plan (VSP) established this subcontracting relationship. There is no direct relationship with Blue Shield Promise.

- c) Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of subcontractors and downstream subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a subcontractor. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

In addition, Blue Shield Promise has established processes to monitor a subcontractor's and downstream subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and audits subcontractors through data/reports measuring key performance indicators, Joint Operations Meetings, and through the performance of annual and ad hoc audits. All results of subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consists of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreement's outline Subcontractors and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures. Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Gemini Diversified Services

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Nicole Turner, Compliance Officer

Subcontractor Key Personnel Contact Information: Nturner@servicesbygemini.com

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractor Name: Gemini Diversified Services

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Nicole Turner, Compliance Officer

Subcontractor Key Personnel Contact Information: Nturner@servicesbygemini.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Downstream Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Vision Services Plan (VSP) to support Blue Shield Promise in the delivery of services for Medi-Cal members. Vision Services Plan (VSP) has established a downstream subcontracted relationship with Gemini Diversified Services to support the functions listed below. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this partially delegated arrangement:

- Credentialing and Recredentialing

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- b) Pre-Existing Relationships:** Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Vision Services Plan (VSP) established this subcontracting relationship. There is no direct relationship with Blue Shield Promise.

- c) Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of subcontractors and downstream subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a subcontractor. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

In addition, Blue Shield Promise has established processes to monitor a subcontractor's and downstream subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and audits subcontractors through data/reports measuring key performance indicators, Joint Operations Meetings, and through the performance of annual and ad hoc audits. All results of subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

Blue Shield Promise will inform Subcontractors and Downstream Subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Edifecs

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Nina Foster, Compliance Officer

Subcontractor Key Personnel Contact Information: nina.foster@edifecs.com

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractors Name: Edifecs

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Nina Foster, Compliance Officer

Subcontractor Key Personnel Contact Information: nina.foster@edifecs.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Downstream Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Vision Services Plan (VSP) to support Blue Shield Promise in the delivery of services for Medi-Cal members. Vision Services Plan (VSP) has established a downstream subcontracted relationship with Edifecs to support the functions listed below. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this partially delegated arrangement:

- Claims Payment and Processing

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- b) Pre-Existing Relationships:** Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Vision Services Plan (VSP) established this subcontracting relationship. There is no direct relationship with Blue Shield Promise.

- c) Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of subcontractors and downstream subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a subcontractor. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

In addition, Blue Shield Promise has established processes to monitor a subcontractor's and downstream subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and audits subcontractors through data/reports measuring key performance indicators, Joint Operations Meetings, and through the performance of annual and ad hoc audits. All results of subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

Blue Shield Promise will inform Subcontractors and Downstream Subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete *Table A2 Delegation Function Matrix—Downstream Subcontractors* for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: PaySpan

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Claire Campbell, Compliance Officer

Subcontractor Key Personnel Contact Information: Claire.Campbell@payspan.com

8. **Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
9. **Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
10. **Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
11. **Address:** The address of the location of the performance of the Downstream Subcontractor's functions
12. **Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

13. Medi-Cal Managed Care Member: Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.

14. Proportion of Capitated Rates At Risk: Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Subcontractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractors Name: PaySpan

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Claire Campbell, Compliance Officer

Subcontractor Key Personnel Contact Information: Claire.Campbell@payspan.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Downstream Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Vision Services Plan (VSP) to support Blue Shield Promise in the delivery of services for Medi-Cal members. Vision Services Plan (VSP) has established a downstream subcontracted relationship with PaySpan to support the functions listed below. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this partially delegated arrangement:

- Claims Payment and Processing

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- b) Pre-Existing Relationships:** Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

Vision Services Plan (VSP) established this subcontracting relationship. There is no direct relationship with Blue Shield Promise.

- c) Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of subcontractors and downstream subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a subcontractor. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

In addition, Blue Shield Promise has established processes to monitor a subcontractor's and downstream subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and audits subcontractors through data/reports measuring key performance indicators, Joint Operations Meetings, and through the performance of annual and ad hoc audits. All results of subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor:

Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

Blue Shield Promise will inform Subcontractors and Downstream Subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor’s delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete Table A2 Delegation Function Matrix—Downstream Subcontractors for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Council for Affordable Quality Healthcare (CAQH)

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Veronica Neff, Account Manager

Subcontractor Key Personnel Contact Information: Vneff@Caqh.org (202) 517-0374

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Sub-contractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractors Name: Council for Affordable Quality Healthcare (CAQH)

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Veronica Neff, Account Manager

Subcontractor Key Personnel Contact Information: vneff@caqh.org (202) 517-0374

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Council for Affordable Quality Healthcare (CAQH) to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this delegation arrangement:

- Credentialing and Recredentialing

b) Pre-Existing Relationships: Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield has been contracted since 2/21/2018 and Blue Shield Promise since 12/20/2019.

Blue Shield Promise will establish a contracting relationship to support Medi-Cal members in San Diego County.

- c) **Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our Subcontractors and Downstream Subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of subcontractors and downstream subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a subcontractor. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

In addition, Blue Shield Promise has established processes to monitor a Subcontractor's and Downstream Subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Delegation Oversight Department oversees and annually audits Subcontractors through data/reports measuring key performance indicators, participation in Joint Operations Meetings, and through the performance of ad hoc focus audits. All results of Subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor: Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories.

Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Quality Improvement Plan, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources
- Stringent standards for internal controls

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreements outline Subcontractor's and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor
- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- h) Contractor's Oversight Policy and Procedures:** Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

- i) Financial Arrangement:** Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)
- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

- j) Other Information:** Include any other information that would assist DHCS in its review of Contractor's delegated structure.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Instructions: Complete Table A2 Delegation Function Matrix—Downstream Subcontractors for all functions that are delegated through applicable Downstream Subcontractor Agreements. Use additional pages of Table A2 as needed. Subcontractor or Downstream Subcontractor may not delegate contractual duties and obligations where delegation is legally or contractually prohibited. Complete one for each Subcontractor that delegates functions downstream and, as applicable, for each Downstream Subcontractor, if they further delegate functions downstream. Use additional pages of Table A2 as needed – additional pages will not be counted in the total page count for the Delegation Justification and Plan.

Subcontractor or Downstream Subcontractors Name: Psychiatric Alternatives and Wellness Center

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Rachel Lansman, Manager of Contracting

Subcontractor Key Personnel Contact Information: Rlansman@psyciatricalternatives.com

- 1. Downstream Subcontractor Name:** Name of the Downstream Subcontractor with whom the Subcontractor has a Downstream Subcontractor Agreement; or the name of the Downstream Subcontractor with whom the Subcontractor's Downstream Subcontractor further delegates functions downstream.
- 2. Type of Downstream Subcontractor:** Downstream Fully Delegated Subcontractor, Downstream Partially Delegated Subcontractor, Downstream Administrative Subcontractor
- 3. Delegated Function(s):** The function(s) Subcontractor is delegating to Downstream Subcontractor; In the case of a Downstream Fully Delegated Subcontractor, this may be "all delegable functions."
- 4. Address:** The address of the location of the performance of the Downstream Subcontractor's functions
- 5. Contact Info:** Name and contact information for each of the Downstream Subcontractor's key personnel who is responsible for ensuring compliance.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

6. **Medi-Cal Managed Care Member:** Percentage of the total Medi-Cal Members assigned to the Downstream Subcontractor, if applicable.
7. **Proportion of Capitated Rates At Risk:** Proportion of total capitated rates for which the Downstream Subcontractor is at risk, if applicable.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Table A2: Delegation Function Matrix—Downstream Subcontractors

Sub-contractor Name (1)	Type of Subcontractor (2)	Delegated Functions(s) (3)	Address (4)	Contact Info (5)	Percentage of Total Members (6)	Proportion of Total Capitated Rate (7)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template B: Delegation Justification and Plan

Instructions: Complete this template for each Subcontractor or Downstream Subcontractor. Contractor may not delegate for those contractual duties and obligations where delegation is legally or contractually prohibited. Responses must be limited to no more than ten (10) pages.

Subcontractor or Downstream Subcontractors Name: Psychiatric Alternatives and Wellness Center

Applicable County(ies): San Diego

Subcontractor or Downstream Key Personnel: Rachel Lansman, Manager of Contracting

Subcontractor Key Personnel Contact Information: Rlansman@psyciatricalternatives.com

Type of Subcontractor or Downstream Subcontractor: Fully delegated, Partially delegated, Administrative, Downstream Fully delegated, Downstream Partially delegated, Downstream Administrative: Administrative

a) Justification of Subcontractor or Downstream Subcontractor Agreement: Describe the purpose and the justification of the Subcontractor or Downstream Subcontractor Agreement.

Blue Shield of California Promise Health Plan (Blue Shield Promise) has engaged with Prospect San Diego to support Blue Shield Promise in the delivery of services for Medi-Cal members. Their industry experience and demonstrated high-quality performance serving our Medi-Cal membership has led to the continued engagement. Blue Shield Promise is fully responsible for performance of all Subcontractors and Downstream Subcontractors and will provide pre-delegation assessment and ongoing oversight of the following services included in this delegation arrangement:

- Credentialing and Recredentialing

b) Pre-Existing Relationships: Describe any pre-existing relationship, including any affiliation, parent entity, or prior existing contract between Contractor and Subcontractor, or Subcontractor and Downstream Subcontractor including the duration of such pre-existing relationship.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

Blue Shield Promise has been contracted with Psychiatric Alternatives and Wellness Center since January 2023.

- c) **Sub-Delegation:** Indicate if Subcontractor or Downstream Subcontractor is permitted to sub-delegate any functions. If so, describe how Contractor will maintain oversight over delegated functions to Subcontractors and Downstream Subcontractors. Provide citations to provisions in the Subcontractor and Downstream Subcontractor Agreement to support Contractor's assertions.

Blue Shield Promise has the following key oversight monitoring in place to ensure our subcontractors and downstream subcontractors oversight program ensures compliance to State, Federal, and Blue Shield Promise requirements:

- Pre-delegation audit
- Annual oversight audit
- Ongoing performance monitoring
- Corrective action plan management to mitigate identified deficiencies.
- Policies to ensure on-going compliance with regulations including sanctions and fines for noncompliance.

Monitoring of Subcontractors and Downstream Subcontractors occurs across multiple functional disciplines to achieve a comprehensive oversight process tailored to the specific services performed by a Subcontractor and/or Downstream Subcontractors. Monitoring and/or auditing activities are performed by the following areas: Delegation Oversight, Vendor Management, Compliance, business, and operational areas who serve in the capacity of independent auditors. This provides a multi-faceted view of the relationship between Blue Shield Promise and the Subcontractor, including financial capacity and viability, sufficiency of internal controls, compliance with regulatory and contractual requirements, and the performance of the business and operational services.

In addition, Blue Shield Promise has established processes to monitor a Subcontractor's and Downstream Subcontractor's financial strength, viability, stability, and compliance as well as to identify any potential risks. Our Delegation Oversight Department oversees and annually audits Subcontractors through data/reports measuring key performance indicators, participation in Joint Operations Meetings, and through the performance of ad hoc focus audits. All results of Subcontractor's performance are reviewed by the Blue Shield Promise Delegation Oversight

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Committee that reports up through our Compliance Committee. Our Compliance Committee reports any findings as needed to the Blue Shield Promise Board, including the status of any corrective action plans.

d) Impact on Contractor: Describe the impact and benefit, if any, the Subcontractor or Downstream Subcontractor Agreement will have on Contractor's operations, administrative capacity, and financial viability.

Blue Shield Promise engages in Subcontractor and Downstream Subcontractor relationships to ensure that our members have access to stable and accountable networks that are financially solvent, highly trained to our standards, and compliant with all regulations. We are also wanting to ensure that our members have choice and access to a network that can meet their unique care and cultural needs.

Blue Shield Promise outreaches to the executive leadership of a Subcontractor and Downstream Subcontractor at the onset of the relationship so that there is philosophical alignment and mutual understanding of our partnership, and acceptance of the critical components related to quality outcomes and differentiated member experience. Further, we partner with Subcontractor and Downstream Subcontractor leadership and subject matter experts to optimize benefit offerings to our Medi-Cal membership through delegation of service delivery to industry experts. We regularly meet with our subcontracted entities to review performance and to ensure we are collectively maximizing quality of care in the most cost-effective manner by:

- Achieving cost of health care and administrative expense savings
- Leveraging Blue Shield Promise's investments in the latest technology systems and data mining capabilities to improve member experience and outcomes and drive scalability.
- Optimize financial management performance by leveraging access to and participation in Joint Operations meetings which include detailed review of financial information and drivers of performance.

e) Contractor's Administrative Capacity to Oversee and Monitor Subcontractor and Downstream Subcontractor: Describe Contractor's administrative capacity to oversee and monitor Subcontractor and Downstream Subcontractor as applicable:

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN DELEGATION REPORTING AND COMPLIANCE PLAN

Formal, annual audits of our subcontractors and downstream subcontractors are performed to ensure the entity remains fully compliant in the provision of services on behalf of Blue Shield Promise members. The oversight and monitoring consist of coordinated activities between the Delegation Oversight Committee, network contracting, compliance team, and cross-functional business leads. All monitoring and oversight activities performed are documented in our Compliance Management System (audit management software) or in document repositories. Documentation maintained includes:

- Subcontractor Agreements and Amendments
- Subcontractor Program Descriptions
- Audit Reports and Tracking
- Monitoring Dashboards
- Joint Operations Meeting minutes
- Training and education attestations or records
- Documentation of performance issues and requests to improve.
- Copy of Cure Notice, Corrective Action Plans
- Subcontractor Questionnaires
- Risk Assessments

f) Subcontractor's and Downstream Administrative Capacity: Describe Subcontractor's and Downstream administrative capacity to perform each delegated function, including but not limited to Subcontractor's and Downstream capacity to perform quality monitoring and community engagement, if applicable.

Blue Shield Promise assesses each Subcontractor's and Downstream Subcontractor's administrative capacity to perform the functions as required by the Contract and Delegation Agreement. Assessment includes evaluation of:

- Organizational Structure
- Ownership Interest
- Identification of conflicts of interest
- Effective and efficiency use of resources

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Stringent standards for internal controls

Blue Shield Promise oversees performance and ensures that our expectations for capacity, quality monitoring and community support engagement remain at or above established performance requirements.

g) Subcontractor's and Downstream Subcontractors' Compliance with Applicable Contractual Provisions: Detail how the Subcontractor Agreement and Downstream Subcontractor Agreement complies with, and ensures compliance, with all provisions of the Contract applicable to the delegated functions, including appropriate citations to the provisions in the Subcontractor Agreement and Downstream Subcontractors' Agreement. Please complete Template C Contract Requirements Grid in Exhibit J to indicate which provisions are included in the Subcontractors Agreements and Downstream Subcontractors Agreements, as applicable for each Agreement.

Contracts and Delegation Agreement's outline Subcontractors and Downstream Subcontractor's requirement to adhere to regulatory and Plan requirements. Contract and Delegation Agreement language outlines:

- Subcontractors and Downstream Subcontractors responsibilities
- Plan responsibilities
- Remedies for non-compliance

In instances where non-compliance is identified, a corrective action plan (CAP) and/or escalated remediation will be invoked and monitored through the Delegation Oversight Committee (DOC) until which time the Subcontractor and Downstream Subcontractor remediates deficiencies. If Subcontractor or Downstream Subcontractor does not remediate within specified timeframes, the DOC will make recommendations for next steps, including but not limited to:

- Capitation deduction
- Membership assignment holds or reassignment of members to another Subcontractor, in instances where primary care services have been delegated.
- Placement of a monitor

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- De-delegation of certain activities as appropriate
- Termination from the Blue Shield Promise network

h) Contractor's Oversight Policy and Procedures: Describe how Contractor will inform Subcontractor and Downstream Subcontractors of Contractor's oversight policies and procedures.

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

Blue Shield Promise will inform subcontractors and downstream subcontractors of its oversight policies and procedures through multiple means including the following:

- Published in Provider Manual. Subcontractors and Downstream Subcontractors are notified of updates/changes.
- Joint Operations Committee (JOC)
- New Subcontractors and Downstream Subcontractor onboarding and ongoing trainings onboarding and ongoing training for all employees responsible for supporting our Medi-Cal operations.

All policies and procedures are maintained within a Governance, Risk and Compliance tool that ensures that all necessary parties have access to them in the course of normal business operations.

i) Financial Arrangement: Contractor must include description of any financial arrangements it has with Subcontractor and Downstream Subcontractor.

Types of financial arrangements in place include:

- Administrative Service Fees to equal expenses related to performance of delegated function deemed to be fair, reasonable, and in conformity with required and customary accounting practices.
- Reimbursement of direct expenses not included in the overarching Administrative Service Fees (e.g., expenses incurred related to regulatory requirement changes that take effect prior to amendment of Administrative Service Fees)

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

- Value Based Incentives for subcontractors or downstream subcontractors providing direct to member services aligned to quality performance or health equity performance measures.

j) Other Information: Include any other information that would assist DHCS in its review of Contractor's delegated structure.

No additional information provided.

k) Previously Approved Documents: (Applicable to annual submissions only) If Contractor has previously submitted documentation to DHCS in connection with the Subcontractor Agreement or Downstream Subcontractor Agreement, either through the Request for Proposal (RFP) process or during the term of this Contract, Contractor must provide any such documentation.

Not Applicable

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Template C: Contract Requirements Grid

Instructions: If you delegate any functions, complete this template for those contractual duties. One (1) Template C should be submitted showing all delegated functions to accompany Templates A and B.

Contractors must complete this table to indicate all the contract requirements that are applicable to their Subcontractors or Downstream Subcontractor, depending on the functions that are delegated to the respective entities.

This table also references obligations of the Contractor where delegation must be contractually prohibited. While the Contractor must not delegate contractual duties and obligations where delegation is contractually prohibited, Contractor or Subcontractor or Downstream Contractor may include related contractual requirements in their Agreements. For example, while the Contractor may not delegate the functions of a Compliance Program, they may require Subcontractor and Downstream Subcontractors to maintain their own compliance programs. Regardless of a Contractor's system of delegation, Contractor remains obligated to ensure performance of all duties and obligations under the contract.

Fully Delegated Subcontractors must comply with all contractual requirements. Partially Delegated Subcontractors and Downstream Partially Delegated Subcontractors, and Administrative Subcontractors and Downstream Administrative Subcontractors must at minimum comply with requirements outlined in Exhibit A, Attachment III, Subsection 3.1.6.B (Subcontractor and Downstream Subcontractor Agreement Requirements).

Additional requirements may apply depending on the nature of the function or functions delegated. For example, if a Subcontractor delegate claims processing to an Administrative Downstream Subcontractor for this function, the Administrative Downstream Subcontractor must comply with Exhibit A, Attachment III, Subsection 3.3.5 (Claims Processing) for all requirements related to timely processing of claims.

Delegating functions or including contractual provisions in Subcontractor Agreements or Downstream Subcontractor Agreements does not absolve the Contractor of ensuring compliance of the Subcontractors or Downstream Subcontractors.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

Note:

(1) *Must not be delegated:* These rows reference contractual requirements associated with functions for which delegation is contractually prohibited. While the Contractor must not delegate contractual duties and obligations where delegation is legally or contractually prohibited, Contractor may include related contractual requirements in the Subcontractor Agreements. For example, while the Contractor may not delegate the functions of a Compliance Program, they may require Subcontractor and Downstream Subcontractors to maintain their own compliance programs.

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Contractor Name: Blue Shield of California Promise Health Plan

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
1.0 Organization	
1.1 Plan Organization and Administration	
1.1.1 Legal Capacity	<input type="checkbox"/>
1.1.2 Key Personnel Disclosure Form	<input type="checkbox"/>
1.1.3 Conflict of Interest – Current and Former State Employees	<input type="checkbox"/>
1.1.4 Contract Performance	<input type="checkbox"/>
1.1.5 Medical Decisions	<input type="checkbox"/>
1.1.6 Medical Director	<input type="checkbox"/>
1.1.7 Chief Health Equity Officer	(1) Must not be delegated
1.1.8 Key Personnel Changes	<input type="checkbox"/>
1.1.9 Administrative Duties/Responsibilities	<input type="checkbox"/>
1.1.10 Member Representation	<input type="checkbox"/>
1.1.11 Diversity, Equity, and Inclusion Training	<input type="checkbox"/>

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
1.2 Financial Information	
1.2.1 Financial Viability and Standards Compliance	<input type="checkbox"/>
1.2.2 Contractor’s Financial Reporting Obligations	<input type="checkbox"/>
1.2.3 Independent Financial Audit Reports	<input type="checkbox"/>
1.2.4 Cooperation with DHCS’ Financial Audits	<input type="checkbox"/>
1.2.5 Medical Loss Ratio (MLR)	(1) Must not be delegated
1.2.6 Contractor’s Obligations	<input type="checkbox"/>

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

1.2.7 Community Reinvestment Plan and Report	<input type="checkbox"/>
--	--------------------------

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
1.3 Program Integrity and Compliance Program	
1.3.1 Compliance Program	(1) Must not be delegated
1.3.2 Fraud Prevention Program	<input checked="" type="checkbox"/>
1.3.3 Provider Screening, Enrolling, and Credentialing/Recredentialing	<input checked="" type="checkbox"/>
1.3.4 Contractor's Obligations Regarding Suspended, Excluded, and Ineligible Providers and Ineligible Providers	<input checked="" type="checkbox"/>
1.3.5 Disclosures	<input checked="" type="checkbox"/>
1.3.6 Treatment of Overpayment Recoveries	<input checked="" type="checkbox"/>
1.3.7 Federal False Claims Act Compliance and Support	<input checked="" type="checkbox"/>

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
2.0 Systems and Processes	
2.1 Management Information System	
2.1.1 Management Information System Capability	<input checked="" type="checkbox"/>
2.1.2 Encounter Data Reporting	<input type="checkbox"/>
2.1.3 Participation in the State Drug Rebate Program	<input type="checkbox"/>
2.1.4 Network Provider Data Reporting	<input type="checkbox"/>
2.1.5 Program Data Reporting	<input type="checkbox"/>
2.1.6 Template Data Reporting	<input type="checkbox"/>
2.1.7 MIS/Data Audits	<input checked="" type="checkbox"/>
2.1.8 MIS/Data Correspondence	<input checked="" type="checkbox"/>

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
2.2 Quality Improvement and Health Equity Transformation Program (QIHETP)	
2.2.1 QIHETP Overview	<input type="checkbox"/>
2.2.2 Governing Board	<input type="checkbox"/>
2.2.3 QIHEC	<input type="checkbox"/>
2.2.4 Provider Participation	<input type="checkbox"/>
2.2.5 Subcontractor and Downstream Subcontractor QI Activities	<input type="checkbox"/>
2.2.6 QIHETP Policies and Procedures	<input type="checkbox"/>
2.2.7 Quality Improvement and Health Equity Annual Plan	<input type="checkbox"/>
2.2.8 NCQA Accreditation	(1) Must not be delegated
2.2.9 External Quality Review (EQR) Requirements	<input type="checkbox"/>
2.2.10 Quality Care for Children	<input type="checkbox"/>
2.2.11 Disease Surveillance	<input type="checkbox"/>
2.2.12 Credentialing and Recredentialing	<input checked="" type="checkbox"/>

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
2.3 Utilization Management Program	
2.3.1 Prior Authorizations and Review Procedures	<input checked="" type="checkbox"/>
2.3.2 Timeframes for Medical Authorization	<input checked="" type="checkbox"/>
2.3.3 Review of Utilization Data	<input checked="" type="checkbox"/>
2.3.4 Delegating UM Activities	<input checked="" type="checkbox"/>

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
3.0 Provider, Network Providers, Subcontractors, and Downstream Subcontractors	
3.1 Network Provider Agreements, Subcontractor Agreements, Downstream Subcontractor Agreements and Contractor’s Oversight Duties	
3.1.1 Overview of Contractor’s Duties and Obligations	<input type="checkbox"/>
3.1.2 DHCS Approval of Network Provider Agreements, Subcontractor Agreements, and Downstream Subcontractor Agreements	<input type="checkbox"/>
3.1.3 Contractor’s Duty to Disclose All Delegated Relationships and to Submit a “Delegation, Oversight, and Compliance Plan”	<input checked="" type="checkbox"/>
3.1.4 Contractor’s Duty to Ensure Subcontractor, Downstream Subcontractor, and Network Provider Compliance	(1) Must not be delegated
3.1.5 Subcontractor and Downstream Subcontractor Reports	<input type="checkbox"/>
3.1.6 Requirements for Network Provider Agreements, Subcontractor Agreements, and Downstream Subcontractor Agreements	<input type="checkbox"/>
3.1.7 Financial Viability of Subcontractors, Downstream Subcontractors, and Network Providers	<input checked="" type="checkbox"/>
3.1.8 Network Provider Agreements, Subcontractor Agreements, and Downstream Subcontractor Agreements with Federally Qualified Health Centers and Rural Health Clinics	<input checked="" type="checkbox"/>
3.1.9 Network Provider Agreements with Safety-Net Providers	<input checked="" type="checkbox"/>
3.1.10 Network Provider Agreements, Subcontractor Agreements, and Downstream Subcontractor Agreements with Local Health Departments	<input checked="" type="checkbox"/>
3.1.11 Nondiscrimination in Provider Contracts	<input checked="" type="checkbox"/>

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

3.1.12 Public Records	<input type="checkbox"/>
3.1.13 Requirement to Post	<input type="checkbox"/>

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
3.2 Provider Relations	
3.2.1 Exclusivity	<input type="checkbox"/>
3.2.2 Provider Dispute Resolution Mechanism	<input type="checkbox"/>
3.2.3 Out-of-Network Provider Relations	<input type="checkbox"/>
3.2.4 Contractor's Provider Manual	<input checked="" type="checkbox"/>
3.2.5 Network Provider Training	<input checked="" type="checkbox"/>
3.2.6 Emergency Department Protocols	<input type="checkbox"/>
3.2.7 Prohibited Punitive Action Against the Provider	<input type="checkbox"/>

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
3.3 Provider Compensation Arrangements	
3.3.1 Compensation and Value Based Arrangements	<input type="checkbox"/>
3.3.2 Capitation Arrangements	<input type="checkbox"/>
3.3.3 Provider Financial Incentive Program Payments	<input type="checkbox"/>
3.3.4 Identification of Responsible Payor	<input checked="" type="checkbox"/>
3.3.5 Claims Processing	<input checked="" type="checkbox"/>
3.3.6 Prohibited Claims	<input type="checkbox"/>
3.3.7 Federally Qualified Health Center (FQHC), Rural Health Center (RHC), and Indian Health Service (IHS) Facilities	<input type="checkbox"/>

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

3.3.8 Non-Contracting Certified Nurse Midwife (CNM), Certified Nurse Practitioner (CNP), and Licensed Midwife (LN) Providers	<input checked="" type="checkbox"/>
3.3.9 Non-Contracting Family Planning Providers	<input checked="" type="checkbox"/>
3.3.10 Sexually Transmitted Disease (STD)	<input type="checkbox"/>
3.3.11 HIV Testing and Counseling	<input type="checkbox"/>
3.3.12 Immunizations	<input type="checkbox"/>
3.3.13 Community Based Adult Services (CBAS)	<input type="checkbox"/>
3.3.14 Major Organ Transplants	<input type="checkbox"/>
3.3.15 Long-Term Care Services	<input type="checkbox"/>
3.3.16 Emergency Services and Post-Stabilization Care Services	<input checked="" type="checkbox"/>
3.3.17 Provider-Preventable Conditions (PPCs)	<input type="checkbox"/>
3.3.18 Prohibition Against Payment to Excluded Providers	<input checked="" type="checkbox"/>
3.3.19 Compliance with Directed Payment Initiatives and Related Reimbursement Requirements	<input checked="" type="checkbox"/>

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
4.0 Member	
4.1 Marketing	
4.1.1 Training and Certification of Marketing Representatives	<input type="checkbox"/>
4.1.2 Marketing Plan	<input type="checkbox"/>

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
4.2 Enrollments and Disenrollments	
4.2.1 Enrollment	<input type="checkbox"/>
4.2.2 Disenrollment	<input type="checkbox"/>

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
4.3 Population Health Management and Coordination of Care	
4.3.1 Population Health Management (PHM) Program Requirements	<input type="checkbox"/>
4.3.2 Population Needs Assessment (PNA)	<input type="checkbox"/>
4.3.3 Data Integration and Exchange	<input type="checkbox"/>
4.3.4 PHM Service	<input type="checkbox"/>
4.3.5 Population Risk Stratification Segmentation (RSS) and Risk Tiering	<input type="checkbox"/>
4.3.6 Screening and Assessments	<input type="checkbox"/>
4.3.7 Care Management Programs	<input type="checkbox"/>
4.3.8 Basic Population Health Management	<input type="checkbox"/>
4.3.9 Other Population Health Requirements for Children	<input type="checkbox"/>
4.3.10 Wellness and Prevention Programs	<input type="checkbox"/>
4.3.12 Targeted Case Management (TCM) Services	<input type="checkbox"/>
4.3.13 Mental Health Services	<input type="checkbox"/>
4.3.14 Alcohol and SUD Treatment Services	<input type="checkbox"/>
4.3.15 California Children’s Services (CCS)	<input type="checkbox"/>
4.3.16 Services for Persons with DD	<input type="checkbox"/>
4.3.17 School-Based Services	<input type="checkbox"/>
4.3.18 Dental	<input type="checkbox"/>

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

4.3.19 Direct Observed Therapy (COT) for Treatment of Tuberculosis (TB)	<input type="checkbox"/>
4.3.20 Women, Infants, and Children (WIC) Supplemental Nutrition Program	<input type="checkbox"/>
4.3.21 HCBS Waiver Programs	<input type="checkbox"/>
4.3.22 IHSS	<input type="checkbox"/>
4.3.23 Indian Health Services	<input type="checkbox"/>

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
4.4 Enhanced Care Management (ECM)	
4.4.1 Contractor’s Responsibilities for Administration of ECM	<input type="checkbox"/>
4.4.2 Populations of Focus for ECM	<input type="checkbox"/>
4.4.3 ECM Providers	<input type="checkbox"/>
4.4.4 ECM Provider Capacity	<input type="checkbox"/>
4.4.5 Model of Care (MOC)	<input type="checkbox"/>
4.4.6 Member Identification for ECM	<input type="checkbox"/>
4.4.7 Authorizing Members for ECM	<input type="checkbox"/>
4.4.8 Assignment to an ECM Provider	<input type="checkbox"/>
4.4.9 Initiating Delivery of ECM	<input type="checkbox"/>
4.4.10 Discontinuation of ECM	<input type="checkbox"/>
4.4.11 Core Service Components of ECM	<input type="checkbox"/>
4.4.12 Data System Requirements and Data Sharing to Support ECM	<input type="checkbox"/>
4.4.13 Oversight of ECM Providers	<input type="checkbox"/>
4.4.14 Payment of ECM Providers	<input type="checkbox"/>
4.4.15 DHCS Oversight of ECM	<input type="checkbox"/>
4.4.16 ECM Quality and Performance Incentive Program	<input type="checkbox"/>

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
4.5 Community Supports	
4.5.1 Contractor’s Responsibility for Administration of Community Supports	<input type="checkbox"/>
4.5.2 DHCS Pre-Approved Community Supports	<input type="checkbox"/>
4.5.3 Community Supports Providers	<input type="checkbox"/>
4.5.4 Community Supports Provider Capacity	<input type="checkbox"/>
4.5.5 Community Supports Model of Care (MOC)	<input type="checkbox"/>
4.5.6 Identifying Members for Community Supports	<input type="checkbox"/>
4.5.7 Authorizing Members for Community Supports and Communication of Authorization Status	<input type="checkbox"/>
4.5.8 Referring Members to Community Supports Providers for Community Supports	<input type="checkbox"/>
4.5.9 Data System Requirements and Data Sharing to Support Community Supports	<input type="checkbox"/>
4.5.10 Oversight of Community Supports Providers	<input type="checkbox"/>
4.5.11 Delegation of Community Supports Administration to Subcontractors and Downstream Subcontractors	<input type="checkbox"/>
4.5.12 Payment of Community Supports Providers	<input type="checkbox"/>
4.5.13 DHCS Oversight of Community Supports	<input type="checkbox"/>
4.5.14 Community Supports Quality and Performance Incentive Program	<input type="checkbox"/>

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
4.6 Member Grievance and Appeal System	
4.6.1 Grievance Process	<input type="checkbox"/>
4.6.2 Discrimination Grievances	<input type="checkbox"/>

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

4.6.3 Notice of Action	<input type="checkbox"/>
4.6.4 Appeal Process	<input type="checkbox"/>
4.6.5 Responsibilities in Expedited Appeals	<input type="checkbox"/>
4.6.6 State Fair Hearings and Independent Medical Reviews	<input type="checkbox"/>
4.6.7 Continuation of Services Until Appeal and State Fair Hearing Rights Are Exhausted	<input type="checkbox"/>
4.6.8 Grievance and Appeal Reporting and Data	<input type="checkbox"/>

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
5.0 Services – Scope and Delivery	
5.1 Member Services	
5.1.1 Members Rights and Responsibilities	<input type="checkbox"/>
5.1.2 Member Services Staff	<input type="checkbox"/>
5.1.3 Member Information	<input type="checkbox"/>
5.1.4 Primary Care Service Provider Selection	<input type="checkbox"/>
5.1.5 Notices of Action for Denial, Deferral, or Modification of Prior Authorization Requests	<input type="checkbox"/>

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
5.2 Network and Access to Care	
5.2.1 Access to Network Providers and Covered Services	<input type="checkbox"/>
5.2.2 Network Capacity	<input type="checkbox"/>
5.2.3 Network Composition	<input type="checkbox"/>
5.2.4 Network Ratios	<input type="checkbox"/>
5.2.5 Network Adequacy Standards	<input type="checkbox"/>

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

5.2.6 Access to Emergency Service Providers and Emergency Services	<input type="checkbox"/>
5.2.7 Out-of-Network Access	<input type="checkbox"/>
5.2.8 Specific Requirements for Access to Programs and Covered Services	<input type="checkbox"/>
5.2.9 Network and Access Changes to Covered Services	<input type="checkbox"/>
5.2.10 Access Rights	<input type="checkbox"/>
5.2.11 Cultural and Linguistic Programs and Committees	<input type="checkbox"/>
5.2.12 Continuity of Care	<input type="checkbox"/>
5.2.13 Network Reports	<input type="checkbox"/>
5.2.14 Site Review	<input type="checkbox"/>

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
5.3 Scope of Services	
5.3.1 Covered Services	<input type="checkbox"/>
5.3.2 Medically Necessary Services	<input type="checkbox"/>
5.3.3 Initial Health Appointment	<input type="checkbox"/>
5.3.4 Services for Members less than 21 Years of Age	<input type="checkbox"/>
5.3.5 Services for Adults	<input type="checkbox"/>
5.3.6 Pregnant and Postpartum Members	<input type="checkbox"/>
5.3.7 Services for All Members	<input type="checkbox"/>
5.3.7 Services for All Members	<input type="checkbox"/>

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
5.4 Community Based Adult Services (CBAS)	
5.4.1 Covered Services	<input type="checkbox"/>
5.4.2 Coordination of Care	<input type="checkbox"/>
5.4.3 Required Reports for the CBAS Program	<input type="checkbox"/>

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
5.5 Mental Health and Substance Use Disorder Benefits	
5.5.1 Mental Health Parity Requirements	<input type="checkbox"/>
5.5.2 Non-specialty Mental Health Services and Substance Use Disorder Services	<input type="checkbox"/>
5.5.3 Non-specialty Mental Health Services Providers	<input type="checkbox"/>
5.5.4 Emergency Mental Health and Substance Use Disorder Services	<input type="checkbox"/>
5.5.5 Mental Health and Substance Use Disorder Services Disputes	<input type="checkbox"/>

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
5.6 MOUs and Agreements with Third Parties	
5.6.1 MOUs with Third-Party Entities and County Programs	<input type="checkbox"/>
5.6.2 MOU Requirements	<input type="checkbox"/>
5.6.3 MOU Oversight and Compliance	<input type="checkbox"/>

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
6.0 Emergency Preparedness and Response	
6.1 General Requirement	<input checked="" type="checkbox"/>
6.2 Business Continuity Emergency Plan	<input checked="" type="checkbox"/>
6.3 Member Emergency Preparedness Plan	<input type="checkbox"/>
6.4 California's Standardized Emergency Management System	<input type="checkbox"/>
6.5 Reporting Requirements During an Emergency	<input type="checkbox"/>
6.6 DHCS Emergency Directives	

Contractual Requirements	Delegated to Subcontractor
Exhibit A, Attachment III	
7.0 Operations Deliverables and Requirements	<input type="checkbox"/>

Contractual Requirements	Delegated to Subcontractor
Exhibit E	
1.0 Program Terms and Conditions	
1.1 Governing Law	<input type="checkbox"/>
1.2 DHCS Guidance	<input type="checkbox"/>
1.3 Contract Interpretation	<input type="checkbox"/>
1.4 Assignments, Mergers, Acquisitions	<input type="checkbox"/>
1.5 Independent Contractor	<input type="checkbox"/>
1.6 Amendment and Change Order Process	<input type="checkbox"/>
1.7 Delegation of Authority	(1) Must not be delegated
1.8 Authority of the State	<input type="checkbox"/>
1.9 Fulfillment of Obligations	<input type="checkbox"/>

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
 DELEGATION REPORTING AND COMPLIANCE PLAN

1.10 Obtaining DHCS Approval	<input type="checkbox"/>
1.11 Certifications	<input type="checkbox"/>
1.12 Notices	<input type="checkbox"/>
1.13 Term	<input type="checkbox"/>
1.14 Service Area	<input type="checkbox"/>
1.15 Contract Extension	<input type="checkbox"/>
1.16 Termination	<input type="checkbox"/>
1.17 Phaseout Requirements	<input type="checkbox"/>
1.18 Indemnification	<input type="checkbox"/>
1.19 Sanctions	<input type="checkbox"/>
1.20 Liquidated Damages	<input type="checkbox"/>
1.21 Contractor's Dispute Resolution Requirements	<input type="checkbox"/>
1.22 Inspection and Audit of Records and Facilities	<input type="checkbox"/>
1.23 Confidentiality of Information	<input type="checkbox"/>
1.24 Pilot Projects	<input type="checkbox"/>
1.25 Cost Avoidance and Post-Payment Recovery (PPR) of Other Health Coverage (OHC)	<input type="checkbox"/>
1.26 Third-Party Tort and Workers' Compensation Liability	<input type="checkbox"/>
1.27 Litigation Support	<input type="checkbox"/>
1.28 Equal Opportunity Employer	<input type="checkbox"/>
1.29 Federal and State Nondiscrimination Requirements	<input type="checkbox"/>
1.30 Discrimination Prohibitions	<input type="checkbox"/>
1.31 Small Business Participation and Disabled Veteran Business Enterprises (DVBE) Reporting Requirements	<input type="checkbox"/>
1.32 Conflict of Interest Avoidance Requirements	(1) Must not be delegated
1.33 Guaranty Provision	<input type="checkbox"/>

BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN
DELEGATION REPORTING AND COMPLIANCE PLAN

1.34 Priority of Provisions	<input type="checkbox"/>
1.35 Miscellaneous Provision	<input type="checkbox"/>