

	Program: UTILIZATION MANAGEMENT	
	Policy No. UM-038	Effective Date: 3/12/2013
	Authored by: HPN CS	Date Authored: 1/1/2012
	Approved by: HPN UMC	Date Approved: 1/12/2023
	Revised by: HPN CS	Date of Latest Revision: 12/12/2022
Title of Policy: NON-INCENTIVE UTILIZATION MANAGEMENT DECISIONS AND ECONOMIC PROFILING		

SECTION I: RELEVANT PRODUCT LINES

Product Type	Y/N	Product Type	Y/N
Medi-Cal	Y	Commercial	Y
Applicable Integrated Plan	Y	Covered California (Exchange)	Y
Medicare Advantage	Y		

SECTION II: DEFINITIONS

Term	Definition
Economic Profiling	Any evaluation of a particular physician, provider, medical group, or individual practice association based in whole or in part on the economic costs or utilization of services associated with medical care provided or authorized by the physician, provider, medical group, or individual practice association.

SECTION III: POLICY

Heritage Provider Network (HPN) and its affiliated Medical Groups (Groups) do not practice Economic Profiling¹ and specifically do not encourage or reward employees or downstream entities conducting utilization management (UM) review activities for issuing denials of coverage or service. HPN also promotes appropriate utilization and discourages under-utilization or barriers to care and services.

HPN’s and its Groups’ compensation to providers, employees and other individuals conducting utilization review or utilization management activities on its behalf does not contain incentives, direct or indirect, to approve, deny, reduce, limit, delay, or discontinue the provision of or payment for the delivery of any medically necessary services to any member. Utilization-related decision making is based on the individual clinical needs of the member, benefit availability, medical appropriateness of care and service, and existence of coverage.

Groups’ UM decisions are subject to the evidence of coverage and benefits contractually provided by the health plan to members.

¹ Should HPN revise this practice, it will comply with CA Health & Safety Code §1367.02 regarding filing of any policies and procedures related to economic profiling to describe how these practices are utilized in utilization review, peer review, incentive and penalty programs, and in provider retention and termination decisions.

Employment, compensation, termination and promotion decisions (or any other similar matters) are not made based on the likelihood that the individual (such as a claims adjudicator or medical expert) would support the denial or any modification of benefits or services.

SECTION IV: REFERENCES

42 CFR §422.208(e)

42 CFR §§438.3(i) and 438.210(e)

CA Health & Safety Code §§1348.6 and 1367.02(d)

2023 NCQA MED 9: Element E

Utilization Management Procedure



Heritage
Provider Network
&
Affiliated Medical Groups

Department: Utilization Management

Procedure Number: UM-038-P-001

Effective Date: 09/16/2020

Approval Date: 1/12/2023

Approved By: HPN UMC

Last Review Date: 12/12/2022

Reviewed By: HPN CS

Subject: Affirmation of Non-Incentives for Utilization Management Decision Making

Related Policies: UM-038 Non Incentive Utilization Management Decisions and Economic Profiling

Applicable to: Utilization Management, Case Management, Quality Improvement

I. Relevant Product Lines

Product Type	Y/N	Product Type	Y/N
Medi-Cal	Y	Commercial	Y
Applicable Integrated Plan	Y	Covered California (Exchange)	Y
Medicare Advantage	Y		

II. Procedure

1. Groups will distribute a statement, at the time of hire and/or contracting and annually thereafter, which requires employees, contracted workforce members, or contractors who make utilization management-related decisions, (see *Attachment 1: Affirmation of Non-Incentives for Utilization Management Decision Making*), and those who supervise them (see *Attachment 2: Affirmation of Non-Incentives for Supervisors of Persons Making Utilization Management Decision*), to sign a statement a hard copy or via an e-signature, that affirms:
 - a. UM decision making is based only on appropriateness of care and service and existence of coverage.
 - b. Groups do not specifically reward employees or workforce members conducting utilization review for issuing denials of coverage or service.
 - c. Groups do not offer incentives to encourage decisions that result in underutilization.
2. For Medicaid, the Groups' affirmative statement, as stated in *Attachment 1: Affirmation of Non-Incentives for Utilization Management Decision Making* shall also be distributed at least annually to all Group practitioners, providers, and members, by any or all of the following methods:
 - a. E-mail;
 - b. Fax;
 - c. US Mail;
 - d. Posting or inclusion on HPN and/or the respective Groups' intranets (in which case the intended audience will be informed that the information is available online);

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- e. Posting or inclusion on HPN and/or the Groups' respective public or provider-facing websites or web portal (in which case the intended audience will be informed that the information is available online).
3. Groups will also include the Affirmation of Non-Incentives for Utilization Management Decision Making, as stated in Attachment 1: *Affirmation of Non-Incentives for Utilization Management Decision Making*, in provider and member resources sections of its internet resources.
4. Upon request, a hard copy of the statement will be sent to any practitioner, provider, and/or member, including via mail to recipients who do not have fax, email, or internet access.
5. Monitoring:
 - a. The Group's Compliance Officer, in coordination with the Group's managing Human Resources/Employee Services executive, and with the Chief Medical Officer(s) and each Group's UMC, shall oversee the process of soliciting, monitoring completion, and maintaining executed UM Non-Incentive Affirmation statements.
 - b. The form and modality of acquiring executed documents, whether by hard copy or electronically signed/acknowledged Affirmations, shall be directed by each Group's Compliance Officer and HPN Compliance Officer;
 - c. Each Group's UMC shall monitor that all applicable employees, vendors, independent contractors, and/or employees or agency workforce staff, involved directly or indirectly with any UM decisions, shall at time of hire/contracting and no less than annually, execute the Affirmation of Non-Incentives for Utilization Management Decision Making.

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Attachment 1: Affirmation of Non-Incentives for Utilization Management Decision Making

As an employee or workforce member affiliated with Heritage Provider Network, Inc. or its affiliated groups or organizations who is (or may be) involved in utilization management decision making responsibilities, I affirm the following:

Utilization management decision making is based only upon appropriateness of care and service, subject to the applicable Evidence of Coverage and benefits contractually available to member; and

I attest that I am not rewarded for issuing denials of coverage or service. Specifically, I am ensured independence and impartiality in making referrals or authorization decisions that are not influenced with hiring, compensation, termination, promotion, or any other similar matters; and

I do not have any financial incentive(s) that would encourage me to make decisions that would result in underutilization of care, service, or available member benefits.

Signed/e-Signed:

Printed Name:

Date:

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Attachment 2: Affirmation of Non-Incentives for Supervisors of Persons Making Utilization Management Decisions

As the supervisor of an employee or workforce member affiliated with Heritage Provider Network, Inc. or its affiliated groups or organizations who is (or may be) involved in utilization management decision making responsibilities, I affirm the following:

Utilization management decision making is to be based only upon appropriateness of care and service, subject to the applicable Evidence of Coverage and benefits contractually available to member; and

I attest that I do not reward individuals for issuing denials of coverage or service. Specifically, to the extent of my authority, I ensure UM decision makers are independent and impartial in making referrals or authorization decisions that are not influenced by hiring, compensation, termination, promotion, or any other similar matters; and

I attest that to my knowledge any financial incentives or compensation to providers, employees and other individuals conducting utilization review do not contain incentives, direct or indirect, to approve or deny payment for the delivery of any health care service. Utilization-related decision making is based on the individual clinical needs of the member, benefit availability, medical appropriateness of care and service, and existence of coverage; and

I am not aware of any compensation mechanism or financial incentive(s) that would encourage UM decision makers to make decisions that would result in the underutilization of care, service, or available member benefits.

Signed/e-Signed:

Printed Name:

Date:



Affirmation of Non-Incentive for Utilization Management Decision

Making Statement

2023

As an employee or workforce member affiliated to Heritage Provider Network, Inc. or its affiliated groups or organizations who is (or may be) involved in utilization management decisions making responsibilities, I affirm the following:

Utilization management decision making is based only upon appropriateness of care and service, subject to the applicable Evidence of Coverage and benefits contractually available to member; and

I attest that I am not rewarded for issuing denials of coverage or service. Specifically, I am ensured independence and impartiality in making referral or authorization decisions that will not be influenced with hiring, compensation, termination, promotion, or any other similar matters [29 CFR 2590.715-2719(b)(2)(ii)(D)]; and

I do not have any financial incentive (s) that would encourage me to make decisions that would result in underutilization of care, service, or available member benefits.

Signed/e-Signed: _____

Printed Name: _____

Date: _____