CODE	Section III UTILIZATION MANAGEMENT (UM)	YES	NO	NOTE
UM01	**The MCO has effective procedures to monitor utilization of appropriate health services and to control costs of basic and supplemental health services to achieve utilization goals.** **42 CFR 417.103(b)** **[ ] MET [ ] NOT MET**			
UM01a	**Delegation. If part of all of the UM function is delegated:** The MCO maintains overall accountability for all UM activities and can demonstrate that the delegated authority's UM program meets all the basic regulatory and policy requirements for those parts which have been delegated. FQ HMO Manual 4201.1D (Cross Reference any findings to AM02a)			

MOE	Utilization data for all types of services (lab, x-ray, ancillary, primary care physician (PCP) and specialty, inpatient) are used to assess how well the MCO is meeting its health care standards, assuring appropriateness of services, assuring that incentives are not having a negative impact on outcomes, and meeting its financial targets. Coordinate with Quality Assurance (QA) (Section VI), Incentive Arrangements (Section IV), Financial (Section II), and Administration and Management (Section I). **Review**: ❑ Multiple sources of data: Management Information Systems (MIS) reports such as encounters, profiles (by physician, diagnosis, drug, ambulatory, and case management), complaints, written UM plan, UM committee minutes, annual evaluation of UM work plan, and trends in appeals overturned and upheld by the HCFA Contractor; ❑ Internal utilization related documents, memos, newsletters, policies to providers and suppliers informing and explaining results of utilization assessments; ❑ POS monitoring and utilization report, if applicable; and ❑ New staff training materials, if MCO has formal training materials for new UM staff. **Interview**: ❑ Medical Director, director of utilization management, UM staff, physicians, and any other persons who may be involved in UM activities or functions; and ❑ Providers to determine how often they receive reports or have discussions concerning utilization and their experiences;

MOE con't.	**Determine** if the MCO: ❏ Uses various methods of utilization management (e.g., prior authorization, concurrent review, discharge planning, retrospective review) to assure that care is appropriate (specific service, level of care, duration, volume); ❏ Conducts utilization management activity (e.g., pattern analysis and provider performance analysis) to assure the appropriateness of services and to assess patterns of care; ❏ Analyzes data to identify potential under-utilization (i.e., services being denied or delayed) of health care services and as appropriate, provides this information to the QA staff for further study; ❏ Shares such information with physicians and other health care providers and assists them in understanding and using the results of the utilization management activities; ❏ Shares information within the organization, takes action, intervenes based on summary data, and follows-up based on ongoing information; ❏ Offers a point-of-service (POS) benefit, and if so, review how the MCO tracks and monitors the provision of services rendered pursuant to the POS benefit. (Does MCO segregate and profile POS data and compare experience with non-POS services to determine if medically necessary services are being inappropriately received under the POS benefit?); ❏ Involves providers in setting utilization standards and in sharing information related to their experience; ❏ Maintains policies and procedures pertaining to the issuance of notices of non-coverage (NONC); and ❏ Adopts coverage policies which conform to Medicare coverage decisions, including written, local, intermediary and carrier decisions.