

SUBJECT: OFFSHORE OUTSOURCING
POLICY: CP 6032

Department of Origin: Compliance Department
Responsible Position: Director of Compliance

Date(s) of Review and Revision: 11/11, 06/12, 02/14; 03/15; 04/16; 04/17; 3/18; 7/18
Policy Replaces: CP 1832 S

Policy Approved: 7/6/2018 Committee Meeting

[Link](#)

Department Approval:



Approval has
completed on CP 603.

PURPOSE

To ensure that The Health Plan takes appropriate measures to ensure that Subcontractors who utilize Offshore Vendors/Subcontractors for CMS complete the appropriate attestations and that no Offshore Subcontractors providing services utilizing protected health information are utilized for all AHCCCS lines of business.

APPLICABILITY

This policy applies to all Lines of Business.

POLICY

The Health Plan collects attestations from vendors and providers indicating whether or not they utilize Offshore Vendors/Subcontractors in their CMS/ AHCCCS lines of business. The Health Plan will submit to CMS via HPMS specific subcontract information contained in the offshore attestation that a vendor or provider submits to the Health Plan.

DEFINITIONS

Please refer to the link below for full definitions for the following terms:

<http://sharepoint/sites/hppandp/new/Lists/Definitions/PP%20Definitions.aspx>

PROCEDURE

- 1.0 The Health Plan submits to CMS via HPMS the completed Offshore Subcontractor attestations whenever the Health Plan identifies that a

- Subcontractor outsources part or all of its responsibilities that includes providing Health Plan member PHI to an offshore company.
- 1.1 Subcontractor information contained in the offshore attestations should be entered into the CMS HPMS module within thirty (30) calendar days after the offshore attestation is received.
 - 1.2 If changes are made to the functions that a current Offshore Subcontractor performs, the Health Plan submits an attestation via HPMS with a modified listing indicating the changed function within thirty (30) calendar days of the change.
 - 1.3 To ensure that the Health Plan is compliant with CMS regulations for offshore subcontracting, contracts with Subcontractors based in the United States and its territories include language that the Subcontractor will inform the Health Plan when and if the Subcontractor outsources part or all of its responsibilities that includes providing Health Plan member PHI to an offshore company.
- 2.0 The Health Plan representative will submit the Offshore Subcontract information contained in the completed attestation through the Offshore Subcontract data module in the CMS Health Plan Management System (HPMS).
- 3.0 The Offshore Subcontract Information includes the following:
- 3.1 Legal name of Health Plan.
 - 3.2 Offshore Subcontractor Information:
 - 3.2.1 Offshore Subcontractor name.
 - 3.2.2 Offshore Subcontractor Country
 - 3.2.3 Offshore Subcontractor address.
 - 3.2.4 Describe Offshore Subcontractor functions.
 - 3.2.5 State proposed or actual effective date for Offshore Subcontract.
 - 3.3 Offshore Subcontractor Information:
 - 3.3.1 Describe the PHI that will be provided to the Offshore Subcontractor.
 - 3.3.2 Discuss why providing PHI is necessary to accomplish the Offshore Subcontractor's objectives.
 - 3.3.3 Describe alternative considered to avoid providing PHI and why each alternative was rejected.
- 4.0 The Attestation includes the following information and requirements that must be verified and completed by the Subcontractor:
- 4.1 Attestation of safeguards to protect Health Plan member PHI in the Offshore Subcontract:
 - 4.1.1 Offshore Subcontractor arrangements have policies and procedures in place to ensure that PHI and other personal information remains secure.
 - 4.1.2 Offshore Subcontractor arrangement prohibits Subcontractor's access to data not associated with the Health Plan contracts.
 - 4.1.3 Offshore Subcontractor arrangement has policies and procedures in place that allow for immediate termination of the Subcontract upon discovery of a significant security breach.

- 4.1.4 Offshore Subcontractor arrangement includes all required CMS language (e.g., record retention requirements, compliance with all Medicare Part C and D requirements, etc).
- 4.2 Attestation of audit requirements to ensure protection of Health Plan member PHI.
- 5.0 The Health Plan requires the Subcontractor to submit annual audits of any Offshore Subcontractor identified in the attestation for review and approval by the Health Plan.
- 6.0 For AHCCCS, any services that are described in the specifications or scope of work that directly serve the State of Arizona, its clients, or AHCCCS members, and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this requirement does not apply to indirect or “overhead” services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.
- 7.0 No claims paid by the Health Plan to a network provider, out-of-network provider, subcontractor or financial institution located outside of the United States will be considered in the development of actuarially sound capitation rates.

PERFORMANCE AND OUTCOME MEASURES

- 1.0 Subcontractor will protect Health Plan member’s PHI when utilizing Offshore Subcontractors for CMS Line of Business.
- 2.0 For AHCCCS, the Subcontractor will perform all services that involve access to secure or sensitive data or personal client data within the defined territories of the United States.

REFERENCES

- 1.0 HPMS memos 07/23/2007, 09/20/2007 and 08/26/2008
- 2.0 Government Accountability Office’s (GAO) Report entitled *Privacy: Domestic and Offshore Outsourcing of Personal Information in Medicare, Medicaid, and Tricare*
- 3.0 AHCCCS Contract, Section E, Paragraph 33, Off-Shore Performance of Work Prohibited

ASSOCIATED POLICIES AND PROCEDURES

- 1.0 Health Plan Policy – CP 6014; First Tier, Downstream, and Related Entity Oversight