

CMS Oversight Activities: An Integrated
Strategy for Organizational Readiness

Compliance Risk Management: An Integrated Strategy for Organizational Readiness

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Agenda

- Reality of Compliance Officer
- Regulatory Framework (incoming, outgoing, oversight, feedback, performance measures)
- How to manage challenges while ensuring organizational readiness
- Role of business owner versus compliance
- Practical tools/best practices
- Building business case of a compliance risk management issue –what is it, why it matters & cost to business
- Key takeaways

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Ring True?

- How do we get staff to understand Compliance is everyone's responsibility?
- How do we allocate few resources for increasing number of accountabilities?
- Why should I have to if regulator is not requiring it?
- Well, we have not been audited yet?
- Another HPMS memo!* You've got to be kidding?

* HPMS memo = CMS communication

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Ever Felt Like The Chase Never Ends?

Oh no, not another HPMS memo in my inbox!!!



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Regulatory Framework

- Incoming New and Changing Requirements (non stop and unpredictable)
- Outgoing Requirements (growing by the day)
- Regulatory Oversight (increasing due to health care reform)
- Regulatory Feedback (unpredictable)
- Performance Metrics/Star Ratings (finally catching the attention of senior management)

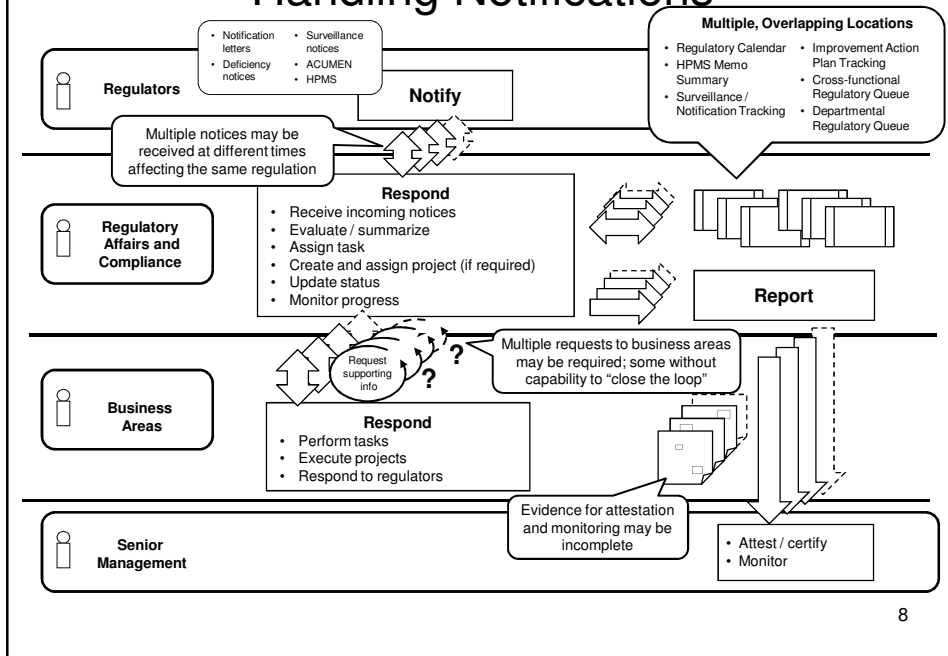
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Incoming Data (Medicare)

Incoming Data	Source	Frequency	Cross-functional/ Individual Department
HPMS Memos - Chapter Updates - Changes to Requirements	CMS	Daily	Primarily cross-functional
Medicare Updates - Regulation changes - Payment and Reconciliation - CMS User Calls - Risk Adjustment User Calls - Annual Call Letter - SNP-specific	CMS	Weekly/ Monthly	Primarily cross-functional
ACUMEN Updates - Part C & D Reporting - Patient Safety - BAE Monitoring - PDE Reports - Part C Access - Part D Data Validation - LIS	CMS	Weekly	Pharmacy Enrollment
Deficiency Notifications	CMS	Ad hoc	Individual department
Outlier Notifications	CMS	Ad hoc	Individual department
Surveillance Notifications - via notices - via Surveillance website	CMS	Ad hoc	Individual department
CTM	CMS/ HPMS	Daily	Primarily cross-functional

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Handling Notifications



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Outgoing Data (Medicare)

Outgoing Data	Frequency
Part C & Part D Data Reporting	Monthly/Quarterly/ Bi Annual/Annual
Attestations	Monthly/Annual
Readiness Checklist	Annual
ACUMEN/HPMS Reports	Monthly/Quarterly
Deficiency Response	Ad hoc
Outlier Response	Ad hoc
Surveillance Response	Ad hoc
CTM Responses	Daily
HOS/CAHPS/HEDIS	Annual
NCQA SNP Structure & Process	Annual
SNP Specific HEDIS	Annual
Marketing Materials Submissions	Monthly/Annual
Marketing Events	Monthly
PDE Submissions & Corrections	Monthly/Annual
CMS Bid	Annual
Formulary Changes	Monthly
LIS Match Rates	Monthly
Best Available Evidence	Ad hoc

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Regulatory Oversight Activities

- Monthly/Annual Attestations
- Call Center Monitoring
- Monthly and Annual Data Validations
- CMS Secret Shoppers
- Monthly, Quarterly, Bi-Annual, Annual Reporting (State/Federal)
- Annual External Quality Reviews (EQROs)
- NCQA Reporting
- Division of Insurance Reporting
- CMS Contractor Data Reviews
- HEDIS Reporting
- Website Reviews

AND GROWING.....

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Regulator Feedback

- Surveillance Activities
- Call Monitoring
- Deficiency Notices
- Outlier Notifications
- Warning Notices
- Corrective Action Plans
- Reminders...

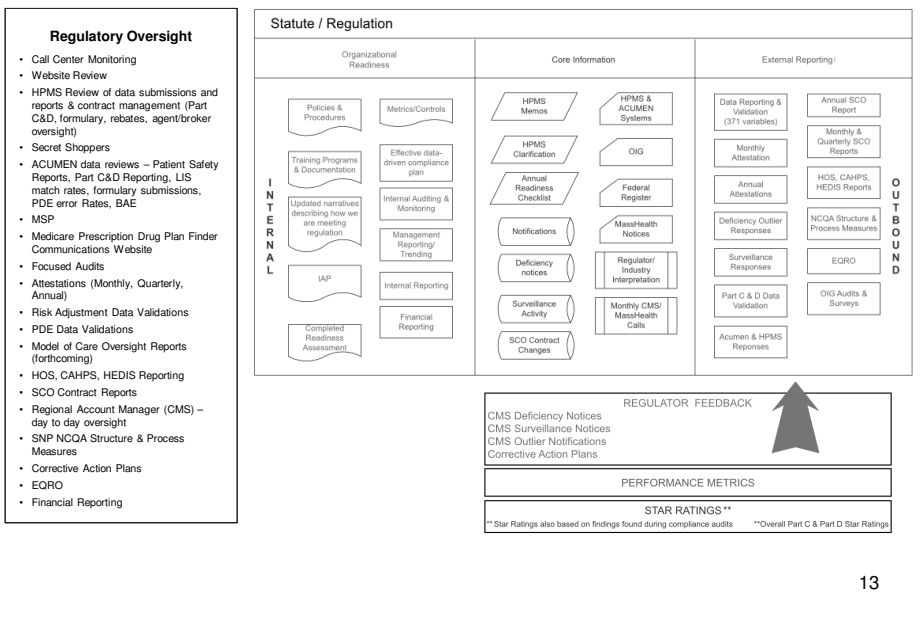
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Now 'Star Ratings'....

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Regulatory Framework



How to Manage?

- What is compliance risk management?
- What is the role of compliance area versus business owner?
- What tools in place? What workflows?
- How to ensure accountability?
- How to gain buy-in that more than a gigantic spreadsheet is needed?
- How to ensure the organization readiness? Why organizational readiness is important? At what cost?

Compliance Risk Management

- Regulatory Management Issue/Incident Management
- Policy & Procedure Management
- Risk Management
- Self-Assessments – good to self-identify issues
- Certifications/Attestations
- Audit/Monitoring/Evaluation
- Internal Controls Management

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Compliance Risk Management: Regulatory Management

- Managing Influx of Regulatory Notifications
- Compliance/Business Assessment
 - Business Owner/Cross Functional
 - Business Impact (process, policies, training, other)
 - Compliance Risk
 - Prioritization
 - Tracking
- Business/Project Plans for Cross Functional Work

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Compliance Risk Management: Incident/Issue Management

- Responsible Party for Response
- Document, Document, Document
- Case Assignment
- Root Cause Analysis and Action Required
- Creation of Corrective Action Plan
- Test and Re-Evaluate
- Close Case
- Trending

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Compliance Risk Management: Auditing/Monitoring/Evaluation

- Management Reporting with measurable metrics
- Formal internal compliance audit plan lead by Compliance
- Self-monitoring by business owners
- Set Reporting Schedule
- Document, Document, Document
- Trending
- Dashboard reporting to stakeholders
 - Senior management
 - Internal Management Compliance Committee
 - Board Compliance Committee

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Organizational Readiness

What is Organizational Readiness?

- Solid evidence of how you are meeting the requirement
 - narrative, policy & procedure, training materials
- Policy & procedures are current & followed as written
- Proactively identified risks and associated strategy
- Conduct internal monitoring – early identification
- Proof of audits and related corrective action plans
- Established metrics
- Internal review of management reports
- Confidence in accuracy of attestations
- Operating PROACTIVELY as compared the reactive fire drills

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Benefits of Organizational Readiness

- Documentation supporting requirements and attestations are up-to-date, accurate and readily accessible
 - Solid evidence
- Responding accurately and timely (72 hours)
 - Prioritization
 - Easy access to complete documentation and evidence
 - Comprehensive visibility of impact on business of regulatory change or issues
- Effective management of corrective actions with real-time views of status and accountability
- Efficient, non-repetitive processes
 - Streamlined administrative tasks for tracking, information management
 - Resource and cost savings

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Benefits of Organizational Readiness (continued)

- Better, more efficiently generated status reporting and performance metrics
- Minimized impact of compliance activities on operations of business areas
- Proactive, confident risk management with internal controls and self-monitoring
- Up-to-date, compliant content — written narratives, policies and procedures, training materials, and department processes
- Comprehensive view of impact of regulatory change
- Centralized view of current compliance status/progress

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Clarity Roles/Responsibilities

Role of Business Owner vs. Compliance

- Ideal: Everyone is responsible for compliance
 - Who is responsible for ensuring the loop is closed?
 - Ultimate accountability?
 - How far to take 'hand holding'?
 - Managing different perspectives on importance to business

Business Owner vs. Compliance New Processes

- | | |
|---|---|
| <ul style="list-style-type: none"> • Business Area <ul style="list-style-type: none"> – Implement & Maintain <ul style="list-style-type: none"> • Implement: Own & drive implementation efforts • Maintain: Monitor day-to-day activities – Make business decisions – Identify method to meet new requirement <ul style="list-style-type: none"> • Need for new policies & procedures • Plans to address business gap • Documentation of workflows and processes – Identify and implement internal controls – Business Area Compliance responsibility | <ul style="list-style-type: none"> • Compliance <ul style="list-style-type: none"> – Advising & Consulting – Initial point of contact to distribute issues – Identify & Assess new regulations <ul style="list-style-type: none"> • Conduct high-level business impact analysis • Assess compliance risk • Interpretation of regulations for identified impacted areas – Communicate requirements – Provide guidance – Provide tools and techniques <ul style="list-style-type: none"> • Project management assistance – Corporate Compliance responsibility |
|---|---|

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Business Owner vs. Compliance Existing Processes

- | | |
|--|---|
| <ul style="list-style-type: none"> • Business Area <ul style="list-style-type: none"> – Maintain <ul style="list-style-type: none"> • Regular monitoring of processes according to set standards & report results • Monitoring of day-to-day activities • Internal controls and document the effectiveness of those controls via monitoring – Own & drive improvement efforts and risk bearing – Identify how requirement met <ul style="list-style-type: none"> • Need and update policies and procedures • Documentation of workflows and processes • Identify gaps in meeting requirement – Business area compliance responsibility – Self-Identify areas of improvement | <ul style="list-style-type: none"> • Compliance <ul style="list-style-type: none"> – Advising & Consulting – Conduct formal audits <ul style="list-style-type: none"> • Areas of high compliance risk – Review results/trends of department internal monitoring – Assess need for focus reviews – Communicate requirements – Provide guidance – Provide tools and techniques <ul style="list-style-type: none"> • Project management assistance • Tracking of documentation – Corporate compliance |
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Reality



Road to Success

My Challenges

- Too much reliance on email communication
- Not enough face time with business owners
- Lack of formal, ongoing business process to manage influx
- Poor communication around who is responsible for what and when
- Resistance to be business lead for cross functional work
- Management of timelines with competing business priorities and 'open ended' deadlines
- Lack of visible accountability
- Lack of internal controls & self-monitoring

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Small, Incremental Steps

- Clarification on role of business owner versus compliance
- Regulatory tool kit for business owners
- Focused attention via 1x1 bi-weekly meetings with key decisions makers
- Implementation of organizational-wide regulatory calendar
- Weekly report to business owners with target date for business assessment required
- Business Case for Tools/Technology
- Visual Regulatory Framework – all moving pieces and why organizational readiness is critical
- Metrics to measure and share with senior management
 - % assessed, not assessed, partially assessed, closed

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Practical Tool: Regulatory Tool Kit

- Business Impact Template
- Corrective Action Plan Templates & Instructions
- Regulatory Calendar
- Medicare/Medicaid Regulatory Memos
- Readiness Assessment Guide
- Policy & Procedure Tracker
- User Group Calls – Agenda & Notes
- Federal and State Contracts
- Medicare Managed Care Manuals
- External Websites & Resources

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Practical Tool: Organizational Regulatory Calendar

- 12 month calendar
 - deliverable, deadline, responsible party
 - reminder at beginning of month
- Responsible party accountable to inform Compliance department when deliverable was met
- If no communication, deadline presumed as missed
- Monthly status report to senior management
- Add corrective actions, regulatory requirement reviews, scheduled delegate audits
- 350 separate deadlines

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REGULATORY CALENDAR MONTHLY UPDATE APRIL 2010

DATE DUE	EVENT; SUBMISSION; REQUIREMENT & DESCRIPTION	OWNER	COMMENTS
April 3	2008 P2P Attestation and Spreadsheet Due	Tedd	Per Tedd- Placeholder/not released yet
April 5	Final Call Letter due to be released	Gina	Released 4/9/10
April 8	PDE Rejection Errors CAP	Tedd	
April 9	2011 Plan Creation Module, PBP and Bid Pricing Tool Available in HPMS	Bob Annie/ Nancy	Released 4/9/10
April 10	MARx Plan Data Due	Tedd	Placeholder
April 10	LIS Plan Data File	Tedd	Completed
April 12	MTMP Program Submission Due	Basem	
April 13	BAE Submission	Tedd	
April 13	Monthly Certification of Enrollment Due to (No Suggestions)	Emily/Bob F.	Completed
April 15	Acumen PDE Reports	Tedd	Placeholder
April 16	Readiness Assessment Narrative review/revisions due		
April 16	Due date for actuaries to complete actuarial certification portion of the bid submission process via HPMS	Bob F	
April 19	Part D Transition Policy due via HPMS	Basem	
April 19	2011 Formulary Submissions due	Basem/ESI	
April 20	CMS chapter summary assessments due	Ops Meeting	
April 27	BAE Submission	Tedd	
April 30	May Marketing Events due in HPMS	Emily/Guillermo	
April 20	SCO Appeal/Complaint Report	Kerry	
April 30	2009 Annual Audited Financial Statements due to CMS	Bob F.	
April 30	Part D Report Licensure and Solvency	Bob F.	
April 30	Submission of form to EOHHS of compliance with federal requirements under false claims law	Kara	

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Business Case –we have more than ‘tracking’ issue but a compliance risk management issue

- What is meant by compliance risk management?
- Define role of Compliance with risk management for the company as a whole – not just a compliance area problem
- Define organizational readiness and why it is important
- Articulate importance of ‘closing the loop’
- Create a visual of how all the moving pieces fit together and breakdowns
- Business need for technology support beyond ‘tracking’
- What is meant by ‘proactive’ environment
- Business risks/costs associated with not addressing

“We should not have to wait till an audit to realize we are not prepared”

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Future Steps

- Short Term Goal - move away from spreadsheets
- Long Term Strategy – Government, Risk, Compliance Application
- Monthly Cross Functional Team
 - Compliance/Business Risk Assessments
 - Business Impact & Work Required
 - Business Lead Assignment
 - Prioritization
- Visible Accountability
 - Monthly Compliance Dashboard – Senior Managers
- Regulatory champions in each key business area

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Practices by Other Health Plans

- Rigorous policy and procedure documentation management system
 - Policy Review Committee (cross-section)
 - Ensure policies reviewed annually
 - Identify need for new policy development/policy revision
 - Identify operational implications for departmental follow up
 - Tracks progress of annual reviews and monitors consistency
 - Status -Compliance Dashboard
 - Coaching Sessions
- Month-at-glance accountabilities for business owners
- Sharing of best practices among business owners
- Self-monitoring dashboard

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Key Takeaways

- Build Your Business Case
- Quantify, Quantify, Quantify
- Explain what is meant by compliance risk management and its cost to organization
- Promote what is organizational readiness and what is in it for 'you'
- Small, Incremental Steps – show value to business along the way
- Clarify the role of business owner vs. compliance (support from top)
- Visible accountability

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