

HCCA's 12TH ANNUAL COMPLIANCE INSTITUTE

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Managing Medicare Compliance

Payor Immersion Session

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Steven Friedman

Compliance & Privacy Officer

Tufts Health Plan

Steve_Friedman@Tufts-Health.com

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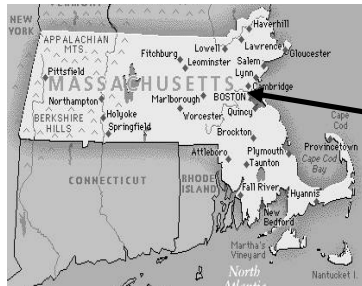


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Tufts Health Plan – Overview



- Not-for-Profit HMO since 1981
- 1500 Employees based in Watertown, MA
- Over 664,000 Members (as of 12/31/07)..... including
 - 581,000 Commercial & Multi-State
 - 74,000 Medicare Advantage
 - 9,000 Medicare Wrap



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Who Touches Medicare Compliance?

- Compliance Department
- Government/Regulatory Affairs
- Fraud Unit
- Legal Department
- Internal Audit
- Corporate Departments
 - i.e., Provider Contracting, Actuarial, Pharmacy, Appeals, Clinical, IT, Finance
- Medicare Departments
 - i.e., Enrollment, Customer Relations, Claims, Marketing, Sales



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Medicare Compliance Activities

- **Part C Compliance**
 - Prep for Site Visit/Working with Departments
 - Site Visit Follow-up / Corrective Action Plan (CAP) Development & Implementation
 - Identification/Prioritization of Risks



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Medicare Part C Compliance

- **Prep for Site Visit / Working with Departments**

- Establish key “compliance” contacts and periodic meetings
- Establish ownership/accountability for elements
- Determine which departments will do self-audits and report results to you vs. which areas will be audited by you
 - Set up mock audits (“focused reviews”) as needed

What is the right mix of oversight to effectively hold departments accountable for meeting requirements? Depends on:

- **Department buy-in to compliance**
- **Department resources to self-assess, report**
- **Level of risk associated with requirement**



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Medicare Part C Compliance

- **Follow-up/CAP Development & Implementation**

- Negotiating site visit findings with CMS Regional Office
- Work with departments to develop corrective action plans (CAPs)
- Oversee, monitor and/or audit CAP implementation
- Ongoing monitoring, focused reviews as needed



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Medicare Part C Compliance

- **Identification/Prioritization of Risks**

- Part of your ongoing compliance risk assessment process, includes:
 - Findings from CMS Site Visits
 - Findings from internal focused reviews
 - New risks, especially those related to new requirements
- Establish ownership/accountability for addressing risks
- Set up periodic review of potential risks
- Report status to Compliance Committee, Sr. Mgmt, Board



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Medicare Part D Compliance Activities

- **Part D Compliance**

- Tracking and Distribution of CMS Guidance
- Building and Enhancing Alignment with Chapter 9
- Working through the Part D Audit Guide
- Getting ready for the Part D Audit



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Part D – Tracking, Distributing Guidance

- **Tracking and Distribution of CMS Guidance**

- Weekly, Daily, Hourly HPMS Communications
- Chapter 9 of the Part D Manual
- Annual Call Letter
- Annual Reporting Requirements
- Part D Audit Guide and Updates

How do you make sure that the right people receive, understand and act on the guidance?

- Email group lists
- Cross-functional teams
- Issue-specific workgroups



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Part D – Chapter 9 Compliance Requirements

- **Building and Enhancing Alignment with Chapter 9**

- Sponsors have folded most of the requirements into existing Compliance Programs
- Additional Part D Compliance requirements included:
 - Inclusion of Part D processes in policies & procedures
 - Specific training for employees who help administer Part D
 - Monitoring and auditing work plan
 - Oversight of first-tier (Pharmacy Benefits Manager [PBM]) and downstream entities
 - Inclusion of measures in the compliance plan that address FWA



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Part D – Chapter 9 Compliance Requirements

- **Inclusion of Part D processes in policies & procedures**
 - This seems straightforward, but it is time consuming and requires resources
 - Departments set up their processes and the documentation comes later
 - Compliance can provide policy templates and review of drafts, but subject matter expertise is in the department



Part D – Chapter 9 Compliance Requirements

- **Specific training for employees who administer Part D**

“Employees that have specific responsibilities in Medicare Part D business areas should receive specialized training on issues posing compliance risks based on their job function (e.g., pharmacist, statistician, etc.) upon initial hire, when requirements change, or when an employee works in an area previously found to be non-compliant with program requirements or implicated in past misconduct, and at least annually thereafter as a condition of employment.

Specialized training content may be developed by the Sponsor, or employees may attend professional education courses that help meet this objective.”



Part D – Chapter 9 Compliance Requirements

- **Specific training for employees who administer Part D**

- Training has to address “risks” associated with the work
- Includes material covered in department meetings, workgroups, industry conference calls, webinars, seminars and conferences
- Challenge to document all the training for all the employees that touch Part D

What system do you set up to capture all the training that people attend?

- How do you reach people to ask?
- How is the information collected?



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Part D – Chapter 9 Compliance Requirements

- **Monitoring and auditing work plan**

- Identifying potential risks
 - Internal risk assessment of Part D risks
 - Assess risks noted by CMS in Chapter 9
- Determining resources for monitoring/auditing
 - Compliance/Regulatory Staff
 - Internal Audit
 - Special Investigative Unit / Fraud Unit
 - Department Resources
 - Vendors

How do you decide “how much” to put in your work plan?

- How do you prioritize?
- Build vs. Borrow vs. Buy



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Part D – Chapter 9 Compliance Requirements

- **Monitoring and auditing work plan** *(continued)*
 - Monitoring and Auditing your PBM, Downstream Entities, etc.
 - Contract with PBM should address their deliverables
 - Incorporate these into your periodic review of the PBM
 - Establish who reviews reports from PBM on your end, what to look for
 - Determine analysis of baseline data and claims data (*what, who, when*)
 - Work with PBM to establish follow-up on potential FWA identified through review of data provided by PBM or from hot-line calls

How do you negotiate with your PBM about auditing the pharmacies?

- Do you leave it to them, even when you have the capacity to audit?
- What if PBM is owned by a pharma chain?



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Part D – Working Through the Audit Guide

- **Use the Audit Guide to Identify Specific Deliverables**
 - Identify business owner for each element
 - Establish a grid to keep track (*next slide*)
 - Use Chapter 9, CMS guidance, experience with Part C audits, industry gossip, etc. to establish the exact requirements and methods of evaluation for each element
 - What are the data measures associated with each element?
 - What documentation is needed to support compliance?
 - Meet with business owners to review requirements, status of compliance and time lines for next steps
 - As with Part C, determine where departments will self-assess vs. where you will use compliance resources to audit and monitor



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Part D - Audit Guide Management

Element	Chapter 10: Compliance Plan	Business Owner	Status*	Action Plan	Target Date
CP02	Designation of Compliance Officer, Committee				
CP03	Effective Compliance Training				
CP06	Internal Monitoring and Auditing Procedures				
CP07	Response to Detected Offenses, Corrective Action Plan				
CP08	Comprehensive Fraud & Abuse Plan				

* Status = Meets, In Process, Need a Plan



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Part D – Site Visit Preparation

• Getting ready for the Part D Audit

- Make sure departments & staff who have never been through an audit know what to expect.
- Preparation similar to the Part C Audit
 - **Establish time-lines for deliverables from departments**
 - Policy & procedure binders or electronic libraries
 - Data (universe for sampling)
 - Self-audit reports (or schedule of mock audits by Compliance)

**What are the “hot spots” that CMS will likely review?
Where can you find guidance about this?**



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Questions & Discussion

- **Summary of Questions:**

- What is the right mix of compliance oversight of operations?
- How do you ensure the right people receive and act on the endless stream of regulatory guidance?
- How do you capture all the Part D specific training?
- What goes into an annual Monitoring & Auditing Work Plan?
- How do you work with your PBM regarding pharmacy audits?
- What are the CMS Part D audit “hot spots?”



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