Objective

- Review the Part C&D Data Validation requirements and take a retrospective look at our approach
- Review the pain points, successes, and lessons learned from the initiative
- Discuss an action plan of tactics for 2012 preparation and beyond including a group discussion
Data Validation Audit (DVA) Background

- Beginning in 2011 for calendar-year 2010 data, MAOs and Part D plans are required, on an annual basis, to contract with qualified independent third parties to conduct defined audits on the validity and reliability of data used to generate CMS-mandated reporting measures.
- In 2011 CMS began this proactive monitoring process with six Part C and eight Part D measures. CMS will measure quality and consistency across plans.
- Failure to meet CMS specifications can result in enforcement of corrective actions that could lead to possible plan payment reductions and/or penalties under the False Claims Act.
- MAOs and Part D sponsors in preparing for this audit should have focused on shoring up areas of weakness that could adversely affect the outcome of the audit and hinder operations and future growth. This is especially critical if a plan has received outlier status in any areas related to the measures that are part of this review.
Three Stages of DVA

Stage 1
- CMS Direction

Stage 2
- Readiness & Assessment

Stage 3
- Third Party Audit

Three Stages of DVA (contd.)

Stage 1
- CMS Direction

Stage 2
- Readiness & Assessment

Stage 3
- Third Party Audit

Detailed Reporting Requirements
- Part C Reporting Requirements
- Part D Reporting Requirements
- HPMS Memos

DVA Tools and Instruments
- Organizational Assessment Instrument
- Data Validation Standards
- Interview Discussion Guide
- Data Extraction and Sampling Instructions
- Findings Data Collection Form
Three Stages of DVA (contd.)

Stage 1: CMS Direction
- Well-rounded expertise
- Experience
- Availability
- Adequate technical storage capabilities

Stage 2: Readiness & Assessment
- Data Validation Auditor Standards
  - Well-rounded expertise
  - Experience
  - Availability
  - Adequate technical storage capabilities
- Independence Standards
  - Plan impact
  - Vendor impact
- DVA Training
  - Timeliness of the training
  - Reinforced previous communications
  - Introduced new requirements of the plan
  - Introduced updated sampling approach

Stage 3: Third Party Audit

Three Stages of DVA (contd.)

Begin OAI Preparation

OAI Preparation
- Step 1: Assess Requirements
- Step 2: Gather Resources
- Step 3: Correct Documentation Gaps

Develop a Maintenance Plan

Select 3rd Party Auditor

Ready for DVA
Three Stages of DVA (contd.)

Stage 1
- CMS Direction
  - Role of the Plan
    - Availability of reporting contacts
    - Availability of IT staff
    - Provide required data for analysis
    - Track down open questions
    - Provide logistical support to the auditors

Stage 2
- Readiness & Assessment
  - Role of the Data Validation Auditor
    - Interview appropriate personnel
    - Review supporting documentation
    - Analyze source reporting data
    - Document findings
    - Provide feedback to sponsoring organization
    - Report findings to CMS

Stage 3
- Third Party Audit

How Ready Were You?
Organizational Maturity

- How mature were your processes prior to the CMS mandate?
- How organized and complete were your policies and procedures?
- How automated was your reporting environment?
- Were IT systems and code documented and up-to-date?
- Was there proper oversight of delegated entities?

The cost of this effort to the organization is directly related to how mature existing policies and procedures are.
How Ready Were You? (contd.)

Organizational Maturity

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<tr>
<th>Organizational Policies</th>
<th>Business Processes</th>
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DVA Level of Effort Based on Maturity

- Initial: DVA policies do not exist. No defined or articulated DVA processes. Limited and people dependent.
- Initial Effort: DVA issues identified with appropriate policies. Continuous, ongoing DVA preparation techniques utilized.
- Initial Maturity: Frequent use of DVA risk practices and measures. DVA team is trained and skilled. Responsibilities are defined and understood. Accountability is established.
- Initial Level of Effort: High quality DVA data available. Balanced measures used to track progress and assess.
- Initial Level of Effort: Complete suite of DVA related systems utilized for monitoring and analyzing DVA data.
- Initial Level of Effort: Simple monitoring models used inconsistently for decision making. Limited ability to perform.
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- Defined: Effective and current DVA policies exist. Defined DVA processes. DVA preparation team is well organized and trained. Formal training programs are offered.
- Defined Effort: DVA data tracked, monitored, and analyzed. Standard benchmarks in place.       - Defined Maturity: Well-developed decision making, models. Monitoring models aligned to the business.
- Defined Level of Effort: DVA related systems in place with improvements underway. Systems supported by policies. Good data integrity.
- Defined Level of Effort: Limited suite of DVA related systems in place. Data integrity is weak. Limited ability to perform.
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- Managed: DVA policies aligned with organizational strategic plans and personnel. Frequent use of DVA risk practices and measures. DVA team is trained and skilled. Responsibilities are defined and understood. Accountability is established.
- Managed Effort: High quality DVA data available. Balanced measures used to track progress and assess.
- Managed Maturity: Well-developed decision making, models. Monitoring models aligned to the business.
- Managed Level of Effort: DVA related systems in place with improvements underway. Systems supported by policies. Good data integrity.
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- Optimized: DVA policies aligned with organizational strategic plans and personnel. Frequent use of DVA risk practices and measures. DVA team is trained and skilled. Responsibilities are defined and understood. Accountability is established.
- Optimized Effort: High quality DVA data available. Balanced measures used to track progress and assess.
- Optimized Maturity: Well-developed decision making, models. Monitoring models aligned to the business.
- Optimized Level of Effort: DVA related systems in place with improvements underway. Systems supported by policies. Good data integrity.
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How Ready Were You?
Proactive Approach to Readiness and Assessment

When did you start researching the scope and audit requirements?

When did you begin documenting the OAI?

How thorough was the OAI completion process?

How did you determine you could handle preparation on your own or needed external assistance?

Did you require only minor adjustments to existing documentation?

When did you identify major issues that required remediation?

How did you prioritize remediation efforts?

How did you determine that you were ready for the audit?

How Ready Were You?
Proactive Approach to Readiness and Assessment

Were you proactive in:
- Assessing the requirements
- Gathering the appropriate resources
- Correcting procedural and documentation gaps

Do you have a maintenance plan?
- Now that the process and documentation is up-to-date, will you maintain it? How?

Readiness Assessment is about more than just knowing you are prepared, it is about how you got there and how you plan on staying there.
Lessons Learned

1. Compiling the OAI was more complex than expected.

2. Technology, process, and regulatory change management efficiencies were not as mature as the organization thought.

3. Previously unidentified opportunities for standardization were uncovered.

4. P&Ps for compliance reporting were not as robust as operational P&Ps.

5. End-to-end process reviews had been undervalued.

Lessons Learned (contd.)

6. Insufficient oversight of delegated entities exists.

7. Service agreements with delegated entities should include supporting plan requirements for CMS regulations.

8. Technology-focused versus business-focused PMO.

9. IT maturity counts especially in terms of documentation (Data dictionaries, policies and procedures).

10. Keep current with CMS communications as things can change quickly.
Lessons Learned (contd.)

11. Being proactive can reduce the time it takes to prepare, save money, and minimize CMS sanctions.

12. Giving an opening overview of the organization for CMS reporting sets the stage for the DV auditor.

13. Having a single owner for each reporting measure demonstrates responsibility for the measure.

14. Putting business owner and IT in the room at the same time for the interview helps.

15. Plans should not assume that passing data validation for a measure will ensure that they will pass a CMS audit for the same measure.

Going Forward

- Remediate findings from the 2011 audit as early as possible
- Be proactive for measures moved to 2012:
  - Complete the OAI
  - Assess the completeness of documentation
  - Remediate gaps
- Maintain what you have compiled:
  - Formalize the maintenance of documentation in a change management process
  - Include documentation during scope assessment for future changes
  - Stay proactive
Q & A

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