

## FDR Oversight: How Do You Do It All (Or Not)?



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**MEDICA.**

Personalize. Empower. Improve.



## Medica's Vendor Oversight Program

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## Introduction

- Who is Medica?
- CMS Requirements
  - What is an FDR?
  - FDR Oversight Requirements
  - Training Details and Changes
- Medica's Oversight Program
  - Contracting Process
  - Identifying FDRs
  - Ongoing Auditing and Monitoring
  - Vendor Oversight Committee
- Resources

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## Who is Medica?

- Founded in 1975
- Headquartered in Minnetonka, Minnesota
- Provides health coverage to 1.5 million members
- Provider network includes 27,000 providers at more than 4,000 offices, clinics and hospitals in Minnesota, Wisconsin, North Dakota and South Dakota.



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CMS Requirements



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### What is an FDR?

First Tier	Downstream	Related Entity
Any party that enters into a written agreement, acceptable to CMS, with a Medicare Advantage Organization (MAO) or Part D sponsor or applicant to provide administrative or health care services to a Medicare eligible individual under the Medicare Advantage (MA) or Part D program.	Any party that enters into an acceptable written arrangement below the level of the arrangement between an MAO or Part D sponsor and a first tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services	Any entity that is related to an MAO or Part D sponsor by common ownership or control and: performs some of the MAO or Part D sponsor's management functions under contract or delegation; furnishes services to Medicare enrollees under an oral or written agreement; or leases real property or sells materials to MAO or Part D plan sponsor at a cost of more than \$2,500 during a contract period.

## Common FDR Examples

- Pharmacies
- Pharmacy Benefit Managers (PBMs)
- Network Providers
- Provider Credentialing Services
- Claims Processing Entities
- Fulfillment Vendors
- Sales and Marketing Agents

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## FDR Oversight Requirements

Accountability resides with the Sponsor for any functions or responsibilities delegated to an FDR

- Appropriately identify FDRs
- Provide FDRs general compliance and fraud, waste & abuse training (at the time of contract and annually thereafter)
- Monitor and audit FDR compliance with Medicare program requirements



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## Who Needs Training?

- CMS has a Standardized Training and Education Module for both general compliance training and FWA
- FDRs subject to this training requirement must take *both* training modules.
- FDRs that meet the FWA certification requirement through enrollment into Parts A or B of the Medicare program or through accreditation as a supplier of DMEPOS are deemed to have met the FWA training requirement. However, they must still complete the general compliance training module.

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## Training Details

- In addition to providing training to the FDR, the Sponsor must be able to demonstrate FDRs have fulfilled the training requirements
- 3 Current mechanisms to provide training
  - Sponsor provides training directly to the FDRs (live and in person using CMS training)
  - Sponsor provides training material to FDRs (link to CMS training)
  - FDRs complete the CMS Standardized training available on the CMS Medicare Learning Network (MLN)

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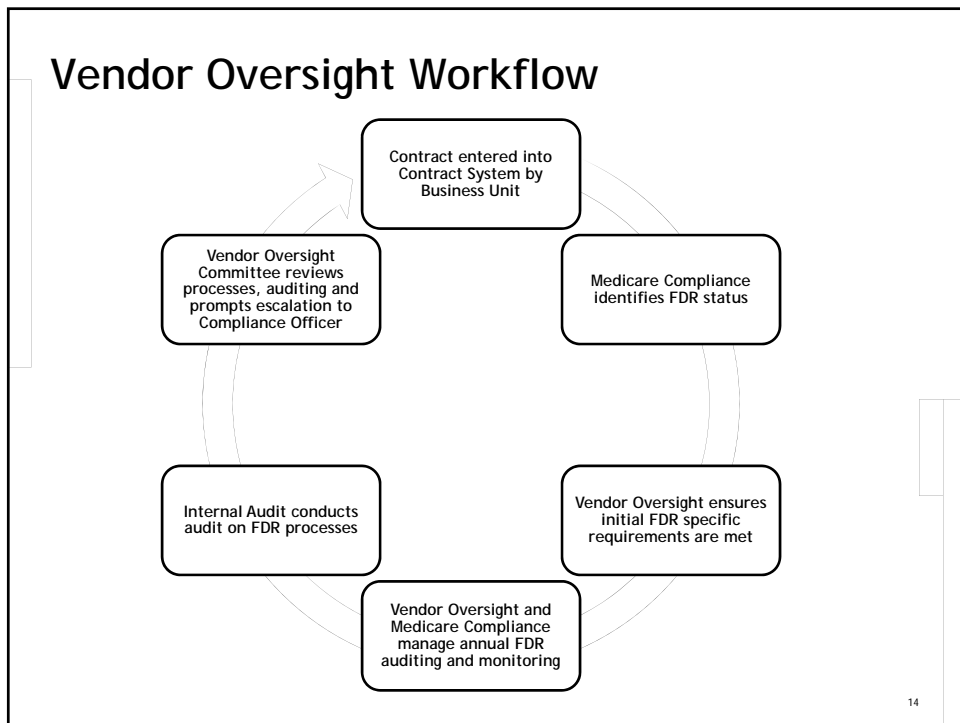
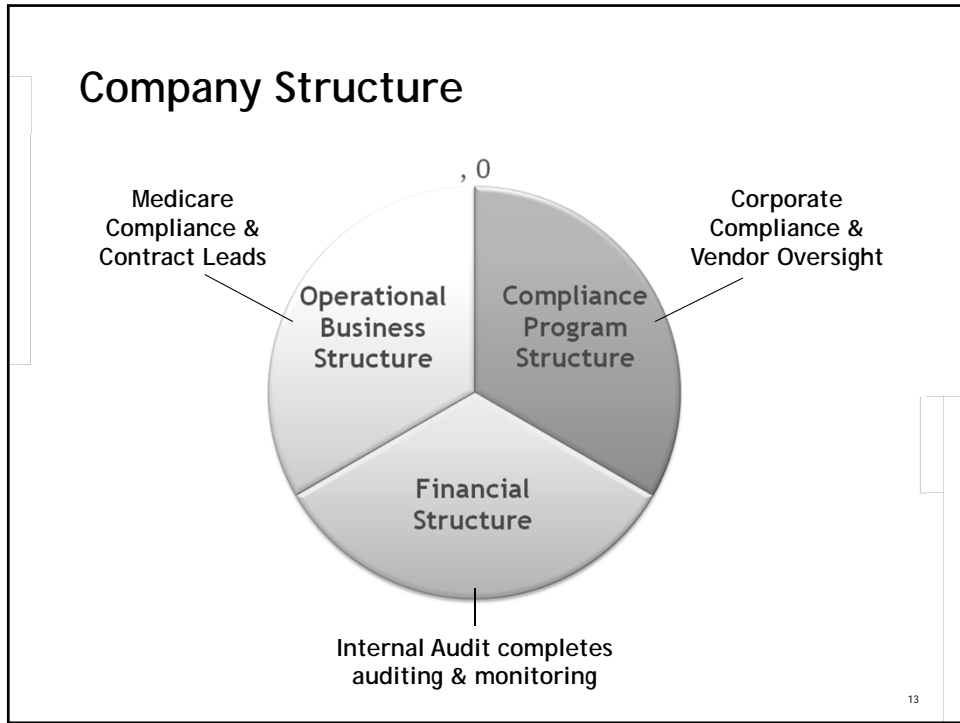
## 2016 Training Changes

- Beginning on January 1, 2016, FDRs are required to take the CMS compliance and FWA training module on the CMS website
  - Sponsors can put a link to the CMS training on their website
  - Deemed FDRs must still complete the general compliance training module, but are exempt from FWA training via certification or enrollment in Part A or B
- Sponsors are required to accept the certificate of completion of the CMS compliance and FWA training as satisfaction of this requirement



Medica's  
Vendor Oversight Program



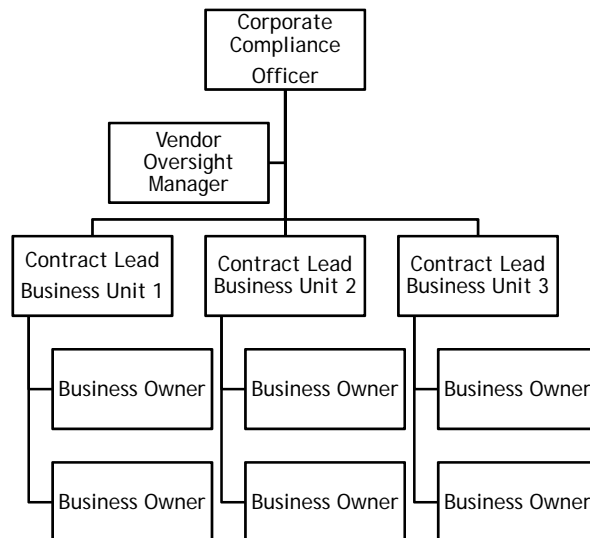


## The Contracting Process

- Medica uses a Contract Relationship Management (CRM) system for contract tracking
- Business Owners initiate the contract and manage the day-to-day relationship with vendors
- Contract Leads understand the contracting policies and are accountable for the accuracy and completeness of the information in CRM
- Contract Leads receive both initial training and ongoing quarterly training on the CRM system and contract policies

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## Contract Management Hierarchy



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## Contract Considerations

- Provision of general compliance and fraud, waste & abuse training
- Inclusion of a Regulatory Addendum
- Obtaining a Disclosure of Ownership to execute excluded entity sanction checks
- Inclusion of a Business Associate Addendum for access to PHI

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## CRM System

The screenshot displays a web-based CRM system interface for contract management. At the top, there are several tabs: Contract, Cost Terms, Business Case/RT, Contract Entities and Elements, Cost Comparison/RFP, SLAs, Admin, and Documents. The 'Contract' tab is active. Below the tabs, there are three dropdown menus for 'Medicaid Business \*', 'Medicare Business \*', and 'Individual and Small Group \*'. A section titled 'Corporate Compliance Use Only' contains several checkboxes: 'Initial Compliance & FWA Training Attestation Complete', 'FDR', 'DHS Subcontractor', and 'QIP Delegated Entity'. To the right of these are radio buttons for 'Disclosure of Ownership Form Complete' (set to 'No') and a date picker for 'Disclosure of Ownership Alarm Date'. Below this is a text field for 'email contact where training was sent' and a 'Comments' text area. A section titled 'PHI/Complex Terms (Requires Legal Review)' has radio buttons for 'Access to PHI' (set to 'No') and 'Complex Legal Terms' (set to 'No'). Below that is a section 'To be used by Medica Research Institute only:' with a radio button for 'Limited Dataset' (set to 'No'). The 'Contract Elements' section is a grid of checkboxes for various contract terms: Arbitration, Confidentiality, Insurance, Non-Solicitation, Assignment/Notice Period for Assignment, Confidentiality and Non-disclosure Agreement, Indemnification, Off-shore, Auto Renew - By Termination, EEO/AA/NEVRA Clause, No Hire, Pre-Payment/Termination Fee, Auto Renew - Notice Required, E-Verify, Regulatory Addendum, Trademark/Marketing, Business Associate Addendum, Hiring Fees/Agreements, and QIP Addendum.

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## Identifying FDRs

- The Medicare Compliance Department conducts analysis of Medicare related vendors to determine FDR status
  - Is the vendor providing administrative or healthcare services related to Medicare Part C or Part D Plans?
  - Does the vendor have access to or work with member data?
  - Risk assessment of size, potential impact to beneficiaries and risk for FWA.



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## Initial FDR Communication

### Vendors:

- FDR status is recorded by Compliance in CRM system
- Compliance ensures a Regulatory Addendum was attached to the contract
- Disclosures of Ownership are collected; individuals and entities are checked against the OIG and GSA exclusion lists
- Standards of Conduct, General Compliance training and FWA training notification is sent to the vendor and notification is tracked in CRM system

### Providers:

- Contractual obligation and provider welcome kit

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## Medica FWA Website for Vendors

# About Us

### Fraud and Abuse: For Vendors

Compliance Program ▾
Annual Training For Vendors ▾
Special Investigations Unit ▾
Report Fraud or Abuse ▾

#### Compliance Program

**Standards of Conduct**

We conduct business with the highest ethical standards, and our compliance program supports this. We've created the Medica Standards of Conduct to assist in understanding expectations for how we do business and to outline your responsibilities as a vendor that provides goods or services to Medica or our members.

As a Minnesota Department of Human Services (DHS) and a Centers for Medicare and Medicaid Services (CMS) contracted organization, we apply these Standards of Conduct to our first tier and downstream entities.

[View the Medica Standards of Conduct »](#)

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**Reporting Policy**

Under our Compliance Program, providers, vendors, contractors and Medica employees are required to promptly report any good faith belief of any suspected or known violation of the laws and regulations that govern our business, our Standards of Conduct, financial reporting and standards, or our Corporate Compliance Program and Medicare Compliance Program, including our Privacy or Security Programs.

[View our Reporting Policy for Compliance, Fraud, Waste and Abuse, and Privacy »](#)

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## Medica FWA Website for Providers

# Administrative Manuals

- Administrative Policies and Procedures ▶
- Billing and Reimbursement ▶
- Fraud and Abuse ▶
- Glossary of Terms ▶
- Health Management and Quality Improvement ▶
- Medica Points of Contact ▶
- Member Care ▶
- Network Operation &

### Fraud, Waste and Abuse

Compliance Program ▾
Provider Training ▾
Special Investigations Unit ▾
Report Fraud or Abuse ▾

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## Annual FDR Oversight

- Send Standards of Conduct, General Compliance training and FWA training to FDRs
  - Vendors notified through CRM system, letter, Medica's vendor portal, and questionnaire
  - Providers notified through Connections Article, letter, admin manual, provider portal
- Collect FDR attestation forms regarding compliance
- Attach scorecards to allow FDRs to provide greater detail on processes
- Identify deficiencies and determine corrective action plan for at-risk vendors

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## Key Considerations for Attestations

- Confirmation of FDR employee and board training
- Confirmation of downstream entity monitoring
- Attestation to policies and procedures regarding general compliance, FWA, anti-relation and prompt response to compliance issues
- Attestation to reporting mechanism for suspected FWA
- Validation of ongoing excluded entity checks



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## Auditing and Monitoring

### Auditing FDRs

- Use annual attestations and scorecards to identify potential non-compliance
- Identify high risk providers and vendors

### Internal Auditing

- Conduct internal audit on FDR oversight program to identify areas of improvement
- Conduct internal audit on CRM and business unit compliance with contracting policies

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## Vendor Oversight Attestation



### Vendor Compliance Program Attestation

We have entered into an agreement with Medica to provide administrative or health care services to Medicare or State Health Program eligible individuals, and we attest that we have the following compliance-related activities in place. **(Check all that apply)**

- We received Medica's Standards of Conduct, Compliance Reporting Policy, and General Compliance and Fraud Waste, and Abuse (FWA) Training for the current year.
- We have a standard of conduct or code of ethics.
- We have a conflict of interest reporting and review process.
- We have policies and procedures that demonstrate our organization's commitment to comply with state and federal law.
- We have a compliance officer, committee, or other senior level management responsible for oversight of our organization's state, federal, and contractual obligations.
- We provide general and specific compliance and FWA training to employees and board members at the time of hire and annually thereafter.
- We provide general and specific compliance and FWA training to downstream entities at the time of contract and annually thereafter.
- We have a process to communicate compliance related requirements to employees, board members, and downstream entities.
- We have a process for individuals and downstream entities to report suspected FWA and compliance issues and will immediately report to Medica those issues that relate to delegated services.
- We have a policy that protects individuals and downstream entities from retaliation when reporting suspected compliance and FWA issues.
- We have disciplinary standards that are communicated and applied within our organization.
- We have a process for identifying compliance and FWA risks and monitoring those compliance and FWA risks.
- We check the Office of Inspector General (LEIE) and General Services Administration (EPLS) at the time of hire or contract and monthly thereafter to ensure we don't make improper payments to persons or entities excluded from participation in federal programs.
- We have a policy requiring prompt response and correction to detected compliance issues.

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## Vendor Oversight Committee

- Provide guidance on scope of vendor oversight activities
- Assist in identifying FDRs
- Maintain list of FDRs, functions delegated and performance review activity
- Oversee auditing and monitoring results and corrective action
- Assist in non-compliance escalations
- Engage company-wide leadership

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## Final Insight

- Incorporate FDR considerations in all aspects of your Corporate Compliance Program
- Delegate and train key individuals in the business units
- Develop robust internal and external FDR policies and procedures, such as: Medicare and Corporate Compliance Work Plans, Overall Vendor Oversight Committee Workplan, FDR Decision Tree, FDR Attestation tracking, FDR Annual Workplan, Contracting Policies
- Create an annual work plan for FDR monitoring and auditing activities
- Conduct internal audits on your own processes for FDR oversight
- Engage leadership through the Oversight Committee

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## Resources



- *Chapter 9, Medicare Prescription Drug Manual*
- *Chapter 11, Medicare Managed Care Manual*
- *Chapter 21, Medicare Managed Care Manual*
- *42 CFR, Parts 422 and 423*

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## Questions?

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