

Effectively Managing Corrective Actions

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PRESENTATION OUTLINE

Corrective action plans (CAPs) are a necessary and helpful tool in working through issues of non-compliance. There are also aspects of a CAP that can be used as a preventative measure.

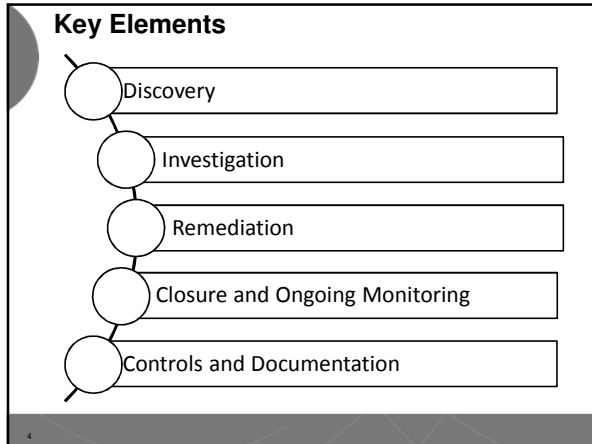
This session will provide a helpful guide in how to effectively manage (and create) a robust corrective action plan.

- What factors constitute a meaningful corrective action plan?
- What level of detail is required to meet a Regulator's corrective action plan expectations?
- Demonstrating how the remediation can prevent the issue from happening again.

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WHAT FACTORS CONSTITUTE A MEANINGFUL CORRECTIVE ACTION PLAN (CAP)

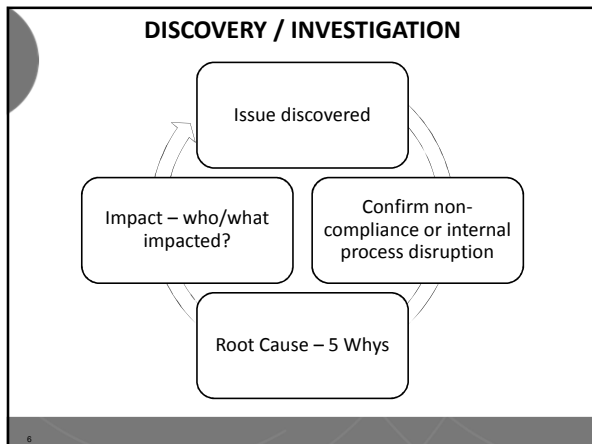
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Key Elements Cont.

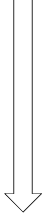
Discovery	Someone has discovered and reported potential non-compliance
Investigation	Legal violation or disruption from internal process Root cause analysis (5 Whys) Beneficiary Impact Analysis (BIA)
Remediation	Identify stakeholder – who will be part of the fix Making members harmed “whole” Short term workaround v. long term fixes System, process, training, outreach, etc.
Control and Documentation	Ongoing controls in place (system checks, audits, monitoring) Comprehensive documentation of fixes – “How could you prove you’ve fixed it.”
Closure	Every aspect of correction in place – and validated Ongoing monitoring program in place, as needed

5



ISSUE DISCOVERY

How do you receive notification of potential compliance violations? Ideally, you should be identifying non-compliance internally through prevention and detection activities



- Self-report by business owner
- Identified in internal Audit / Monitoring
- Report by external vendor
- Hotline call or email: Should have a way to report compliance concerns anonymously, same as you have for Ethics and FWA issues.
- Member complaint
- Identified through external Audit / Monitoring

7

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CONFIRM NON-COMPLIANCE

- Not all reported issues turn out to be true compliance issues – that is a direct violation of a regulation or sub-regulatory guidance.
- When reviewing a new issue, consider the following:
 - Identify the relevant regulatory requirement (CFR, Chapter, HPMS Memo)
 - Determine if the reported / discovered issue actually violates the requirement
 - If the issue is not a true compliance issue, track the reporting, communicate back to business owner, and close out
- Note: All reported issues should be tracked, even if they are determined to not be true compliance issues.

8

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ROOT CAUSE - THE 5 WHYS

Asking the “why” at least 5 times. The 5-whys can allow for discovery of a much more accurate root cause. For example:

- Why did this happen? It was human error
- Why? Answer: Well Jane submitted the document wrong.
- Why? Did Jane follow the policy? Answer: Well, she didn't even know there was a policy, she's new.
- Why? Do you ensure that new employees receive all policies and training on those policies after they are hired and before they start doing the work? Answer: No.
- Why? Well, I guess that was a gap in our process and controls.

9

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CREATING THE ACTION PLAN: INTERNAL REMEDIATION

People

- Who Involved? Don't forget FDRs / Vendors
- What's needed? Training -- Discipline -- More Staff

Processes

- Efficiencies
- Quality Review
- Controls
- Written Procedures

Technology

- System fix / enhancement
- New software
- Automation

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Beneficiary Remediation – things to think about

A Beneficiary Impact Analysis allows the plan to delve into the true scope of the impact of the issue identified and plan out that portion of the remediation. Look at who was impacted, how they were impacted, what care or medications were they inappropriately denied, what appeal rights were overlooked, etc. Then build the corrective action around what is found.

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graph TD
    A[Access to Care?] --> B[Provider / Pharmacy Outreach]
    B --> C[Member Outreach]
    C --> D[Reprocessing (Refunds/ Recoveries)]
    D --> A
  
```

14

CLOSURE

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graph TD
    A[All Issues Fixed] --> B[Testing of fixes:]
    B --> C[Ongoing monitoring]
    C --> D[Spot Audits]
    D --> A
  
```

15

Testing of Fix

- Run a test claim to ensure claims are paying appropriately
- Specifically review identified impacted members to ensure effective remediation
- Ensure that uploaded information from transmitted files meet the appropriate numbers (e.g., # of rows sent matches both senders and recipient)
- Demonstrate that system / process / other changes did not cause downstream impacts
- For determination based errors, review a few samples for accuracy

16

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Ongoing Monitoring

- Consider each CAP as an opportunity to put in place controls or monitoring to prevent future issues
- Should be asking business owners to consider not just the immediate fix, but what indicators they could put in place to warn if this issues appears to happen in the future
- Examples:
 - Volume comparisons
 - Targeted sample reviews
 - Year-over-year comparisons
 - Mail tracking
- Consider short term 3-6 month monitoring especially in cases where fix involved process change or training

17

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CONTROLS AND DOCUMENTATION

Controls

- Provide ongoing monitoring of progress of the CAP
- Built in controls in the remediation
- File checks on submission and delivery
- Tested Claims
- Process and Procedures are being used and staff are utilizing the processes

Documentation

- In 10 years, when reviewing can you easily see what occurred?
- Include:
 - Specific completion dates for each remediation step
 - Clear road-map for short and long-term remediation
 - References to and / or excerpts from updated P&P's
 - Clear link between identified root cause and ultimate fix
 - Proof of training
 - Screen shots of appropriately paying claims
 - Copies of completed impact analysis (s)
- Plans change – clearly outline deviations from originally communicated action plan
- Keep communication open and frequent

18

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THE BEST DEFENSE IS A GOOD OFFENSE!!!!!!!
Truly – we've already talked about it – keeping your finger on the pulse! Don't forget what occurred.

19

NEVER FORGET WHO WE ARE SERVING

20

QUESTIONS?
