Compliance with Managed Care Contracts:
You Signed It -
Now You Have to Live With It

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January 31, 2017

Learning Objectives

• Introduce Elements of Managed Care Contracts

• Identify Compliance in Terms of Contracts, Manuals, Policies and Protocols

• Recognize The Distinctions Between Contract & Regulatory Compliance
Legal Compliance

• Disclaimer

This presentation is for general education purposes only.

The information and discussion should not be used as a substitution for legal advice. The information contained in these materials and presented, either during the lecture or discussions, is not intended to be, and is not, legal advice. Legal advice is very fact-specific and if you wish legal advice, you should seek your own private attorney.

Attendance at this presentation should not be construed as creating an attorney-client relationship with the speaker.
Managed Care Contract Basics

Most healthcare contracts will be managed care contracts.

General Types
- Individual Provider, Facility or Ancillary
- Medical or Behavioral
- Medicaid Managed Care
  - Long Term Services & Support (LTSS)
  - Subcontractor

Contract Components

Parts ≠ Parts
- Contract Headings, Paragraphs
- Appendices and Attachments
- Incorporated materials
- State Specific / Customized Parts
## Typical Headings

<table>
<thead>
<tr>
<th>Payer 1 Example</th>
<th>Payer 2 Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Definitions</td>
<td>• Definitions</td>
</tr>
<tr>
<td>• Representations and Warranties</td>
<td>• Obligations of Provider</td>
</tr>
<tr>
<td>• Applicability of this Agreement</td>
<td>• Confidentiality / Records</td>
</tr>
<tr>
<td>• Duties of Facility</td>
<td>• Insurance</td>
</tr>
<tr>
<td>• Duties of Payer</td>
<td>• Relationship of Parties</td>
</tr>
<tr>
<td>• Claims</td>
<td>• Indemnification and Liability</td>
</tr>
<tr>
<td>• Dispute Resolutions</td>
<td>• Dispute Resolution</td>
</tr>
<tr>
<td>• Term &amp; Termination</td>
<td>• Term &amp; Termination</td>
</tr>
<tr>
<td>• Miscellaneous</td>
<td>• Miscellaneous</td>
</tr>
</tbody>
</table>

## Typical Appendices

<table>
<thead>
<tr>
<th>Payer 1 Example</th>
<th>Payer 2 Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Facility Location and Service Listing</td>
<td>• Provider Network Attachment</td>
</tr>
<tr>
<td>• Benefit Plan Descriptions</td>
<td>• Government Program Participation Attachment</td>
</tr>
<tr>
<td>• Additional Manual Appendix</td>
<td>• Plan Compensation Schedule</td>
</tr>
<tr>
<td>• State Program Payer Appendix</td>
<td>• Specific Practitioner Reimbursement Terms</td>
</tr>
<tr>
<td>• State Regulatory Requirements Appendix</td>
<td></td>
</tr>
</tbody>
</table>
Contract Language

https://www.youtube.com/watch?v=Ci40Z0osr0E

Confidentiality Clause

• Confidentiality
  – Everything
  – Business Information
  – Rates
• Compliance Implications
  – Awareness
  – Limited Access
Incorporation of Other Sources

• Statutes, Regulations, etc.
• Provider Manuals, Protocols, Policies, etc.

Incorporating Manuals, Etc.

• Subject to Change
• Limited Notice
• Requires Constant Monitoring
• Consider Making A Part of Scorecards
Proof of Insurance Clauses

- Typical to Include Type and Amounts of Insurance
- Typical to Include Notification of changes
- Typical to Include Policy Language Protections
- Notice of Coverage

Operations

- Government Programs May Require
  - Hours of Operation
  - Geographic Coverage
  - Time Limits from Contact to Appointments
  - Communication Assistance
  - Access Assistance
  - Nondiscrimination
Credentialing

• Getting in Network
• Licensed / Certified Individually and Group
• If Government Programs, First with Government
• With Payer
• Renewals
• Tracking Essential

Patient Eligibility

• Requires Patient Eligibility at Time of Service and Before Service (except emergencies)
• Manuals, Policies, Procedures Control
• Could Require Telephone or Internet Verification Systems
**Pre-Authorization**

- Mandatory Participation
- Denial of Payment Penalty
- Heavy Reliance on Contract’s “Medical Necessity”
- May Require Extra Documentation
- Not the Final Word

**Utilization Management**

- Mandatory Participation
- Can be
  - Prior Authorization
  - Concurrent Authorization
  - Retrospective Review
  - Corrective Action Plans
- Sometimes Required Electronically
- Extra Documentation Requirements
**Quality Program**

- “Will participate” in Payer’s Quality Program and “All Procedures”
- “Shall comply” with Payer’s Quality Improvement Programs
- “Shall implement” Quality Improvement Goals and Improvement Activities
- May Includes Traditional Quality with Availability, Access and Cooperation
- Announced or Unannounced Audits
- Additional Reports

**Extended Treatment**

- Prohibitions on Discharge from Service
- Extensions Beyond Termination of Contract
## Regulatory Compliance

### Payer Example

- Shall Comply with All Laws & Regulations
- Shall Comply with All Policies, Procedures & Programs
- Shall Report all Actual or Suspected Fraud, Waste, Abuse, “Criminal Acts” and “Misconduct” By Providers, Employees, Subcontractors and Members
- Shall Participate in Payer’s Compliance Training

- Shall Cooperate with Payer’s Compliance Program
- Shall Cooperate with Audits
- Shall Produce all Records Upon Request
- Responsible for All Subcontractors and “Downstream Providers”
- Records to Prove It

### Regulatory Compliance

### One Payer Example

- Compliance & Fraud Policies Similar to that of Payer
- Standards of Conduct Similar to that of Payer
- Disseminate Both w/in 90 days of hire and annually thereafter
- Complete CMS Medicare Learning Network® Fraud, Waste & Abuse + General Compliance Training w/in 90 days and annually thereafter
Payer Example (continued)

- Processes to Oversee and Ensure that Provider and Provider's Downstream Entities Maintain Compliance
- Ensure Performance of Both Provider and Downstream Entities Consistent with The Agreement
- Including Discipline & Corrective Action

https://youtu.be/Fxjd2v5HG70?t=3m15s

Documentation

- Obtain Patient Consent for Managed Care Access
- Any Reports and Clinical Information
- “Additional information, data, or reports”
- Medical Records Must Be “Legible, Signed and Dated”
- Retention Periods Differ
Billings

- Clean Claims – “includes all necessary supporting documents”
- Submitted w/in Time Limits
- Tracking Denials, Appeals

Marketing

- Use of Provider’s or Payer’s Name, Logos, Trademarks, etc.
- Non-disparagement Clauses
- “Shall not market or advertise non-health related products to Medicare Members”
- Notice on Termination
• Other Requirements
  – Excluded employees, contractors, etc.
  – Government Program Third Party Liability
  – Encounter Data / Utilization Reports
  – Critical Incident and Health Care Acquired / Preventable Condition Reporting
  – Certificate of Ownerships / Compliance
  – Terms and Termination

Business Operation Provisions

• Mergers & Acquisitions
  May Require Notice
• Changes in Ownership / Operation
  Timelines Vary
• New Locations
• Financial Matters
  May Require Approval
Relationships

• Strong Relationships Are Critical to Success

Thank You

Questions?

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