Meet Your Presenters

- Michelle Rigby, CFE, CHC
  - Director, Client Services, Health Plan Services Consulting at Blue Peak Advisors

- Wendy Edwards, MPA: HA, CHC, CHPC
  - President of ATRIO Health Plans (formerly Chief Compliance Officer of ATRIO)

- ATRIO contracted with Blue Peak back in 2017, with a focus on mock audit consulting to ensure our CMS Program Audit universes were complete
  - ODAG and CDAG mock audit in 2018 with mixed results
    - Process improvements were required
    - Data challenges posed our biggest risk for CMS program audit
  - CPE mock audit in spring/summer of 2018 and “we got the call”
    - Shifted gears to Program Audit support and consulting role
  - Continued work with Blue Peak in 2019, 2020
    - Contracted with them for Compliance Officer resource and team restructure
    - Validation audit support consultants (Used Attest for Validation Audit)
    - Utilize monthly retainer services for consultant work
Presentation Objectives

- CMS Program Audit Background and Trends
  - Understand what is being audited
  - Audit time lines
  - Audit scoring metrics and post-audit activities

- Tips for a Successful Audit
  - Learn from example how to successfully navigate the CMS Program Audit On-Site
    - What resources does a compliance officer use to help identify gaps and prioritize issues in a lean organization with competing priorities?
    - Consultants, a compliance officer's best friend to support mitigation efforts, staffing augmentation, audit prep, and audit support
  - 5 things you can immediately implement to set your company up for a successful audit

CMS Program Audit Background and Trends

How does the process work?
The Medicare Parts C and D Oversight and Enforcement Group (MOEG) is the Group within the Centers for Medicare & Medicaid Services (CMS) responsible for creating and administering the audit strategy to oversee the Part C and Part D programs.

MOEG conducts audits of Medicare Advantage Organizations (MAOs), Prescription Drug Plans (PDPs), and Medicare-Medicaid Plans (MMPs) a.k.a. Sponsors.

Program audits are designed to measure a Sponsor’s compliance with the terms of its contract with CMS, in particular, the requirements associated with access to medical services, drugs, and other beneficiary protections required by Medicare.

Plans are chosen annually

Risk Assessment by (MOEG) include

- Stars Ratings Data
- Past Performance Data
- Plan Reported Data
- Operational changes
- Other factors, such as referrals, size, never audited
- Doesn’t matter if you were audited last cycle!

Audit Team made up of CMS’ Subject Matter Experts or “SMEs” as well as CMS contractors
Program Audit Areas

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<thead>
<tr>
<th>Program Area</th>
<th>PDP</th>
<th>MAPD</th>
<th>MMP</th>
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<tr>
<td>Compliance Program Effectiveness (CPE)</td>
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<td>Formulary Administration (FA)</td>
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<td>Part D Coverage Determinations, Appeals and Grievances (CDAG)</td>
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<td>Part C Organization Determinations, Appeals and Grievances (ODAG)</td>
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<td>Service Authorization Requests, Appeals and Grievances (SARAG)</td>
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<td>Care Coordination and Quality Improvement Program Effectiveness (CCQIPE)</td>
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Audit Timelines

- **Audit Engagement and Universe Submission**: Weeks 0-6
- **Audit Field Work**: Weeks 7-8/9
- **Audit Reporting**: Weeks 9/10-21
- **Audit Validation and Close Out**: Weeks 22-52
Scoring and Outcomes of the Audit

Scoring:

- ICAR - 2 points
- CAR - 1 point
- IDS - 1 point
- Observation - 0 points

Audit Score = \((\# \text{ CARs} + \# \text{ IDS}) + (\# \text{ ICARs} \times 2) / \# \text{ of audited elements tested}\)

- Calculations produce an overall audit score, as well as, a score for each program area
- It’s like golf….a lower score is better!

Program Audit Trends

- Number of Program Audits have increased since 2015
  - 147 Sponsors since 2015 have been audited
- The targeted membership has decreased each year since 2015
  - Sponsors totaling almost 40 million beneficiaries have been audited since 2015
Average Program Audit Scores

- Overall audit scores continue to decrease since 2015
  - 2018 overall score continued to decrease with FA being reduced by 62%
- ODAG and CDAG continue to have the highest audit scores

Enforcement Action Trends

- Increase in the number of Civil Money Penalties (CMPs)
- Overall decrease in CMP Amounts, however, the average CMP per member remained stable
- No Intermediate Sanctions as a result of a program audit since 2015
What does it all mean?

- More plans are getting audited year after year
- CMP amounts have decreased
- The ‘bar has been raised’ and more plans have invested resources to mitigate audit risk (Mock Audits)
- CMS has made guidance and expectations clear based on CMS program audit findings
- Plan Benefit Managers (PBMs) are implementing systemic changes following any audit findings to prevent further exposure

Post-Audit Activities

Remediation and Validation

- ICAR Corrective Action Plan (CAP) – 3 business days following CMS notification (usually call or email) of an Immediate Corrective Action Required (ICAR)
- Sponsor CAP Submission to CMS – 30 Calendar Days after issuance of CMS Final Report for remaining conditions
- Independent Validation Audit – 180 days after CMS CAP acceptance
Tips for a Successful Audit

Lessons Learned from ATRIO Health Plans

Audit Notification: You Receive “the call”

- CMS Program Audit Lead will call the compliance officer to alert them of the formal audit notice forthcoming via email to the compliance officer and CEO
  - Timing of initial steps will be reviewed and on-site dates will be selected
- Don’t panic!
  - You will need to set the tone for staff
- Gather your teams and discuss putting your plan into action
  - Review on-site dates and ensure all key staff will be in attendance and calendars need to be cleared
- Alert company employees, Board and audit & compliance committee of the audit notice
  - Prioritize other projects around CMS Program Audit On-Site, it will take everyone to be successful
Successfully Navigating a CMS Program Audit

Leadership
- One lead for each area
- One lead for the overall audit

Prepare Narratives
- Specific to known issues and in general
- Pull mock samples and put staff on spot with known issues

Plan Ahead
- Outline Dates
- Define Roles
- Before and during audit
- Logistics/Facilities

Pull Samples
- Review samples with live team and offline

Communicate the Plan
- CEO to all employees
- Affected areas
- FDRs

Universes
- Validate – layout/technical, as well as data
- Ask questions

Prioritizing Issues with a million other things to do…

What resources does a compliance officer use to help identify gaps and prioritize issues in a lean organization with competing priorities?

- Implement a comprehensive Audit & Monitoring work plan that is reviewed by the Board annually
  - External audits
  - Internal audits
- Review risk assessments by each operational department on a quarterly basis to keep abreast of any issues
- Review policies on a regular schedule (at least annually) to ensure departments are following protocol

Consultants, a compliance officer’s best friend to support mitigation efforts, staffing augmentation, audit prep, and audit support

- Adjust your budget to ensure expertise is available, as needed
  - Contingent or retainer-type relationships are cost-effective and available in real-time
  - Audit experts in Part C, Part D and SNP MOC are an important part of prep work and allow staff to focus on day-to-day operations before on-site
    - Tip: Have consultants take notes and observe during your audit on-site
Key Players During Audit On-Site

- **Primary Webinar Driver**
  - Can be the same as the driver, but not required

- **Primary Speaker (SME)**
  - Can be the same as the driver, but not required

- **Action Item Owner**
  - Someone not attending the audit that can immediately begin to and follow up on any action items due at the end of the day/next day

- **Scribe / Note Taker**
  - Track each of the samples, along with final disposition
  - Track each action item, Root Cause Statements or Impact analyses requested

- **Screen Shots / Capture**
  - Must be the same screens as showing within the audit

Helpful Hints During Audit On-Site

- On-line systems will be needed for demonstration
  - Prepare well in advance of the audit
  - Test capabilities – make sure that all know what is being demonstrated and have a plan
    - Check for screen views – can all be seen?
    - Is WebEx (other systems) available for all involved?
  - **Have IT available during audit to ensure systems are flawless**

- During Audit:
  - DOCUMENT – Fill out worksheets, including completion of notes, criteria, cause and effect
  - Tune in to auditor desired response pattern quickly
  - Confirm Daily Request log: Repeat to auditor, sign-off on uploads
  - Have daily wrap-up sessions with staff to ensure seamless transition to next day’s agenda
Program Audit Presentation Hints

➤ Turn off all pop-ups, IM, emails, and anything else that will be a distraction (Including a busy desktop)

➤ Sign into all applicable systems that will be used before the presentation begins

➤ Identify yourself when speaking and project clearly and confidently

➤ When accessing any system for the first time, provide the auditor with a brief description of the application

➤ Do not perform any research on the screen with the auditors- pause the screen

➤ Everyone speaking should be near the phone, and support should be in the back of the room

➤ Do not speak or whisper at all in the background and mute unless speaking

General Reminders for Participants during Audit On-Site

➤ Be timely – be ready 15 minutes early

➤ Silence cell phones and laptops

➤ Limit introductions to assigned speakers, driver, and key executives

➤ Limit traffic once the session begins

➤ When signing in to the webinar, use your full name when you sign in followed by your organization first, then call in
  ➤ Sally Jones – My Health Plan
CMS Has Left the Building…Now What?

- Plans receive draft audit report for review and feedback
  - Use consultant resources to assist in prioritizing and responding to issues
- Validation audit may be required
  - Hint: Have a validation audit vendor chosen during the audit on-site if you are seeing any issues that require follow up
- Implement any required improvements to your system(s) and process(es)
- Take the time to perform a “Lessons Learned” session for overall improvements and best practice recognition
- CMS will issue a formal audit report, including the number of CAR and ICAR findings. Review and confirm accuracy of finding and challenge, if necessary
- CMS publishes all audits each year, along with scores and Civil Monetary Penalties, as applicable
- Continue implementing audit best practices and perform regular internal and mock audits

What can you do TODAY to prepare for an CMS Program Audit?

1. Perform a Mock Audit on all CMS Program Audit Areas
   - External vendor
2. Review Universes Internally in Real-Time
   - Data quality
   - Timeliness
   - Trends
   - Work with FDRs
3. Select Samples for Internal Monitoring and Auditing
   - Walk through the samples to confirm that the data is correct
   - Pull letters and review for quality and understanding
4. Document Issues Through Compliance Department
   - Issue corrective actions
   - Follow up on corrective actions and report to audit & compliance committee
5. Communicate with your CMS Regional Account Manger EARLY AND OFTEN
Questions & Answers