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## 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

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## 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

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# CMS Program Audit Background and Trends

How does the process work?

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## Program Audit Background

- > 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.

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## CMS Audit Selection Process

- > 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



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## Program Audit Areas

Program Area	PDP	MAPD	MMP
Compliance Program Effectiveness (CPE)	☆	☆	☆
Formulary Administration (FA)	☆	☆	☆
Part D Coverage Determinations, Appeals and Grievances (CDAG)	☆	☆	☆
Part C Organization Determinations, Appeals and Grievances (ODAG)		☆	
Special Needs Plan Model of Care (SNP-MOC)		☆	
Service Authorization Requests, Appeals and Grievances (SARAG)			☆
Care Coordination and Quality Improvement Program Effectiveness (CCQIPE)			☆

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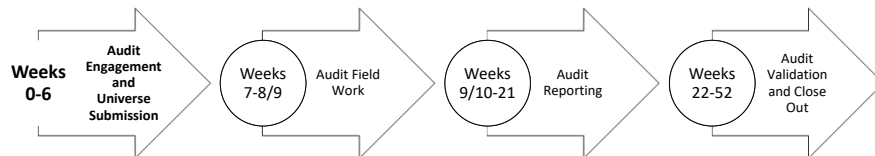
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## Audit Timelines



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## Scoring and Outcomes of the Audit

### Scoring:

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

### Audit Score =

$$\frac{(\# \text{ CARs} + \# \text{ IDS}) + (\# \text{ of ICARs} \times 2)}{\# \text{ of audited elements tested}}$$

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



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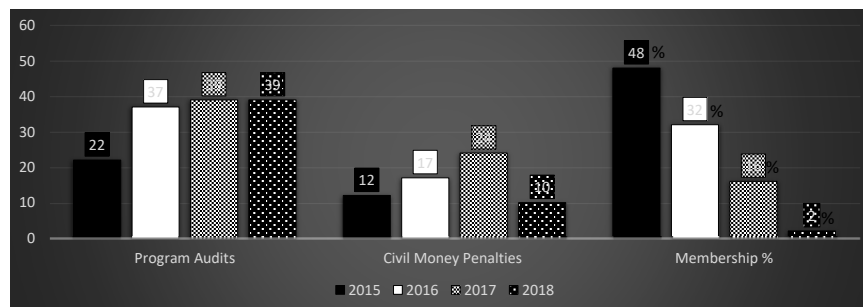
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## Program Audit Trends

- > 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



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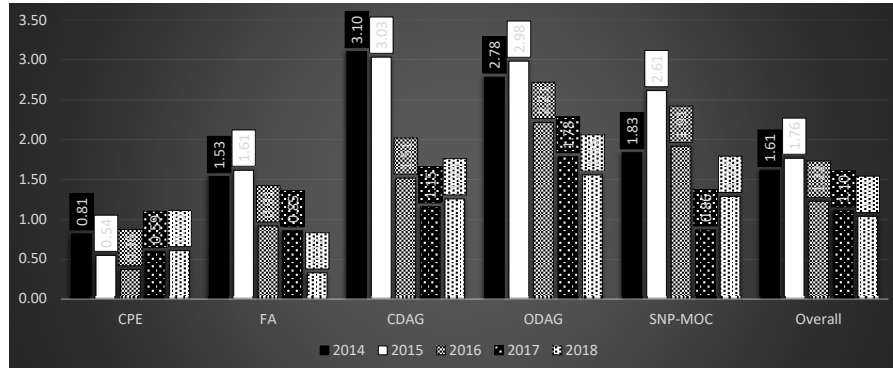
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## Average Program Audit Scores

- > 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



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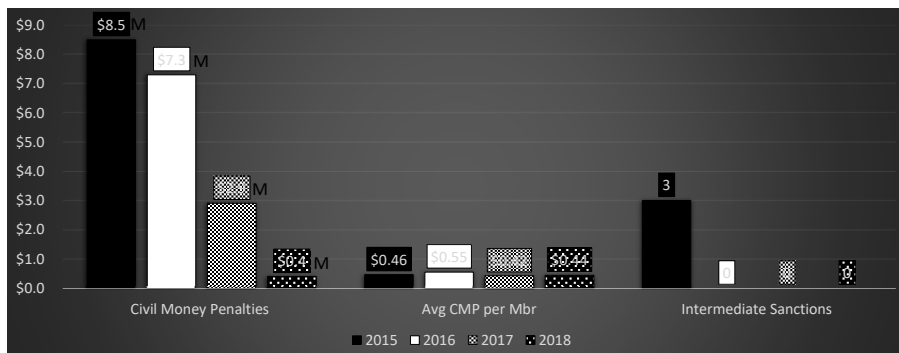
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## Enforcement Action Trends

- > 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



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## 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



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## 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

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## 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

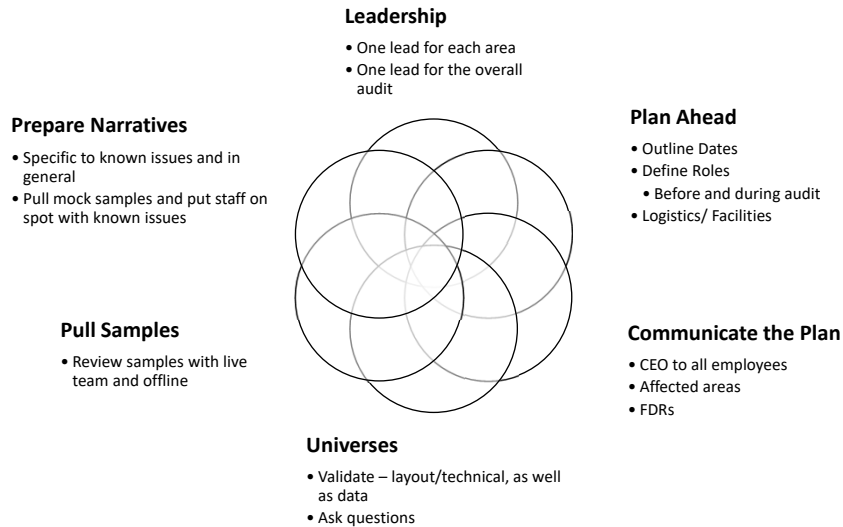
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## Successfully Navigating a CMS Program Audit



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## 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

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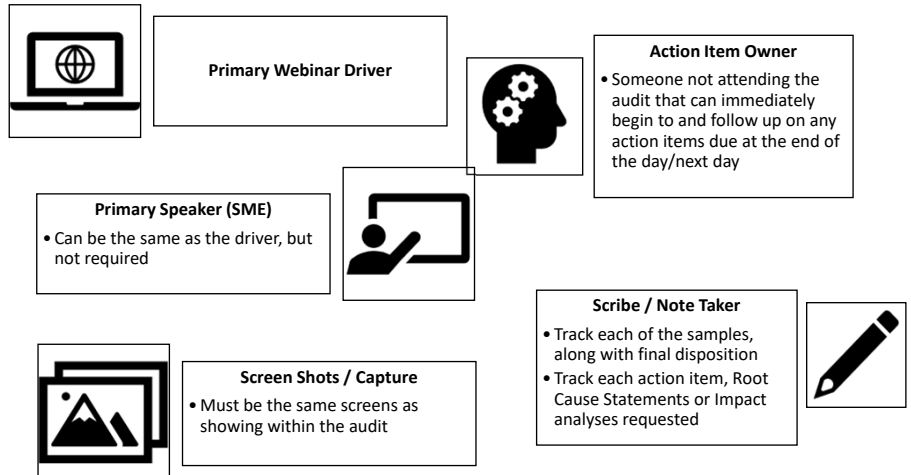
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## Key Players During Audit On-Site



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## 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

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## 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**



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## 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



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## 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

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## 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**

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# Questions & Answers