

**Corrective Action
Plans & Root Causes**
why it's important to get both right

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About Alex



Alexander Henrichs, CHC
Specializes in Medicare Part C & D
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 **THE BURCHFIELD GROUP**
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Agenda



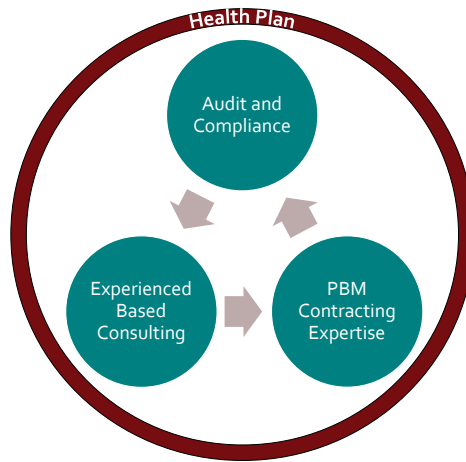
- Brief Organization Background
 - The Burchfield Group, an Aon Company
- Root Cause Analysis (RCA)
 - When are they needed
 - When to push back / ask for more
- Corrective Action Plans (CAPs)
 - CAP best practices
- Integrating the RCA and CAP processes
 - The importance of a 'seamless' process
- Useful Tools

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About The Burchfield Group, an Aon Company

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The Burchfield Group



✓
300+
AUDIT ENGAGEMENTS
PER YEAR

1st
LARGEST PROVIDER
OF PBM AUDIT
SERVICES IN U.S.

2nd
LARGEST PROVIDER
OF CMS MOCK AUDITS
AND IVAs

 **THE BURCHFIELD GROUP**
an Aon company

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- Managed Care Organizations
 - Small, Medium, Large Plans
 - Membership range; 1,000 – 1,000,000 +
 - Medicare, Medicaid, Commercial
 - Compliance Audits, Program Audit Engagements, Operational Assessments

Burchfield Compliance Clients

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Quick Live Poll



Q: Biggest 'pain point' with the RCA/CAP processes?

- A. Not enough Compliance Resources
- B. Lack of support/understanding from Operational Areas/FDRs
- C. Unrealistic/Unclear expectations
- D. No Issues – our processes are perfect!

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Quick Live Poll – Follow Up



Q: Do you utilize consistent templates and timelines when requesting RCAs and CAPs?

- A. Yes
- B. No
- C. We try

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Root Causes Analysis (RCA)

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Root Cause Analysis



- What is a 'Root Cause Analysis'?
 - What happened?
 - Why did it happen?
 - What can be fixed to prevent it from happening again?
 - *Systematic* process used to identify source causes of an issue to help develop an approach for response.

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Root Cause Analysis



- Importance of the Root Cause Analysis process
 - Starting point for correction activities
 - Provides framework for what broke and what needs to be fixed
 - Helps determine the scope of the problem
 - Allows Compliance to push back on underdeveloped / topical root causes

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Root Cause Analysis



- Is this the actual root cause?
 - By its definition, if the identified root cause is corrected/removed, the issue should not recur.

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Root Cause Analysis



- Causal Factors

- Causal factors often get mistaken for root causes. Causal factors can affect the process outcome but aren't true root causes.
- Example: Quality Review did not identify benefit setup errors. Quality Review in this case would be the causal factor, but not the root cause of the problem.

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Root Cause Analysis



- Identifying the Root Cause

- Many different methods available
 - '5 Whys'
 - Scatter Diagram
 - Fault Tree Analysis
 - Failure Mode and Effects Analysis

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Root Cause Analysis



• 5 Whys

- Designed to get Compliance and Operations to think beyond the most topical rationale
- Important to remember to ask 'What' before the Whys
- Example
 - Why did the patient break his hip? Answer: Because he fell.
 - Why did the patient fall? Answer: Because he lost his balance.
 - Why did he lose his balance? Answer: Because he had nothing to hold onto.
 - Why was there nothing for him to hold onto? Answer: He was unable to use his walker.
 - Why was he unable to use his walker? Answer: The walker was in the closet and not readily accessible for his use.

Root Cause Analysis



• 5 Whys

- Example
 - Why did the patient break his hip? Answer: Because he fell.
 - Why did the patient fall? Answer: Because he lost his balance.
 - Why did he lose his balance? Answer: Because he had nothing to hold onto.
 - Why was there nothing for him to hold onto? Answer: He was unable to use his walker.
 - Why was he unable to use his walker? Answer: The walker was in the closet and not readily accessible for his use.

Root Cause Analysis



- Examples of undeveloped root causes

- Employee/Human Error
- 2020/Pandemic
- System Failure

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Root Cause Analysis



- Case Study #1

- For the third month in a row, expedited coverage determination timeliness is coming in below 95%.
- In accordance with policy, Compliance issued a root cause analysis request to the director of the pharmacy department.

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Root Cause Analysis



- Case Study #1
- Response received: "Multiple providers offices faxed requests to the wrong department, and even though these were forwarded to the correct department next day, it was too short of a timeframe to process these requests within a 24-hour timeframe. The root cause is the providers not understanding which fax number to use."

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Root Cause Analysis

Live Poll



Case study #1

"The root cause is the providers not understanding which fax number to use."

Q: Is this the root cause?

- A. Yes
- B. Yes, but it is not the only root cause
- C. No
- D. I don't know

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Root Cause Analysis



- Case Study #1
- Before digging further into this issue, the compliance officer checked the combined Part C and D guidance
- Section 10.5.2 specifies that for standard requests, the processing timeframe begins when the plan [including a delegated entity] receives a request. **For expedited requests, the processing timeframe begins when the appropriate department receives the request.**

Root Cause Analysis



- Case Study #1
- Root cause: The pharmacy department is not applying the correct receipt time to expedited cases that were sent to the incorrect department because they misunderstood the guidance.

Root Cause Analysis



- Case Study #1
- What to include as part of a root cause request template to encourage a thorough investigation:
 - Citation of the guidance that governs the issue
 - Detailed description of the issue
 - History of the issue
 - Existing policies & procedures that encompass the issue
 - System limitations
 - Internal controls (or lack thereof)
 - Staffing considerations

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Root Cause Analysis



- Compliance's Role
 - Encourage/require operations to look deeper
 - Push back on undeveloped root causes
 - Ask questions during RC development
 - Add an approval process to the RCA process before business area/FDR can move on
 - Ensure RCAs are developed timely

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Root Cause Analysis



- Common obstacles for Compliance
 - Lack of resources
 - Operations/FDR uncooperative
 - Lack of technical knowledge
 - Competing priorities
 - No formalized process

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Root Cause Analysis – CMS Guidance



- Medicare Managed Care Compliance Manuals - Chapters 9 & 21
 - 50.7.2
 - A root cause analysis determines what caused or allowed the FWA, problem or deficiency to occur.

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Midpoint Check In!

Real Life Example

Scenario: Person A carrying laundry basket which partially obscures their view of the floor. They step on a dog toy, dropping the laundry basket and spraining their ankle.

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Midpoint Check In!

Real Life Example

Considerations:

- Laundry basket likely too full, further blocking view
- Person A listening to conference call, adding to distraction
- Dog toy basket already overflowing in another room
- Dog is trained to place toys into/near their toy bin
- Dog did not get a walk this week due to snowstorms

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Midpoint Check In!

Live Poll



Q: What do you consider to be the root cause of the injury?

- A. Poor ankle strength & mobility
- B. Overflowing toy box
- C. Conference call distraction
- D. Overflowing laundry basket
- E. No dog walks this week

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Midpoint Check In!

Real Life Example

Scenario B: Person B is cutting up fruit for lunch. Person B badly cuts their index finger, leading to an inability to type. Person B also has a report due to their manager a couple of hours after the incident, which is ultimately late and completed/delivered the following day.

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Midpoint Check In!

Live Poll – Scenario B



Q: What do you consider to be the root cause delayed report?

- A. Cutting fruit for lunch
- B. Knife being too sharp
- C. Inattentiveness of Person B while cutting fruit
- D. Procrastination of Person B to wait until the last minute to complete report
- E. No dog walks this week

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Corrective Action Plans



• What is a corrective action plan

- A corrective action plan (CAP) is a step-by-step plan of action that is developed to achieve targeted outcomes for resolution of identified errors in an effort to:
 - Identify the most cost-effective actions that can be implemented to correct an error/deficiency
 - Develop and implement a plan of action to improve processes or methods so that outcomes are more effective and efficient
 - Achieve measurable improvement in the highest priority areas
 - Eliminate repeated deficient practices

(from 2013 CMS presentation "CAP Process")

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Corrective Action Plans



• Why are CAPs important

- Fix the issue you've already identified
- Prevent recurrence
- Hold operations accountable
- Demonstrates actions taken

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Corrective Action Plans



• Vital pieces to Corrective Actions

- Quantifiable objective
- Deadlines / Targets
- Agreement (!)
- Oversight
- Validation

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Corrective Action Plans



- Quantifiable Objective

- What is the ultimate purpose of the CAP?
- Does the CAP contain the requirements for CAP closure?
- Should relate to the RCA
- Shouldn't be ambiguous

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Corrective Action Plans



- Deadlines / Targets

- When is the corrective action expected to be in place?
- Short term / long term corrective action schedules
- Timeline for resolution of issue(s)

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Corrective Action Plans



• Agreement

- Effective CAPs are agreed upon by all parties (Compliance, Operations, FDRs)
- Tip: Add a 'sign off' portion to the CAPs to ensure everyone is on the same page
 - Especially important with FDR CAPs

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Corrective Action Plans



• Oversight

- How does Compliance 'track' efforts towards CAP completion?
- Review metrics monthly, if available, to ensure noncompliance isn't repeated while CAP is in process
- Are implementations delayed?
- Do new/open/closed CAPs need to be reported anywhere in the organization?
- Tip: Schedule recurring time with Compliance personnel to go through open CAPs

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Corrective Action Plans



• Validation

- How will the corrective action be validated?
 - Metrics, audit, spot check, P&P review
- Think about recourse if CAP validation fails
- Question for Compliance – do we consider a CAP closed before or after CAP validation?
 - Either approach can be successful – important factor is to not lose sight of the issue before correction is validated

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Corrective Action Plans



• Think SMART

- SMART Criteria
 - Specific – well-defined and clear
 - Measurable – include measurable outcomes to track progress
 - Attainable – realistic and achievable within the resources, time, budget, etc. available
 - Relevant – align with your other goals
 - Timely – has a completion date

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Corrective Action Plans – CMS Guidance



- Medicare Managed Care Compliance Manuals - Chapters 9 & 21
 - 50.7.2
 - Corrective actions must be designed to correct the underlying problem that results in program violations and to prevent future noncompliance.
 - A corrective action must be tailored to address the particular FWA, problem or deficiency identified, and must include timeframes for specific achievements.

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Corrective Action Plans for FDRs – CMS Guidance



- Medicare Managed Care Compliance Manuals - Chapters 9 & 21
 - 50.7.2 –
 - The sponsor must ensure that **FDRs** have corrected their deficiencies.
 - When developing corrective actions for FWA or program noncompliance by an **FDR**, the elements of the corrective action should be detailed in writing and include ramifications if the FDR fails to implement the corrective action satisfactorily.

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Lessons Learned

What NOT to do for when creating a Corrective Action Plan

- Delegate the whole process to the business area
- Forget to follow-up (or not have enough resources to follow-up, or have remediation steps that are difficult to follow-up on)
- Create remediation plans that cannot be tested w/o member impact (e.g., “vendor will fix EOBs and we’ll see if members complain”)
- Create “boil the ocean” CAPs that take forever (e.g., we’ll implement New Claims System X in two years and that’ll fix everything)

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A Helpful Tool



- Corrective Action Plan Template
- Available for free [here](#)

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RCAs & CAPs

- Difficult to have successful CAPs without successful RCAs
 - Root Cause Analysis is essentially the first step in the Corrective Action Plan process
 - Defines what the issue was
 - Provides a 'road map' for fixing the issue

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Corrective Action Plans and Root Cause Analysis

- Think Holistically
 - Does the CAP contain the requirements for CAP closure?
 - Should relate to the RCA
 - Shouldn't be ambiguous
 - Use SMART Criteria

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Corrective Action Plans and Root Cause Analysis

• Additional Tips

- It's okay to revisit earlier parts of the process if a need is identified
- Always keep the end goal in mind – to prevent the error from happening again
- Partner with Operations/FDRs on the process, where appropriate
- Have a timeline and keep others accountable

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Working with a Regulatory Agency on RCAs and CAPs

- Program Audits
 - Program Audit Findings, Tracer Reviews
- Self Disclosures
- State Regulatory Audits
- Other CMS Audits
 - Program Integrity, One-Third Financial Audits

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Summary

- Root Cause Analyses and Corrective Action Plans
 - Two Parts of the same process
 - Equally important
 - Use consistent practices / templates when applying the process to different issues
 - Solid communication is vital

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Questions?



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