



Session Objectives

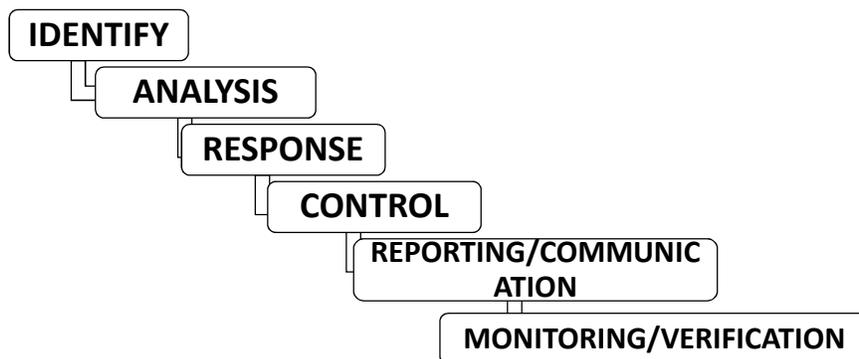
- o Outline the key elements in developing a entity specific compliance audit and monitoring plan
- o Develop a draft audit and monitoring plan based upon a Anchor Health Services

Audit & Monitoring:

Key Element of an Effective Compliance Program

o Monitoring and auditing provide *early identification* of program or operational weaknesses and may *substantially reduce exposure* to government or whistleblower claims.

Systematic Approach to Mitigating Risks



Key Differences: What is Monitoring?

Monitoring: an ongoing process usually directed by management to ensure processes are working as intended.... *It measures "processes"*. Typical characteristics of monitoring efforts include the following:

- Less structured than auditing, through audit techniques may be employed
- Usually completed by operations or compliance personnel
- Involves on-going checking and measuring

Key Differences: What is Monitoring?

- Can be periodic spot checks, daily/weekly/monthly tests
- May identify the need of an audit
- Accountability for monitoring is typically to operations leadership
- If completed in relation to a compliance work plan, formal communication is reported to the Compliance Officer and Compliance Committee.



Key Differences: What is Auditing?

- Internal auditing is an *independent, objective assurance and consulting activity* designed to add value and improve an organization's operations.
- It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Institute of Internal Auditors

Key Differences: What is Auditing?

- Formal review governed by professional standards
- Completed by professionals independent of the operation
- Formal, systematic, and structured approach
- Involves planning, sampling, testing, and validity

Key Difference: What is Auditing?

- o Formal communication with recommendations and corrective action measures
- o Documented follow-up of corrective actions
- o Audit accountability
- o Report findings and observations to leadership, as appropriate.

Examples

Monitoring

- o Current Licensure/certification of contracted staff within policy timeframes
- o Mandatory training completed
- o LEIE/SAM screening
- o Receipt of Code of Conduct
- o Others, as identified in risk assessment

Audit

- o Confirmation of system updates/revisions
- o High risk regulatory updates or changes
- o Follow-up to regulatory corrective action plans
- o Determination of accuracy of newly instituted service line

Identifying Compliance Risks:

- o Compliance Risk Assessment
 - o Can be leveraged with other risk assessments, e.g., internal audit, risk management
- o OIG Work Plan
- o Industry issues
- o Internal/External Surveys (state survey)
- o New Service Lines
- o New or updated claims generation systems

Prioritizing Compliance Risks

- o Based upon risk assessment findings, determine and display per agreed upon classifications:
 - o High Volume/High Risk
 - o Low Volume/High Risk, etc
- o Work with management and compliance committee to prioritize and assign responsibilities:
 - o Available resources
 - o Anecdotal versus potential systematic issue

Audit & Monitoring Plan Template

Identified Risk	Audit or Monitoring	Frequency	Responsible	FYQ1	FYQ2	FYQ3	FYQ4
Mandatory education completed and attestation signed	Monitoring	Annually	CO				•
SNF MDS accuracy	Audit	Bi-Annually	CO		•		•

Summary

Compliance audit and monitoring activities are:

- o Tools to to detect, deter, and prevent fraud, waste, and abuse (FWA)
- o Compliance audit and monitoring plans are NOT static – need to be able to react to current situations
- o Reflect the organizational commitment to mitigate potential compliance risk activities

Group Participation

Scenario

Anchor Health System opened a new skilled nursing facility and rehabilitation center. Several months after its opening a complaint to the state was made regarding a quality of care concern. A corrective action plan has been developed and continues to be implemented. Management is supportive of “getting back on the right track” related to a strong compliance program. So....

Question 1

What should be the CO's first step in developing an audit and monitoring plan?

Question 2:

What types of data should the CO review in developing the plan?

Question 3

What do you anticipate will be the key compliance risks identified?

Question 4

How will you differentiate what will be an audit versus a monitor?