

# Vendor Compliance Oversight

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## Learning Objectives

- Recognize the value of vendor compliance oversight for your organization
- Understand the importance of a streamlined and standardized process for onboarding, risk profiling, and ongoing monitoring
- Understand several criteria used in the determination, oversight, and monitoring of first tier, downstream, and related entities (FDRs)
- Identify ways to ensure continual vendor monitoring and oversight
- Improve vendor compliance with federal laws and regulations
- Foster collaboration across your organization for effective vendor oversight

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## What is Vendor Oversight?

1. Dual Accountability
2. Auditing & Monitoring
3. Policies & Procedures
4. Effective Communication
5. Compliance & Regulatory Requirements
6. Self Assessment of the program



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### Why is Vendor Oversight Important?

- Regulatory Requirement
- Creates open & honest communication
- Protects our Members
- Protects US
- Helps prevent, mitigate, and remediate risks and identified gaps before they become disclosures
- Sets an expectation
- THE RIGHT THING TO DO!



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### Pre-Delegation Audits

- Pre-delegation oversight is a formal process by which the Health Plan, prior to entering into a written contractual agreement with an external entity, evaluates the entity's ability to perform certain functions on its behalf
- Test out the following:
  - Policies & procedures
  - Exclusion lists
  - Required training
  - Key Performance Indicators & Service Level Agreements
  - Adherence to the seven elements

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### Risk Profiling & Assessments

- Establish Vendor Risk profile – The goal is to provide an objective understanding of risk by assigning numerical values to variables representing different types of threats
- Risk Factors:
  - Type of access to Protected Health Information
  - Direct member contact
  - Type of engagement
  - Time since last audit
  - Monitoring Survey results
  - Privacy incidents
  - Business Relationship Complexity
  - Prior Audit/Reviewing Findings



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**Compliance Reference Guides**

- Introduction
- What is an FDR?
- Training Requirements
- Code of Conduct / Compliance Program Policies
- Reporting Compliance / FWA Concerns
- Monitoring and Auditing
- Privacy and Security
- Business Continuity and Disaster Recovery
- Records and Information Management
- Communication
- Frequently Asked Questions (FAQs)
- References

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**Continuous and Ongoing Monitoring**

- Continuous oversight conducted by both the business areas and Compliance
  - Includes monitoring vendor management controls
  - Performance Standards and Key Performance Indicators (KPIs)
  - Annual Monitoring Survey, Compliance and Security Attestation/Assessments
  - Vendor Audits and Compliance Reviews
- Follow-up on corrective action plans and remediation



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**Compliance Program Effectiveness Audits**

- FDR focused audits
  - Ensure FDRs are adhering to the seven elements of an effective compliance program as outlined in Chapter 21 of the Medicare Managed Care Manuals
- Do your policies & procedures address all requirements from Chapters 9 & 21?
  - Have they been reviewed, revised and approved within the past 12 months?
- Do you confirm monthly that your employees are not on the exclusion list?
- Have your employees completed their annual required training?
- Any FWA / Compliance Concerns?

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**FDR Determination Criteria**

- Any party that enters into a written agreement, acceptable to CMS, with a MAO or Part D sponsor to provide administrative or health care services to a Medicare eligible individual under the MA or Part D program
- FDR Determination Subcommittee
  - Access to PHI?
  - Performing a core function?
  - Direct member impact?
  - Decision making authority?
  - Risk to commit health care FWA?
  - Offshore work?

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**Communications & Committees**

- Regulatory requirement to ensure effective lines of communication and a system for prompt response to compliance issues
- Vendor Newsletter
- HPMS Memos
- Delegation Oversight Committee
- Privacy Hotline & Mailbox
- Quarterly Business Review Meetings



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**Questions**

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