

Policy and Procedure	
SUBJECT: Medicare Advantage FDR Monitoring and Audit Program	DEPARTMENT: Regulatory Compliance, Risk Management and Government Affairs
ORIGINAL EFFECTIVE DATE: 03/13	DATE(S) REVIEWED/REVISED: 03/14, 12/15, 09/16, 12/17, 09/18, 05/19, 04/20, 04/21, 06/22, 03/23
APPROVED BY: Chief Compliance and Risk Officer	NUMBER: RA 69 PAGE: 1 of 3

SCOPE:

Providence Health Plan, Providence Health Assurance, Providence Plan Partners, and Ayin Health Solutions as applicable (referred to individually as “Company” and collectively as “Companies”).

APPLIES TO:

<u>Fully Insured</u>						
<u>Individual</u>	<u>Small Group</u>	<u>Large Group</u>	<u>Self-Insured</u>	<u>Medicare</u>	<u>Medicaid</u>	<u>Delegated Services to Ayin</u>
<input type="checkbox"/> Oregon On Exchange	<input type="checkbox"/> Oregon On Exchange (SHOP)	<input type="checkbox"/> Oregon	<input type="checkbox"/> ASO	<input checked="" type="checkbox"/> Medicare	<input type="checkbox"/> Medicaid	<input type="checkbox"/> YCCO
<input type="checkbox"/> Oregon Off Exchange	<input type="checkbox"/> Oregon Off Exchange (SHOP)	<input type="checkbox"/> Washington	<input type="checkbox"/> PBM			<input type="checkbox"/> WHA
<input type="checkbox"/> Washington Off Exchange						
<input type="checkbox"/> APPLIES TO ALL ABOVE LINES OF BUSINESS						

POLICY:

Company will maintain a robust internal monitoring and auditing program for First Tier, Downstream and Related Entities (FDRs). This program is led by the Manager of the Medicare Compliance Program within Regulatory Compliance, Risk Management and Government Affairs Department (RCRMGA).

DEFINITIONS:

1. **“Work Plan”** is a written document to be provided to the Delegated Entity to correct any minor issues of non-compliance. The Delegated Entity is required to respond.
2. **“Corrective Action Plan”** is a formal written document that requires the Delegated Entity to provide a remediation plan with a strict remediation deadline. This document is tracked by Company to ensure full remediation and compliance from the FDR. A Corrective Action Plan includes, but is not limited to: counseling, re-education or

Policy and Procedure		
SUBJECT: Medicare Advantage FDR Monitoring and Audit Program	DEPARTMENT: Regulatory Compliance, Risk Management and Government Affairs	
ORIGINAL EFFECTIVE DATE: 03/13	DATE(S) REVIEWED/REVISED: 03/14, 12/15, 09/16, 12/17, 09/18, 05/19, 04/20, 04/21, 06/22, 03/23	
APPROVED BY: Chief Compliance and Risk Officer	NUMBER: RA 69	PAGE: 2 of 3

training, verbal or written warnings, corrective action and/or termination of the FDR relationship.

3. **“Medicare Advantage Compliance Program”** is Company’s formal program that describes Company’s commitment to fully comply with all CMS/Federal guidelines and regulations.
4. **“FDR”** means First Tier, Downstream or Related Entity. **“First Tier Entity”** is any party that enters into a written arrangement, acceptable to CMS, with Company to provide administrative services or health care services to a Medicare eligible individual under the MA program or Part D program. **“Downstream Entity”** is any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with the MA benefit or Part D benefit, below the level of the arrangement between Company and a First Tier Entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services. **“Related Entity”** means any entity that is related to Company by common ownership or control and:
 - (1) Performs some of Company’s management functions under contract or delegation;
 - (2) Furnishes services to Medicare enrollees under an oral or written agreement; or
 - (3) Leases real property or sells materials to Company at a cost of more than \$2,500 during a contract period.

PROCEDURE:

The FDR monitoring and audit program is a component of the overall Medicare Compliance Program. It is designed to ensure that all FDR’s are complying with CMS regulations and protect our members from potential non- compliance and/or Fraud, Waste and Abuse. Company will follow the below high-level process in order to maintain an effective FDR audit program.

- Operational business area audit schedules will be determined by RCRMGA, dependent upon CMS requirements, the annual risk assessment, and the results of past audits.
- Delegated Entities will submit auditing/monitoring results to the Medicare Delegation Program Consultant for oversight on a monthly basis or as required based on the risk assessment.

All monitoring and auditing will be performed using RCRMGA provided audit tools, including: the Medicare Advantage Plans Internal Audit Protocol, Audit Summary, Audit Universe Worksheets, and the CMS Pre-Audit Issue Summary.

- The Medicare Advantage Internal Audit Protocol follows from Audit Protocol issued by CMS.
- The Company may require higher standards than those set by CMS.

Policy and Procedure		
SUBJECT: Medicare Advantage FDR Monitoring and Audit Program	DEPARTMENT: Regulatory Compliance, Risk Management and Government Affairs	
ORIGINAL EFFECTIVE DATE: 03/13	DATE(S) REVIEWED/REVISED: 03/14, 12/15, 09/16, 12/17, 09/18, 05/19, 04/20, 04/21, 06/22, 03/23	
APPROVED BY: Chief Compliance and Risk Officer	NUMBER: RA 69	PAGE: 3 of 3

- Audits are conducted either through a Live audit where the samples are reviewed live in the various systems or the case file documentation provided by the Delegated Entity is audited during a Desk or Tracer audit. Regardless of audit type, a timeliness audit is conducted every month. Live, Desk or Tracer audits can be performed on a monthly, quarterly, or ad-hoc basis.
- For any identified findings, the Delegated Entity is required to fill out the Pre-Audit Issue Summary.
- If Delegated Entity is not meeting compliance standards, a Work Plan for improvement will be issued. If RCRMGA determines that a corrective action is needed, RCRMGA will engage the FDR in a Corrective Action Plan which implements a strict deadline for remediation.
- All audit results are shared with the Company Compliance Committee and Board.

RCRMGA maintains a formal audit dashboard which houses internal FDR audit results, action plans and risk assessments based on member impact and other risk indicators. RCRMGA will make audit results available to CMS as requested.

REFERENCES:

242 CFR §422.503(b)(4)(vi) and §423.504(b)(4)(vi), Chapter 9 of the Medicare Prescription Drug Manual, Chapter 21 of the Medicare Managed Care Manual, Compliance Program Guidelines