

# GOVERNMENT PROGRAMS COMPLIANCE OFFICER NEWSLETTER

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HEALTH CARE SERVICE CORPORATION



*Message from Kim Green  
HCSC Government Programs Compliance Officer*

Welcome to the Government Programs Compliance (GPC) quarterly newsletter. Our goal is to provide you with pertinent information relating to the administration of the various government programs administered by HCSC. As such, we reported in last quarter's publication that HCSC was the subject of a CMS Program Audit during the first quarter of 2016. On September 9, 2016, HCSC received the final audit report from the Centers for Medicare and Medicaid Services (CMS). As work continues to ensure HCSC is operating in a compliant environment, there are few key items to highlight from the final audit report.

As a reminder, HCSC is a Plan Sponsor that administers several state and federal Government Programs including Medicare Advantage, Medicare Prescription Drug Plan, Medicare-Medicaid Alignment Initiative (MMAI) and Medicaid. As a Plan Sponsor we have the responsibility to know and adhere to the requirements of all the contracts we administer. If we fail to meet those requirements, we are at risk for being subjected to various enforcement actions.

Please remember that you are required to report any suspicious behavior or potential wrongdoing related to any government contract. You can report this information to your manager or our Medicare Compliance hotline number, which is listed below. All calls to our hotline can be made anonymously and without fear of intimidation or retaliation. As the Government Programs Compliance Officer, please know that you can always contact me directly at 312-653-5110. We encourage you to visit our [website](#) and submit any topics that you would like to read about in future newsletters.

Kim Green

HCSC Government Programs Compliance Officer

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## Government Programs Hotline

For compliance questions  
or concerns related to:

- Medicare Advantage
- Medicare Part D
- Medicaid

**1-877-211-2290**



Let's  
Recap

**Areas Audited**

As a Plan Sponsor that administers Medicare Advantage (Part C) and Prescription Drug (Part D) programs on behalf of CMS, HCSC was the subject of a Program Audit that took place in March, 2016. The following areas were audited for compliance and adherence to program requirements set forth by CMS:

Program Area	Time Period
Part C and Part D Compliance Program Effectiveness (CPE)	January 25, 2015 - January 25, 2016
Prescription Drug (Part D) Formulary Administration (FA)	January 1, 2016 - January 25, 2016
Part D Coverage Determination Appeals and Grievances (CDAG)	December 25, 2015 - January 25, 2016
Part C Organization Determination Appeals and Grievances (ODAG)	December 25, 2015 - January 25, 2016*
Special Needs Plans—Model of Care (SNP-MOC)	December 1, 2014 - January 25, 2016

\*Some ODAG universe time periods were changed to begin on October 25, 2016 due to the small sample sizes.

**Findings**

CMS summarizes the results of their evaluation of HCSC’s compliance with the program requirements by issuing “findings”. The four types of “findings” are defined below.

**INVALID DATA SUBMISSION (IDS)** = An IDS condition is the result of Sponsor’s failure to produce an accurate universe within three attempts.

**OBSERVATIONS** = Observations are conditions of non-compliance that are not systemic, or represent a “one-off issue.” A “one-off issue” may be an issue dealing with one employee or a singular case that was lost or misidentified.

**CORRECTIVE ACTION REQUIRED (CAR)** = A CAR is a systemic deficiency that must be corrected, but the correction can wait until the audit report is issued. These issues may affect beneficiaries, but are not of a nature that immediately affects their health and safety. Generally, they involve deficiencies with respect to non-existent or inadequate policies and procedures, systems, internal controls, training, operations or staffing.

**IMMEDIATE CORRECTIVE ACTION REQUIRED (ICAR)** = An ICAR is a systemic deficiency that is so severe that it requires immediate correction. These types of issues would be limited to situations where the identified deficiency resulted in a lack of access to medications and/or services or posed an immediate threat to beneficiary health and safety.

### Results

Program Area	IDS	Observations	CARs	ICARs	Points <sup>1</sup>	# of Elements	Score <sup>2</sup>
Compliance Program Effectiveness	0	1	1	0	1	7	0.14
Formulary Administration	0	1	0	1	2	3	0.67
Coverage Determinations	0	2	3	0	3	3	1.00
Organization Determinations, Appeals & Grievances	0	5	16	0	16	4	4.00
Special Needs Plans	0	5	1	0	1	3	0.33
<b>Overall</b>	<b>0</b>	<b>14</b>	<b>21</b>	<b>1</b>	<b>23</b>	<b>20</b>	<b>1.15</b>

<sup>1</sup>Points = (IDS) + (CARs) + 2x (ICARs)

<sup>2</sup>Score = Points/Elements

All items listed under “ICARs” and “CARs” require a formal Corrective Action Plan (CAP) be submitted to CMS within 30 calendar days of receipt of the final audit report. (Due October 7, 2016). The CAPs will need to include the following elements:



- Condition Statement
- Cause Statement
- Effect Statement
- Immediate CAR/CAR Statement
- Root Cause Analysis
- Corrective Action Plan
- Final date that all Corrective Actions will be completed

Once the CAPs have been approved by CMS, HCSC will have 150 days to undergo a validation by an Independent Auditor.

Note: The above plan will take several months to complete and officially close out this audit. The audit process is constantly evolving and the work needed to stay in an “audit ready” state will continue. Plans to begin laying the foundation for the next audit have already begun as new protocols from CMS are issued every year.



HCSC was recognized by CMS as having best practices for the following actions:

- Compliance Program Effectiveness: New employees must complete general compliance and FWA training prior to systems access.
- Part D Coverage Determination Appeals and Grievances: HCSC provided denial rationales in two ways. One for the beneficiary and one geared towards the provider to understand the requirements and what's necessary in order to approve the request upon appeal.

We understand this information can be confusing, therefore, you can reach out to your management, or a member of the Government Programs Division Program Oversight Department for help.

In addition, the following list of contacts are available to answer questions and provide guidance related to government compliance.



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## CONTACT INFORMATION



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Hotlines - Available 24/7  
 (report anonymously)  
 Fraud Hotline  
 1-800-543-0867  
 Government Programs Hotline  
 1-877-211-2290



Website:  
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