GOVERNMENT PROGRAMS

Compliance Officer Newsletter

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HEALTH CARE SERVICE CORPORATION

Message from Kim Green

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.

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 Corporate Integrity 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.

Kim Green

HCSC Government Programs
Compliance Officer

Government Programs Hotline
combining with Corporate Integrity Hotline

**For compliance questions or concerns related to:**
- Medicare Advantage
- Medicare Part D
- Medicare

TWO Hotlines in ONE!

1-877-211-2290
1-800-838-2552

All of us who work on government programs have an essential part to play in compliance. Together, we meet HCSC's obligation to manage issues of non-compliance through effective prevention, detection, correction and reporting. We continue this "Back To Basics" series with the second of these action steps: DETECTION.

PREVENTION ➡ **Detection** ➡ CORRECTION ➡ REPORTING
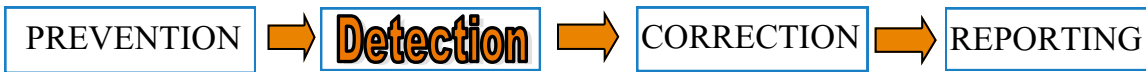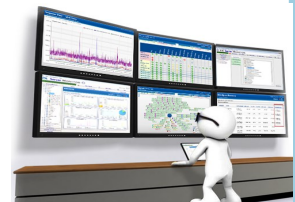
MONITORING

Why do we need monitoring?

Monitoring is one of the most effective ways to detect issues of non-compliance. CMS requires HCSC (as a Plan Sponsor) to have an effective system for routine monitoring of compliance risks. In fact, routine monitoring is one of the 7 elements of an effective compliance program.

When we are engaged in monitoring, critical analysis of the monitoring results allows us to detect and correct issues that may otherwise go unnoticed. If a current business practice doesn't follow the rules and regulations, we are then in a proactive position to correct any underlying issues.
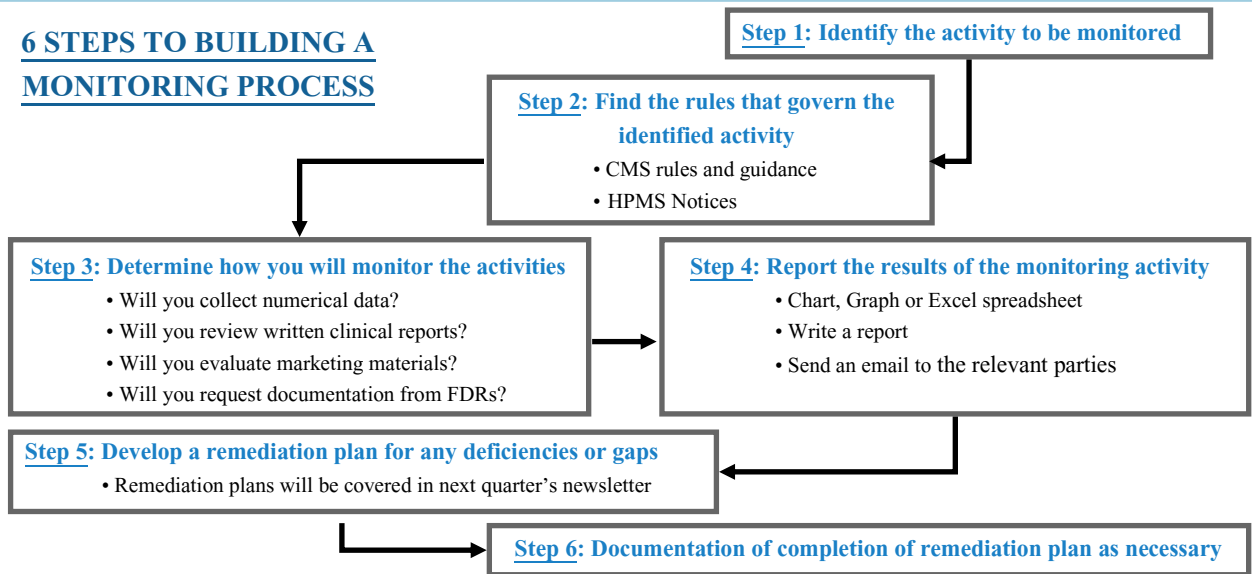
Your role in monitoring may include:

◆ reviewing data
◆ evaluating and analyzing an end-to-end business process to ensure compliance or identify gaps
◆ reviewing the practices of a first tier, downstream, or related entity

To conduct effective monitoring, you must know the rules related to your job function.

6 STEPS TO BUILDING A MONITORING PROCESS

Step 1: Identify the activity to be monitored

Step 2: Find the rules that govern the identified activity
• CMS rules and guidance
• HPMS Notices

Step 3: Determine how you will monitor the activities
• Will you collect numerical data?
• Will you review written clinical reports?
• Will you evaluate marketing materials?
• Will you request documentation from FDRs?

Step 4: Report the results of the monitoring activity
• Chart, Graph or Excel spreadsheet
• Write a report
• Send an email to the relevant parties

Step 5: Develop a remediation plan for any deficiencies or gaps
• Remediation plans will be covered in next quarter's newsletter

Step 6: Documentation of completion of remediation plan as necessary

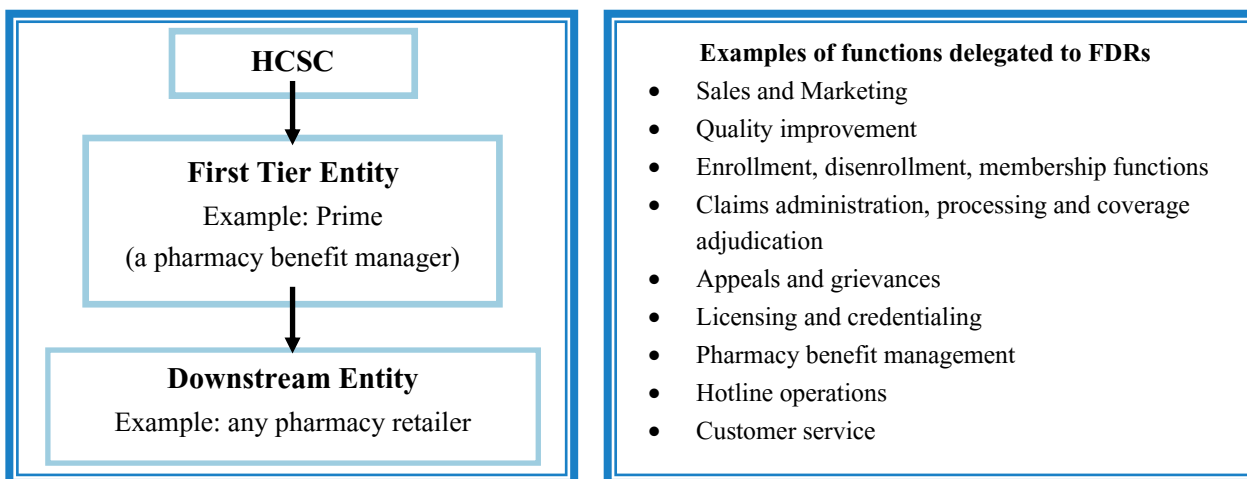**Corporate Integrity Hotline: 1-800-838-2552**

FDR MONITORING

HCSC enters into contracts with First Tier, Downstream, and Related Entities (FDRs) to provide administrative and health care services for our members on behalf of HCSC. You can see some examples of functions performed by FDRs in the box below.

HCSC is accountable for all activities that have been delegated to FDRs.

HCSC is ultimately responsible for ensuring that the terms and conditions of our government programs contracts are fulfilled. CMS holds HCSC responsible for an FDR's performance. CMS requires HCSC to have a system in place to monitor FDRs and make sure that FDRs are compliant.

HCSC must demonstrate not only that there is FDR monitoring but also that our monitoring is <u>effective</u>.

To effectively monitor FDRs, we must review and analyze all reports submitted to HCSC by FDRs for adherence to contractual requirements.

HCSC ↓ **First Tier Entity** Example: Prime (a pharmacy benefit manager) ↓ **Downstream Entity** Example: any pharmacy retailer	**Examples of functions delegated to FDRs** • Sales and Marketing • Quality improvement • Enrollment, disenrollment, membership functions • Claims administration, processing and coverage adjudication • Appeals and grievances • Licensing and credentialing • Pharmacy benefit management • Hotline operations • Customer service

Typically, each FDR monitoring activity is more complex and requires a more detailed analysis by the responsible HCSC employee than non-FDR monitoring. The business owner of the relationship with the FDR performs direct monitoring of the FDR's performance. An effective monitoring plan identifies issues and risks of non-compliance by the FDR and promptly responds to remediate those risks. HCSC must retain documentation to demonstrate to CMS that the FDR has remediated any issues of non-compliance. Documentation may include revised policies and procedures, updates to FDR processes, employee training, and metrics reports.

FDRs were the topic of the 2013 Q2 GPC Newsletter.
For more information, click the link below
http://www.hisccompliance.com/pdf/newsletter-2-2013.pdf

The starting point—first, last and always — is the rules.

Corporate Integrity Hotline: 1-800-838-2552

ISSUE IDENTIFICATION

Due to the size and scope of our Government Programs business, issues are inevitable and will surface during the course of our work. We want to find the issues ourselves within the business and, once issues are detected, take immediate corrective steps.

Discovering and reporting an issue is a success!

> ISSUE
> Any discoverable action or outcome that is suspected or known to be non-compliant

You may identify an issue in a number of ways, such as while analyzing reports, answering beneficiary calls or handling claims or appeals. During your daily monitoring, pay attention and use your critical thinking skills — stay alert for issues!

You have several options to report suspected or known issues of non-compliance. You can:

◆ Speak with your department's management
◆ Contact the Corporate Integrity HOTLINE at 1-800-838-2552
◆ Call or email a member of the GPC department

IN THE NEXT ISSUE

After identifying an issue, the next important action is correction.

In the next issue, Q2 of 2018, we will continue this "Back To Basics" series with the third action step:

CORRECTION

We will cover the following topics:

• Issue Correction "Life Cycle"
• Remediation Plans

CONTACT INFORMATION

Email
hisccompliance@bcbsil.com

Hotline - Available 24/7
REPORT ANONYMOUSLY

Website
www.hisccompliance.com

Corporate Integrity Hotline: 1-800-838-2552