



Government
Programs
Compliance

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GOVERNMENT PROGRAMS

Compliance Officer Newsletter

A Message from Kim Green:

My goal for each Government Programs Compliance Officer Newsletter is to provide you with information about the various government programs administered by HCSC.

HCSC is a Plan Sponsor that administers several Federal and State Government Programs, including:

- Medicare Advantage
- Medicare Prescription Drug Plan
- Illinois 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.

To adhere to our contracts and reduce risk of non-performance, HCSC uses a lines of defense approach as it relates to the government programs listed above. The lines of defense approach is used across industries and is known as a cornerstone for governance and risk management. Each Line has specific responsibilities which are detailed below.

As the Government Programs Compliance Officer, please know you can always contact me directly at 312-653-5110.

Kim Green

HCSC Government Programs
Compliance Officer

HCSC Corporate Integrity HOTLINE 1-800-838-2552



How?

Can You Help

- Watch for questionable activity
- Know the laws & HCSC policies
- Report any issues

For compliance questions or concerns related to:

- Medicare Advantage
- Medicare Part D
- Medicaid

Integrity • Respect • Commitment • Excellence • Caring



Government Programs Compliance

GPC Resources:

Enterprise Medicaid/Debarment
Melissa Lupella, Senior Director

NM Medicaid
Jeanene Kerestes, Senior Director

IL Medicaid
Yvonne Yang, Director

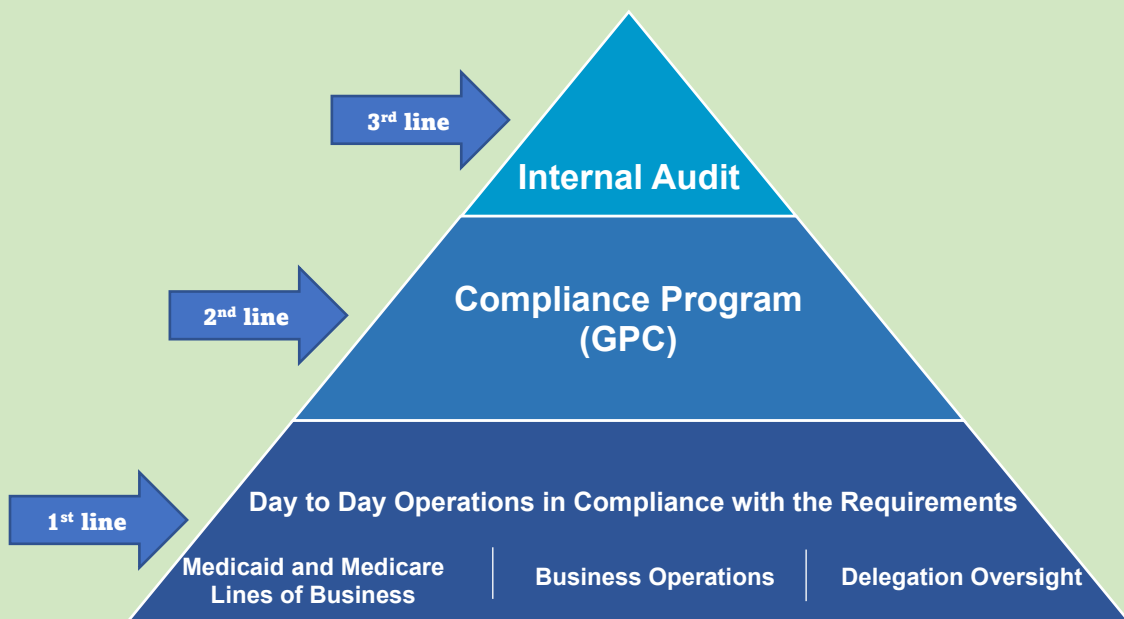
TX Medicaid
Kirstie Reck, Director

Medicare/MMAI
Kathleen Klein, Director



What are the Lines of Defense?

Within government programs there are many ever-changing regulations and requirements that must be followed. HCSC uses a lines of defense approach to help manage the risks associated with the heavily regulated government programs within our matrixed organization. The lines of defense approach is a strategic risk management and governance approach that clarifies roles and responsibilities. There are three distinct lines and they are discussed further below.



First Line of Defense

The First Line of Defense conducts the day-to-day operations in compliance with the requirements. Regulatory requirements are the foundation of the work supporting Government Programs and it is everyone's responsibility to know and understand the requirements. The following areas act as HCSC's First Line of Defense and are responsible for implementing the following processes:

Medicaid and Medicare Lines of Business

- Oversight mechanisms for regulatory requirements management
- Regulatory change management and implementation
- Monitoring of day-to-day processes to ensure compliance
- Issue tracking and management from identification through resolution

Business Operations- Includes HCSC Matrix Partners and Delegates

- Day-to-day execution of regulatory requirements integrated with operational responsibilities
- Monitoring operational regulatory performance and outcomes on a daily/weekly/monthly basis
- Vendor management in accordance with the regulatory requirements

Delegation Oversight

- Maintain complete and accurate FDR list
- Oversight of vendor management
- Vendor issue tracking and reporting
- Performance of pre-delegation and annual delegation audits
- Quarterly Delegation Oversight Committee
- Targeted audits/ monitoring and reporting to appropriate compliance and oversight committees



Government Programs Compliance

Contact Us

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**REPORT
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Second Line of Defense

The Second Line of Defense plays an integral role in the administration of compliance elements, but the day-to-day requirements must be understood, implemented, and owned by the First Line of Defense. Government Programs Compliance (GPC) acts as HCSC's Second Line of Defense. GPC's primary responsibility is to administer the HCSC Compliance Program, which includes providing oversight and mitigation efforts to the First Line of Defense's identified risks and potential issues of non-compliance.



The Second Line of Defense:

- Monitors the First Line of Defense performance metrics
- Performs their own routine and targeted monitoring activities according to contractual requirements, based off priorities identified in their annual Risk Assessment and work plans
- Is notified of risks or issues of non-compliance through several avenues, including notification from the First Line of Defense, regulators, or fraud hotline
- Assists the First Line of Defense in root cause identification and development of remediation action steps
- Oversees issue resolution and reports status through Compliance Committees, the HCSC CEO and the Audit, Compliance and Finance Committee of the HCSC Board of Directors.

Third Line of Defense



The Third Line of Defense is intended to provide the highest degree of independent assurance. Audit Services acts as HCSC's Third Line of Defense.

The Third Line of Defense:

- Performs audits of HCSC financial and business operations to provide recommendations to improve the Company's overall strategic goals
- Executes their purpose through completing their Risk Assessment and Audit Plan, conducting field work, issuing reports and risk ratings to management, coordinating external exams, and reporting through leadership and the Audit, Compliance and Finance Committee of the HCSC Board of Directors

Key Takeaways



As the First Line, you need to:

- Know the rules
- Monitor according to the rules
- Identify and remediate issues promptly, escalate to your leadership, and notify GPC when appropriate
- Respond promptly and accurately to GPC and Internal Audit

Questions on requirements within your area?

Check out [GPC's Q1 2023 Newsletter](#) and/or work directly with your Line of Business lead.

Everybody has a role to play within the Lines of Defense approach – What's yours?