Ten Easy Steps to Part D Compliance and

Tales from the Dark Side

Real Life PACE Plan Audit Experiences

NPA Educational Session
Tuesday 10/17/17, 8:00-9:30AM

Cherokee Elder Care
Keeping "PACE" with todays healthcare needs.
1387 W 4th St. Tahlequah, OK 74464
918-245-5554

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CAREKINESIS® PACE Pharmacy

Speakers

- **Amanda Boyle,** BSW, Risk Adjustment Supervisor,
  Immanuel Pathways, Omaha, NE; Council Bluffs, IA;
  Des Moines, IA
- **Bushra Hashmi,** MHSA, MBBS, PACE Quality Facilitator,
  Midland Care Connection, Topeka, KS
- **Thelma Pittman,** MBA, Chief Financial Officer, Cherokee Elder
  Care, Tahlequah, OK
- **Matt Zimmerman,** BA, Risk Adjustment Consultant,
  Capstone Performance Systems, St. Louis, MO
- **Deborah Quillen,** BA, Client Development Liaison,
  CareKinesis, Moorestown, NJ

Learning Objectives

- Understand and implement the 10 Part D compliance processes
- Know how to audit and monitor internal processes, report the data gathered, and use the information in Part D bid formulation, quality improvement initiatives, and cost reduction
- Become familiar with resources and reports that are available to help plans improve Part D compliance
- Prepare staff for upcoming audits, spot risks in processes and documentation, and correct them before an audit

Introductions

- Our panel members represent 3 PACE plans and 2 PACE-specific vendor partners.
- Their backgrounds encompass five different areas of expertise in supporting PACE organizations.
- Our discussion today will focus on changes and new developments in the 1/3 Financial Audits and the changing monitoring and reporting requirements

The 10 Easy Steps

1. Documentation and Staff Training
2. TrOOP-IN, TrOOP-OUT, TrOOP-Final Processes
3. PDE data from Script to Delivery
4. Non-Part D claims – Linking Parts A-B-D
5. Coordination of Benefits (COB or MSP)
6. Plan-to-Plan Payments (P2P)
7. Direct and Indirect Remuneration (DIR)
8. Internal Monitoring and Auditing
9. Oversight of Downstream Entities
10. Audit Readiness

1. Documentation and Staff Training

- Maintain detailed and specific P&Ps describing your compliance processes, including the monitoring and auditing of those processes.
- They should include:
    - Frequency of monitoring or auditing
    - Sample size of data to review
    - Reports of findings
    - Description of how findings/discrepancies are handled
        - Is it fraud, waste, abuse, or error?
        - What is the root cause?
        - How will it be corrected/reported?
        - How will it be prevented?

1. Documentation and Staff Training (cont'd.)

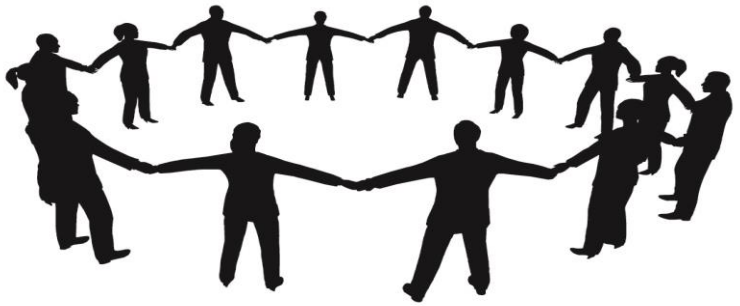
PACE staff

- Must be trained on P&Ps that apply to their job - when first created and whenever revised
- Demonstrate a firm grasp of the process and know who to go to if they have a question or problem
- Describe to an auditor any processes that involve their role in the PACE organization

1. Documentation and Staff Training (cont'd.)

Buy-In

- Documenting processes and training staff are great opportunity to instill a sense of ownership and buy-in.
- As process owners, staff members will be able to suggest changes/improvements and recognize deviations from the process.
- *These staff members will be your subject matter experts and provide needed support in an audit.*



2. TrOOP-In, Out and Final Processes

TrOOP – True Out of Pocket (cost or spend)

TrOOP-In Process

- Obtain TrOOP balance for all new enrollees.

TrOOP-In Monitoring Spreadsheet							
2017							
NAME	HICN	PRIOR MA	Enrollment Month	Date Requested TrOOP Letter-Enrollment	Date Requested TrOOP Letter-30-day	Date TrOOP Letter requested from Prior MA Plan listed in MARx	Date Received

- CMS' MA Plan Directory lists Part D contacts for each insurance plan to help get past TrOOP and GCDS amounts.

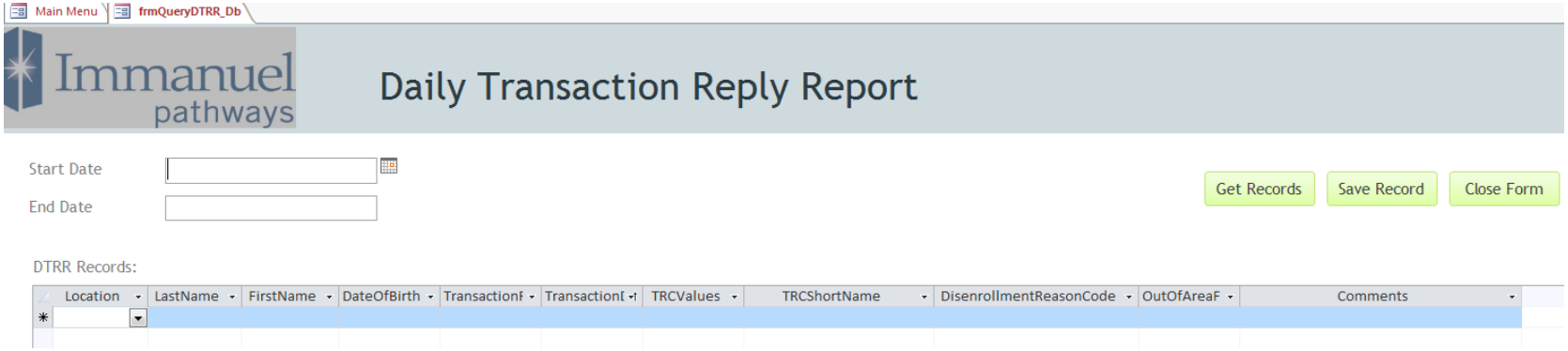
https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/MA-Plan-Directory-Items/MA-Plan-Directory.html?DLPage=1&DLEntries=10&DLSort=1&DLSortDir=descending

- Example of process for obtaining TrOOP-IN amounts

2. TrOOP-In, Out and Final Processes

TrOOP-Out Process

- Regularly monitor DTRR transaction report for disenrollments



- TrOOP-Out Tracking

Documentation of TrOOP-Out Letters								
2017								
PPT Name	**PPT ID**	**DTRR Notification of Disenrollment**	**Routine End-of-Month Disenrollment**	**TrOOP Letter sent, list dates**	**Gross Covered Drug Cost Amount ($)**	**GCDC (Verify PBM or Pharmacy)**	**Actual TrOOP Amount ($)**	**2nd TrOOP Letter with any updated Amounts (By 03/31)**

2. TrOOP-In, Out and Final (cont'd)

TrOOP-Out Process (continued)

- Explanation of Benefits (EOB) or TrOOP Letter requirements
  - Date of disenrollment
  - TrOOP amount at disenrollment from the PACE TrOOP Calculator
  - The TrOOP Calculator can be found here: https://www.cms.gov/apps/troopcalculator/
  - Gross Covered Drug Spend (GCDS) from Accepted PDE Reports

2. TrOOP-In, Out and Final (cont'd)

TrOOP or EOB Letter template

Print the EOB template on your letterhead and fill in the necessary information

Notice of Benefit Information for Your New Medicare Prescription Drug (Part D) Plan

THIS IS NOT A BILL. Report this information to your new prescription drug plan and keep this notice for your records.

<Insert Participant Name>
<Insert Participant Address>
<Insert City,State ZIP Code>

<Date>
Member ID Number: <Member ID>

Dear PACE PLAN Participant,

The Centers for Medicare and Medicaid Services (CMS) requires that PACE PLAN send you a notification of the True-out-of-pocket (TrOOP) drug costs and Gross Drug Costs incurred while you were enrolled in our program.

This notice includes:

1. TrOOP and Gross Drug Costs balances from the PACE plan during <coverage year>.
2. Any adjustments to your out-of-pocket costs or total drug costs due to new claims, reversed claims, or any other adjustments.

Totals:

- Total PACE Covered Drug Costs from <date> to <date>:<insert GCDC amount $>
- Out-of-Pocket costs during PACE plan Enrollment: <Enter TrOOP amount $>

If you enroll with a new Medicare Part D plan, we recommend that you forward this information to that new plan.

Please contact PLAN ANALYST at (999) 123-4567 if you have questions regarding this letter.

Sincerely,

<Employee Name>
<Employee Title>
<Employee Phone>

2. TrOOP-In, Out and Final (cont'd)

TrOOP-Out Process (continued)

- Monitor GCDS amounts against PDE records to ensure accuracy as disenrollments occur. (Auditors will review)
- TrOOP letter (EOB) must be sent within 7 calendar days of when the participant's disenrollment appears on the DTRR.

2. TrOOP-In, Out and Final (cont'd)

TrOOP-Final Process

Did you know that there should be a Final TrOOP Letter?

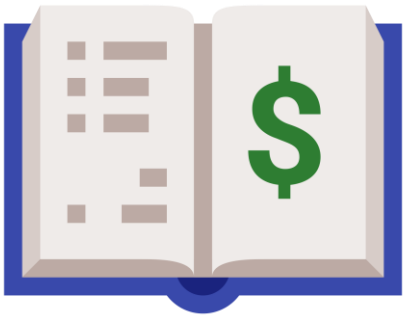
- After disenrollment, review TrOOP and GCDS amounts for accuracy; additional PDE data may have been submitted for disenrolled participants.
- An Adjusted TrOOP letter should be created and sent to the participant within 45-60 days after notice of disenrollment.
- Final TrOOP amounts are reviewed by auditors.
- Audit Experience: Did not send out the FINAL TrOOP Letter for calendar year.

3. PDE Data from Script to Delivery

- All prescriptions must be tracked from the prescriber's order to delivery to the participant.
- Check CMS PDE response files to ensure Part D claims for all eligible members are accepted PDE.
- Have processes in place to correct errors or supply missing data.
- Be able to produce or acquire screenshots of paid claims.
- Auditors are focusing on accounting records.

3. PDE Data from Script to Delivery (cont'd)

- Ensure all Rx costs are broken down at the individual level in the accounting process/General Ledger
- Maintain a full monthly accounting of Rx expenses categorized in the GL.
  - Maintain a monthly PDE reconciliation worksheet (also used on the Part D reserve model)
  - PDE must be backed up by pharmacy invoices – potential FWA issue.
  - CMS also reconciles DIR (rebate receipts) and P2P payments



3. PDE Data from Script to Delivery (cont'd.)

FWA Tracking: Audit Life Cycle (Sample from Script to Delivery Receipt)
Ingredient Costs (Compare Pricing Over Time)
Are the ingredient costs correct in the record consistent with the contract?
Proof of Pick-Up
Are there delivery receipt for each prescription?
Delivered to the center, did the prescription get to the participants?
Is there documentation to support it was delivered from a Community Pharmacy?
Unusual Frequency (Refill Too Soon)
Did the plan refill the prescription to soon? (Does the fill overlap, besides the 28 day supply, happen? Is there a protocol? Do dates overlap?)
Duplicate
Did the plan have duplicate records? Rx at center and home. Will be filled on the same DOS.
NPI/Provider ID Mismatch with PDE
Did the plan have correct NPI/Provider in the record? (Rejects? Valid NPI Numbers? Were there errors and were they fixed?)
Inadequate Prescription Documentation
Can the original prescription be found in the electronic health record? Paper scripts - are they scanned into the system?
Inappropriate Dispensing Fees
Are the dispensing fees consistent with contract? Community Pharmacy fees?
Unapproved Providers
Are there unapproved providers submitting prescriptions?
Part A
Did the plan process Part A drugs under Part D?
Part B vs. Part D
Did the plan process Part B drugs under Part D?
ESRD
Did the plan submit ESRD prescriptions that should not be, since they fall under the ESRD PPS?

3. PDE Data from Script to Delivery (cont'd.)

- Compliance Work Plan Document
  - Covers these areas of risk:
    - PDE Submission
    - Claims Submission Verification (B vs. D)
    - Cost Data
    - RAPS Diagnosis Information
    - PDE Deletions (or Retractions) Records
    - DIR Verification
    - Enrollments/Disenrollments

4. Non-Part D Claims – Linking Parts A-B-D

- Part A Claims
  - Part A stays – hospital, ER, SNF
- Part B Claims
  - Drugs that are part of the dialysis payment bundle
  - Some vaccines and infusion drugs
- Other Non-Part D Claims
  - Most over-the-counter meds (OTCs)
  - Durable Medical Equipment (DME)

4. Non-Part D Claims (continued)

Part A claims –

- Keeping them out of your PDE submissions
  - Internal monitoring of Part A stays
  - Track participant Hospital, ER, and SNF stays
  - Inform your pharmacy and/or PBM promptly
  - Successfully communicating with your Skilled and LTC facilities about medication billing

4. Non-Part D Claims – Linking Parts A-B-D

Part B Claims -

- Review your PDE submission and response files
- Check for possible Part B claims based on place of service and redact inappropriate Rx's
- Monitor and update participant ESRD/dialysis status as necessary to keep it accurate.
- 2017 ESRD Prospective Payment System Consolidated billing link.

https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ESRDpayment/index.html

4. Non-Part D Claims (continued)

Part B Claims (continued)

- Late or corrected PDE submissions and timeframes
  - The end of June is the annual deadline for submission or resubmission of prior calendar year PDE data.
  - If submitting corrected PDE after the deadline, the PDE timeframe for prior years must be reopened through an Acumen request ticket. (More information is located on the CSSC Operations website.)
  - Significant changes may affect your payment reconciliation for the prior years

5. COB/MSP

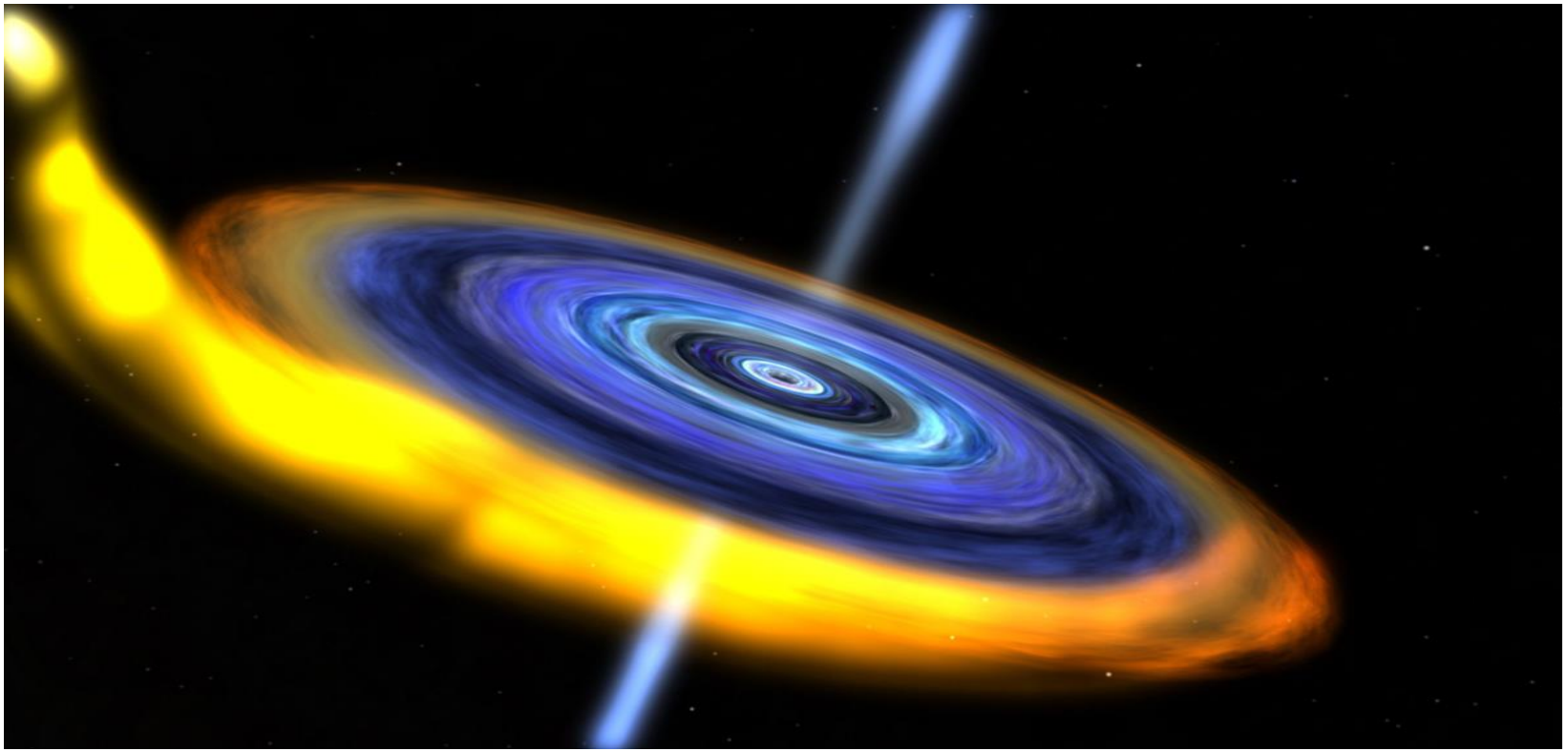
Coordination of Benefits or Medicare as Secondary Payer

- Review the Marx COB report daily for changes in participants' COB status.
- Monitor the MSPCOBMA report monthly. This report provides a detailed listing of all MSP or COB instances.

These reports appear in your GENTRAN mailbox.

5. COB/MSP (continued)

How can we make the Coordination of Benefits process less confusing?



5. COB/MSP (continued)

- True MSP participants are not very common in PACE
- When the MSP logic is applied by CMS -
  - PACE plans will receive a significantly reduced monthly payment
  - MSP often occurs when an enrolling participant is still covered under the spouse's employer health plan as a beneficiary.
  - Often after enrollment in PACE this coverage is cancelled and the MSP instance is removed.
- COB is more common and relates directly to any Worker's Compensation or other liability claims for participants.

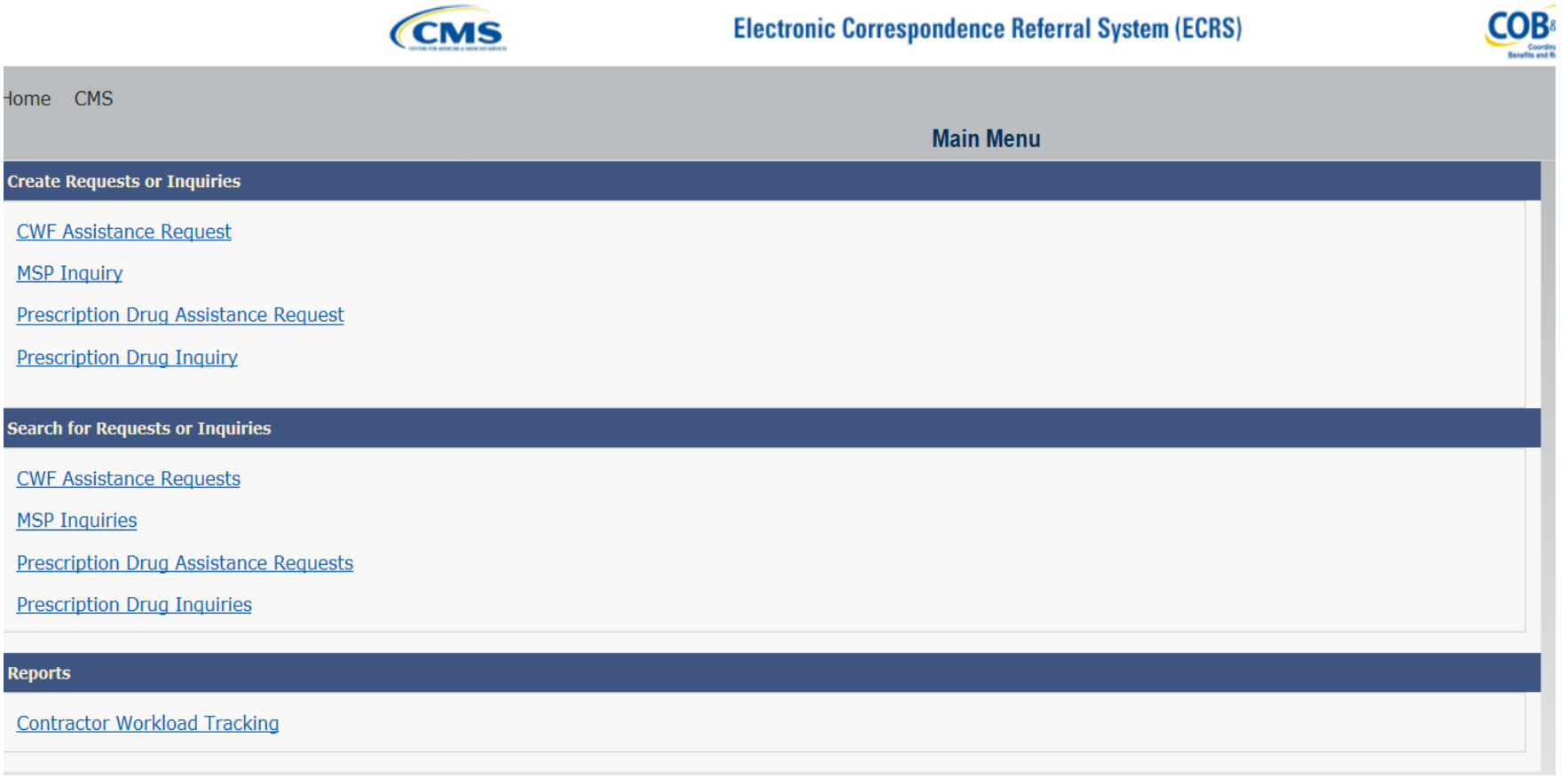
5. COB/MSP (continued)

- Rule out valid data on MSPCOBMA
  - Use a tracking spreadsheet and monitor monthly.
  - Most information in the MSPCOBMA report is OLD and should be surveyed with the Participant for accuracy.
  - Timely filing will play a role in billing other insurance. So timing is important.
  - Once MSPCOBMA report is fully reviewed there will be only a few billing opportunities.
  - Best Practice: Survey all participants upon enrollment AND annually.
- Example: one participant was on the report for 10 years.

- How to fix it using the ECRS system.

5. COB/MSP (continued)

Use the ECRS system to assist in correcting records
https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/msp105c05_att1.pdf



5. COB/MSP (continued)

The Immanuel Pathways process is:

- Discuss other insurance with the participant + family at pre-enrollment,
- Then there is a touch point afterward by the Social Worker using the CMS reference tool MSP questionnaire – "Have you been in an accident?"
- Use MSPCOBMA reports to validate

6. Plan-to-Plan Payments (P2P)

- P2P (Plan-to-Plan) reports are downloaded from the GENTRAN mailbox.
- P2P payments must be made 30 days from notification or you may receive a request from the other insurance plan or CMS.
- PACE plans generally do not receive P2P payments.
- An annual P2P attestation must be submitted on the HPMS website.

6. P2P (continued)

- There are 4 types of Plan to Plan (P2P) reports
  - 40 COV – Cumulative Year-to-Date P2P report
  - 41 COV – Monthly report detailing all receivables from other plans.
  - 42 COV – Cumulative Year to Date P2P Payable report
  - 43 COV – Monthly report detailing P2P payables
- Document and monitor all P2P transactions to demonstrate compliance.

6. P2P (continued)

- Reports for each audit year start with the June report from prior year.
- On-going log of checks and payment amounts

- Finance policy problem: receiving the W-9 from a new payee delays the payment process.
- No leniency in payment dates - no exceptions allowed
- Audit observation results in revised P2P policy

6. P2P (continued)

- Use a P2P tracking tool for internal monitoring and audit support
- Were all requirements met? -due date, correct amount, on time, right plan paid?

Plan To Plan Payments to Other Medicare Advantage Plans (P2P)

This log will demonstrate that all P2P payments are submitted timely

All P2P payments must be made within 30 days of receipt of the monthly P2P Payable report

PDE Submission Timelieness

2016	January	February	March	April	May	June	July	August	September	October
Date P2P Payable Report Received	1/22/2016	2/23/2016	3/21/2016	4/18/2016	5/23/2016	6/25/2016	7/22/2016	8/23/2016	9/24/2016	10/24/2016
Amount of P2P payable	$ 23.14	$ -	$ 48.76	$ 32.16	$ 180.01	$ -	$ -	$ 78.16	$ 5.01	
Date P2P Payment(s) generated	2/2/2016	N/A	4/12/2016	5/16/2016	6/6/2016	N/A	N/A	9/12/2016	10/15/2016	
Date P2P sent	2/2/2016	N/A	4/12/2016	5/16/2016	6/6/2016	N/A	N/A	9/12/2016	10/15/2016	

6. P2P (continued)

- Additional P2P tools
  - Overpunch Character Map (also used for PRS reconciliation)
  - List of Part D contacts for each insurance plan.

https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/MA-Plan-Directory-Items/MA-Plan-Directory.html?DLPage=1&DLEntries=10&DLSort=1&DLSortDir=descending

7. DIR

DIR – Direct and Indirect Remuneration

- For PACE, DIR is usually in the form of Manufacturer Rebates for utilization of eligible brand name drugs
- Reporting and submission instructions
  - Auditors now want to see verification of the amounts received from each manufacturer and how much was attributed to each participant.
  - Must now consider ROI for the work of monitoring, reporting and reconciling rebates
  - Rebates received are subtracted from your Part D spend

7. DIR – (continued)

- If you are participating in rebates, it is important to track rebates (payments and reports showing to which year(s) the rebates were attributed.) (Track at the script level.)
- If you are not participating in rebates, you must still submit a DIR Summary report even though you have $0 DIR to report.
- You must enter the DIR Attestation on the HPMS website whether you have rebates to report or not. (Be timely -Noon EST deadline.)

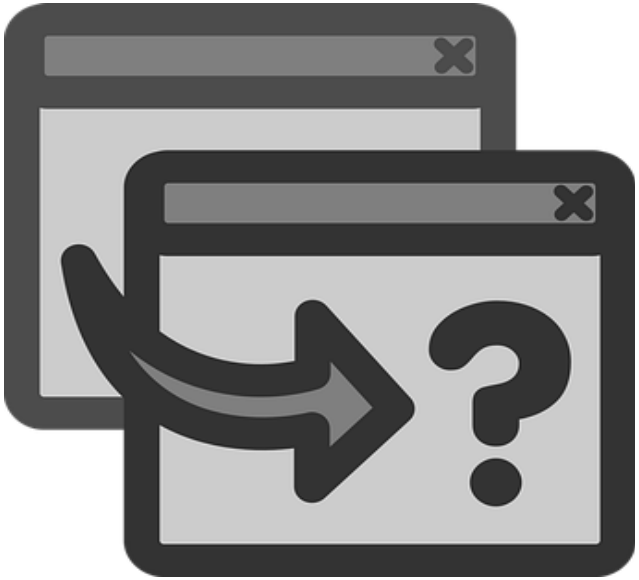
8. Internal Auditing and Monitoring

- All of the processes we've discussed so far must be audited and monitored
- You must be able to demonstrate proof of auditing and monitoring for an audit
  - If it isn't documented – it didn't happen
  - Be able to describe these processes and show logs of monitoring

- Some additional areas to monitor:
  - PDE eligibility error reports
  - Acumen Immediately Actionable Reports
  - Review monthly utilization reports for short cycle fills, refill-too-soon, and possible duplicate prescriptions.
  - Check participants' compliance and use of PRNs, possible stock-piling or hoarding - FWA and safety issues

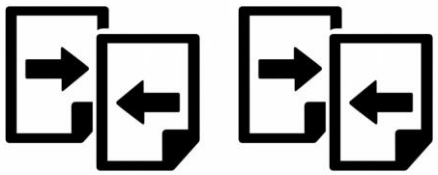
8. Internal Auditing and Monitoring (cont'd)

- Check monthly payments received from CMS and the State, including any retroactive adjustments.
- Low-Income Subsidy (LIS) – a Part D bid component
  - Must be monitored for payment accuracy
  - Related to the Medicaid poverty level determination by the State and is sent to CMS
  - Triggers benefit – CMS payment to the plan



8. Internal Auditing and Monitoring (cont'd)

- Compare your enrollment records with the Daily Transaction Reply Report (DTRR) and Monthly Membership Report (MMR), from GENTRAN mailbox.



- Open Enrollment season for Medicare Beneficiaries can mean unintentional disenrollments for PACE participants or "kidnapping" of participants by other health plans.
- PACE participants sometimes don't realize that they don't need secondary insurance. Once they sign up, they are disenrolled from PACE.

8. Internal Auditing and Monitoring (cont'd)

What if I've discovered a different issue?

- The difference between PACE palliative care and Medicare Hospice – a cautionary tale.

- Why are we being billed for Hover-round scooters, diabetic supplies, incontinent supplies, Hurry Cane, Knee braces, other DME offered on TV, etc.?.

9. Oversight of Downstream Entities

- Auditors focused on PACE's responsibility for oversight of First-Tier, Downstream and Related entities (FTEs.)
  - FTRs must provide annual attestations of their employees' CMS FWA training.
  - Check performance of pharmacy, 3rd party administrators (TPAs,) consultants, and all external contracts providing face-to-face participant services.
  - Document all oversight and monitoring activities
  - Examples: accurate pharmacy dispensing fees and contract pricing, correct coding from TPAs, consultants' reports delivered on time, nursing pool sends qualified personnel with up-to-date training, etc.

10. Audit Readiness

- Audit readiness involves-
  - Audit preparation and planning,
  - Data gathering,
  - Document revision or creation,
  - Mock audit exercises,
  - Identifying potential risk areas
  - Assessing known problems
  - Addressing the issues
  - Tracking these activities
  - Documenting the efforts

10. Audit Readiness (continued)

Compliance Work Plan Document
(continued from our PDE tracking discussion)

- Internal Audit Roles & Responsibilities
- Audit Schedule & Methodology
- Types of Auditing
- Standards and Procedures
- Education and Training
- Risk Assessment
- High-Risk Compliance Areas
- Hotline/Investigations
- Auditing and Monitoring (these activities)

10. Audit Readiness (continued)

Cherokee Elder Care
Compliance Committee Reporting Matrix
2017

Functions and Responsibilities	Jan or Dec	April/May	June/July	Sept/October	As Necessary
Oversight					
Annual Report (QAPI)	X				
Report to CEC Board (QAPI)	X				
Standards and Procedures					
Standards of Conduct (Employee Training)		X			
Policy and Procedures (Employee Training)		X			X
Education and Training					
Regulatory Update					X
Compliance Education Methods, Content, and Communication Board Training (FWA)		X	X		X X X
Risk Assessment					
Compliance Update		X		X	X
Focus Areas (Medication overrides)		X			X
High-Risk Compliance Areas					X
Excluded Providers					
Sanction Screening Update			X		
Hotline/Investigations					
Hotline Report	X	X	X	X	X
Investigations					X
Auditing and Monitoring					
Audit Activities (Contracts and Tools)		X	X	X	X
Monitoring Activities	X	X	X	X	X

** All these dates are tentative, this is an outline of what compliance, finance and QAPI have completed and deem necessary to monitor CEC compliance in all areas.

10. Audit Readiness (continued)

- Regardless of what formats you use, development of a compliance process and calendar ensure timely and accurate response to CMS processes and requirements
- Completing the Risk Assessment for FWA will assist you in developing your worksheet.
- Example of a portion of a Compliance Calendar:

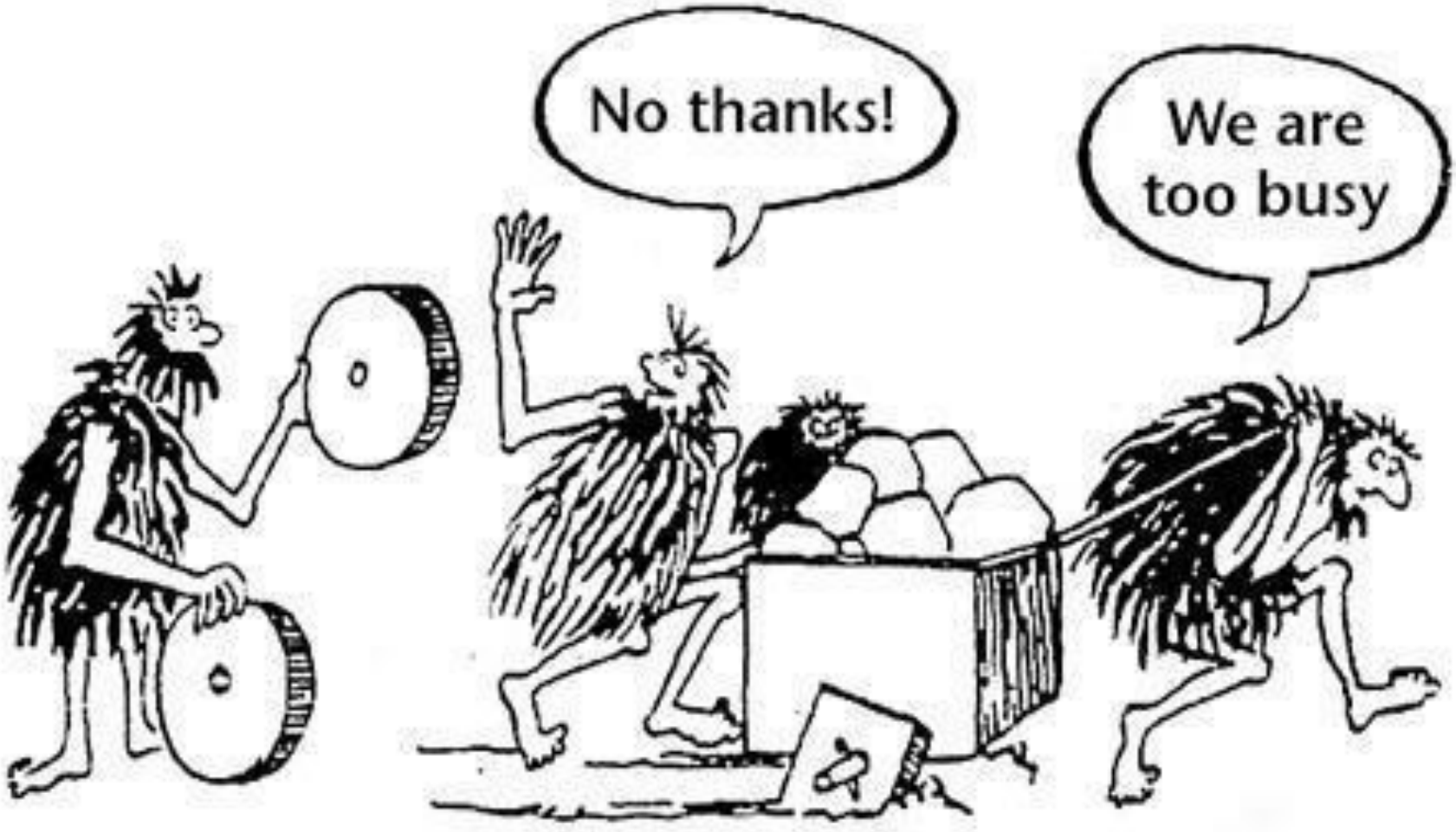
Category	*COMPLIANCE ITEM / PROCESS*	*FREQUENCY*	*SHORT DESCRIPTION*	*WHO?*	*COMMENTS*	*DUE/STATUS 01/2017*
CMS	CMS- Annual Fiscal Soundness Reporting - FY 2017	A	(could be quarterly depending on CMS advise) Fiscal Soundness is reported in HPMS			
CMS	CMS - Annual Fiscal Soundness Reporting - FY 2018	A	(could be quarterly depending on CMS advise) Fiscal Soundness is reported in HPMS			
CMS	CMS - 60 day notice/review Medicare Eligibility	M	Spreadsheet of monhly reivew for 60 day letter to PPT (advanced notice of Medicare eligibiility)			
CMS	CMS - ANNUAL RATE ANNOUNCMENT (aka. Final Call Letter)	A	Detailed Rate Change Analysis for all MEDICARE PPTS for CY2017 % CY2018			
CMS	CMS - BATCH FILE RETURN REVIEW (ALL ACCEPTED?)	M	Pertains to monthly enrollments and disenrollment process. Just define any issues.			
CMS	CMS - CERTIFICATION OF MONTHLY ENROLLMENT AND PAYMENT DATA (ATTESTATION)	M	Spreadsheet reconciliation of Payment/Participants & Attestation (Use Schedule Published in PCUG for all due dates) Attestation is due 45-days from when MMR became available			
CMS	CMS - COB certification letters	A	Annual letter to COB/MSP participants, To validate the COB/MSP instances for accuracy.			
CMS	CMS - Daily Transaction reply report review	D	Format, Review and follow up on Daily TRR (if adjustments are needed should end up on the monthly EDV) Track and document issues and turn around time.			
CMS	CMS - ECRS review_COB review	M	Monthly review of all new and MSP participants to see if COB status has been updated/changed			
CMS	CMS - ENROLLMENT/DISENROLLMENT FILE SUBMISSION (ALL ACCEPTED?)	M	Submit new Enrollments/Disenrollments to CMS [GenTran]			
CMS	CMS - MARx UI (enroll/disenroll)	M	Alternate way to submit Enrollments/Disenrollments to CMS (MARx system)			
CMS	CMS - MEDICARE ENROLLMENT DATA VALIDATION (EDV)	M	Monthly Enrollment data validation file due to CMS (payment verification)(reconciliation tool)			
CMS	CMS - MEDICARE MMR PAYMENT RECONCILIATION	M	Fully reconcilied all errors detailed on EDV with appropriate documentation on every retro request			
CMS	CMS - MONTHLY REPORTS AVAILABLE IN GENTRAN	M	Monthly CMS Reports are available for download / 20+ reports every month to review [GenTran]			

10. Audit Readiness (continued)

Compliance Department/Committee Involvement

- How did you respond to an instance of non-compliance found while internal monitoring?
- Any policy changes that resulted?
- Documentation, recording results, tracking CA results
- Retraining staff when necessary
- Reactive vs. proactive pro-active approaches

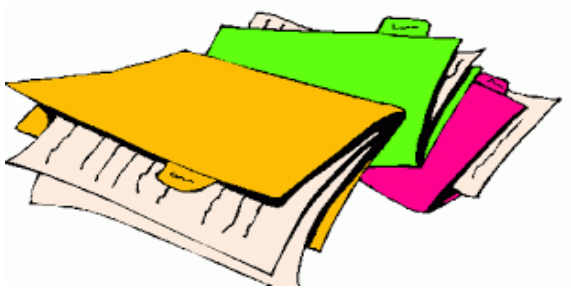
10. Audit Readiness (continued)



10. Audit Readiness (continued)

Assigning audit coordination responsibility to the correct person at PACE

- A major stakeholder should be the lead
- Your organizational structure will determine if it is a team vs. individual.
- Should it be a designated compliance team or committee?
- The 1/3 Financial Audit is mainly supported by (lives in) Finance. (QA department would usually focus on the site survey.)
- However, Finance should have support and buy-in from all other departments.



10. Audit Readiness (continued)

Getting buy-in from PACE staff to support audit efforts

- Conduct Mock Audit exercises so staff members know what to expect and are prepared and relaxed
- NPA is a source of audit tools and information (please see our reference section for links.)
- Use Healthcare Survey to create a mock audit document and process
- Practice is GOOD!
- More is BETTER!

10. Audit Readiness (continued)

Plan ahead

- Where will the auditors meet while on site?
- Make sure the room will be free – move other scheduled meetings
- Who will sit with the auditor to answer each set of questions? Examples: “Show me how you handle Part A costs in your GL?” or “How do you track these non-benefit expenses?”
- Once you know the auditors’ agenda, send meeting invitations to staff so their time will be dedicated to supporting the audit

10. Audit Readiness (continued)

Plan ahead (continued)

- Be prepared to talk to your audit team about how PACE is different from MA plans and about PACE waivers

- Be very familiar with Chapter 14 PACE manual
- Know the history of your PACE organization – when you started, sponsoring organization, related parties (if any,) contracted entities, rate of census growth, etc.
- Have all requested documentation and data handy and in an easy-to-access format
- Be prepared to disclose known issues
- It's OK to say you don't know. Let them know that you will get the information or data to them and a give a time frame

10. Audit Readiness (continued)

Cherokee Elder Care
Compliance Committee Reporting Matrix
2017

Functions and Responsibilities	Jan or Dec	April/May	June/July	Sept/October	As Necessary
Oversight					
Annual Report (QAPI)	X				
Report to CEC Board (QAPI)	X				
Standards and Procedures					
Standards of Conduct (Employee Training)		X			
Policy and Procedures (Employee Training)		X			X
Education and Training					
Regulatory Update					X
Compliance Education Methods, Content, and Communication Board Training (FWA)		X	X		X X X
Risk Assessment					
Compliance Update		X		X	X
Focus Areas (Medication overrides)		X			X
High-Risk Compliance Areas					X
Excluded Providers					
Sanction Screening Update			X		
Hotline/Investigations					
Hotline Report	X	X	X	X	X
Investigations					X
Auditing and Monitoring					
Audit Activities (Contracts and Tools)		X	X	X	X
Monitoring Activities	X	X	X	X	X

** All these dates are tentative, this is an outline of what compliance, finance and QAPI have completed and deem necessary to monitor CEC compliance in all areas.

10. Audit Readiness (continued)

The Scroll -

- The documentation/data request is the first thing you will receive from the CPA firm assigned as your audit team.
- Start work on it immediately!
- If you have used Compliance Tracking Tools and conducted Mock Audit exercises, you will be well on your way.
- How much time does it take to prepare and respond to the auditor's requests?

10. Audit Readiness (continued)

FINANCIAL DATA REQUIREMENTS
Policy & Procedure (Financial and Compliance)
Organizational Chart for CY audited
Licensure (Adult Day Center, CLIA, etc)
CMS Contract (Three Way Agreement)
Initial Feasibility Study and attachments
Loans (Documents)
Leases (Related & unrelated)
Pharmacy Contracts
Insolvency Plan
Board Minutes for CY Years Audited
Chart of Accounts
Audited Financial Reports from Outside Auditors
Parent Company Audited Financials
G/L detail for Audit Period
Trial Balance for CY Years Audited
All Invoices for PDE Payment w/Proof of Payment
Bi-annual Audit Findings & CAP Responses
Assertion Letter & Attachments (attestations?)
PART D RELATED DOCUMENTATION
Part D Bid documentation and attachments for CY
BPT (Bid Pricing Tool—from final Bid Docs)

THIS IS NOT AN ALL INCLUSIVE LISTING; DEPENDING ON AUDIT FIRMS.

BE AWARE OF THE TYPES OF AUDITS: UNQUALIFIED, NO FINDINGS POSSIBLE OBSERVATION THAT MUST HAVE RESPONSES; QUALIFIED: FINDINGS & OBSERVATIONS; SCOPE DISCLAIMER: UNABLE TO GIVE OPINION—PROBABLY SOME VISITS FROM CMS; AND FINALLY, ADVERSE: HELLO CMS TEAM.

SURVEY'S THAT YOUR AUDIT TEAM MAY REQUIRE: HEALTHCARE SURVEY; RELATED PARTY SURVEY; TOP PAID SALARIES; FINANCIAL SECURITY FOR IT, AND YOUR ACCOUNTING SYSTEM.

10. Audit Readiness (continued)

ment
Bi-annual Audit Findings & CAP Responses
Assertion Letter & Attachments (attestations?)
PART D RELATED DOCUMENTATION
Part D Bid documentation and attachments for CY
BPT (Bid Pricing Tool—from final Bid Docs)
Administrative Work Sheet for CY
Reconciliation of G\L to Admin Cost W/S
Related Party W/S
Related Party's MOA (if Applicable)
Participants Eligibility for CY (proof)
TrOOP—in reporting and documentation
TrOOP—out reporting and documentation
Tracking Documents on COB
PDE—track Meds invoices and payments (check)
PDE—verify payment to claim
Participant Medical Necessity of Meds
PBM Attestations (If Applicable)
Quarterly Rebate Reports and Payment Copies
DIR—Detailed and Summary Reports
DIR/PDE Attestations for CY audited
P2P CY Work Sheet for CY audited
Gentran P2P Payables Report "43Cov"
P2P Attestation and proof of payments made for CY

SURVEY'S THAT YOUR AUDIT TEAM MAY REQUIRE: HEALTHCARE SURVEY; RELATED PARTY SURVEY; TOP PAID SALARIES; FINANCIAL SECURITY FOR IT, AND YOUR ACCOUNTING SYSTEM.

LETS WRAP UP:

1. **PRE EXIT CONFERENCE ON SITE**
2. **AGREE/DISAGREE LETTER TO AUDIT TEAM**
3. **MANAGEMENT LETTER COMPLETION**
4. **30 DAYS—FINAL EXIT CONFERENCE (WITH AUDIT TEAM, CMS, REGIONAL)**
5. **30 DAYS FOR CMS RESPONSE TO AUDIT TEAM**
6. **5 DAY TURN AROUND BACK TO YOU VIA HPMS**
7. **CAP RESPONSES DUE WITHIN 90 DAYS. WAIT FOR APPROVAL**

10. Audit Readiness (continued)

Auditor's Requests for PDE Samples:

- Questionable claims - was medication appropriate/necessary?
  - Short fills,
  - Duplicate claims,
  - Part B vs. D
  - Expensive drugs

- Changes in requirements for acceptable claims:
  - Document diagnoses and ICD-9 ICD-10 codes for every prescription
  - Detailed description of why extra medication was authorized
- Sub-set of selected samples require proof of delivery
- Sources of audit information requested –
  - internal stakeholders and vendors (actuary, pharmacy, etc.) are audit support partners

3. PDE Data from Script to Delivery (cont'd.)

FWA Tracking: Audit Life Cycle (Sample from Script to Delivery Receipt)
Ingredient Costs (Compare Pricing Over Time)
Are the ingredient costs correct in the record consistent with the contract?
Proof of Pick-Up
Are there delivery receipt for each prescription?
Delivered to the center, did the prescription get to the participants?
Is there documentation to support it was delivered from a Community Pharmacy?
Unusual Frequency (Refill Too Soon)
Did the plan refill the prescription to soon? (Does the fill overlap, besides the 28 day supply, happen? Is there a protocol? Do dates overlap?)
Duplicate
Did the plan have duplicate records? Rx at center and home. Will be filled on the same DOS.
NPI/Provider ID Mismatch with PDE
Did the plan have correct NPI/Provider in the record? (Rejects? Valid NPI Numbers? Were there errors and were they fixed?)
Inadequate Prescription Documentation
Can the original prescription be found in the electronic health record? Paper scripts - are they scanned into the system?
Inappropriate Dispensing Fees
Are the dispensing fees consistent with contract? Community Pharmacy fees?
Unapproved Providers
Are there unapproved providers submitting prescriptions?
Part A
Did the plan process Part A drugs under Part D?
Part B vs. Part D
Did the plan process Part B drugs under Part D?
ESRD
Did the plan submit ESRD prescriptions that should not be, since they fall under the ESRD PPS?

10. Audit Readiness (continued)

After the audit...

10. Audit Readiness (continued)

Audit follow-up

- Be aware of the different types of audit results
  - Unqualified – no findings, but possible observations
  - Qualified – Findings and observations
  - Scope Disclaimer – auditors unable to give opinion and probably some visits from CMS
  - Adverse – Hello CMS team!
- Agree/Disagree timelines
- Requests for more information

10. Audit Readiness (continued)

Audit follow-up (continued)

- Findings, Observations, Corrective Actions, ICARs
- Documentation, recording results, tracking Corrective Action (CA) results.
- P&P changes/new P&Ps, evidence of training, evidence of effectiveness of changes
- Elements of an effective CAP response to audit findings/observations
- Civil monetary penalties could apply to PACE in the future,
- Financial impact of CAs
  - cost to implement

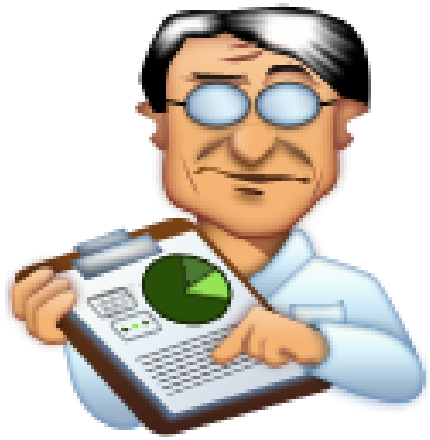
"Part D compliance only affects our plan's Clinic Operations and the Finance Department."

WRONG!

Part D compliance involves nearly every aspect of PACE operations.

If not managed and monitored properly, Part D processes can negatively impact:

- Patient safety!
- Hospital, ER, and SNF utilization costs
- Your annual bid and reconciliation
- CMS annual surveys
- CMS 1/3 financial audits
- Potential Civil Monetary Penalties



QUESTIONS

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CMS/Prescription Drug Benefit Manual - Chapter 9 – Compliance Program Guidelines (01.11.13)

CMS/PACE Program Manuals - Chapter 15 – Organization Monitoring and Auditing. (06.09.11)

CMS PACE Audit Guide v6 – Sections 2A and 2B – PACE Operations Elements

CMS Plan Communications User Guide
https://www.cms.gov/Research-Statistics-Data-and-Systems/CMS-Information-technology/mapdhelpdesk/Plan_Communications_User_Guide.html

2017 Compliance Calendar
https://www.cms.gov/Research-Statistics-Data-and-Systems/CMS-Information-Technology/mapdhelpdesk/Downloads/Year-2017-MARx-Monthly-Calendar-Color.pdf

References (continued)

TrOOP Calculator
https://www.cms.gov/apps/troopcalculator/

MEDICARE DRUG COVERAGE UNDER PART A, PART B AND PART D
http://www.cms.gov/PrescriptionDrugCovContra/Downloads/Chapter6.pdf

NPA Member Resources for 1/3 Financial Audit (you must first log in to the NPA website)
http://www.npaonline.org/member-resources/payment/resources-13-financial-audit#sthash.6W34sFLf.dpuf (Home > Member Resources > Payment > 1/3 Financial Audit Resources)

PACE Audit and Compliance Issues and Trends
http://www.npaonline.org/sites/default/files/PDFs/T130_230PACE%20Audit%20and%20Compliance%20Issues%20and%20Trends.pdf

CMS Uniform Examination Procedures for MAOS: Health Care Survey
http://www.npaonline.org/sites/default/files/PDFs/CMS%20Uniform%20Examination%20Procedures%20for%20MAOs_Healthcare%20Survey.pdf

CMS Uniform Examination Procedures for MAOS: Health Care Survey: Document Request List (PACE)
http://www.npaonline.org/sites/default/files/PDFs/CMS%20Uniform%20Examination%20Procedures%20for%20MAOs_Healthcare%20Survey_Document%20Request%20List%20PACE.pdf

Contact Information

Amanda Boyle, BSW, Risk Adjustment Supervisor,
Immanuel Pathways, Omaha, NE
aboyle@immanuelpathways.com

Bushra Hashmi, MHSA, MBBS, PACE Quality Facilitator,
Midland Care Connection, Topeka, KS
bhashmi@midlandcc.org

Thelma Pittman-Alderson, MBA, Chief Financial Officer,
Cherokee Elder Care, Tahlequah, OK
thelma-pittman@Cherokee.org

Matt Zimmerman, BA, Risk Adjustment Consultant,
Capstone Performance Systems, St. Louis, MO
mzimmerman@cpstn.com

Deborah Quillen, BA, Client Development Liaison,
CareKinesis, Moorestown, NJ
dquillen@carekinesis.com