

# GENERAL DYNAMICS

Information Technology

## *Anatomy of an SIU Compliance Audit: What to Expect When Your Program is Audited for the First Time*

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November 16, 2011

## Objectives

- Understand
  - Compliance impact on the SIU
  - How to prepare your SIU for an audit
  - Setting non-traditional compliance goals
- Exercise
- Wrap Up



2

### Compliance Focus: Then vs. Now

#### Hot Then:

- ✓ HIPAA
- ✓ False Claims Act
- ✓ Desk Audits



#### Hot Now:

- ✓ Part D / Chapter 9
- ✓ PPACA / MLR
- ✓ On-site and Desk Audits

### Types of Audits

- Compliance Audits
- Benefit Integrity Audits
- Program Audits
- One-Third Audits



## Compliance Audits

- Desk Audits - requests are sent to the Plan to compile and send back
- Part D – responses are sent back to the MEDIC
- Plan is typically given 30 days to respond
- MEDIC provides the information to CMS
- Any deficiencies found could lead to penalties or corrective action plans

## Benefit Integrity Audits

- Ad-Hoc
- AKA Targeted Audit
- Existing Concern



## Program Audits

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- CMS Regional Offices
- Desk and/or On-site
- Purpose - ensure compliance with CMS requirements
- Departments and departmental policies to be reviewed:
  - Member Enrollment/Disenrollment
  - Appeals and Grievances
  - Marketing, Agent/Broker and Sales
  - Compliance
- Always be ready!

## One-Third Audits

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- Financial Audit/Review of one-third of the Plans
- Part D Costs and Payment
- Ensure TrOOP calculated properly
- 422.503(d):
  - (d) *Protection against fraud and beneficiary protections.*  
(1) CMS annually audits the financial records (including data relating to Medicare utilization, costs, and computation of the bid) of at least one-third of the MA organizations offering MA plans. These auditing activities are subject to monitoring by the Comptroller General.

## Audit Process

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- Entrance Conference
  - Includes key players from plan, audit firm and CMS
- Auditor visits key departments
  - Information gathering
  - Interviews of Plan employees
- Exit Conference
  - Includes key players from plan, audit firm and CMS
  - Review preliminary findings and observations
  - Review of any outstanding deliverables
- Draft report with initial findings
- Final report

## Audit Contractors

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Audit Contractors performing Part C & Part D audits are:

1. Bland and Associates
2. Clifton Gunderson
3. David-James
4. Heffler, Raditch, Saitta
5. Kearney and Company
6. Mayer, Hoffman, McCann (CBIZ MHM)

## OIG's Seven Elements of an Effective Compliance Program

1. Written policies, procedures and standards of conduct articulating the organization's commitment to comply with all applicable Federal and State standards
2. The designation of a compliance officer and compliance committee accountable to senior management
3. Effective training and education between the compliance officer and organization employees, contractors, agents and directors
4. Effective lines of communication between the compliance officer and the organization's employees, contractors, agents, directors and members of the compliance committee
5. Enforcement of standards through well-publicized disciplinary guidelines
6. Procedures for effective internal monitoring and auditing
7. Procedures for ensuring prompt responses to detected offenses and development of corrective actions

42 CFR §423.504

## Impact: SIU Leadership

- Work Plans and Risk Assessments
- Participation in compliance committees
- Mechanisms to report FWA activity
- FWA education
- Commitment to training of SIU staff
- Communication with PBM regarding FWA
- Oversight of 3<sup>rd</sup> Party Vendors



## Impact: Investigative Process

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- No \$ thresholds
- Oversight of case decisions
- Timely referrals
- Timely resolution of cases
- Attention to high risk counties
- Proactive/data analysis



## CMS Audits: What To Expect

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- Desk and On-Site (even surprise audits?)
- Ensure compliance with statutory and regulatory guidelines
- Review a variety of documentation
- Producing reports you never previously prepared or needed
- Tracking additional fields in your case management system

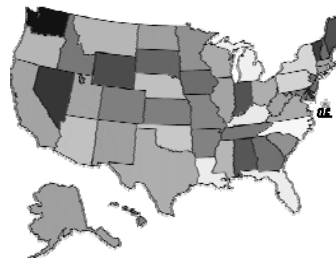
## How Do You Prepare?

- Conduct a mock audit
- Be flexible and accommodating
- Don't assume the auditor knows....
- Expect every case file to be reviewed
- Have documents handy
- If you have any documents archived, how quickly can you get them?



## State Audits / Reviews

- Typically not on-site (depends on the purpose of the review)
- Different LOB's = different requirements





## If It's Not Documented...

- P&P's/Anti-Fraud Plans
- Work Plan and Risk Assessment
- Management reports
- Case notes
- Proof of referrals
- Agendas/meeting minutes
- Attendance logs
- Training certificates
- Responses to CMS alerts/MEDIC alerts



## Spread the Word

- Company-wide email updates
- LMS/CBT Training
- Newsletters/articles
- Posters



## Developing SIU Goals

- Random individual case reviews
  - Turn around time
  - Follow-up
- Referrals made within timeframes?
- # of proactive investigations
- High risk counties cases



## Exercise

- You are an auditor
- Cite all areas that you feel are deficiencies
- Why are they deficiencies?
- Make recommendations



## Exercise Debrief

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- Case notes review
- How does your company prep for audits?
- Best Practices

## Wrap Up

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- Compliance landscape definitely impacts SIU
- Prepare for it now
  - Know what your company is doing to ensure SIU compliance
  - Expect to be audited
  - Treat every investigation as if it will be audited
  - Create goals that reflect your commitment

**Thank you!**

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