

## **One-third Financial Audit (OFA) Corrective Action Plan (CAP) Instructions and Best Practices**

### **Instructions to Complete OFA CAP Template**

- At the conclusion of the One-Third Financial Audit (OFA), plan sponsors are required to complete the OFA Corrective Action Plan (CAP) Template that describes the steps taken to remediate all findings identified in the final audit report and to provide any changes/improvements made based on the outcome of the OFA (e.g. changes in resources, changes in organizational structure, etc.) (Note: There could be instances where plan sponsors receive an unqualified audit opinion, but also receive audit findings. In these cases, a CAP is also required.) The OFA CAP Template is included as an attachment to the formal notification of the final report being available to review.
- Observations do not require a CAP. Organizations are expected to internally correct the observations noted in the final report.
  - For any finding or observation relating to inaccurate or unsupported PDEs or DIR, the Part D Sponsor must follow the most recent CMS guidance relating to submission of such data and the reopening request process.
- CAPs must be submitted within 90 calendar days from the date of the HPMS Notification of Audit Completion/date of final report issuance.
- Title the CAP submission file as follows: Contract #, Audit Year, CAP Submission, Date Submitted (i.e. "HXXXX.2018.CAP Submission.8.30.20).

### **Best Practices for Writing an Acceptable Corrective Action Plan (CAP)**

In an effort to complete an acceptable CAP in the provided template, plan sponsors should use the following tips:

- Columns C (Finding Description noted in Report), D (Condition as noted in Report), and E (Root Cause as noted in Report) of the OFA CAP Template should include the verbatim language from the final report.
  - If additional root causes were identified subsequent to the final report, include these details in Column F (Corrective Action Plan) of the OFA CAP Template.
- Ensure the CAP submission includes the required attestation.
  - The following attestation must be submitted on company letterhead and provided in full:
    - I certify to the best of my knowledge and belief that:
      1. The enclosed Corrective Action Plan is true and accurate;
      2. Corrective actions have been taken to address the audit findings;

3. Correct Prescription Drug Event (PDE) and/or Direct and Indirect Remuneration (DIR) data has been resubmitted to CMS.

- The attestation should be signed by the Medicare Compliance Officer, Chief Financial Officer, Chief Executive Officer or other person with similar responsibilities.
    - Be sure to include their name, signature, title, and the signed date.
  - Please note that even if there are no findings related to PDEs and/or DIR resubmissions, plan sponsors must still include an attestation to #3 listed above.
    - As noted above, for any finding or observation relating to inaccurate or unsupported PDEs or DIR, the Part D Sponsor must follow the most recent CMS guidance relating to submission of such data and the reopening request process.
- At a minimum, the following questions should be addressed for each audit finding:
- Remediation
    - What are the specific, systemic changes that will be implemented to mitigate the audit finding?
    - What are the specific, systemic changes that will be implemented to mitigate future non-compliance?
    - Be sure to provide the specific actions and steps taken to remediate each identified issue.
  - Cause
    - Does the CAP address the root cause identified in the final report? Ensure that the CAP is in line with the cause.
  - Timeliness
    - How long will it take to fully implement and/or complete this corrective action?
    - Be sure to include specific completion and/or estimated completion dates.
  - Policies and Procedures
    - If the CAP requires updates to the organization's policies and procedures, include that information as well as a specific reference or page numbers to the updated section(s) of the policies and procedures in Column G (Additional Requirements for DIR, PDE, and Claims Findings) of the OFA CAP Template. (Note: This should also be completed if organizations determine and/or identify policies and procedures that need to be updated and corrected as a result of the OFA.)
    - Upload the updated policy and/or supplemental information/supporting documentation as a separate attachment in HPMS.
  - Direct Medical Claims
    - If the auditor recommended that the plan delete, adjust, or resubmit medical claim data, was this completed? (Note: This should also be completed in cases where organizations determine that medical claims need to be reprocessed due to the audit finding.)

- Indicate when this resubmission was completed.
  - If the medical claim data resubmission is still pending, provide the expected completion timeframe.
  - Indicate what improvements and changes were added to enhance internal controls over the claims adjudication system to prevent incorrect claims from processing.
- PDEs
  - If the auditor identified that the plan delete, adjust, or resubmit PDE data, was this completed?
    - Indicate when this resubmission was completed.
    - If the PDE data resubmission is still pending, provide the expected completion timeframe.
    - Indicate what improvements and changes were either added by the organization or downstream entity (i.e. PBM) to enhance internal controls over the PDE adjudication system to prevent incorrect PDEs from processing.
    - Organizations should follow the most recent HPMS Memorandum provided by CM to ensure that updates to PDEs are factored into the final payment determination.
- DIR
  - If the auditor identified that the plan adjust or resubmit DIR data, was this completed per the annual DIR Reporting Requirements?
    - Indicate when this resubmission was completed.
    - If DIR data was resubmitted, did the plan include an explanation of the changes and the dollar impact related to the OFA in the “Explanation for Resubmission” text box under the DIR Submission Information section of the DIR module in HPMS? Provide this information verbatim in Column G (Additional Requirements for DIR, PDE, and Claims Findings) of the OFA CAP Template.
    - If the DIR data resubmission is still pending, provide the expected completion timeframe.
    - Organizations should follow the most recent HPMS Memorandum provided by CMS to ensure that updates to DIR is factored into the final payment reconciliation.