



**CMS 2010 BI-REGIONAL MEDICARE HEALTH PLAN COMPLIANCE  
CONFERENCE**

**Boston & New York – Serving Our Beneficiaries Together**

Verbatim Transcript

Compliance Program Requirements and Evaluating Effectiveness

Vernisha Robinson

>> COMPLIANCE PROGRAM  
REQUIREMENTS

AND EVALUATING EFFECTIVENESS.

VERNISHA IS A HEALTH INSURANCE  
SPECIALIST IN THE CENTER

FOR MEDICARE PROGRAM  
COMPLIANCE AND OVERSIGHT GROUP,

AND THAT'S WITH CMS IN  
BALTIMORE, WHERE SHE IS

A LEAD ANALYST FOR  
THE COMPLIANCE PROGRAM

EFFECTIVENESS AUDIT INITIATIVE.

SHE'S DEVELOPED AND  
IMPLEMENTED THE REVISED

COMPLIANCE PROGRAM AUDIT  
PROTOCOLS FOR PART "C",

WHICH IS THE MEDICARE



ADVANTAGE PROGRAM, AND PART "D,"

WHICH IS OUR PRESCRIPTION  
DRUG PROGRAM CONTRACTORS,

WHICH FOCUS MORE ON EVALUATING  
AND VALIDATING EFFECTIVENESS.

SHE'S BEEN INVOLVED IN  
A VARIETY OF HIGH-LEVEL

INITIATIVES TO INCLUDE THE  
REDESIGN OF THE AUDIT PROCESS

IN COMPLIANCE  
ENFORCEMENT ACTIONS.

CURRENTLY, SHE IS A GOVERNMENT  
TASK LEADER FOR THE COMPLIANCE

AND ENFORCEMENT MEDIC.

THIS IS THE OTHER MEDIC--  
WE TALKED TO THE BENEFIT

INTEGRITY MEDIC, NOW THIS IS  
THE COMPLIANCE AND ENFORCEMENT

MEDIC--CONTRACT, WHICH ASSISTS  
CMS WITH ACTIVITIES SUCH AS

PROGRAM AUDITS, ASSESSMENTS,  
AND CONTRACT COMPLIANCE.

PREVIOUSLY, SHE SERVED AS AN  
ACCOUNT MANAGER WITH THE CMS

ATLANTA REGIONAL OFFICE, AND SHE  
WAS THERE FOR ABOUT 6 YEARS.

MS. ROBINSON HOLDS A MASTER  
OF SCIENCE IN MANAGEMENT FROM

TROY UNIVERSITY AND A  
BACHELOR OF SCIENCE IN HEALTH

INFORMATION MANAGEMENT FROM  
CLARK UNIVERSITY IN ATLANTA.

PLEASE WELCOME



VERNISHA ROBINSON.

[APPLAUSE]

>> GOOD MORNING, EVERYONE.

I'M EXCITED TO SPEAK WITH YOU  
TODAY ON A TOPIC THAT'S VERY,

VERY DEAR TO MY HEART AND  
SOMETHING THAT I'VE WORKED ON

FOR THE LAST 18 MONTHS:  
EFFECTIVE COMPLIANCE PROGRAMS.

JUST BY WAY OF HANDS, HOW MANY  
OF YOU ARE COMPLIANCE OFFICERS

FOR MEDICARE PART "C" AND "D"?

OK. GREAT. SO THIS IS  
SPECIFICALLY FOR YOU,

AS WELL AS OTHERS THAT  
WORK IN OPERATIONAL UNITS.

AS JIM KERR STATED YESTERDAY,  
CMS IS HOLDING MEDICARE

ADVANTAGE AND PRESCRIPTION  
DRUG PLANS ACCOUNTABLE

FOR NONCOMPLIANCE IN FRAUD,  
WASTE, AND ABUSE ISSUES.

AS YOU WILL HEAR LATER IN MY  
PRESENTATION, CMS HAS AND WILL

CONTINUE TO TAKE ENFORCEMENT  
ACTIONS TO PROTECT THE INTEGRITY

OF OUR MEDICARE BENEFICIARIES  
AND OUR MEDICARE TRUST FUND.

WITH THAT SAID, I'LL TALK  
ABOUT CMS' NEW REGULATIONS

FOR COMPLIANCE PROGRAM  
REQUIREMENTS AND WHAT WE'RE



LOOKING FOR ORGANIZATIONS  
SUCH AS YOURSELF TO DISRUPT--

DEMONSTRATE, EXCUSE ME,  
THE EFFECTIVENESS

OF YOUR COMPLIANCE PROGRAMS.

I WILL ASK THAT--IT'S A LOT OF  
INFORMATION THAT I'M ABOUT TO

TALK WITH YOU ABOUT, SO I  
WILL ASK THAT YOU WRITE

YOUR QUESTIONS DOWN, AND I WILL  
RESPOND ACCORDINGLY, AS I'M

SURE THEY WILL APPLY AND  
EDUCATE THE ENTIRE AUDIENCE.

TODAY I'M GOING TO  
DISCUSS THE NEW REGULATION.

THERE'S NEW COMPLIANCE  
PROGRAM REQUIREMENTS THAT YOU

DEFINITELY NEED TO BE AWARE OF,  
AS WELL AS WHAT DOES

EFFECTIVENESS--EFFECTIVENESS,  
EXCUSE ME, LOOK LIKE.

OK, WE'RE GONNA JUST TALK  
ABOUT THE COMPLIANCE PROGRAM

REQUIREMENTS FOR A LITTLE BIT.

THERE ARE 7 INDIVIDUAL  
REQUIREMENTS WHICH ARE

MOST EFFECTIVE ON AN  
INTERDEPENDENT BASIS.

WHAT THAT MEANS IS THAT THEY  
ALL WORK TOGETHER TO PROVIDE

AN EFFECTIVE PROGRAM.

THEY ALSO PREVENT, DETECT,  
AND RESPOND TO VIOLATIONS



OF LAW OR POLICY, AND THERE'S  
MEDICARE-SPECIFIC PROVISIONS

WHICH MUST BE COMPLIED WITH.

SO, YOU KNOW, SPECIFICALLY  
IN LARGE ORGANIZATIONS WHERE

YOU SERVICE OTHER LINES OF  
BUSINESS, YOU NEED TO ENSURE

THAT YOUR COMPLIANCE PROGRAM  
FOR YOUR MEDICARE PRODUCT

HAVE LAWS THAT ARE  
SPECIFIC TO MEDICARE.

ALSO WHAT WE'RE LOOKING FOR  
IS THAT YOUR ORGANIZATION'S

COMPLIANCE PROGRAM MUST  
DEMONSTRATE THE ORGANIZATION'S

COMMITMENT TO A  
CULTURE OF COMPLIANCE.

HOW WELL DOES THE GOVERNING  
BOARD OR YOUR CEO, AS WELL AS

THE COMPLIANCE OFFICER--  
HOW WELL DO YOU ENSURE THAT

EMPLOYEES KNOW THAT YOU'RE  
VERY SERIOUS ABOUT COMPLIANCE,

YOU'RE VERY SERIOUS ABOUT  
MEDICARE REQUIREMENTS?

AS WELL AS YOU SHOULD BE  
ENGAGING AND COMMUNICATING

THE GOVERNING BODY WITH SENIOR  
EXECUTIVES AND EMPLOYEES,

MAKING SURE THAT EVERYONE IS  
VERY EXCITED ABOUT COMPLYING

WITH MEDICARE ADVANTAGE AND  
PRESCRIPTION DRUG REQUIREMENTS.



AS WELL AS YOUR COMPLIANCE  
PROGRAM SHALL ALSO DEFINE

EXPECTATIONS FOR EMPLOYEES FOR  
ETHICAL AND PROPER BEHAVIORS.

THEY SHOULD KNOW THAT,  
YOU KNOW, THIS IS THE WAY

THAT OUR ORGANIZATION IS RUN.

IF YOU'RE CAUGHT OR YOU  
VIOLATE A LAW OR POLICY,

THIS WILL BE THE  
CONSEQUENCE FOR THAT.

THIS IS A VERY  
IMPORTANT SLIDE, ACTUALLY.

THIS IS SOMETHING I SEE THAT  
THE LAST 4 OR 5 PROGRAM AUDITS

ON COMPLIANCE PLANS--THAT I  
SEE A LOT OF ORGANIZATIONS

STRUGGLE WITH, AND IT'S  
REALLY ON, YOU KNOW,

THAT YOUR ORGANIZATION  
IS RUNNING ON A PROACTIVE

VERSUS A REACTIVE APPROACH.

PROACTIVE IS MONITORING  
HOW WELL--EVERY DAY TO DAY,

HOW WELL ARE YOU MONITORING  
YOUR OPERATIONAL UNITS

TO ENSURE THAT THEY'RE  
TALKING TO EACH OTHER?

IF THERE'S A NONCOMPLIANCE  
ISSUE IN ENROLLMENT,

ARE THEY TALKING TO THE AGENTS  
AND BROKERS TO ENSURE



THAT THE APPLICATIONS  
ARE RECEIVED ON TIME?

VERSUS A REACTIVE APPROACH,  
WHICH MOST ORGANIZATIONS

DO THIS CURRENTLY WHERE YOU  
AUDIT--YOU KNOW, YOU CONDUCT

INTERNAL AS WELL  
AS EXTERNAL AUDITS.

WELL, YOU NEED TO MAKE SURE  
THAT YOU'RE DOING BOTH.

YOU NEED TO BE MONITORING  
AND AUDITING

YOUR INTERNAL OPERATIONS.

YOUR COMPLIANCE PROGRAM  
ALSO SHOULD BE IDENTIFYING

COMPLIANCE RISKS THAT MAY HAVE  
BEEN UNDETECTED INTERNALLY.

THE COMPLIANCE DEPARTMENT,  
I'M SURE, IN YOUR ORGANIZATION

IS A CENTRAL HUB FOR ETHICAL  
BEHAVIOR AS WELL AS ENSURING

THAT ALL THE OPERATIONAL  
UNITS THAT OPERATE--THAT ARE

RESPONSIBLE FOR MEDICARE  
ADVANTAGE AND PRESCRIPTION DRUG

OPERATIONS ARE TALKING TO  
EACH OTHER, ARE IN COMPLIANCE

WITH CMS REQUIREMENTS.

SO YOUR COMPLIANCE PROGRAM  
WILL IDENTIFY RISKS THAT MAY BE,

YOU KNOW, UNDER THE DESK  
OR KIND OF LIKE, YOU KNOW,

THAT'S NOT VERY VISIBLE



WITHIN AN ORGANIZATION.

AS WELL AS, AGAIN, YOUR  
COMPLIANCE PROGRAM SHOULD BE

PREVENTING, DETECTING,  
AND RESPONDING TO

NONCOMPLIANCE AND FRAUD,  
WASTE, AND ABUSE ISSUES.

THE QUESTION IS, WHY ARE THESE  
COMPLIANCE PROGRAMS IMPORTANT?

IT'S BASICALLY--BOTTOM LINE,

IT'S A REQUIREMENT  
TO CONTRACT WITH CMS.

WHEN YOU SUBMIT AN APPLICATION,  
AN INITIAL APPLICATION TO CMS

OR A SERVICE AREA EXPANSION,  
YOU NEED TO HAVE A COMPLIANCE

PROGRAM THAT DEMONSTRATES THAT  
YOU HAVE A DEPARTMENT THAT IS

DEDICATED TO ENSURING THAT ALL  
PARTIES THAT ARE INVOLVED WITH

OPERATING MEDICARE UNDERSTAND  
THE REQUIREMENTS THAT ARE

AT HAND, AS WELL AS A ROAD MAP  
TO PREVENTING, EARLY-DETECTING,

AND RESPONDING TO NONCOMPLIANCE  
ISSUES BEFORE THEY

DEVELOP INTO LARGER ISSUES.

THERE'S, YOU KNOW, 5 WAYS, 5  
REASONS WHY I CAN BELIEVE THAT--

WHY I BELIEVE THAT A COMPLIANCE  
PROGRAM IS IMPORTANT.

THE FIRST ONE IS WHAT  
WE ARE ALL HERE FOR,



TO SERVICE BENEFICIARIES.

IF YOU HAVE AN INEFFECTIVE  
COMPLIANCE PROGRAM,

YOUR BENEFICIARIES WILL  
REALLY ACCESS--WILL REALLY,

EXCUSE ME, HAVE ACCESS ISSUES.

SO THIS IS BASICALLY YOUR  
COMPLIANCE PROGRAM SHOULD BE

DETECTING WHEN THERE'S--YOUR  
CTM CASES ARE HIGH, YOU SHOULD

BE TRENDING YOUR CTM, AS WELL  
AS OTHER MEASURES THAT YOU HAVE

IN PLACE, TO SEE  
WHAT THE TRENDS ARE.

HOW MANY BENEFICIARIES ARE  
NOT ACCESSING A SPECIFIC DRUG

OR A SPECIFIC MEDICARE SERVICE?

AS WELL AS, WHAT IS  
THE FINANCIAL IMPACT

TO YOUR ORGANIZATION?

HOW MANY RESOURCES ARE YOU  
SPENDING ON MATTERS

THAT MAY NOT MATTER  
TO YOUR ORGANIZATION?

WHERE CAN YOU FOCUS IN  
WITHIN YOUR OPERATIONS?

WHAT IS THE OPERATIONAL IMPACT  
WITHIN YOUR ORGANIZATION?

HOW DO ALL OPERATIONAL  
COMPONENTS TALK TO EACH OTHER?

ARE THEY EFFECTIVE, AS WELL  
AS THE REGULATORY IMPACT.



WHEN CMS ISSUES HPMS  
GUIDANCE OR NEW REGS,

HOW DOES YOUR ORGANIZATION  
TALK WITHIN EACH OTHER

TO ENSURE THAT THEY  
ARE IMPLEMENTED WITHIN

A CERTAIN TIMEFRAME  
AND THAT THEY ARE EFFECTIVE?

DO YOU TEST THE NEW  
PROCEDURES TO ENSURE THAT

THEY'RE WORKING AND THAT THE  
BENEFICIARIES HAVE AN ACCESS

TO THEIR MEDICARE  
PRESCRIPTION DRUGS

AS WELL AS THEIR  
MEDICARE SERVICES?

AND THE MOST IMPORTANT LATELY  
IS THE REPUTATIONAL IMPACT.

WHO WANTS TO BE KNOWN AS  
THE ORGANIZATION THAT JUST

CAN'T GET IT RIGHT WITH CMS?

[LAUGHTER]

I DON'T THINK ANY ONE OF YOU  
WILL LIKE THAT, SO THAT'S

DEFINITELY ONE TO TAKE  
INTO CONSIDERATION.

AS WAS STATED IN MY  
LITTLE BIO, IS THAT WE HAVE

REDESIGNED OUR AUDIT PROCESS.

FOR 2010 AND 2011, AS WELL AS  
IN FUTURE AUDITS, COMPLIANCE

PROGRAMS WILL BE A FOCUS



FOR PRESCRIPTION DRUG PLANS

AS WELL AS MA AUDITS.

2010 AUDITS WILL ADDRESS  
COMPLIANCE PROGRAMS THAT ARE

CURRENTLY IN PLACE,  
THAT ARE IN EFFECT

PRIOR TO THE APRIL 15  
UPDATE TO REGULATION.

IN 2011, AUDITS WILL ADDRESS  
THE UPDATED REQUIREMENTS.

OK, LET'S TALK ABOUT  
OUR ENFORCEMENT ACTIONS

THAT WE HAVE TAKEN SO FAR  
THIS YEAR.

ACTUALLY, I'VE BEEN ON  
ALL OF THESE THIS YEAR.

VERY SIGNIFICANT DEFICIENCIES,  
AND EVEN THOUGH THEY MAY HAVE--

THERE WERE ACCESS ISSUES, AS  
WELL AS WITH PART "D" FORMULARY

ISSUES AND TRANSITION ISSUES,  
IT ALL STEMMED FROM

A LACK OF A COMPLIANCE PROGRAM,  
A LACK OF AN EFFECTIVE

COMPLIANCE PROGRAM.

WHEN I INTERVIEWED THE  
COMPLIANCE OFFICER, THEY WERE

JUST NOT KNOWLEDGEABLE, MAYBE,  
OF THEIR PART "D" OPERATIONS.

IT WAS VERY DYSFUNCTIONAL  
ON WHO DOES WHAT.

WHAT TYPE OF INTERNAL  
MONITORING WAS COMPLETED?



WHAT DOES  
YOUR AUDIT RESULTS SHOW?

FROM THE AUDIT RESULTS, KIND OF  
WHAT CHANGES HAVE YOU MADE

WITHIN YOUR ORGANIZATION?

SO HERE'S THE LINK TO  
THE ENFORCEMENT ACTIONS.

I WILL ASK THAT YOU  
VISIT THAT LINK

SO THAT YOU CAN SEE LESSONS  
LEARNED, AND HOPEFULLY

YOU WILL NOT EXPERIENCE  
THOSE TYPE OF ACTIONS.

OUR NEW REDESIGNED PROCESS  
IS VERY DIFFERENT THAN

WHAT WAS PREVIOUSLY IN THE PAST.

NOW WE'RE ON-SITE.

YOU MAY NOT HAVE A LOT OF  
NOTICE LIKE BEFORE WHERE WE,

YOU KNOW, KIND OF NEGOTIATED  
THE TIMEFRAME WHERE WE WOULD

COME TO YOUR ORGANIZATION.

HERE WE HAVE THE FLEXIBILITY  
OF IF WE GIVE YOU A CALL

ON THURSDAY, WE'LL SHOW UP ON  
MONDAY AND EXPECT YOU TO WALK US

THROUGH YOUR OPERATIONS,  
TO BE ABLE TO DEMONSTRATE

TO US THAT YOU ARE IN COMPLIANCE  
WITH ALL OF MEDICARE

REQUIREMENTS, AS WELL AS  
WITH YOUR COMPLIANCE PROGRAM,



THAT YOUR COMPLIANCE OFFICER,  
THE CEO, THE GOVERNING BOARD--

EVERYONE IS ON BOARD WITH  
THE REQUIREMENTS AND CAN

ARTICULATE TO US, YOU KNOW,  
WHAT IS IT ALL ABOUT.

AS WELL AS WE'LL BE INTERVIEWING  
AND HAVING DISCUSSIONS

WITH MULTIPLE SENIOR STAFF  
AND EMPLOYEES

TO FEEL OUT THE CULTURE  
OF YOUR ORGANIZATION.

DO YOU PROMOTE COMPLIANCE?

IF SOMEONE WITNESSED OR IS  
INVOLVED WITH A NONCOMPLIANCE

ISSUE OR A FRAUD, WASTE,  
AND ABUSE ISSUE, IS IT AROUND

YOUR ORGANIZATION THROUGH  
POSTERS, THROUGH MEMOS,

THROUGH THE INTRANET,  
THAT YOU ARE VERY FOCUSED

ON THIS INITIATIVE?

IT'S NOT JUST A PAPER EXERCISE  
ANYMORE, WHERE WE HAVE THIS

PRINT, POST, AND PRAY:  
YOU PRINT IT, YOU POST IT UP

ON A WALL OR POST IT  
ON A SHELF, AND PRAY

THAT CMS DOES NOT COME OUT.

DEFINITELY DON'T WANT THAT,  
AS WELL AS WE'RE FOCUSED ON

EVALUATING EFFECTIVENESS.



DID YOU FIND THE AREA  
OF NONCOMPLIANCE

AND DID YOU FIX IT?

WE WANT TO SEE EXACTLY FROM  
THE BEGINNING TO THE END,

AND WE EXPECT YOU TO DEMONSTRATE  
TO US THAT PROCESS.

AS WELL AS IT'S VERY  
FOCUSED ON VALIDATION.

YOU KNOW, WE WANT YOU TO,  
YOU KNOW, SHOW US RESULTS.

WHAT WAS THE STRUCTURE INVOLVED,  
THE PROCESS, THE OUTCOMES

OF ALL YOUR OPERATIONS, AND  
HOW DID THEY COME TOGETHER?

HOW DID THEY REPORT TO  
THE COMPLIANCE DEPARTMENT?

HOW DOES THE COMPLIANCE  
DEPARTMENT REPORT TO

THE GOVERNING BODY?

HOW DOES THE ORGANIZATION  
WORK AS A WHOLE?

THERE'S CURRENT  
GUIDANCE OUT THERE.

THERE'S OUR REGS, OF COURSE,  
AS WELL AS CHAPTER 9,

THE "PRESCRIPTION DRUG MANUAL,"  
WHICH IS OUR CURRENT GUIDANCE

FOR THE COMPLIANCE PROGRAM  
FOR OUR FRAUD, WASTE, AND ABUSE

REQUIREMENTS, AND IT'S ACTUALLY  
BEING UPDATED AS WE SPEAK,



AND SO THAT WILL BE  
RELEASED VERY SHORTLY.

OK, THIS IS ABOUT OUR  
UPDATED REGULATIONS.

AS YOU CAN SEE, HERE'S  
THE REGS 422 CFR 503 AND 504,

WHICH IS FOR THE MEDICARE  
ADVANTAGE AND PRESCRIPTION

DRUG REQUIREMENTS.

THE REGS WERE EFFECTIVE JUNE 7,  
2010, AND THE COMPLIANCE

PROGRAM CHANGES BECOME EFFECTIVE  
WITH THE NEW PLAN YEAR,

JANUARY, 1, 2011.

HOWEVER, THERE ARE COMPLIANCE  
PROGRAM REQUIREMENTS FOR

PART "C" AND PART "D" THAT YOU  
NEED TO MAKE YOURSELF AWARE OF

NOW BECAUSE WE ARE  
AUDITING THIS YEAR.

SO IF YOU'RE SUBJECT TO AN  
AUDIT, WE DO EXPECT YOU TO BE

AWARE OF THOSE REQUIREMENTS  
THAT CURRENTLY EXIST.

MOST CHANGES THAT ARE  
IMPLEMENTED IN THE NEW REGS

CONTAINED IN--THEY WERE  
CONTAINED IN EXISTING

"PRESCRIPTION DRUG" CHAPTER 9  
AS SUB-REGULATORY GUIDANCE,

SO WHAT WE DID IS MADE  
THEM MANDATORY REQUIREMENTS

NOW FOR 2011.



THE NEW REGULATIONS  
SPECIFICALLY REQUIRES

COMPLIANCE PROGRAMS TO BE  
INFECTIVE--EFFECTIVENESS.

WE'LL TALK ABOUT THAT LATER.  
IT'S ALL ABOUT MEASUREMENT.

AND THIS HAS BEEN IN CHAPTER 9  
SINCE THE BEGINNING OF

THE PRESCRIPTION DRUG  
PROGRAM IN 2006.

THE NEW REGULATION PROVIDES  
MORE DETAILED REGULATORY

REQUIREMENTS ON EACH OF THE  
7 COMPLIANCE PROGRAM ELEMENTS,

AND IT SPEAKS SPECIFICALLY  
TO EFFECTIVENESS.

SO I WOULD ENCOURAGE YOU--  
THERE'S BEEN A LOT OF TALK

AROUND EFFECTIVENESS AND WHAT  
THAT MEANS--TO GO OUT

TO THE HEALTH CARE COMPLIANCE  
ASSOCIATION AS WELL AS OTHER

RESOURCES TO SEE KIND OF  
HOW DO YOU GET TO THAT PLACE.

GONNA CONTINUE TALKING  
ABOUT THE NEW REGULATIONS.

AGAIN, I CAN'T STRESS  
ANY MORE, WE'RE LOOKING NOW

FOR THE ORGANIZATIONS AS A  
WHOLE TO ADOPT AND IMPLEMENT.

SO IT'S NOT JUST SUFFICIENT  
ANYMORE JUST TO HAVE

POLICIES AND PROCEDURES,



BUT WE WANT TO ACTUALLY SEE.

HOW DID YOU IMPLEMENT  
THESE PROCEDURES

INTO YOUR ORGANIZATION?

AGAIN, IT'S THAT "E" WORD:  
EFFECTIVE COMPLIANCE PROGRAM.

AS WELL AS THAT INCLUDES  
MEASURES TO PREVENT, DETECT,

AND CORRECT NONCOMPLIANCE  
WITH CMS PROGRAM REQUIREMENTS,

AS WELL AS MEASURES  
TO PREVENT, DETECT,

AND CORRECT FRAUD,  
WASTE, AND ABUSE.

SO AS YOU CAN SEE,  
THE COMPLIANCE PROGRAM HAS

REALLY 2 PERSPECTIVES.

THERE'S THE CONTRACT  
COMPLIANCE PIECE AND THERE'S

THE FRAUD, WASTE, AND ABUSE  
REQUIREMENT, SO WE'RE EXPECTING

YOUR COMPLIANCE PROGRAM  
TO ADDRESS BOTH ENTITIES.

AS WELL AS IT MUST,  
AT A MINIMUM, INCLUDE THE 7 CORE

ELEMENT REQUIREMENTS  
LISTED IN THE REGULATIONS.

SO, AGAIN, IT'S AT THE MINIMUM.  
BECAUSE IF YOU DO ANY TYPE OF

INDUSTRY RESEARCH, THERE  
ARE THOSE THAT SAY THAT

THERE IS AN EIGHTH REQUIREMENT,  
WHICH IS RISK ASSESSMENT,



WHICH IS VERY IMPORTANT  
TO AN ORGANIZATION.

SO, AGAIN, AT A MINIMUM,  
YOU HAVE TO HAVE

THESE 7 CORE REQUIREMENTS.

OK, LET'S TALK ABOUT ELEMENT 1.

ELEMENT 1, AGAIN, FOCUSES ON  
THAT YOU HAVE TO HAVE

WRITTEN POLICIES AND PROCEDURES

AND STANDARDS OF CONDUCT,  
AND YOU CAN READ--

THIS IS REALLY  
FOR YOUR INFORMATION,

BUT JUST THE ONES THAT WE REALLY  
FOCUS ON, AGAIN, IS THAT YOU

AS A SPONSOR, WHETHER YOU'RE  
PART "D," MA, THAT YOU

AS A WHOLE MUST ARTICULATE  
YOUR COMMITMENT TO COMPLY

WITH ALL APPLICABLE FEDERAL  
AND STATE STANDARDS.

AND THIS IS ONE THAT WE'VE SEEN  
THAT A LOT OF ORGANIZATIONS

THAT ARE--THAT SERVICE  
OTHER LINES OF BUSINESS,

WHETHER IT'S COMMERCIAL  
OR MEDICAID, THAT, YOU KNOW,

MEDICARE LAWS ARE--OR, ITS  
COMMITMENT TO MEDICARE LAWS

AND REQUIREMENTS  
ARE KIND OF VARIED.

AND WE'RE LOOKING FOR YOU



AS ORGANIZATIONS THAT SERVICE

MEDICARE TO HAVE SPECIFIC  
MEDICARE--YOUR COMMITMENT

TO COMPLY WITH  
MEDICARE REQUIREMENTS.

AS WELL AS YOUR POLICIES  
AND PROCEDURES MUST DESCRIBE

COMPLIANCE EXPECTATIONS  
AS EMBODIED IN YOUR

STANDARDS OF CONDUCT.

AGAIN, YOUR EMPLOYEES ARE GONNA  
BE ACCESSING THESE POLICIES

AND PROCEDURES, SO IT'S VERY  
IMPORTANT TO LAY OUT EXACTLY

WHAT THEIR EXPECTATIONS ARE  
SO THAT THEY ARE VERY CLEAR

AND KNOW WHAT THEY  
HAVE TO ABIDE BY.

AS WELL AS IT SHOULD  
PROVIDE GUIDANCE TO EMPLOYEES

AND OTHERS FOR DEALING WITH  
POTENTIAL COMPLIANCE ISSUES.

IF THERE'S A COMPLIANCE  
ISSUE, WHERE DO I GO?

WHAT IS THE PROCEDURE?

IS THERE GONNA BE  
NON-RETALIATION?

SO IT NEEDS TO BE VERY,  
VERY DETAILED.

AS WELL AS YOU SHOULD  
DESCRIBE HOW ISSUES

ARE INVESTIGATED AND RESOLVED.



IS IT GONNA TAKE YOU 2 WEEKS  
OR 2 YEARS TO RESOLVE AN ISSUE?

SO THAT SHOULD BE  
VERY, VERY CLEAR.

ELEMENT 2 IS VERY,  
VERY IMPORTANT.

WE'VE SEEN IN THE LAST FEW  
AUDITS THAT WE'VE COMPLETED

THAT ORGANIZATIONS  
PRETTY--THEY STRUGGLE

WITH THIS REQUIREMENT.

AND THIS, AGAIN, IS THAT THERE  
IS A DESIGNATED COMPLIANCE

OFFICER AND A COMPLIANCE  
COMMITTEE WHO REPORT DIRECTLY

AND ARE ACCOUNTABLE TO THE  
ORGANIZATION'S CHIEF EXECUTIVE

OR OTHER MANAGEMENT.

SO THIS IS AGAIN ALL  
ABOUT ACCOUNTABILITY.

IS, YOU KNOW, THE COMPLIANCE  
OFFICER TALKING TO THE CEO,

AND THE CEO TALKING  
TO THE COMPLIANCE COMMITTEE,

COMPLIANCE COMMITTEE TALKING  
TO THE COMPLIANCE OFFICER?

DO THEY ALL COME TOGETHER  
TO DISCUSS COMPLIANCE ISSUES?

BECAUSE WHAT WE'VE SEEN, SOME  
OF THE FINDINGS THAT WE'VE SEEN

AT THESE ORGANIZATIONS, IS THAT,  
YOU KNOW, ONLY A FEW PEOPLE

ARE AWARE OF THE IMPACT



OF THE ACCESS ISSUES

THAT WE'VE DISCOVERED OVER  
THE LAST COUPLE OF MONTHS.

SO WE NEED TO ENSURE--YOU NEED  
TO ENSURE, AS THE ORGANIZATIONS,

THAT EVERYONE IS TALKING TO EACH  
OTHER AND EVERYONE IS AWARE.

THE COMPLIANCE OFFICER MUST  
BE AN EMPLOYEE OF THE CONTRACT

ENTITY, PARENT, OR CORPORATE  
AFFILIATE, SO THEY CANNOT BE

AN EMPLOYEE OF THE FIRST TIER  
OR DOWNSTREAM ENTITIES.

AGAIN, THIS IS VERY IMPORTANT  
WHERE THE COMPLIANCE OFFICER

AND THE COMPLIANCE COMMITTEE  
MUST REPORT DIRECTLY TO

THE GOVERNING BODY OF THE  
ORGANIZATION TO MAKE THEM AWARE

OF PROGRAM ISSUES, FRAUD,  
WASTE, AND ABUSE ISSUES,

SO THAT THEY CAN POSSIBLY--  
THEY SHOULD GIVE YOU

THE RESOURCES TO MAKE ANY  
CHANGES THAT YOU NEED TO YOUR

COMPLIANCE PROGRAM, AS WELL AS  
YOUR ORGANIZATION THAT HANDLES

MEDICARE OPERATIONS.

AND THIS IS A NEW REQUIREMENT  
WHERE THE GOVERNING BODY

MUST BE KNOWLEDGEABLE OF  
CONTENT IN THE OPERATION

OF THE COMPLIANCE PROGRAM,



AND NEEDS TO EXERCISE

REASONABLE OVERSIGHT  
FOR IMPLEMENTATION

AND EFFECTIVENESS  
OF THE PROGRAM.

AGAIN, YOU NEED TO--AS A  
COMPLIANCE OFFICE ESPECIALLY,

IT WOULD BE GREAT IF YOU  
CAN HAVE A DIRECT LINE

OF COMMUNICATION TO  
YOUR GOVERNING BODY.

THAT WAY, THEY CAN HEAR FROM YOU  
THE SPECIFIC ISSUES AT HAND.

IF YOU HAVE A HUGE--YOU'RE  
STARTING TO IDENTIFY THROUGH

YOUR RISK ASSESSMENTS THAT YOU  
HAVE TREMENDOUS ACCESS ISSUES,

YOU NEED TO BE ABLE TO GO  
TO YOUR BOARD DIRECTLY

SO THEY CAN HEAR FROM YOU  
THE IMPACT TO THE ORGANIZATION.

AND THAT WAY, YOU POSSIBLY  
CAN GET THE RESOURCES THAT

YOU NEED TO MAKE ANY SYSTEMIC  
CHANGES, AS WELL AS IF YOU NEED

ADDITIONAL STAFF  
OR OTHER RESOURCES.

ELEMENT 3 IS A REQUIREMENT  
THAT IS FOCUSED ON TRAINING

AND EDUCATION OF ALL THE  
EMPLOYEES OF THE ORGANIZATION,

INCLUDING YOUR GOVERNING BODY.

WE KNOW HOW



IMPORTANT TRAINING IS.

I MEAN, THAT'S THE REASON  
WHY WE'RE HERE TODAY.

SO ALL OF YOUR STAFF,  
EMPLOYEES, GOVERNING BODY,

YOUR DIRECTORS, YOUR--  
EXCUSE ME, YOUR CHIEF OPERATING

OFFICER--EVERYONE NEEDS TO  
COMPLETE COMPLIANCE TRAINING.

THAT'S ANNUAL.  
IT'S DUE AT THE POINT OF HIRE,

AS WELL AS ANY TYPE OF  
SPECIALIZED TRAINING

THAT THEY NEED TO CONDUCT  
THEIR JOBS EFFECTIVELY

AND TO COMPLY WITH  
CMS REQUIREMENTS.

IT'S A HUGE TASK,  
BUT IT NEEDS TO BE DONE.

AS WELL AS ANY TYPE OF  
CONFLICT OF INTEREST TRAINING

THAT NEEDS TO BE COMPLETED  
SO EVERYONE IS IN COMPLIANCE

WITH CMS REQUIREMENTS.

AGAIN, THIS IS SOMETHING  
THAT'S NEW IN REGARDS TO

FIRST TIER, DOWNSTREAM, AND  
RELATED ENTITIES THAT HAVE MET

THE FRAUD, WASTE, AND ABUSE  
CERTIFICATIONS THROUGH

ENROLLMENT IN FEE-FOR-SERVICE  
OR ACCREDITATION

AS A DMEPOS SUPPLIERS ARE DEEMED



TO HAVE MET THE FRAUD, WASTE,

AND ABUSE TRAINING  
EDUCATION REQUIREMENT.

ELEMENT 4. RECENTLY, WE WENT TO  
AN ORGANIZATION THAT STRUGGLED

WITH THIS. IT'S HAVING TO DO  
WITH LINES OF COMMUNICATION.

NOW, WE ALL KNOW THAT  
ORGANIZATIONS, YOU KNOW,

LARGE AND SMALL HAVE DIFFERENT  
ORGANIZATION STRUCTURES.

YOU MAY HAVE ORGANIZATIONS  
THAT ARE AT MULTIPLE SITES

OR ORGANIZATIONS WHERE EVERYBODY  
PRETTY MUCH WORKS FROM HOME.

SO WHATEVER YOUR ORGANIZATION  
STRUCTURE IS, YOU NEED TO ENSURE

THAT YOU HAVE LINES OF  
COMMUNICATION THAT ARE

EFFECTIVE, THAT EVERYONE  
KNOWS WHAT EVERYONE IS DOING

IN RESPECT TO,  
LET'S SAY, ENROLLMENT.

IF YOU HAVE 20 STAFF--  
LET'S SAY 200 STAFF--

200 STAFF THAT'S ACROSS  
4 DIFFERENT SITES, THEY NEED

TO KNOW THE ENTIRE ENROLLMENT  
PROCESS SO THEY KNOW

HOW THEIR JOB AFFECTS  
THE NEXT PERSON.

WE WENT TO AN ORGANIZATION NOT  
TOO LONG AGO THAT EVERYBODY



WAS JUST CONCENTRATED ON  
THEIR AREA AND WEREN'T ABLE

TO SEE THE ENTIRE PICTURE.

SO THIS IS VERY IMPORTANT NOT  
JUST TO EMPLOYEES BUT TO ENSURE

THAT ALL STAFF IS AWARE

OF HOW TO TALK TO EACH OTHER,  
HOW TO COMMUNICATE.

WHEN YOU'RE HAVING TRAINING  
OR IF YOU'RE HAVING ANY TYPE OF

MEETINGS, THAT YOU ARE  
DOCUMENTING YOUR AGENDA MINUTES.

BECAUSE WHEN WE COME OUT TO  
YOUR ORGANIZATIONS, WE NEED YOU

TO DEMONSTRATE--THAT MEANS  
TANGIBLE ITEMS TO SHOW US

THAT YOU ARE COMMUNICATING  
THROUGHOUT YOUR ORGANIZATION,

THAT YOU ARE REPORTING  
COMPLIANCE ISSUES, THAT THAT'S

COMMUNICATED ALL THE WAY FROM  
AN EMPLOYEE--IF AN EMPLOYEE

HAS A COMPLIANCE ISSUE WITH,  
LET'S SAY, A MARKETING--

I DON'T KNOW--  
A MARKETING EVENT.

IF HE GOES TO HIS BOSS,  
AND HIS BOSS SHOULD--

I DON'T KNOW WHATEVER  
YOUR STRUCTURE IS.

IF HE GOES TO THE COMPLIANCE  
OFFICER, AND THE COMPLIANCE

OFFICER GOES BACK TO HUMAN



RESOURCES, WE NEED TO SEE

THE CHAIN OF COMMUNICATION  
THROUGHOUT YOUR ORGANIZATION.

AND, AGAIN, THIS LINES OF  
COMMUNICATION INCLUDES THAT

YOU HAVE TO HAVE A SYSTEM  
IN PLACE, A MECHANISM IN PLACE

FOR EMPLOYEES TO REPORT  
CONFIDENTIAL MATTERS

FOR IF THEY WANT  
TO REPORT A NONCOMPLIANCE.

SO THAT IS LIKE YOUR HOTLINE.

YOUR HOTLINE NEEDS  
TO BE SPECIFIC TO MEDICARE.

IF YOU HAVE A LARGE  
ORGANIZATION AND YOU HAVE,

LET'S SAY, A HOTLINE THAT'S USED  
FOR COMMERCIAL AND MEDICARE,

YOU NEED TO BE ABLE TO IDENTIFY  
THE MEDICARE-SPECIFIC

COMPLAINTS AND FRAUD, WASTE, AND  
ABUSE COMPLAINTS, BECAUSE THAT'S

ONE OF THE THINGS THAT WE  
WILL BE VALIDATING ON-SITE.

SO YOU NEED TO HAVE A  
MEASURE IN PLACE--A MECHANISM

IN PLACE, RATHER, THAT ENSURES  
CONFIDENTIALITY AS WELL AS

WHERE THEY CAN REPORT  
POTENTIAL COMPLIANCE

AND FRAUD, WASTE,  
AND ABUSE ISSUES.

ELEMENT 5 IS FOCUSED ON



HOW WELL DO YOU PUBLICIZE

YOUR DISCIPLINARY GUIDELINES.

AND WE TEST THIS BY--YOU KNOW,  
WHEN WE COME TO AN ORGANIZATION,

WE'RE LOOKING TO SEE KIND OF  
FROM THE TEST OF THE CULTURE,

FROM THE TEST OF EMPLOYEES, KIND  
OF HOW WELL DOES EMPLOYEES KNOW,

YOU KNOW, WHAT THE CONSEQUENCES  
ARE FOR ENGAGING OR

NOT REPORTING COMPLIANCE ISSUES?

SO, AGAIN, HOW WELL DO YOU  
ARTICULATE EXPECTATIONS

FOR REPORTING AND ASSISTING  
RESOLUTION OF COMPLIANCE ISSUES?

I'VE SEEN ORGANIZATIONS  
DO THIS BY MANY DIFFERENT WAYS.

YOU KNOW, FROM HAVING POSTERS  
IN EVERY SECTION OF THEIR

ORGANIZATION WHERE YOU KNOW,  
YOU KNOW, IF YOU WITNESS

A COMPLIANCE ISSUE,  
YOU MUST REPORT IT.

IT'S YOUR JOB TO DO SO.

AS WELL AS THE NEW STANDARDS  
IS THAT WE EXPECT YOUR POLICIES

TO IDENTIFY NONCOMPLIANCE  
OR UNETHICAL BEHAVIOR.

AGAIN, EMPLOYEES, AS WELL AS  
GOVERNING BOARD, AS WELL AS CEO

NEED TO KNOW WHAT YOU  
CONSIDER UNETHICAL BEHAVIOR.



AS WELL AS WE'RE LOOKING  
FOR YOU TO PROVIDE TIMELY

AND CONSISTENT MEASURES  
AGAINST ALL OF YOUR

ENFORCEMENT STANDARDS.

ELEMENT 6: THIS IS A BIGGIE.  
THIS IS HUGE.

AGAIN, THIS WHAT WE TALKED ABOUT  
EARLIER ON EFFECTIVE--THAT'S

THE "E" WORD--ON EFFECTIVE  
MONITORING AND AUDITING.

MOST ORGANIZATIONS--I WON'T  
SAY "MOST"--SOME ORGANIZATIONS

KIND OF COMBINE  
THESE 2 ACTIVITIES.

THEY ARE VERY DISTINCT.  
MONITORING IS DAY-TO-DAY.

IT'S VERY PROACTIVE.  
THIS IS YOUR DASHBOARD RESULTS.

THIS IS, YOU KNOW, WITH  
YOUR INTERNAL AUDIT RESULTS.

WHAT ARE YOUR  
RESULTS SHOWING YOU?

BECAUSE, AGAIN, WHEN WE  
SHOW UP AT YOUR ORGANIZATION--

AND IT'S JUST GOOD PRACTICE.

YOU SHOULD KNOW WHAT THE DATA  
IS TELLING YOU, AND FROM

THAT DATA YOU SHOULD BE ABLE  
TO MAKE CHANGES WITHIN YOUR

ORGANIZATION THAT, AGAIN,  
WILL PROTECT THE BENEFICIARY,

THAT WILL ALLOW THEM TO HAVE



ACCESS TO THEIR BENEFITS,

AS WELL AS IT'S  
A REQUIREMENT FOR CMS.

AND THE REQUIREMENTS  
AROUND HERE, WE'RE REALLY

LOOKING FOR--  
THIS IS NEW LANGUAGE--

THAT YOU ESTABLISH  
AND IMPLEMENT.

SO, AGAIN, YOU HAVE  
THE POLICY AND PROCEDURES.

YOU HAVE THE SYSTEM IN PLACE.  
AND IMPLEMENT, YOU HAVE

THE PROCESS AND THE RESULTS  
THAT SHOW AN EFFECTIVE SYSTEM

FOR ROUTINE MONITORING  
AND IDENTIFICATION

OF COMPLIANCE RISK.

THIS IS NEW LANGUAGE, SO  
DEFINITELY TAKE HEED TO THIS.

SO THERE'S ADDITIONAL  
REQUIREMENTS WITH THIS.

YOUR SYSTEM MUST INCLUDE  
INTERNAL--ROUTINE INTERNAL

MONITORING OF COMPLIANCE  
RISK FOR YOUR BUSINESS AREAS.

I GUESS FOCUS ON  
RISK ASSESSMENTS.

AS MANY OF YOU MAY KNOW  
THAT CURRENTLY CONDUCT

INTERNAL AUDITS, THAT  
YOUR RISK ASSESSMENTS

WILL CHANGE THROUGHOUT THE YEAR,



JUST DEPENDING ON  
WHAT YOUR RISKS ARE.

I'M SURE DURING THE ANNUAL  
ENROLLMENT PERIOD,

ENROLLMENT IS A HUGE RISK.

SO WHAT MEASURES DO YOU HAVE IN  
PLACE--OR "INTERNAL CONTROLS"

IS ANOTHER WORD WE USE OFTEN--  
TO PROTECT YOUR ORGANIZATION,

TO PROTECT YOUR BENEFICIARIES,  
AND TO PROTECT YOUR EMPLOYEES

IN REGARDS TO THEIR JOB?

AS WELL AS YOU  
SHOULD BE CONDUCTING

ANY TYPE OF INTERNAL AUDIT.

IT'S ALWAYS GREAT TO HAVE  
AN EXTERNAL AUDITOR COME INTO

YOUR ORGANIZATION TO ASSESS  
WHAT'S MISSING,

WHAT'S GOING ON, TO TALK  
TO YOUR EMPLOYEES WHO MAY NOT

FEEL COMFORTABLE WITH TALKING  
TO SOMEONE INTERNALLY AS TO

WHAT ISSUES THAT THEY'RE  
SEEING OR EXPERIENCING

WITH THEIR EVERYDAY JOBS.

AND WE'RE ALSO EVALUATING

YOUR OVERALL EFFECTIVENESS  
OF THE COMPLIANCE PROGRAM.

SO INTERNAL MONITORING  
AND AUDITING IS A HUGE EFFORT,



BUT THIS IS KIND OF  
THE MEAT AND POTATOES

OF YOUR COMPLIANCE PROGRAM.

SO, AGAIN, WE'RE  
LOOKING--NOT JUST WE AT CMS.

THIS IS JUST GOOD PRACTICE  
FOR YOUR ORGANIZATION, BUT

WE'RE EXPECTING YOU TO HAVE  
A ROBUST INTERNAL MONITORING,

AND THAT IT'S EFFECTIVE.

ELEMENT 6 IS PRETTY MUCH  
RESPONSE AND PREVENTION.

IT'S TO ESTABLISH AND IMPLEMENT.

AGAIN, ESTABLISH--YOU HAVE  
THOSE POLICIES AND PROCEDURES--

AS WELL AS YOU CAN DEMONSTRATE  
TO US THAT YOU HAVE A SYSTEM

IN PLACE FOR PROMPTLY RESPONDING  
TO COMPLIANCE ISSUES.

SO THAT YOU'RE NOT JUST SITTING  
ON THESE COMPLIANCE ISSUES

AND JUST WAITING FOR YOUR  
ACCOUNT MANAGER OR YOUR

PLAN SPECIALIST OR C.O.,  
CENTRAL OFFICE, TO GIVE YOU

A CALL TO SAY, YOU KNOW, WHAT'S  
GOING ON WITH A PARTICULAR

ACCESS OR PART "D" OR MA ISSUE,

THAT YOU'RE INTERNALLY  
ADDRESSING THESE ISSUES.

WE'RE LOOKING FOR YOU  
TO SOLVE THESE ISSUES



WITHIN YOUR ORGANIZATION.

AND, AGAIN, THIS HAS TO DEAL  
WITH THAT YOU MUST CONDUCT

APPROPRIATE CORRECTIVE ACTIONS  
FOR ANY TYPE OF NONCOMPLIANCE

FOR EMPLOYEES OR WITH  
ANY TYPE OF OPERATIONAL UNIT.

WHEN WE'RE COMING OUT TO  
AUDIT, WE'RE LOOKING FOR YOU

TO SHOW US, OK, THIS WAS THE  
PROBLEM, AND THIS IS HOW WE

CORRECTED THIS, AND THIS IS  
THE SUPPORTING DOCUMENTATION.

THIS IS THE AUDIT RESULTS.  
THIS IS KIND OF OUR PROGRESS.

SO WE'RE LOOKING FOR YOU  
TO DEMONSTRATE TO US THAT

YOU HAVE--THAT YOU'RE  
RESPONDING TO ISSUES

OF NONCOMPLIANCE AND FRAUD,  
WASTE, AND ABUSE.

AS WELL AS YOU SHOULD,  
AS A SPONSOR, HAVE PROCEDURES

TO VOLUNTARILY SELF-REPORT  
POTENTIAL FRAUD AND MISCONDUCT

RELATED TO THE PROGRAM TO CMS.

SO, AGAIN, THIS DEALS WITH

YOUR FIRST LINE,  
YOUR ACCOUNT MANAGER.

THAT YOU'RE PICKING UP  
THE PHONE OR SENDING AN E-MAIL

TO LET THEM KNOW WE'VE  
DISCOVERED THIS PROBLEM.



YOU KNOW, THIS IS HOW WE'RE  
HANDLING THIS, AND THIS IS

KIND OF THE RESULTS AND--  
JUST SO THAT EVERYONE

IS INCLUDED ON WHAT'S  
GOING ON IN PROGRESS.

AND, ACTUALLY, WHEN YOU  
SELF-REPORT--I KNOW SOME FOLKS

ARE HESITANT TO THAT,  
BUT THAT SHOWS THAT YOU HAVE

A COMPLIANCE PROGRAM  
THAT IS EFFECTIVE.

BECAUSE YOU WERE ABLE TO  
IDENTIFY AN ISSUE, YOU HAVE

THE PROCEDURES IN PLACE  
TO CORRECT, AND NOW YOU CAN

PREVENT IT FROM POSSIBLY  
HAPPENING AND REOCCURRING

NEXT TIME.

OK, JUST SOME KIND OF BEST  
PRACTICES AND SOME INDUSTRY--

FROM WHAT I GOT FROM  
THE INDUSTRY IN REGARDS TO,

HOW DO YOU DEMONSTRATE  
AN EFFECTIVE PROGRAM?

WHAT IS CMS LOOKING FOR?

THERE'S, AGAIN, 7 ELEMENTS OF  
A SUCCESSFUL COMPLIANCE PROGRAM.

SO, YOU KNOW, I KNOW WHEN  
YOU LOOK AT THE REGULATIONS,

IT'S KIND OF LAYER  
1, 2, 3, 4, 5, 6, 7,



BUT IT'S KIND OF HARD TO  
KIND OF, YOU KNOW, VISUALIZE

HOW IT WORKS TOGETHER WITHIN  
YOUR ORGANIZATION, SO WE'VE

PUT TOGETHER A DIAGRAM  
THAT SHOWS YOU.

TOP IS THE LEADERSHIP.

THE LEADERSHIP HAS YOUR  
LEADERSHIP: THE GOVERNING BODY,

YOUR CEO, YOUR  
COMPLIANCE OFFICER.

THEY NEED TO BUY IN AND ENGAGE  
IN A COMPLIANCE PROGRAM.

AS A COMPLIANCE OFFICER,  
YOU SHOULD BE PROMOTING.

EVERY TIME SOMEONE SEE YOU,  
IT'S LIKE, "OH, HERE COMES

THIS PERSON WHO'S  
TALKING ABOUT COMPLIANCE."

THAT'S EXACTLY WHAT NEEDS  
TO HAPPEN SO THAT EVERYONE IS--

THAT COMPLIANCE IS EMBEDDED  
WITHIN THE ORGANIZATION.

AGAIN, COMMUNICATION.  
THERE SHOULD BE A 360-DEGREE

COMMUNICATION THROUGHOUT  
THE ORGANIZATION.

EVERYONE IS PRETTY MUCH AWARE  
OF KIND OF HOW THEIR JOB

AFFECTS THE NEXT OPERATIONAL  
UNIT SO THAT WAY BENEFICIARIES

WOULD, YOU KNOW, ULTIMATELY HAVE  
AN ENJOYABLE EXPERIENCE



WITH GETTING BENEFITS  
THROUGH YOUR ORGANIZATION.

DOCUMENTATION.  
DOCUMENTING IS VERY IMPORTANT

NOT ONLY FOR THE GOVERNMENT  
BUT FOR YOU AS AN ORGANIZATION.

WHEN WE COME OUT TO YOU TO  
ASSESS YOUR COMPLIANCE PROGRAM,

WE'RE LOOKING TO SEE NOT ONLY  
JUST POLICY AND PROCEDURES.

HOW OFTEN ARE THEY UPDATED?

DO YOU TEST THEM TO SEE IF  
THEY ARE WORKING CORRECTLY?

DO YOU CHANGE THEM  
TO REFLECT YOUR CURRENT SYSTEM?

THAT THEY'RE CLEARLY STATED,

THAT WHEN AN EMPLOYEE PICKS  
SOMETHING UP, WHEN THEY PICK

ONE OF YOUR POLICY AND  
PROCEDURES UP, THAT THEY

UNDERSTAND HOW TO DO THEIR JOB.

AGAIN, EDUCATION  
FEEDS INTO THAT.

ARE THEY EDUCATED?  
ARE YOU EDUCATED?

ARE YOU UP TO SPEED  
ON COMPLIANCE ISSUES?

ARE YOU UP TO SPEED ON  
COMPLIANCE REQUIREMENTS?

MONITORING AND AUDITING--KIND OF  
EVERYTHING IS CONNECTED.

AS WELL AS DISCIPLINARY  
GUIDELINES AND HOW WELL



DO YOU, YOU KNOW, ENFORCE THOSE  
AND PUBLICIZE THOSE

THROUGHOUT YOUR  
ORGANIZATION, AND, AGAIN,

THE ENFORCEMENT PIECE OF IT.

PROMPT RESPONSE.  
WHEN THERE'S AN ISSUE

OF NONCOMPLIANCE THROUGHOUT YOUR  
ORGANIZATION ON FRAUD, WASTE,

AND ABUSE, HOW WELL OR HOW FAST  
DO YOU RESPOND TO THOSE ISSUES?

SO AS YOU CAN SEE, THEY ALL  
WORK TOGETHER TO DEMONSTRATE

A SUCCESSFUL  
COMPLIANCE PROGRAM.

THERE'S REALLY, LIKE,  
3 AREAS FOR MEASUREMENT

WHEN YOU'RE TALKING ABOUT  
A COMPLIANCE PROGRAM.

THERE'S A STRUCTURE, OK?

THIS IS THE OVERALL MAKEUP  
OF YOUR ORGANIZATION.

HERE YOU HAVE THE CULTURE.

OK, WHAT'S THIS CULTURE  
OF YOUR ORGANIZATION?

IS YOUR CULTURE, YOU KNOW,  
PRO-COMPLIANCE, OR IS IT,

YOU KNOW, JUST MAKE THAT MONEY  
AND SELL BY ANY MEANS--

YOU KNOW, OR JUST GET  
AS MANY ENROLLEES AS WE CAN?

WHAT IS THE CULTURE OF



COMPLIANCE, AND HOPEFULLY

IT'S ENDORSED BY YOUR LEADERSHIP  
THAT, YOU KNOW, WE NEED TO,

WE HAVE TO BE IN COMPLIANCE  
WITH MEDICARE.

HOW IS INFORMATION EXCHANGED  
THROUGHOUT YOUR ORGANIZATION?

INFORMATION SHOULD BE EXCHANGED  
BETWEEN A COMPLIANCE OFFICER,

THE SENIOR EXECUTIVES,  
GOVERNING BODY, AND EMPLOYEES.

DOES THE EMPLOYEE KNOW WHO THE  
COMPLIANCE OFFICER IS, YOU KNOW?

AND IT'S--LIKE I SAID, WE'VE  
ASSESSED A FEW ORGANIZATIONS

LARGE AND SMALL WHERE, YOU KNOW,  
IF YOU ARE A VIRTUAL ENVIRONMENT

WHERE YOU WORK MAYBE  
IN A REMOTE SITE FROM MOST OF

THE OPERATIONAL EMPLOYEES, HOW  
DO YOU GET YOUR NAME OUT THERE?

HOW DO YOU GET  
YOUR FACE OUT THERE?

HOW DO YOU ENSURE THAT WHEN  
THERE'S A COMPLIANCE ISSUE OR

THERE'S A COMPLIANCE QUESTION,  
THAT EMPLOYEES OR SENIOR

EXECUTIVES FEEL COMFORTABLE  
OR KNOW WHERE TO CONTACT YOU

OR HOW TO CONTACT YOU?

THESE ARE YOUR POLICY AND  
PROCEDURES, AGAIN, AND THESE

ARE YOUR REPORTING MECHANISMS,



YOUR HOTLINES, YOUR--

WHATEVER STANDARDS OR MECHANISMS  
YOU USE TO REPORT.

DO YOU HAVE A INTRANET WHERE  
ALL THE MANAGEMENT OFFICIALS

FEED INTO THE DASHBOARD?

AS WELL AS YOUR EDUCATIONAL  
AND TRAINING MATERIAL,

SO THIS IS KIND OF LIKE  
YOUR STRUCTURE.

THEN WE HAVE THE PROCESS.  
OK, ONCE YOU HAVE YOUR

STRUCTURE IN PLACE AND YOU HAVE  
REPORTING MECHANISMS AND

EVERYONE KNOWS WHO TO TALK TO,  
HOW DOES YOUR SYSTEM WORK?

YOU KNOW, YOU SHOULD BE  
CONDUCTING ONGOING

RISK ASSESSMENTS AND  
MONITORING ACTIVITIES.

YOU SHOULD BE INCORPORATING.  
HOW DOES NEW REGULATORY POLICY

CHANGES GET INCORPORATED  
INTO YOUR ORGANIZATION?

WHEN THAT HPMS MEMO, GUIDANCE,  
OR NEW REGULATIONS--

WHO'S RESPONSIBLE FOR THAT?

WHO ISSUES, YOU KNOW, THE  
GUIDANCE TO THE BUSINESS LEADER

TO ENSURE THAT IT'S IMPLEMENTED  
WITHIN AN ORGANIZATION?

HOW DO YOU TEST THAT?  
RESPONSE AND PREVENTION.



HOW DO YOU RESPOND TO CMS  
OR OTHER REGULATORY ENTITIES,

AND HOW DO YOU PREVENT,  
YOU KNOW, ISSUES THAT

YOU'VE OCCURRED FROM  
REOCCURRING AGAIN?

ENFORCEMENT AND DISCIPLINE.  
AGAIN, JUST KIND OF HOW DO YOU

HANDLE SITUATIONS OF  
NONCOMPLIANCE OR SITUATIONS

WHICH HAVE RESULTED IN NEGATIVE  
IMPACT TO YOUR ORGANIZATION?

AS WELL AS SYSTEM CORRECTIONS.

ONCE YOU IDENTIFY THAT  
THERE IS A BREAKDOWN,

A VULNERABILITY WITHIN  
YOUR ORGANIZATION,

HOW DO YOU FIX THAT?

I KNOW THAT SYSTEM CHANGES--

IT CAN BE VERY COMPLICATED  
AND VERY COMPLEX.

SO HOW DO YOU TRACK THAT?

HOW DO YOU ENSURE THAT IT  
TOUCHES ALL THE NECESSARY

ENTITIES WITHIN  
YOUR ORGANIZATION?

AND THE BIG THING IS,  
WHO'S ACCOUNTABLE?

WHO HAS ACCOUNTABILITY  
OF OPERATIONAL AREAS

TO THE COMPLIANCE DEPARTMENT?



AND, AGAIN, THIS IS  
WHAT WE'RE LOOKING FOR.

YOU KNOW, THE OLD AUDIT  
PROCESS WAS, YOU KNOW,

WE ASK YOU FOR, YOU KNOW, SOME  
ITEMS AND WE KIND OF MEASURE IT,

BUT NOW WE'RE LOOKING FOR YOU TO  
DEMONSTRATE TO US YOUR RESULTS.

WHAT ARE THE OUTCOMES  
OF YOUR COMPLIANCE PROGRAM,

AND HOW DOES IT TOUCH ALL OF  
YOUR OPERATIONAL UNITS

RESPONSIBLE FOR MEDICARE?

SO WE'RE LOOKING FOR  
TRENDS AND RESULTS.

MONITOR AND AUDIT RESULTS:  
THEY SHOULD TRIGGER SOMETHING

TO YOUR ORGANIZATION THAT,  
HEY, THERE MAY BE A NEED FOR

AN UPDATED POLICY AND PROCEDURE.

THERE MAY BE A NEED FOR AN  
UPDATE FOR THE CLAIMS SYSTEM.

AND HOW ARE YOUR EMPLOYEES  
RETRAINED ON THAT

NEW POLICY AND PROCEDURE?

WE DO ALL THIS FOLLOW-UP  
WHEN WE'RE ON-SITE VALIDATING

YOUR COMPLIANCE PROGRAM.

DO YOU HAVE THE PROPER  
INTERNAL CONTROLS OVER

YOUR DELEGATED ENTITIES?

AND NOW, YOU KNOW, THIS IS



A LARGE TASK RIGHT HERE.

YOU KNOW, YOU MAY HAVE HUNDREDS  
AND HUNDREDS OF DELEGATED

ENTITIES, SPECIFICALLY IF  
YOU ARE A PART "D" PROVIDER.

SO HOW DO YOU ENSURE THAT  
EVERYONE IS IN COMPLIANCE,

BECAUSE, ULTIMATELY, CMS  
HOLDS YOU RESPONSIBLE

FOR YOUR DELEGATED ENTITIES.

THIS IS A BIG ONE, TOO:  
EMPLOYEES ENGAGED.

ARE THEY ENGAGED WITHIN  
YOUR ORGANIZATION ON THEIR

SCOPE OF WORK, AS WELL AS  
DO THEY UNDERSTAND THE ROLE

THAT THEY PLAY IN COMPLIANCE?

SOME, LIKE, OUTCOMES THAT  
YOUR COMPLIANCE PROGRAM

SHOULD BE DETECTING.

WHETHER IT'S A DECREASE OR  
INCREASE IN MEDICARE BENEFICIARY

AND PBM FRAUD, WASTE, AND ABUSE:  
THAT'S A GOOD MEASURE.

YOU KNOW, IF THERE'S  
AN INCREASE, THEN, OK.

NOW, HOW DO YOU CHANGE THAT  
OR HOW DO YOU GET THOSE RESULTS

DOWN TO A DECREASING MATTER?

AND ULTIMATELY YOUR TRENDS  
AND RESULTS AND YOUR OUTCOMES--

THEY WILL HELP YOU



TO EVALUATE THE EFFECTIVENESS

OF YOUR COMPLIANCE PROGRAM.

WELL, YOU'RE SAYING,  
"OK, FOR TRAINING--"

IF YOU'RE LOOKING AT--  
SOMEHOW YOU PROVIDE TRAINING

TO A SUBSET OF YOUR ORGANIZATION  
THROUGH PRESENTATION SLIDES

LIKE THIS, THIS MAY NOT BE  
USEFUL FOR, YOU KNOW,

TRAINING ON A SPECIFIC TASK.

SO YOU WOULD KIND OF RETEST,  
MAYBE DO IT BY SURVEY

OR SOMETHING TO SEE  
HOW EFFECTIVE IT WAS,

OR ASK 2 QUESTIONS FROM  
THE TRAINING TO SEE IF FOLKS

REALLY GOT THE MOST IMPORTANT  
ASPECTS OF THAT TRAINING.

SO THAT'S KIND OF HOW YOU TEST.  
THAT'S WHAT WE'RE LOOKING FOR,

FOR YOU TO DEMONSTRATE  
TO US HOW EFFECTIVENESS--

HOW EFFECTIVE, EXCUSE ME,  
YOUR REQUIREMENTS ARE

FOR THE COMPLIANCE PROGRAM.

SO, AGAIN, EFFECTIVENESS.

THE STRUCTURE, THE CULTURE  
OF YOUR ORGANIZATION,

THE PROCESS, AND THE OUTCOMES--  
THEY ALL FLOW INTO A CYCLE.

LIKE YOUR STRUCTURE--



YOU MAY HAVE TO MAKE  
SOME CHANGES TO YOUR STRUCTURE.

WELL, AGAIN, THAT WILL AFFECT  
YOUR PROCESS AND YOUR POLICIES

AND PROCEDURES, AND  
THAT WILL ULTIMATELY--

HOPEFULLY, IT WILL  
AFFECT YOUR OUTCOMES.

AND, AGAIN, YOUR  
OUTCOMES FROM THAT

WILL POSSIBLY AFFECT  
YOUR STRUCTURE.

SO AS YOU CAN SEE, IT'S A  
REVOLVING CYCLE, AND THIS IS

KIND OF WHAT WE'RE LOOKING  
FOR YOU TO DEMONSTRATE TO US

WHEN WE COME ON-SITE.

SO SOME MAIN KEY POINTS.

BOTTOM LINE, THIS IS  
A CMS-WIDE TOP PRIORITY.

I'M TRYING TO MAKE THIS VERY  
LIGHT, BUT WE ARE VERY SERIOUS

ABOUT THIS EFFORT.

AGAIN, CMS WILL BE  
COMMUNICATING TO THE OIG,

WHICH I'M SURE YOU'RE  
FAMILIAR WITH, GAO,

AND OTHER BODIES  
ABOUT THE RESULTS OF

THE COMPLIANCE PROGRAM  
EFFECTIVENESS AUDITS.

AND THERE WE ARE BEING



VERY TRANSPARENT,

YOU KNOW, ON OUR WEB SITE ON  
THE RESULTS FROM YOUR AUDITS.

SO, AGAIN, WHEN WE TALK  
ABOUT REPUTATIONAL IMPACT

AND REGULATORY IMPACT,  
DEFINITELY--THIS IS WHERE

YOUR COMPLIANCE PROGRAM NEEDS  
TO KIND OF TAKE HEED TO.

AND, AGAIN, YOUR ACCOUNT  
MANAGER, AS WELL AS CENTRAL

OFFICE COUNTERPARTS, WILL BE  
CONDUCTING ONGOING MONITORING

AND AUDITING TO ENSURE  
THAT YOU ARE IN COMPLIANCE.

HOW WELL DOES YOUR COMPLIANCE  
PROGRAM DETECT ISSUES?

BECAUSE WHAT WE DO NOT WANT  
IS WHAT WE'VE BEEN SEEING

IN A COUPLE INSTANCES LATELY,  
IS THAT, YOU KNOW, THESE

ORGANIZATIONS WAIT TILL THE  
LAST MINUTE WHERE IT AFFECTS

HUNDREDS OF THOUSANDS  
OF BENEFICIARIES THAT ARE

NOT ABLE TO ACCESS THEIR MEDICAL  
SERVICES OR PRESCRIPTION DRUGS.

AND WE DO NOT WANT THAT  
BECAUSE THAT'S WHO

WE'RE RESPONSIBLE FOR.

AND JUST TO GIVE YOU SOME KIND  
OF, LIKE, CHARACTERISTICS

OF SOME GOOD INTERNAL CONTROLS



THAT WE USE WITHIN

OUR OWN ORGANIZATION AT CMS,

BECAUSE COMPLIANCE IS REALLY  
ABOUT INTERNAL CONTROLS.

SO, AGAIN, JUST ANTICIPATE  
RATHER THAN REACT

TO UNFORESEEN EVENTS.

AGAIN, BE PROACTIVE  
VERSUS REACTIVE.

DOCUMENT ALL PROCESSES  
AND SYSTEMS IN YOUR

AREA OF RESPONSIBILITY.

AS A COMPLIANCE OFFICER,  
YOU HAVE A HUGE JOB,

SO YOU NEED TO DOCUMENT.

WHEN YOU HAVE AN EMPLOYEE COME  
TO YOUR OFFICE ON A COMPLIANCE

ISSUE, YOU KNOW, EVEN THOUGH  
THAT'S AN ORAL STATEMENT

OR ORAL QUESTION, YOU NEED  
TO DEFINITELY DOCUMENT THAT

THIS PERSON WAS IN YOUR OFFICE  
ASKING ABOUT THIS,

AND THIS WAS THE FOLLOW-UP.

WE'RE LOOKING FOR, YOU KNOW,  
WHEN FOLKS COME INTO

YOUR OFFICE, AS WELL AS WHEN--  
DO THEY SEND YOU AN E-MAIL

OR ANY TYPE OF MECHANISM  
THAT YOU HAVE FOR REPORTING,

WE'RE LOOKING FOR YOU  
TO DEMONSTRATE TO US THAT



YOU HAVE THAT UNDER CONTROL.

ALSO, WE'RE LOOKING--A GOOD  
KIND OF INTERNAL CONTROL

IS USE STANDARDS OF PERFORMANCE  
FOR QUANTIFIABLE

AND NON-QUANTIFIABLE ACTIVITIES.

THIS IS A HUGE ONE THAT  
WE'RE REALLY FOCUSING ON

FOR A COMPLIANCE PROGRAM,  
AGAIN, ON RISK ASSESSMENTS.

I TALKED ABOUT SOME  
ORGANIZATIONS THAT ARE--

YOU KNOW, EVERYBODY'S CALLING  
IT THE EIGHTH REQUIREMENT

FOR COMPLIANCE PROGRAMS.

SO ROUTINELY IDENTIFY RISK  
AND VULNERABILITIES IN YOUR

OPERATIONS, WHETHER THAT'S  
THROUGH INTERNAL MONITORING,

AUDITING, OR SOME OTHER  
TYPE OF MECHANISM.

PERIODICALLY TEST,  
REVIEW, AND ANALYZE

YOUR POLICIES AND PROCEDURES.

WE JUST WENT TO AN  
ORGANIZATION NOT TOO LONG AGO

THAT ADMITTED UPFRONT THAT  
THEY HAVEN'T REVISED THEIR

POLICIES AND PROCEDURES TO  
REFLECT THEIR NEW STRUCTURE,

AND THAT WAS 2 YEARS AGO.



SO WHEN YOU HAVE NEW EMPLOYEES,  
THEY'RE HANDED SOMETHING

THAT'S BASED OFF OF  
THEIR PREVIOUS STRUCTURE

DOESN'T WORK AND DEFINITELY IS  
TOTAL OUT OF COMPLIANCE

AND IS DETRIMENTAL  
TO YOUR ORGANIZATION.

SO, DEFINITELY, YOU HAVE  
TO TEST THOSE Ps AND Ps

TO SEE IF THEY ACTUALLY  
WORK FOR YOUR ORGANIZATION.

EXCUSE ME--AHEM.

ANOTHER ONE IS JUST TO IDENTIFY  
AND CORRECT WEAKNESSES

IN A TIMELY MANNER, OR DEVISE  
A REASONABLE PLAN OF ACTION.

SO DON'T WAIT TILL THE LAST  
MINUTE OR WAIT TILL YOU HAVE

A HUGE PROBLEM OR A HUGE  
IMPACT TO YOUR ORGANIZATION.

JUST START WITH THE LITTLE  
ISSUES, AND THAT WAY YOU

PREVENT THEM FROM, YOU KNOW,  
TURNING INTO THESE ROBUST

OPERATIONAL ISSUES THAT  
WOULD INVOLVE CMS REGIONAL

AND CENTRAL OFFICE  
COUNTERPARTS.

AND, AGAIN, JUST REPORT  
YOUR VULNERABILITIES

AND MANAGEMENT ACTIONS.

MAKE SURE THAT YOU'RE TALKING.



MAKE SURE THAT IF YOU HAVE  
A QUESTION ABOUT YOUR, YOU KNOW,  
ORGANIZATION OR THAT YOUR--  
ABOUT YOUR COMPLIANCE,  
THAT YOU TALK TO  
YOUR ACCOUNT MANAGER.

OR IF YOU HAVE INSTANCES OF  
THAT YOU DON'T UNDERSTAND

A PARTICULAR REQUIREMENT, MAKE  
SURE THAT YOU'RE COMMUNICATING.

AGAIN, WE'RE NOT FALLING  
FOR THE WHOLE, YOU KNOW,

"OH, I INTERPRETED IT  
THAT GUIDANCE," OR,

"I DIDN'T UNDERSTAND THAT."

WE EXPECT YOU AS OUR  
CONTRACTORS TO ASK QUESTIONS

BECAUSE YOU'RE ULTIMATELY  
ACCOUNTABLE.

SO, AGAIN, JUST SOME CLOSING  
THOUGHTS, IS THAT INTERNAL

CONTROLS ARE EVERYONE'S  
RESPONSIBILITY.

INTERNAL CONTROLS ARE VITAL  
TO EFFECTIVE AND EFFICIENT

OPERATIONS, INCLUDING FINANCIAL  
REPORTING AND COMPLIANCE

WITH LAWS AND REGULATIONS FOR  
MEDICARE PART "C" AND PART "D,"

AND YOU ARE ACCOUNTABLE FOR THE  
RESOURCES UNDER YOUR CONTROL.

SO JUST--WE ARE VERY, VERY--  
I CAN'T STRESS IT ENOUGH--



VERY FOCUSED ON COMPLIANCE  
PROGRAM, AS WELL AS

THE PERFORMANCE AUDITS.

SO, YOU KNOW, IF YOU  
HAVE ANY QUESTIONS,

HERE'S MY CONTACT INFORMATION,  
AND I'LL BE HAPPY TO ADDRESS

YOUR QUESTIONS OR FEED THEM  
TO THE NECESSARY FOLKS.

THANK YOU.

[APPLAUSE]