The Full Cycle of the Common Conditions Best Practice Memo

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Common Conditions and Best Practice Memo

- On August 27, 2014, the Medicare Part C and D Oversight and Enforcement Group (MOEG) released its fourth common conditions, improvement strategies, and best practices HPMS memo to sponsors.

- These memos are intended to provide actionable information from audit reviews to help sponsors improve compliance with CMS regulations, assess risks to their organization, and improve audit outcomes.

The Parts C & D Strategic Conversation Process

- The Strategic Conversation process was developed in 2014 as a method to conduct targeted conversations with Qualified Health Plan (QHP) Issuers in the Federal Marketplace.

- As CMS continues to move toward an enterprise Account Management approach, we decided to pilot the QHP strategic conversation process into the Parts C & D AM Program.

The Parts C & D Strategic Conversation Process (cont.)

The Parts C & D Strategic Conversations goals are to:

- Strengthen communication between AMs and sponsors
- Encourage AMs to conduct targeted conversations with sponsors
- Develop a consistent and structure AM communication process
- Help drive performance improvement
- Provide a feedback loop for sponsors to offer suggestions for future improvements

- The AMs used the Strategic Conversation as a way to discuss the Common Conditions/Best Practice memo with sponsors.

Common Conditions/Best Practices Strategic Conversation

During this strategic conversation, the AMs asked sponsors six questions:

1. Have you and your compliance staff reviewed CMS' common conditions, improvement strategies, and best practices memos?
2. Have you or your compliance officer made senior leadership aware of these memos?
3. Did you conduct an internal performance assessment and compare your assessment with common conditions or findings shared in the memos?

Common Conditions/Best Practices Strategic Conversation (cont.)

4. What process or system changes have you implemented as a result of these memos?

5. Did you find the memos helpful? Please explain.

6. What additional audit guidance from CMS would you like to help you improve your performance?

Results of the Strategic Conversation

AMs across the ten ROs summarized the common responses from approximately 118 sponsors into the following categories:

(A) Summary of Responses

(B) Audit Transparency

(C) Audit Technology Assistance

(D) Sponsor Training

(E) Sponsor's Requests for Guidance

(F) Recommendations for Future Improvements

The Audit Committee's Response

➢ The Audit Committee found sponsors' ideas and recommendations valuable and constructive .

➢ The Audit Committee designated the AM Committee to lead the effort to provide responses to the sponsors either by the AM Committee or the Account Managers.

➢ As a representative of the AM Committee, I am happy to share those responses with you today.

Results by Category

Summary of Responses - Sponsors reported they:

➢ Were aware of all four (4) memos

➢ Take the memos very seriously

➢ Shared the memos with senior leadership

➢ Use the information to improve internal processes, and implement best practices where possible

➢ Conduct risk assessment, mock audits, train staff, and develop annual compliance plans.

One sponsor shared the following, *"These memos were an eye opener as to the deficiencies found in our organization."* *Several* sponsors attribute their ability to perform well or achieve five (5) star quality ratings to the information in the memos.

Results by Category (cont.)

Audit Transparency

Sponsors expressed concern over the lack of transparency during audits and the process CMS uses to communicate audit information. For example:

➢ Auditors should be on site during the first week of the audit.
➢ CMS should provide pre-audit checklists to sponsors.
➢ CMS should share its entire audit methodology, tools and scoring with sponsors.

Results by Category (cont.)

➢ CMS should develop a standard audit format and materials that sponsors can use to ensure compliance and train staff.

➢ Share the methodology CMS uses to select sponsors for audits, determine universes, and select samples.

➢ Suggest auditors conduct sampling earlier in the audit process in order to allow sponsors to discuss all aspects of each case.

➢ Provide sponsors with information regarding how CMS auditors are selected, credentialed, and how CMS measures auditors to ensure audit interpretation consistency.

Examples of Sponsor's Audit Concerns and Audit Committee's Response

Audit Transparency

Recommendation: Have auditors on-site during the first week of the audit in order to improve communication, which is challenging via the current webinar strategy.

- ✓ **CMS Response**: We implemented webinar technology due to budgetary constraints and in response to prior sponsor feedback advising the CMS on-site presence was burdensome and overwhelming. We are discussing ways to improve communication during the webinars and welcome ideas for how to mitigate this challenge.

Recommendation: Provide pre-audit checklists as a tool to help sponsors prepare for audits.

- ✓ **CMS Response**: CMS supports this suggestion and will develop a pre-audit checklist to assist sponsors in preparing for an audit.

Examples of Sponsor's Audit Concerns and Audit Committee's Response (cont.)

Audit Transparency

Recommendation: CMS should share its entire audit methodology, tools and scoring with sponsors.

✓ **CMS Response**: We currently do not publish our methods of evaluation. However, the vast majority of audit materials, i.e. audit protocols/tools, sample audit reports, universe requests and file layouts, and scoring methodology are posted to our website and distributed through HPMS memos.

Recommendation: Develop a standard audit format and materials that sponsors can use to ensure compliance and train staff.

✓ **CMS Response**: As noted above, our standard auditing materials are posted to the CMS website. CMS has also developed trainings specific to CPE, CDAG and ODAG that are also publicly available and free of charge, which sponsors may utilize to train their staff. These courses are available on MedLearn Matters.

Examples of Sponsor's Audit Concerns and Audit Committee's Response (cont.)

Audit Transparency

Recommendation: Share the methodology CMS uses to select sponsors for audits, determine universes, and select samples.

✓ **CMS Response**: Our data-driven risk assessment uses a variety of data that is already available to CMS, such as STAR ratings, Past Performance measures and plan reported data to select sponsors for audit each year and is described in our published annual report.   Every sponsor should expect to be audited during a 3-5 year audit cycle. CMS' process for collecting universes from which we select samples is described in the published protocol documents.

Examples of Sponsor's Audit Concerns and Audit Committee's Response (cont.)

Audit Transparency

Recommendation: Suggest auditors conduct sampling earlier in the audit process in order to allow sponsors to discuss all aspects of each case.

- ✓ **CMS Response**: We recognize the value of this request. CMS has worked to improve this process in 2015 to provide sponsors enough time to fully discuss cases during the audit. Any concerns regarding timing or the audit process should be directed to the auditor-in-charge or the Director of Audit Operations.

Examples of Sponsor's Audit Concerns and Audit Committee's Response (cont.)

Audit Transparency

Recommendation: Provide sponsors with information regarding how CMS auditors are selected, credentialed, and how CMS measures auditors to ensure audit interpretation consistency.

- ✓ **CMS Response**: Beginning with the 2015 audit cycle, CMS is using core teams organized by specialty areas to conduct audits. Members of these teams are from Central Office, Regional Offices, and contractors who receive special training with a focus on a subject area of expertise. Core teams meet regularly to discuss audit results to ensure consistency in applying policy standards across audits.

Results by Category

Audit Technology Assistance

Sponsors reported needing assistance with audit data requirements and data definitions. For example:

➢ Develop a data dictionary to help sponsors understand audit data requirements, how to extract universes, samples, and populate worksheets appropriately

➢ Make audit guidance user friendly

➢ Ensure sponsors are notified when CMS audit tools are updated and distributed to sponsors

Examples of Sponsor's Audit Concerns and Audit Committee's Response

Audit Technology Assistance

Recommendation: CMS should develop a data dictionary to help sponsors understand audit data requirements, how to extract universes, samples, and populate worksheets appropriately.

✓ **CMS Response**: The 2015 audit process and data request documents have been significantly expanded to include general guidelines, universe preparation and submission, audit elements, and file record layouts for each audited subject area.

Recommendation: Update audit guides and notify sponsor of those updates.

✓ **CMS Response**: Audit protocols are updated annually, distributed via HPMS memos and published to our website.

Results by Category

Sponsor Training

Sponsors complimented CMS on its training efforts but expressed the need for additional training and conferences. Several sponsors requested training on the following topics:

➤ How to implement best practices

➤ How to shift from random sample to targeted audit approach model

➤ Conduct audit workshops

➤ Conduct audit webinars

Examples of Sponsor's Audit Concerns and Audit Committee's Response

Sponsor Training

Recommendation: Conduct audit webinars that will address how to implement best practices, a targeted sampling approach, and how to prepare for an audit season, etc.

- ✓ **CMS Response**: CMS will explore the idea of offering audit-related webinars to the industry to address various training topics and requests for additional guidance.

Results by Category

Sponsor's Requests for Guidance

- Sponsors requested guidance on:
  - The special needs plans (SNP)model of care
  - Formulary administration
  - Additional details regarding best practices
  - Additional information regarding root cause analysis
  - Guidance on compliance areas that are not currently part of CMS' audit process (i.e. enrollment, marketing, and sales)
  - Hospice claims
  - "Auditor's preferences or priorities" to help sponsors meet auditors expectations

Results by Category (cont.)

Recommendations for Future Improvements

AMs received a number of recommendations. For example:

- ➢ Provide a risk-free way for sponsors to ask questions
- ➢ Develop a frequently asked question (FAQ) audit data base
- ➢ Offer audit 101 seminars
- ➢ Develop an industry focus workgroup to address audit clarification issues and concerns
- ➢ Ensure CMS contractors use CMS email when communicating with sponsors during audits

Examples of Sponsor's Audit Concerns and Audit Committee's Response

Future Improvements

Suggested Improvement: Provide a "risk-free" way to ask CMS questions.

- ✓ **CMS Response**: We want your feedback on our audit process, protocols, etc. Sponsors should be transparent about any issues that arise during the audit process, that said - CMS can explore options for submitting questions anonymously.

Suggested Improvement: Develop an audit FAQ database.

- ✓ **CMS Response**: Unfortunately, CMS cannot support an audit FAQ database.

Examples of Sponsor's Audit Concerns and Audit Committee's Response (cont.)

Future Improvements

Suggested Improvement: Form an industry focus workgroup to address audit issues and concerns.

- ✓ **CMS Response**: CMS welcomes sponsor feedback on our audit process. We have held numerous listening sessions with the industry, and we ask every audited sponsor to complete an online survey following the audit to share feedback on process and content. We highly encourage sponsors to provide that feedback through the survey or to submit suggestions to our audit mailbox.

Examples of Sponsor's Audit Concerns and Audit Committee's Response (cont.)

Future Improvements

Suggested Improvement : Ensure CMS contractors use CMS email when communicating with sponsors during audits.

- ✓ **CMS Response**: CMS recognizes the challenges presented by contractor communications. The agency cannot issue CMS email addresses to contractors but we can provide sponsors with contractor names and e-mail addresses to prevent any blocked addresses and improve communication during the audit process.

Conclusion

➢ Strategic Conversations provide a means for sponsors to offer recommendations for improvements.

➢ It is an effective and consistent communication tool that provides real time information and creates a positive communication feedback loop.

Conclusion

On Behalf of the Regional Office Account Managers

The RO AM Business Functional Leads:

Judy Flynn, ARA
&
Brenda Suiter, ARA

Thank you for your participation in the Strategic Conversation Process

As you can tell, your participation is valued!

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