



THE BURCHFIELD GROUP

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CMS Audit and Enforcement Initiatives: How Health Plans Can Prepare Now

Key takeaways from
CMS' May conference

June 6, 2018

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About The Burchfield Group



Discussion Leaders



Brian Bullock

Founder and CEO

Brian is the founder and CEO of The Burchfield Group and bring over 30 years of pharmacy industry experience to Burchfield.



Derek Frye

Practice Leader, Audit & Compliance Services

Derek leads the Burchfield audit teams, conducting over 150 audits annually in service of Burchfield's clients. He brings eleven years of technical and auditing experience to Burchfield.



Yvonne Zachman Fiedler

Senior Consultant

As a senior consultant specialized in audit and compliance services, Ms. Zachman Fiedler leads CMS mock audits and IVA projects, and contributes to sales growth. She has 15 years of health care compliance and operational experience.



Learning Objectives

- 2018 program audit updates
- 2019 program audit protocol updates
- Independent validation audit (IVA) process adjustments
- 2017 audit & enforcement report commentary
- Division of compliance and enforcement (DCE) analysis
- Grievances / call log / reopening classification updates



2018 Program Audit Updates

- CMS began audit selection on March 1st
 - Selections are mostly plans that have not been selected yet this in cycle (2015 – 2018)
 - Mix of mid-size plans and some smaller / newer plans
- CMS expects to send out the last audit notification letter by the end of September
 - CMS expects to select between 35 – 40 plan sponsors... so you're not "out of the woods" yet!
- Thoughts on this year:
 - The changes to the 2018 protocol are in full effect
 - Continued deep dive into the call logs
 - CMS has 2+ observers on every audit session, appears to be ramping up additional auditors



2019 Audit Protocol Updates

- Data requests separate from audit process documents
 - Reading between the lines... protocol through CMS website (vs. PRA) allows flexibility for CMS
- Universe consolidation may be a burden due to existing IT / QA processes
- Impact Analysis templates provided – standardizes IAs and minimizes questions to CMS
- Highlights of changes across protocols
 - CPE: timeframe goes from 12 months to 6 months
 - CDAG: addition of a “catch-all” universe (UC)
 - ODAG: a lot of minor adjustments... likely more than any other protocol (in terms of impact)
 - SNP: switch to tracer format and focus on outcomes
 - FA: minor changes
- Universe period shortening does appear to allow CMS to start the notification process earlier than March



2019 Audit Protocol Updates – CPE

- Moving from 4 universes to 3... but nothing material is now excluded
 - 26 week universe period instead of 12 months
 - Also, the in-depth self-assessment questionnaire is gone

- Employee list samples set at 20
 - OIG/GSA screening needs to be a first-class process at your plan (failed 31% in 2017)
 - Also, CMS removed the previous universe filter of “...or do not work on the Medicare Parts C and/or D line of business”

- 38% of common conditions in CPE are due to audit plans / risk assessments / FDR
 - Make your risk assessments are robust but your audit plans realistic



2019 Audit Protocol Updates – CDAG

- New “catch-all” universe in CDAG (UC)
 - Probably needs more QA than any other CDAG universe
 - If CMS finds issues here, it’s fair game for them to add it to FA & ODAG in the future...

- Universe periods changed

Tables	Old Duration	New Duration	Implication
CDs/Payment/RDs	3/2/1 month(s)	12/8/4/2 weeks	Decreased work for all plan sizes
IRE/GRV/UC	3/2/1 month(s)	24/16/8/4 weeks	Increased work for small – medium plan sizes
Call log	4/3/2 weeks	10/7/3 days	Decreased work for all plan sizes

2019 Audit Protocol Updates – ODAG

- Several small, but significant, universe changes
 - Break multi-service requests into multiple universe lines (previously needed to be combined)
 - Include Part B drugs – this was not explicit before, even if CMS wanted it
 - Date paid must be the date a check enters the mail stream, NOT the date it enters mail room
 - Call logs: no need to separate C & D calls if you cannot; exclude non-Medicare & “appointment-only” lines; call category is now required;

- Universe periods changed

Tables	Old Duration	New Duration	Implication
ODs/Payment/RCs	3/2/1 month(s)	12/8/4/2 weeks	Decreased work for all plan sizes
IRE/GRV/Dismissals	3/2/1 month(s)	24/16/8/4 weeks	Increased work for small – medium plan sizes
Call log	4/3/2 weeks	10/7/3 days	Decreased work for all plan sizes

2019 Audit Protocol Updates – SNP

- Addition of a detailed questionnaire
 - Focus on risk stratification, ICT, HRA, and documentation/training
- Replacing PPME with three “tracers” to evaluate MOC performance reviews
 - Focused on outcomes, PDC, and interaction with FDRs
- Minor SNPE universe changes
 - Addition of risk stratification value for each beneficiary
 - Addition of whether enrollee had an ICT assigned
- Clinical coordination, documentation, and FDR integration is key!

2019 Audit Protocol Updates – FA

- Small universe changes
 - HICN vs. MBI
 - Clarification about how to represent compound claim NDCs
- Website review going away, but you still submit all coverage determination/PA forms
- Universe periods changed

Tables	Old Duration	New Duration	Implication
RCFA	2/1 month(s)	8/4/2 weeks	Decreased work for all medium and large plans



Independent Validation Audit Process Adjustments

- Interesting thoughts in the CY 2019 call letter & presentation in May
 - Mostly listened to sponsor feedback... your comments matter!
 - Excluding CPE conditions when determining if an IVA is needed
- Conflicts of interest
 - Some new terminology used in May session – there’s conflict if you use “consultants who assist with audit-related operations, and/or the correction of audit conditions”
 - This is CMS being a little more permissive
- Reading between the lines... what is CMS concerned about?
 - Two auditors per program area
 - Audit team staffing and credentials
 - A clear work plan & audit report

2017 Audit and Enforcement Report

- 2016 → 2017: CDAG, ODAG, and SNP scores dropped 0.6 points (vs. 1 point from 2015 → 2016)
 - Reasons aren't in the report. Based on Burchfield's observations it's because...
 - Smarter delegated entities (esp. PBMs & mid-size Part C vendors)
 - Fewer timeliness findings
 - PACTs
 - Smarter plans... but also a different mix of sponsors being audited
- CPE scores rose
 - Because of scoring technicality rather than worse performance
- Reading between the lines... what is CMS concerned about?
 - Demonstrating a correlation between Stars & program audit scores
 - 1/3 financial audit referrals... these are “new” but CMS warned us in past call letters
 - No ground breaking changes for 2019 protocols... so what's in store for the new audit cycle?

DCE Enforcement Analysis Process

- Emphasized that a CMP requires a violation of a clear requirement
 - Reading between lines – sometimes auditors are “in a hurry”
- Impact analyses may need to be repeated when under CMP referral review
- CMP updates: removal of of enrollees whose adverse impact was substantially mitigated
- 1/3 financial audits now under consideration for CMPs (20 referrals & 8 under review & 2 CMPs issued, per 2017 Audit & Enforcement report)



Grievance / Call log / Reopening Classification

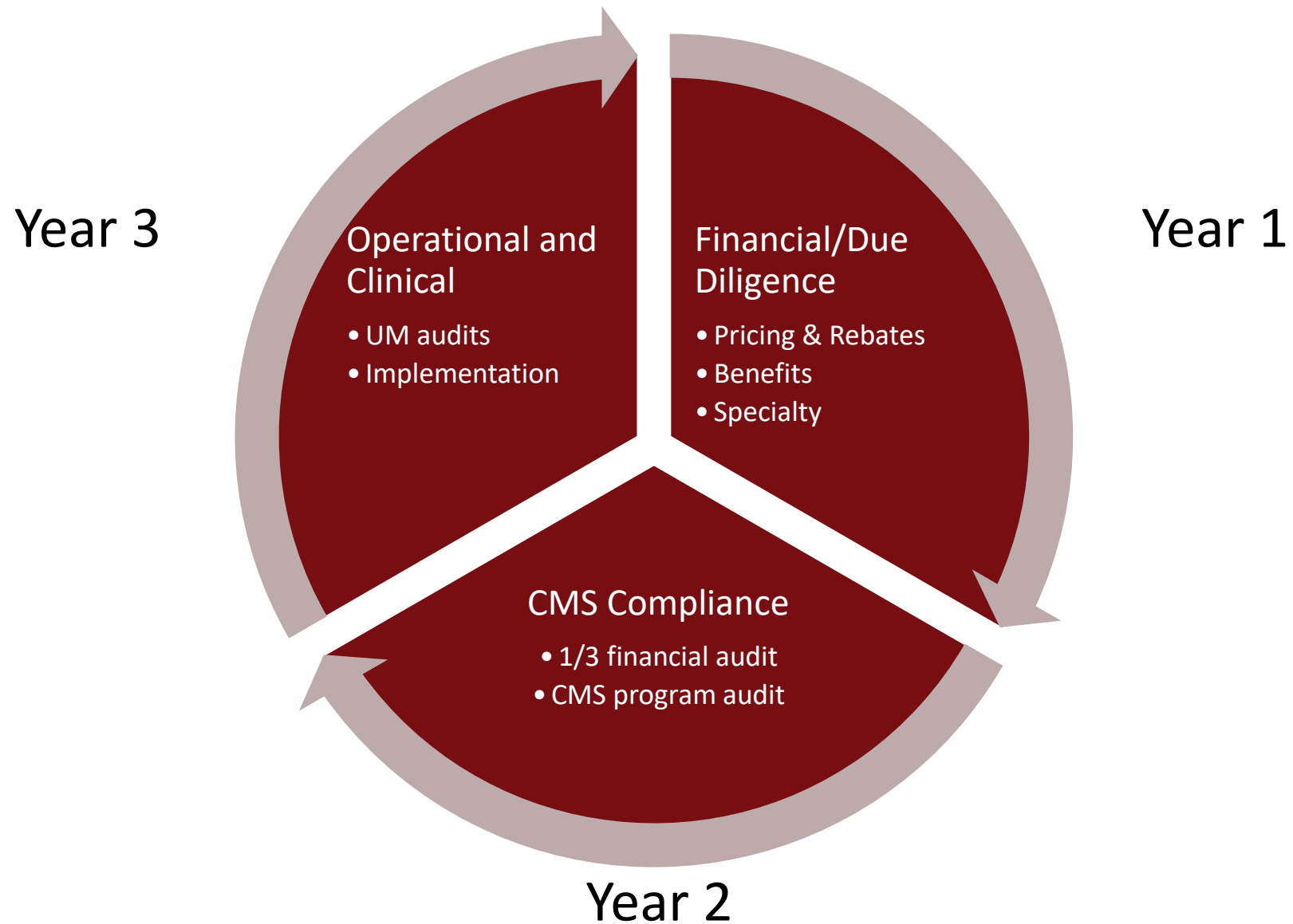
- If you didn't watch the spring conference live, this is the key recorded WebEx to go watch
 - The presentation is just 15 different polling questions / scenarios
- Presentation seemed to imply plans need to be liberal about:
 - Peeling every possible grievance, coverage request, and reopening out of each call / inquiry
 - Using the reopening process where you might otherwise feel an appeal was needed
- The viewing audience of CMS compliance professionals weren't even able to answer most of the poll questions correctly! What implications does this have for your front-line staff?
 - When the recording is available, this session might be a good training module to use



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Comprehensive Audit Strategy



Open Questions & Presenter Contacts

Survey: <http://bit.ly/Burchfield2018SpringConference>

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References

CMS Conference material and webinar:

https://www.cms.gov/Outreach-and-Education/Training/CTEO/Event_Archives.html

2019 Final Call Letter (dated April 2, 2018):

<https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Announcement2019.pdf>

Federal Register for Program Audit changes (dated April 2, 2018):

<https://www.gpo.gov/fdsys/pkg/FR-2018-04-02/pdf/2018-06645.pdf>

PRA link for 2019 Protocols (comments closed June 4, 2018... or maybe July):

<https://www.cms.gov/Regulations-and-Guidance/Legislation/PaperworkReductionActof1995/PRA-Listing-Items/CMS-10191.html?DLPage=2&DLEntries=10&DLSort=1&DLSortDir=descending>

