# MEDICARE PARTS C AND D GENERAL COMPLIANCE TRAINING

INNOVATIVE MANAGEMENT SYSTEMS, INC.

# ACRONYMS

- The following acronyms are used throughout the course:

| ACRONYM | TITLE TEXT |
|---|---|
| CFR | Code of Federal Regulations |
| CMS | Centers for Medicare & Medicaid Services |
| FDR | First-tier, Downstream, and Related Entity |
| FWA | Fraud, Waste, and Abuse |
| HHS | U.S. Department of Health & Human Services |
| MA | Medicare Advantage |
| MAO | Medicare Advantage Organization |
| MA-PD | MA Prescription Drug |
| MLN | Medicare Learning Network® |
| OIG | Office of Inspector General |
| PDP | Prescription Drug Plan |

# INTRODUCTION

- The Medicare Learning Network® (MLN) offers free educational materials for health care professionals on the Centers for Medicare & Medicaid Services (CMS) programs, policies, and initiatives. Get quick access to the information you need.
  - Publications & Multimedia
  - Events & Training
  - Newsletters & Social Media
  - Continuing Education

| HYPERLINK URL | LINKED TEXT/IMAGE |
|---|---|
| https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts | Publications & Multimedia |
| https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNGenInfo/Events-and-Training.html | Events & Training |
| https://www.cms.gov/Outreach-and-Education/Outreach/FFSProvPartProg | Newsletters & Social Media |
| https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNGenInfo/Continuing-Education.html | Continuing Education |

- This training assists Medicare Parts C and D plan Sponsors' employees, governing body members, and their first-tier, downstream, and related entities (FDRs) to satisfy their annual general compliance training requirements in the regulations and sub-regulatory guidance at:
  - 42 Code of Federal Regulations (CFR) Section 422.503(b)(4)(vi)(C)
  - 42 CFR Section 423.504(b)(4)(vi)(C)
  - Section 50.3 of the Compliance Program Guidelines (Chapter 9 of the Medicare Prescription Drug Benefit Manual and Chapter 21 of the Medicare Managed Care Manual)
  - The "Downloads" section of the CMS Compliance Program Policy and Guidance webpage
- Completing this training in and of itself does not ensure a Sponsor has an "effective Compliance Program." Sponsors and their FDRs are responsible for establishing and executing an effective compliance program according to the CMS regulations and program guidelines.

| HYPERLINK URL | LINKED TEXT/IMAGE |
|---|---|
| https://www.ecfr.gov/cgi-bin/text-idx?SID=c66a16ad53319afd0580db00f12c5572&mc=true&node=pt42.3.422&rgn=div5#se42.3.422_1503 | 42 Code of Federal Regulations (CFR) Section 422.503 |
| https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=5cff780d3df38cc4183f2802223859ba&mc=true&r=PART&n=pt42.3.423 | 42 CFR Section 423.504 |
| https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/Downloads/Chapter9.pdf | Chapter 9 of the Medicare Prescription Drug Benefit Manual |
| https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/mc86c21.pdf | Chapter 21 of the Medicare Managed Care Manual |
| https://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/CompliancePrograms/PolicyandGuidance.html | CMS Compliance Program Policy and Guidance webpage |

# WHY DO I NEED TRAINING?

- Every year, **billions** of dollars are improperly spent because of fraud, waste, and abuse (FWA).
  - It affects everyone – including **you**.
- This training helps you detect, correct, and prevent FWA. **You** are part of the solution.
- Compliance is everyone's responsibility!
- As an individual who provides health or administrative services for Medicare enrollees, every action you take potentially affects Medicare enrollees, the Medicare Program, or the Medicare Trust Fund.

# TRAINING REQUIREMENTS: PLAN EMPLOYEES, GOVERNING BODY MEMBERS, AND FIRST-TIER, DOWNSTREAM, OR RELATED ENTITY (FDR) EMPLOYEES

- Certain training requirements apply to people involved in Medicare Parts C and D.
  - All employees of IMS must receive training about compliance with CMS program rules.
  - You must also complete FWA training within 90 days of your initial hire.
  - More information on other Medicare Parts C and D compliance trainings and answers to common questions is available on the CMS website. Please contact the IMS Compliance Department for more information.
- **Learn more about Medicare Part C**
  - Medicare Part C, or Medicare Advantage (MA), is a health insurance option available to Medicare beneficiaries.
  - Private, Medicare-approved insurance companies run MA programs. These companies arrange for, or directly provide, health care services to the beneficiaries who enroll in an MA plan.
  - MA plans must cover all services Medicare covers with the exception of hospice care. They provide Part A and Part B benefits and may also include prescription drug coverage and other supplemental benefits.
- **Learn more about Medicare Part D**
  - Medicare Part D, the Prescription Drug Benefit, provides prescription drug coverage to Medicare beneficiaries enrolled in Part A and/or Part B who enroll in a Medicare Prescription Drug Plan (PDP) or an MA Prescription Drug (MA-PD) plan.
  - Medicare-approved insurance and other companies provide prescription drug coverage to individuals living in a plan's service area.

# NAVIGATING AND COMPLETING THIS COURSE

- Anyone who provides health or administrative services to Medicare enrollees must satisfy general compliance and FWA training requirements. You may use this course to satisfy the general compliance training requirements.
- This course consists of one lesson and a Post-Assessment quiz containing 10 questions.
- Successfully completing the course requires completing the lesson and scoring 70 percent or higher on the Post-Assessment.
- Visit the Resources slide for more information which you may find useful as you proceed through this course.

# COMPLIANCE PROGRAM TRAINING – LEARNING OBJECTIVES

- This lesson outlines effective compliance programs.
- After completing this lesson, you should correctly:
  - Recognize how a compliance program operates
  - Recognize how compliance program violations should be reported

# COMPLIANCE PROGRAM REQUIREMENT

- The Centers for Medicare & Medicaid Services (CMS) requires Medicare Parts C and D plans to implement and maintain an effective compliance program. These requirements also apply to health plan first-tier, downstream, and related entities (FDRs).
- An effective compliance program must:
  - Articulate and demonstrate an organization's commitment to legal and ethical conduct
  - Provide guidance on how to handle compliance questions and concerns
  - Provide guidance on how to identify and report compliance violations
  - Ensure compliance program audits are performed by individuals independent of fiscal or administrative management
  - Include Standards of Conduct (or Code of Conduct)

# WHAT IS AN EFFECTIVE COMPLIANCE PROGRAM?

An effective compliance program fosters a culture of compliance within an organization and, at a minimum:

| | | | | |
|---|---|---|---|---|
| Prevents, detects, and corrects non-compliance | Is fully implemented and is tailored to an organization's unique operations and circumstances | Has adequate resources | Promotes the organization's Standards of Conduct | Establishes clear lines of communication for reporting non-compliance |

An effective compliance program is essential to prevent, detect, and correct Medicare non-compliance as well as fraud, waste, and abuse (FWA).

It must, at a minimum, include the seven core compliance program requirements.

# SEVEN CORE COMPLIANCE PROGRAM REQUIREMENTS

CMS requires an effective compliance program to include seven core requirements:

1. **Written Policies, Procedures, and Standards of Conduct**
   - These articulate IMS' commitment to comply with all applicable Federal and State standards and describe compliance expectations according to the Standards of Conduct.
2. **Compliance Officer, Compliance Committee, and High-Level Oversight**
   - IMS must designate a compliance officer and a compliance committee accountable and responsible for the activities and status of the compliance program, including issues identified, investigated, and resolved by the compliance program.
   - IMS' senior management and governing body must be engaged and exercise reasonable oversight of the Sponsor's compliance program.
3. **Effective Training and Education**
   - This covers the elements of the compliance plan as well as preventing, detecting, and reporting FWA.
4. **Effective Lines of Communication**
   - Make effective lines of communication accessible to all, ensure confidentiality, and provide methods for reporting good-faith compliance issues anonymously.
   - Having "effective lines of communication" means employees have several avenues to report compliance concerns.

# SEVEN CORE COMPLIANCE PROGRAM REQUIREMENTS

5. **Well-Publicized Disciplinary Standards**
   - IMS must enforce standards through well-publicized disciplinary guidelines.

6. **Effective System for Routine Monitoring, Auditing, and Identifying Compliance Risks**
   - Conduct routine monitoring and auditing of operations to evaluate compliance with CMS requirements as well as the overall effectiveness of the compliance program.
   - **NOTE:** Health plans must ensure FDRs performing delegated administrative or health care service functions concerning their Medicare Parts C and D program comply with Medicare Program requirements.

7. **Procedures and System for Prompt Response to Compliance Issues**
   - Use effective measures to respond promptly to non-compliance and undertake appropriate corrective action.

# ETHICS: DO THE RIGHT THING!

- As part of the Medicare Program, you must conduct yourself in an ethical and legal manner. It's about doing the right thing!
  - Act fairly and honestly
  - Adhere to high ethical standards in all you do
  - Comply with all applicable laws, regulations, and CMS requirements
  - Report suspected violations

# HOW DO YOU KNOW WHAT IS EXPECTED OF YOU?

- Now that you've read the general ethical guidelines on the previous page, how do you know what is expected of you in a specific situation?
- Standards of Conduct (or Code of Conduct) state the organization's compliance expectations and their operational principles and values.
  - IMS' Code of Conduct can be found here: Y:\Human Resources\IMS_Code of Conduct
- Reporting Standards of Conduct violations and suspected non-compliance is **everyone's** responsibility.
  - IMS' Standards of Conduct and Policies and Procedures identify this obligation and tell you how to report suspected non-compliance.

# WHAT IS NON-COMPLIANCE?

Non-compliance is conduct that does not conform to the law, Federal health care program requirements, or an organization's ethical and business policies. CMS identified the following Medicare Parts C and D high risk areas:

- Agent/broker misrepresentation
- Appeals and grievance review (for example, coverage and organization determinations)
- Beneficiary notices
- Conflicts of interest
- Claims processing
- Credentialing and provider networks
- Documentation and Timeliness requirements
- Ethics
- FDR oversight and monitoring
- Health Insurance Portability and Accountability Act (HIPAA)
- Marketing and enrollment
- Pharmacy, formulary, and benefit administration
- Quality of care
- Claims and Utilization Management documentation manipulation

For more information, refer to the Compliance Program Guidelines in the Medicare Prescription Drug Benefit Manual and Medicare Managed Care Manual.

# EXAMPLES OF NON-COMPLIANCE

| Examples of Non-Compliance | Explanation for why it is non-compliant |
|---|---|
| "My friend is one of our members, and I am concerned about her health. Even though she is not on my case load, I look at her medical records periodically to make sure she is doing okay." | Accessing a medical record when it is not related to your job is both unethical and illegal. |
| "A health plan has a program available for plan members to shown to improve patient outcomes and member experience. The health plan is excited about the program and offers doctors' offices $250 for every patient it enrolls in the program." | This type of arrangement incentivizes the doctors' offices to funnel patients to the health plan which is considered a kickback and a crime under the Anti-Kickback Statute. |
| "My coworker changed a date on a member's authorization request to avoid getting in trouble for being late. I know this is wrong, but it only happened once, so I won't say anything." | Covering up or concealing unethical behavior is wrong. While you intended to protect your coworker, you allowed harm to occur to the member. |
| "One patient needed a doctor's office visit on 12/29. He stated his insurance wouldn't be effective until 1/1. My coworker wanted to help the patient and changed the date of service in the medical record to 1/2 to ensure the patient's insurance covered the visit." | Knowingly entering inaccurate or false information into a record to ensure compensation is fraud and is a crime under the Federal False Claims Act. If you know or suspect fraud is occurring, you must report it immediately to management or Compliance. |

# EXAMPLES OF NON-COMPLIANCE (CONT'D)

| Examples of Non-Compliance | Explanation for why it is non-compliant |
|---|---|
| "We received a request from a member to access their medical records. Our coworker who handles these requests is out on medical leave for at least 2 more months. Due to our shortage of staff, these types of requests can wait until our coworker returns." | This is incorrect. It is the law that medical records be provided within 30 days of the request. You must follow all timeframes required by your organization and/or health plan. |
| "The mailroom where we send out denial letters has been having issues. We have not told anyone, even though outgoing mail has been delayed for at least 2 days. This should not be an issue." | This is an issue because denial letters have sensitive timeframes. Delays in mailing should be reported immediately. |
| "Our patient wants a procedure not covered by his insurance as it is not considered medically necessary. A Physician Assistant knows the procedure would be covered by insurance for treatment of a specific diagnosis and adds this diagnosis to the insurance claim to ensure the procedure is covered." | Knowingly entering inaccurate information in a record to ensure compensation is a crime under the Federal False Claims Act. If you know or suspect fraud is occurring, you must report it immediately to management or Compliance. |
| "A pharmaceutical representative has given our office tickets to a highly coveted sporting event in appreciation of all the business that we do with them. We know these are expensive and hard to come by. Can we accept the tickets?" | No. This would be a conflict of interest and may create the perception that business is only conducted with those pharmaceutical companies that provide perks, and not those in the best interest of the member/enrollee. |

# KNOW THE CONSEQUENCES OF NON-COMPLIANCE

- Failure to follow Medicare Program requirements and CMS guidance can lead to serious consequences, including:
  - Contract termination
  - Criminal penalties
  - Exclusion from participating in all Federal health care programs
  - Civil monetary penalties
- Additionally, IMS has disciplinary standards for non-compliant behavior.
- Those who engage in non-compliant behavior may be subject to any of the following:
  - Mandatory training or re-training
  - Disciplinary action
  - Termination

# NON-COMPLIANCE AFFECTS EVERYBODY

Without programs to prevent, detect, and correct non-compliance, we all risk harm to our enrollees/members and to everyone:

## Harm to beneficiaries, such as:

- Delayed services/treatment
- Denial of benefits
- Increased member financial liability
- Difficulty in using providers of choice
- Other barriers to care

## Overall Impact Affecting Everyone:

- High insurance copayments
- Higher premiums
- Lower benefits for individuals and employers
- Regulatory/legal penalties and fines
- Lower Star ratings
- Lower profits and provider reimbursement

# REPORTING POTENTIAL NON-COMPLIANCE

Any reports of possible non-compliance or fraud can be submitted to the Innovative Management Systems' Compliance Department in the following ways:

- **Email**: Compliance@imsmso.com
- **Phone Hotline**: 1-855-222-1025
  - This hotline is available 24 hours a day, 7 days a week
  - Reports can be made **anonymously**
- **Web Portal**: www.lighthouse-services.com/imsmso
  - You can file a report on the web portal **anonymously**
- **Fax**: 1-323-832-8141
- **In-Person**: Reports may be made in person to the IMS Compliance Officer, Renee Kimm

- IMS' non-retaliation policy states that there will be **NO RETALIATION** against you for reporting suspected non-compliance in good faith.

# REPORTING NON-COMPLIANCE

- Reports of suspected non-compliance may be made anonymously and are kept confidential to the extent allowed by law.
  - Remaining anonymous means that your identity will not be known and will not be attempted to be known. Reports made anonymously should include as much detail as possible, including any examples, so that investigations can be made thoroughly.
  - Regardless of whether you choose to remain anonymous, information shared will be kept confidential. This means that the information about the person who made the report, any details about the situation or issue, will only be shared with persons on a need-to-know basis and only to the extent allowed by law.
- A whistleblower is a person who exposes information or activity that is deemed illegal, dishonest, or violates professional/clinical standards.
  - Whistleblowers and persons who report in good-faith any suspected violations or issues are protected from retaliation and intimidation.

# WHAT HAPPENS AFTER NON-COMPLIANCE IS DETECTED?

- Non-compliance must be investigated immediately and corrected promptly.
- Internal monitoring should ensure:
  - No recurrence of the same non-compliance
  - Ongoing CMS requirements compliance
  - Efficient and effective internal controls
  - Protected enrollees

# WHAT ARE INTERNAL MONITORING AND AUDITS?

- **Internal monitoring** activities include regular reviews confirming ongoing compliance and taking effective corrective actions.
- **Internal auditing** is a formal review of compliance with a particular set of standards (for example, policies, procedures, laws, and regulations) used as base measures.

# LESSON SUMMARY

- Organizations must create and maintain compliance programs that, at a minimum, meet the seven core requirements.
  - An effective compliance program fosters a culture of compliance.
- To help ensure compliance, behave ethically and follow IMS' Code of Conduct.
  - Watch for common instances of non-compliance, and report suspected non-compliance.
- Know the consequences of non-compliance, and help correct any non-compliance with a corrective action plan that includes ongoing monitoring and auditing.

# COMPLIANCE IS EVERYONE'S RESPONSIBILITY!

- **Prevent:** Operate within your organization's ethical expectations to prevent non-compliance!
- **Detect & Report:** Report detected potential non-compliance!
- **Correct:** Correct non-compliance to protect beneficiaries and save money!

# RESOURCES

| URL | SOURCE |
|---|---|
| https://www.cms.gov/apps/glossary | Centers for Medicare & Medicaid Services Glossary |
| https://oig.hhs.gov/compliance/compliance-resource-portal/ | Compliance Education Materials: Compliance 101 |
| https://oig.hhs.gov/compliance/provider-compliance-training/ | Health Care Fraud Prevention and Enforcement Action Team Provider Compliance Training |
| https://oig.hhs.gov/compliance/self-disclosure-info/protocol.asp | Office of Inspector General's (OIG's) Provider Self-Disclosure Protocol |
| https://www.cms.gov/medicare/compliance-and-audits/part-c-and-part-d-compliance-and-audits | Part C and Part D Compliance and Audits - Overview |
| https://www.cms.gov/Medicare/Fraud-and-Abuse/PhysicianSelfReferral | Physician Self-Referral |
| https://oig.hhs.gov/compliance/physician-education/roadmap_web_version.pdf | Avoiding Medicare Fraud & Abuse: A Roadmap for Physicians |
| https://oig.hhs.gov/compliance/safe-harbor-regulations/ | Safe Harbor Regulations |

# QUESTIONS OR CONCERNS?

If you have any questions or concerns, please contact IMS' Compliance Department:

- **Email**: Compliance@imsmso.com
- **Phone Hotline**: 1-855-222-1025
- **Fax**: 1-323-832-8141