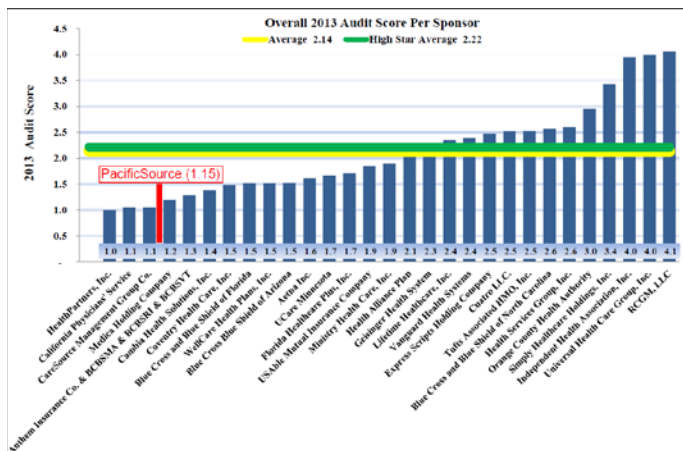


# Compliance Corner

The Government Programs Compliance Newsletter  
March 2015

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PacificSource company score compared to 2013 industry<sup>1</sup>. A low score means better performance.

## PACIFICSOURCE SCORES WELL DURING CMS AUDIT

In October 2014, CMS conducted a rigorous 2-week audit of our Medicare business. CMS targeted **Part C Organization Determination, Appeal and Grievance (ODAG), Part D Coverage Determination, Appeal and Grievance (CDAG), Formulary Administration (FA), and Compliance Program Effectiveness (CPE)**. PacificSource performed well during this engagement, scoring 4<sup>th</sup> out of 29 health plans and achieving the 3<sup>rd</sup> best numerical score. Compliance would like to fully acknowledge and thank our business partners for the stellar job they did during this engagement.

<sup>1</sup> CMS will publish the 2014 industry results in late 2015, which will give a more accurate comparison.

## 2015 COMPLIANCE PROGRAM & STANDARDS OF CONDUCT

We recently updated our **2015 Compliance Program & Standards of Conduct**. Look for our annual FDR compliance training to roll out in the summer as you will need to certify that you have read it.

## PERSONNEL CORRECTIVE ACTION

We would like to remind our colleagues that CMS regulation requires the imposition of personnel corrective action when a compliance violation has occurred, as appropriate. Please refer to **Policy Number C-5** for detail.

If you are a leader, you have an obligation to assess whether your employee's non-compliant action warrants corrective action. Examples of behavior that may warrant a corrective action include:

- Failure to report a known compliance issue
- Routine failure to implement compliant and effective processes
- Failure to adequately remediate repeat audit findings

Agents/brokers, AIM, Altegra, Censeo, WEBCO, COIPA, Community Health Center Network of Idaho, Caremark, DCO (Moda Health Plan, Willamette Dental, Advantage Dental, Capitol Dental), Direct-contract providers Eastern ID IPA, IPN, Medical & Surgical Specialists, MCCFL, Milliman, NWRA, NVA, PH Tech, PCCA, RBH, St. Alphonsus Health Alliance, St. Lukes Health Partners, Valley Health Network

## 2014 YEAR IN REVIEW-CMS ENFORCEMENT ACTIONS

In 2014, CMS took enforcement actions against 35 Medicare Advantage organizations and levied fines totaling over \$5 million for various compliance violations. Five plans were immediately suspended from enrollment and marketing functions. This was a substantial increase from 2013 where 16 MA plans received fines totaling over \$1.5 million.

CMS is stepping up its oversight and using enforcement actions more aggressively than in prior years. We encourage our business partners to have strong internal controls over operational processes given this challenging regulatory environment.

## DISCLOSURE & NON- RETALIATION POLICY

As a PacificSource business partner, you have an obligation to disclose to us issues of non-compliance. Issues can range from operational deficiencies, to deficiencies with member impact. You must report the incident immediately to your PacificSource contract administrator, or any member of the Compliance Department. We maintain a strict non-retaliation policy that prohibits anyone from being retaliated against for making a good faith report of a potential compliance or

FWA violation. Please refer to [Policy Number C-4](#) for detail.

## FWA REMINDER

Fraud, waste and abuse describe actions that are illegal, inappropriate or wasteful and have the effect of compromising the financial and regulatory integrity of the health care system. Some common examples of FWA may include:

- A provider fraudulently bills for a service that was never rendered
- A member over-utilizes a service when it is not medically necessary
- A provider routinely up-codes to get higher reimbursement

If you suspect acts of FWA, you must report them to your PacificSource contact. We will conduct a thorough investigation and take appropriate actions.

## OIG EXCLUSION LIST

Medicare rules prohibit us from doing business with companies (and employees of such companies) listed on the [Office of Inspector General's \(OIG\) Exclusion List](#). This list contains the names of companies and individuals who have been excluded from participation in Medicare, Medicaid and all other Federal health care programs due to a healthcare violation.

If you suspect that someone has committed a potential compliance or FWA act, you must report the incident immediately to any member of the Compliance Department. You may also report anonymously by calling (888) 265-4068 or going [Online](#). Remember, not only is reporting the right thing to do, but it is also a mandatory company policy. Failure to report a compliance or FWA matter may result in disciplinary actions, up to and including termination of employment.