Banner Health

POLICY and PROCEDURE

TITLE: CP 5227 Monitoring and Auditing			
Version: 15	**Responsible Position: Senior** Director, Compliance	**Responsible Department:** Compliance	
Origination Date: 06/01/2010	**Last Review Date:** 04/27/2021	**Approval Date:** 06/17/2021	**Next Review Date:** 06/15/2022
Organization: Banner University Health Plan, BUHP Compliance (CP) and Banner Medicare Advantage Health Plans Compliance (CP)			
Population (Define): This policy applies to all Banner Medicaid and Medicare lines of business			
Policy Replaces: AD 225; CP 227**;** CP 1227 A; CP 1227 S, CP 6227			

I. Purpose/Expected Outcome:

A. To ensure Banner Medicaid and Medicare Health Plans have procedures in place for internal auditing and monitoring to permit assessment of Banner Medicaid and Medicare Health Plan's compliance with federal and state regulations, sub-regulatory guidance, applicable laws, contractual agreements and internal policies and procedures. This ongoing evaluation process is critical to having a successful Compliance Program.

II. Definitions:

A. Please refer to the link below for full definitions:
http://sharepoint/sites/hppandp/new/Lists/Definitions/PP%20Definitions.aspx

III. Policy:

A. It is the policy of Banner Medicaid and Medicare Health Plans to have a formalized program in place for monitoring processes and outcomes as well as a process for conducting Compliance audits. Monitoring is an ongoing activity usually directed by management to ensure that a process is working as intended. Auditing is a formal review against a set of standards (e.g., policies and procedures and state and federal regulations) conducted by a department or third party independent of management to ensure that a process and any related controls are effective. Banner Medicaid and Medicare Health Plans' Compliance Department also reviews the Compliance Audit Work Plan and the Internal Monitoring Work Plans on at least a quarterly basis to ensure the relevance of current Auditing activities and to update as needed when new issues are identified that would require Auditing or Monitoring.

IV. Procedure/Interventions:

A. Compliance Audit Work Plan
   1. Banner Medicaid and Medicare Health Plans' Compliance Department conducts a comprehensive review of the Compliance Audit Work Plan on an annual basis to ensure the following:

a. Auditing on the Audit Work Plan represent potential risk for Banner Medicaid and Medicare Health Plans as determined by Banner Medicaid and Medicare Health Plans' annual Compliance Risk Assessment.
b. Review of risk factor level assigned to the auditing is valid based on the potential risk to Banner Medicaid and Medicare Health Plans, associated contracts or meeting regulatory requirements as determined by Banner Medicaid and Medicare Health Plans' annual Compliance Risk Assessment.
c. The work plan is updated at a minimum on a quarterly basis to reflect the status of the audits conducted/scheduled.
d. Banner Medicaid and Medicare Health Plans' Compliance Department will add to the Compliance Audit Work Plan if any new risk is identified throughout the year and when a new audit needs to be conducted.

B. When relevant and appropriate, Banner Medicaid and Medicare Health Plans Compliance Department will coordinate efforts with other departments from Banner Health who are performing similar activities.

C. Compliance Audit Modifications
1. Frequency of the auditing or monitoring task is aligned with the results of the Compliance Risk Assessment and the regulatory and contractual requirements.
   a. If auditing or monitoring results reflect scores that exceed an acceptable benchmark, auditing or monitoring frequency may be reduced.
   b. If auditing or monitoring results reflect scores that are less than the acceptable benchmark or are trending down, auditing or monitoring tasks may be changed to more frequent review, use of a larger sample size or a more in-depth audit.
2. When there are amendments to State or Federal regulations, the affected audits are updated to reflect the amendment.
3. Auditing and monitoring activities that are no longer mandated or have been changed to reflect new requirements are retired or rewritten respectively.
4. New auditing and monitoring activities are added as applicable.

D. Internal Self-Monitoring
1. Each department has staff to assist with the coordination and documentation of self-monitoring.
2. Self-monitoring activities include, but are not limited to: process reviews, audits and performance metrics.
3. Self-monitoring activities are collected and reviewed for demonstration of department adherence to self-monitoring activities.
4. Department leaders are responsible to update the compliance status of a department's self-monitoring activities and report the outliers or non-compliance outcomes of self-monitoring activities to the Compliance Department.

5. Medicare Internal Monitoring results are reported to Banner Medicaid and Medicare Health Plans Compliance Committees and Governing Bodies on a quarterly basis.

E. Internal Compliance Auditing
   1. Banner Medicaid and Medicare Health Plans Compliance auditing extends to all areas of the organization.
      a. Compliance Auditors are responsible to ensure the creation of the audit methodology, the scope of the audit, tools used to conduct the audit and the drafting of the audit summary.
   2. The Audit Summary includes the audit methodology, scope, results and recommendations. The summary is provided to the responsible parties associated with the audit. Audits are completed in accordance with the Compliance Audit Work Plan, in response to a compliance issue or concern, or at the request of Banner Medicaid and Medicare Health Plans' Leadership.
      a. The Compliance Audit Work Plan is the mechanism by which all Compliance audits are managed. Those audits which have the greatest level of risk for Banner Medicaid and Medicare Health Plans are treated with the highest priority. The other risks are addressed as necessary either via audits from the Compliance Department or by monitoring/auditing activities conducted by the responsible Departments.
   3. The Compliance Auditors conduct audits on a monthly, quarterly, semi-annual, and/or annual basis dependent upon regulatory requirements and/or level of risk. Sample size is based on applicable Medicare and Medicaid audit methodology.
      a. An audit with an outcome of 95% accuracy or above is considered fully compliant.
      b. An audit with an outcome less than 95% accuracy is considered non-compliant and the responsible department is required to create a corrective action plan (CAP) and submit it to the Compliance Department.
      c. All audit results are reported to Banner Medicaid and Medicare Health Plans Compliance Committees and Governing Bodies on a quarterly basis. In addition, audits that result in non-compliance are reported to leadership on the monthly and quarterly gauges.

F. External Auditing
   1. Banner Medicaid and Medicare Health Plans' Leadership may deem it necessary to use an external auditing option, and the results thereof shall be reviewed, and actions may be implemented in response to the findings.

G. Compliance Corrective Action Plans and Validation Audits

1. Compliance Corrective Action Plans are issued or self-assigned when auditing or monitoring outcomes result in identification of non-compliance of adherence to state or federal regulations or other standards in accordance with Insurance Division Compliance Action Policy and Procedure.
2. Departments that receive audit outcomes resulting in an overall finding of less than 95% are required to submit a CAP to Banner Medicaid and Medicare Health Plans' Compliance Department.
3. The CAP is documented on the appropriate Banner Medicaid and Medicare Health Plans Corrective Action Plan form and submitted to Banner Medicaid and Medicare Health Plans Compliance Department for review within 10 business days of receiving a non-compliant outcome.
4. When applicable, a validation audit of the area receiving a non-compliant audit outcome is conducted in accordance with the timeline designated in the CAP.

H. Reporting to Banner Medicaid and Medicare Health Plans Governing Bodies and Compliance Committees
   1. The Compliance Department reports the Compliance audit activity, and any coordinated audit activities to Banner Medicaid and Medicare Health Plans' Governing Bodies and Compliance Committees. This includes the number of audits performed each quarter and the results of the audits. The audits that result in non-compliance are also reported throught the Compliance Gauge monthly and quarterly distribution process.
   2. The Compliance Department reports the Medicare Internal Monitoring activities to the Banner Medicaid and Medicare Health Plans Governing Bodies and Compliance Committees.
   3. The Compliance Department reports the CAP activity to Banner Medicaid and Medicare Health Plans Governing Bodies and Compliance Committees. CAPs are also reported through the Banner University Health Plans' Compliance Gauge monthly and quarterly distribution process.

I. FDR Subcontractor Oversight Audits
   1. Banner Medicaid and Medicare Health Plan's Operational Area with the subject-matter experts provide internal monitoring oversight of each active vendor contract to ensure adherence to contract terms and conditions and state and federal regulations. The Operational Area is responsible to communicate non-compliance to the Vendor Oversight Program Managers. The Vendor Oversight Program Managers, when applicable, will issue a CAP. The CAP will be monitored and tracked by the Vendor Oversight Program Managers.
   2. On at least an annual basis, Banner Medicaid and Medicare Health Plan's Operational Area subject matter experts or Compliance Department Staff perform oversight audits. If an oversight audit results in an overall finding of

less than 95%, the vendor is required to submit a CAP to Banner Medicaid and Medicare Health Plans' Compliance Department.

3. Banner Medicaid and Medicare Health Plans Vendor Oversight Program Managers send a notification to the FDR's to complete and submit an FDR Compliance Attestation annually by accessing Banner Medicaid and Medicare Health Plans websites.
4. Banner Medicaid and Medicare Health Plans Vendor Oversight Program Managers track the attestations to ensure 100% compliance. The FDR oversight audits and monitoring are reported at the Vendor Oversight Committees, Compliance Committees and Governing Bodies.

V. Performance and Outcome Measures:

A. Annual creating and when applicable, updating of the Compliance Audit Work Plan.
B. Annual creating and when applicable, updating the Medicare Internal Monitoring Work Plan.
C. Scoring of the Compliance Risk Assessment. Results of each year's Compliance Risk Assessment outcomes are compared to the previous year's Compliance Risk Assessment outcomes.
D. All audits will be tracked and reported quarterly to Banner Medicaid and Medicare Health Plans Governing Bodies and Compliance Committees.
E. Medicare Internal Monitoring activities results are reported quarterly to the Banner Medicaid and Medicare Health Plans Governing Bodies and Compliance Committees.
F. All non-compliant audits will be assigned a CAP. These should be resolved in no more than 90 days from the date of notification of non-compliance with limited exceptions.

VI. References:

A. AHCCCS Complete Care Contract; Section D; Paragraph 58 – Corporate Compliance and Paragraph 36 - Subcontractor.
B. AHCCCS EPD ALTCS Contract; Section D; Paragraph 64 – Corporate Compliance and Paragraph 33 - Subcontractor.
C. Component Six of the Banner Health Insurance Division Compliance Program and FWA Plan.
D. CMS Medicare Managed Care Manual, Chapters 21 and 9, Compliance Program Guidelines, Section 50.6 Element VI: Effective System for Routine Monitoring, Auditing and Identification of Compliance Risks
E. 42 CFR 422.503(b) (4) (vi) (E), 423.504(b) (4) (vi) (E)
F. Banner Medicaid and Medicare Health Plans Annual Compliance Audit Work Plan.

VII. Related Policies/Procedures:

A. Insurance Division Policy: CP 5001 Compliance Program
B. Insurance Division Policy: CP 5108 Compliance Actions
C. Insurance Division Policy: CP 5228 Annual Risk Assessment

VIII. Keywords and Keyword Phrases:

A. Auditing
B. Monitoring
C. Audit
D. Monitor