

SUBJECT: COMPLIANCE ACTIONS

POLICY: CP 6108

Department of Origin: Compliance and Audit Department

Responsible Position: Director of Compliance

Date(s) of Review and Revision: 11/11; 06/12; 01/14; 07/14; 07/15; 07/16; 03/17;
3/18; 4/18; 7/18

Policy Replaces: AD 108; CP 108

Policy Approved: 7/6/2018 Committee Meeting

[Link](#)

Department Approval:



Approval has
completed on CP 610:

PURPOSE

To provide a mechanism that returns the Health Plan to compliance in the event that Health Plan employees, departments or First Tier, Downstream and Related Entities (FDRs) conduct business that does not comply with AHCCCS or CMS, or other applicable requirements or regulations.

POLICY

The Health Plan will ensure that all Health Plan Employees, Departments, and FDRs comply with AHCCCS, CMS and Health Plan rules, or other applicable regulations and requirements. Failure to comply with such requirements shall be identified as non-compliant and will result in the issuance of non-compliance or corrective action to the Health Plan Employee, Department or FDR. The Health Plan Employee, Department or FDR must address the non-compliant activity and return the Health Plan to compliance. This policy also includes external corrective action management when corrective action requests are received from CMS, AHCCCS or other regulatory entities.

APPLICABILITY

This policy applies to all lines of business.

DEFINITIONS

Please refer to the link below for full definitions for the following terms:

<http://sharepoint/sites/hppandp/new/Lists/Definitions/PP%20Definitions.aspx>

PROCEDURE

- 1.0 The Health Plan may identify employees, departments or FDRs who conduct Health Plan business in a manner that is not compliant with AHCCCS, CMS, or other applicable regulations or requirements. Failure to meet AHCCCS and/or CMS or other rules, regulations or requirements will be identified as a non-compliant event (Event).
- 1.1 An Event may be identified during the course of normal business operations, and/or during a review, audit or special study.
- 1.2 When an Event occurs, Health Plan's Compliance Department will assess the Event to determine whether a notice of non-compliance, warning notice or a corrective action will be issued to the Health Plan Employee, Department or FDR.
- 1.3 A notice of non-compliance will be issued when the Event is a first or second-time occurrence and CMS, AHCCCS or an outside entity will likely not take any action based upon regulations and/or the contract.
- 1.4 A warning notice will be issued when the Event:
 - 1.4.1 Is persistent and a notice of non-compliance was already issued and the matter is serious enough to warrant a written response but not significant enough to warrant a corrective action plan; or
 - 1.4.2 Will likely result in receiving a notice to cure from AHCCCS and/or a warning notice from CMS; or
 - 1.4.3 The Health Plan has received a notice to cure or warning notice.
- 1.5 A corrective action will be issued when the Event:
 - 1.5.1 Is likely to result in a sanction by AHCCCS and/or CMS; or
 - 1.5.2 Will likely result in receiving a corrective action plan from AHCCCS and/or CMS; or
 - 1.5.3 The Health Plan Compliance Department has issued three notices of non-compliance for the same Event in a rolling 12 month period; or
 - 1.5.4 A corrective action plan was issued to the Health Plan.
- 2.0 Internal notice of non-compliance.
- 2.1 A notice of non-compliance will be issued as outlined in 1.3 above by the Health Plan Compliance Department within 10 business days of identification of the Event.
- 2.2 The Health Plan Employee, Department or FDR will be required to take actions in order to return to full compliance even though a formal written response is not required.
- 2.3 The Health Plan Employee, Department or FDR will be re-assessed for return to full compliance.
- 2.4 No more than two notices of non-compliance will be issued for the same Event as outlined above.
- 3.0 Corrective Action Plan (CAP), Warning Notice (WN) or external Notice of Non-Compliance (NONC).
- 3.1 Health Plan's Compliance Department will issue a corrective action plan (CAP), warning notice (WN) or external notice of non-compliance (NONC) as outlined

- in 1.3 through 1.5.4 above within 10 business days of identification of the Event as described in 1.0.
- 3.1.1 AHCCCS, CMS or other regulatory agencies may also issue a requirement to the Health Plan for a CAP, WN or NONC. Any Health Plan Department receiving notification of this requirement from an external party must notify the Health Plan Compliance Department.
 - 3.1.2 The below process for a CAP is the same for WN and external NONC.
 - 3.2 The Health Plan Employee, Department or FDR will create a formal CAP to address the Event. The CAP must be returned within 30 days of issuance and contain all required elements including:
 - 3.2.1 CAP Title
 - Submission Due Date
 - Category/Line of Business (LOB)
 - Date Submitted
 - FDR Name (if applicable)
 - Service Request Number
 - Primary Owner
 - Department
 - Executive Sponsor
 - Health Plan Liaison (if for an FDR)
 - Area of Deficiency
 - 3.2.2 Indicate how the Event was identified
 - 3.2.3 Root cause of the Event
 - 3.2.4 Compliance Action Steps taken to correct the Event
 - 3.2.5 Process implemented to ensure that the problem / deficiency is unlikely to occur
 - 3.3 The CAP may include but not be limited to the following interventions:
 - 3.3.1 To modify existing processes and/or programs and implement new processes and/or programs.
 - 3.3.2 To request IT system changes and if not possible, develop alternatives to correct.
 - 3.3.3 To provide specialized and documented training for Health Plan Employees, Departments or FDRs.
 - 3.3.4 To provide standardized and documented training to employees, departments or FDRs via methods as appropriate to each situation.
 - 3.3.5 To revise existing policies and procedures or create new policies and procedures.
 - 3.4 The CAP must include a timeline (Due Dates and Completion Dates).
 - 3.5 Health Plan's Compliance Department will review and approve/disapprove the CAP prior to implementation to ensure the CAP meets requirements.
 - 3.6 The Health Plan's Compliance Department or Health Plan subject-matter expert will monitor the CAP implementation progress to ensure the CAP will be fully implemented within the timeline outlined.
 - 3.7 The Health Plan Employee, Department or FDR will be required to provide evidence to the Health Plan Compliance Department or Health Plan subject-matter expert that demonstrates compliance.
 - 3.7.1 During the course of implementing the CAP, there may be unforeseen circumstances that cause a delay in meeting the CAP timeline. If the CAP can not be completed within the agreed upon timeframe, the Health Plan Employee,

- Department or FDR shall update the CAP to include a revised timeline and provide an explanation for the delay. The Health Plan Compliance Department or subject-matter expert must approve any CAP extensions.
- 3.8 The Health Plan Employee, Department or FDR will notify the Health Plan Compliance Department or subject-matter expert when the CAP is fully implemented and considered closed. This includes notifying the Health Plan Compliance Department that a CAP issued by an external party is closed by that party. The internal CAPs will be re-assessed by the Health Plan Compliance Department or subject-matter expert for return to compliance.
 - 3.9 The Health Plan Compliance Department will close the CAP and collect and retain all documentation.
 - 4.0 The Health Plan Compliance Department will monitor the status of the assigned CAPs until completion. The monitoring process may include but not be limited to the following steps:
 - 4.1 The Compliance Department will run the CAP Service Request report monthly to verify the status of all CAPs and distribute the report to the department auditors.
 - 4.2 The Compliance Department will meet with each department, as needed, to discuss the status of each CAP assigned to that department.
 - 5.0 Should the Health Plan Employee, Department or FDR continue to demonstrate non-compliance, additional action may be taken, including but not limited to:
 - 5.1 Health Plan employees may receive formal disciplinary action including but not limited to verbal and written warnings or termination of employment with Banner Health in accordance with Banner Health Policy: Corrective Action Policy.
 - 5.2 Health Plan Departments may be subject to focused and ongoing audits by the Compliance Department and interventions may be implemented as determined by Health Plan Leadership.
 - 5.3 Health Plan FDRs may be sanctioned as authorized in their contract or the Health Plan may terminate a contract with an FDR.
 - 5.4 The Health Plan Compliance Department will prepare monthly and quarterly reports on the overall status of all CAPs via Gauge Reporting. The Gauge Reports will be reviewed at the Quarterly Compliance Committee.

PROCESS / OUTCOME MEASURES

- 1.0 All active CAPs will be tracked for timely completion.
- 2.0 The Health Plan Compliance Department will collect and retain all documents which demonstrate a return to compliance.
- 3.0 The Health Plan Compliance Department will prepare a quarterly report on the overall status of all CAPs. The status reports will be reviewed at the Quarterly Compliance Committee and on a quarterly basis by the Executive Team.

REFERENCES

- 1.0 AHCCCS Acute Care Contract, Section D, Paragraph 61

- 2.0 AHCCCS EPD Contract, Section D, Paragraph 64
- 2.0 CMS Prescription Drug Benefit Manual, Chapter 9, section 50.7.2 – Corrective Actions
- 3.0 CMS Medicare Managed Care Manual, Chapter 21, section 50.7.2 – Corrective Actions
Banner Health Insurance Division Compliance Program and FWA Plan
- 4.0 Health Plan Corrective Action Plan document
- 5.0 Health Plan Warning Notice document

ASSOCIATED POLICES AND PROCEDURES

- 1.0 Banner Health Policy 262 - Compliance: Program Obligations.
- 2.0 Banner Health Policy 418 – Corrective Action Policy.
- 3.0 Health Plan Policy - CP 6001 Compliance Program
- 4.0 Health Plan Policy - CP 6227 Monitoring and Auditing

ATTACHMENTS

N/A