



THE UNIVERSITY OF ARIZONA
HEALTH PLANS

SUBJECT: COMPLIANCE ACTIONS
POLICY: CP 6108

Department of Origin: Compliance and Audit
Responsible Position: Director of Compliance

Date(s) of Review and Revision: 11/11; 06/12; 01/14; 07/14; 07/15; 07/16
Policy Replaces: AD 108; CP 108

Department Approval:



Approval has
completed on CP 610:

PURPOSE

To provide a mechanism that returns Health Plan to compliance when Health Plan employees, departments or FDRs conduct business that does not comply with AHCCCS or CMS, rules, requirements or regulations.

POLICY

The University of Arizona Health Plans (Health Plan) will ensure that all Health Plan employees, departments, and First Tier, Downstream and Related Entities (FDR) comply with AHCCCS, CMS and Health Plan rules, regulations and requirements. Failure to comply will be identified as a non-compliant and will result in the Health Plan issuing a compliance action to the Health Plan department or FDR. For individual employees, please see Banner Health Policy 7647 – Corrective Action Policy. The Health Plan employee, department or FDR must address the non-compliant activity and return Health Plan to compliance.

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/Allitemsg.aspx>

**First Tier, Downstream and Related Entities
Compliance Action (CA)
Notice of Non-Compliance (NONC)
Warning Notice (WN)
Corrective Action Plan (CAP)**

PROCEDURE

- 1.0 Health Plan may identify departments or FDRs who conduct Health Plan business in a manner that is not compliant with AHCCCS and CMS rules, regulations or requirements. Failure to meet AHCCCS and/or CMS 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 what type of compliance action will be issued. The Compliance Department will use the criteria in 1.3 or 1.4 or a combination of both to determine the type of compliance action to assign.
- 1.3 When the Compliance Department performs an audit that results in a compliance status of less than 95%, the following compliance action will be assigned:
 - 1.3.1 90% to 94% compliance requires a notice of non-compliance.
 - 1.3.2 85% to 89% compliance requires a warning notice.
 - 1.3.3 0% to 84% compliance requires a corrective action plan.
- 1.4 When an Event is identified that is not directly related to an audit, the following criteria is used:
 - 1.4.1 A notice of non-compliance will be issued when the Event is a first or second-time occurrence and is not sanctionable by AHCCCS or CMS or will not result in being issued a notification of non-compliance by AHCCCS or CMS.
 - 1.4.2 A corrective action will be issued when the Event is sanctionable by AHCCCS and/or CMS or will result in being issued a notification of non-compliance by AHCCCS and/or CMS or the Health Plan has issued three notices of non-compliance for the same Event in a rolling 12 month period.
- 2.0 Notice of non-compliance.
 - 2.1 A notice of non-compliance will be issued as outlined in 1.3.1 or 1.4.1 above by the Health Plan Compliance Department within 10 business days of identification of the Event.
 - 2.2 The Health Plan department or FDR will be required to return to compliance and be able to provide evidence to the Health Plan Compliance Department which demonstrates compliance.
 - 2.3 The Health Plan department or FDR will be re-assessed to validate a return to compliance.
 - 2.4 No more than three notices of non-compliance will be issued for the same Event.
- 3.0 Warning Notice (WN).

- 3.1 Health Plan's Compliance Department will issue a corrective action as outlined in 1.3.2 above within 10 business days of identification of the Event.
- 3.2 The Health Plan department or FDR will create a formal Warning Notice (WN) to address the Event (see attachment 2). The WN must be returned within 30 days of issuance and contain all required elements including:
 - 3.2.1 Area of Deficiency
 - 3.2.2 Indicate how the Event was identified
 - 3.2.3 Root cause of the Event
 - 3.2.4 Action taken to correct the Event
 - 3.2.5 Process implemented to ensure that the problem / deficiency is unlikely to recur
- 3.3 The WN 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 provide specialized training for Health Plan departments or FDRs via one-on-one meetings; specialized in-services; staff meetings; or written communication.
 - 3.3.3 To provide standard training to departments or FDRs via newsletter, bulletins, emails, general in-services or other mass-distribution method as appropriate to each situation.
 - 3.3.4 To revise existing policies and procedures or create new policies and procedures.
- 3.4 The WN must include a timeline.
- 3.5 Health Plan's Compliance Department will approve the WN prior to implementation to ensure the WN meets requirements.
- 3.6 The Health Plan's Compliance Department or Health Plan subject-matter expert will monitor the WN implementation progress to ensure the WN will be fully implemented within the timeline outlined.
- 3.7 The Health Plan 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 WN, there may be unforeseen circumstances that cause a delay in meeting the WN timeline. If the WN isn't completed within the agreed upon timeframe, the Health Plan department or FDR shall update the WN to include a revised timeline and provide an explanation for the delay. The Health Plan Compliance Department or subject-matter expert must approve any WN extensions.
- 3.8 The Health Plan department or FDR will notify the Health Plan Compliance Department or subject-matter expert when the WN is fully implemented and considered closed. The WN 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 WN and collect and retain all documentation.
- 4.0 Corrective Action Plan (CAP).
 - 4.1 Health Plan's Compliance Department will issue a corrective action as outlined in 1.3.3 or 1.4.2 above within 10 business days of identification of the Event.

- 4.2 The Health Plan department or FDR will create a formal Corrective Action Plan (CAP) to address the Event (see attachment 1). The CAP must be returned within 30 days of issuance and contain all required elements including:
 - 4.2.1 Area of Deficiency
 - 4.2.2 Indicate how the Event was identified
 - 4.2.3 Root cause of the Event
 - 4.2.4 Action taken to correct the Event
 - 4.2.5 Process implemented to ensure that the problem / deficiency is unlikely to recur
- 4.3 The CAP may include but not be limited to the following interventions:
 - 4.3.1 To modify existing processes and/or programs and implement new processes and/or programs.
 - 4.3.2 To provide specialized training for Health Plan departments or FDRs via one-on-one meetings; specialized in-services; staff meetings; or written communication.
 - 4.3.3 To provide standard training to departments or FDRs via newsletter, bulletins, emails, general in-services or other mass-distribution method as appropriate to each situation.
 - 4.3.4 To revise existing policies and procedures or create new policies and procedures.
- 4.4 The CAP must include a timeline.
- 4.5 Health Plan's Compliance Department will approve the CAP prior to implementation to ensure the CAP meets requirements.
- 4.6 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.
- 4.7 The Health Plan department or FDR will be required to provide evidence to the Health Plan Compliance Department or Health Plan subject-matter expert that demonstrates compliance.
 - 4.7.1 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 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.
- 4.8 The Health Plan department or FDR will notify the Health Plan Compliance Department or subject-matter expert when the CAP is fully implemented and considered closed. The CAP will be re-assessed by the Health Plan Compliance Department or subject-matter expert for return to compliance.
- 4.9 The Health Plan Compliance Department will close the CAP and collect and retain all documentation.
- 5.0 The Compliance Department will monitor the status of the assigned compliance actions until completion. The monitoring process may include but not be limited to the following steps:
 - 5.1 The Compliance Department will run the Compliance Action Service Request report bimonthly to verify the status of the compliance actions and distribute the report to the department's auditors.

- 5.2 The Compliance Department will meet with each department, as needed, to discuss the status of each compliance action assigned to that department.

- 6.0 Should the Health Plan department or FDR continue to demonstrate non-compliance, additional action may be taken, including but not limited to:
 - 6.1 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.
 - 6.2 Health Plan FDRs may be sanctioned as allowed in their contract or the Health Plan may terminate a contract with FDR.

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 Vice President's Team.

REFERENCES

- 1.0 AHCCCS Acute Care Contract, Section D, Paragraph 62
- 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
- 4.0 Health Plan Corrective Action Plan document
- 5.0 Health Plan Warning Notice document

ASSOCIATED POLICES AND PROCEDURES

- 1.0 Banner Health Policy 3094 - Compliance: Program Obligations.
- 2.0 Banner Health Policy 7647 – Corrective Action Policy.

ATTACHMENTS

N/A