



THE UNIVERSITY OF ARIZONA  
HEALTH PLANS

**SUBJECT: Monitoring and Auditing**

**POLICY: CP 6227**

**Department of Origin: Compliance and Audit**

**Responsible Position: Compliance Director**

**Date(s) of Review and Revision: 06/10; 04/11; 05/12; 9/12; 03/13; 01/14; 06/14;  
06/15; 4/16**

**Policy Replaces: AD 225; CP 227; CP 1227 A; CP 1227 S**

**Department Approval:**



Approval has  
completed on CP 6227

**PURPOSE**

To ensure The University of Arizona Health Plan (Health Plan) has the necessary and best Auditing and Monitoring practices in place to avoid potential risk, and is compliant with federal and state regulations as well as contractual obligations for Auditing and Monitoring activities.

**APPLICABILITY**

This policy applies to all lines of business.

**POLICY**

It is the policy of the Health Plan to have a formalized program in place for monitoring and a process for conducting audits. Monitoring and auditing is designed to ensure that the Health Plan is compliant with all contractual requirements as well as remaining compliant with all federal and state regulations. The Health Plan also reviews the Audit Work Plan on an annual basis to ensure the relevance of current Auditing and Monitoring and to identify any new Auditing and Monitoring components.

**DEFINITIONS**

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

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

**Audit Matrix**  
**Audit Work Plan**  
**Audit(ing) -External Audit(ing) Monitor(ing)**  
**Risk Assessment**  
**Subcontractor Oversight**  
**Seibel**  
**Focus Audit**  
**Standard Audit**  
**Compliance Actions**  
**Corrective Action Plan (CAP)**  
**Warning Notice with a Business Plan**  
**Notice of Non-Compliance**

## **PROCEDURE**

### **1.0 Audit Work Plan**

- 1.1 The Compliance Department conducts a comprehensive review of the Audit Work Plan on an annual basis to ensure the following:
  - 1.1.1 Auditing and monitoring tasks on the Audit Matrix represent potential risk for the Health Plan as determined by the Health Plan's annual Risk Assessment.
  - 1.1.2 Review of risk factor level assigned to the Auditing or Monitoring is valid based on the potential risk to the Health Plan, associated contracts or meeting regulatory requirements as determined by the Health Plan's annual Risk Assessment.

### **2.0 Audit Modifications**

- 2.1 Frequency of the Auditing or Monitoring task is aligned with the results of the Risk Assessment and the regulatory and contractual requirements.
  - 2.1.1 If Auditing or Monitoring results reflect scores that exceed an acceptable benchmark, Auditing or Monitoring frequency may be reduced to less frequency.
  - 2.1.2 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.
- 2.2 When there are amendments to State or Federal regulations, the affected audits are updated to reflect the amendment.
- 2.3 Auditing and monitoring activities that are no longer mandated or have been changed to reflect new requirements are retired or rewritten respectively.
- 2.4 New Auditing and Monitoring activities are added as applicable.

### **3.0 Internal Self Monitoring**

- 3.1 Each department has an assigned auditor to assist with the coordination and documentation of self monitoring.

- 3.2 The auditors culminate and report department adherence to self monitoring activities.
- 3.3 Auditors update compliance status of a department's self monitoring activities and report the outcomes of self monitoring activity within Siebel.

#### 4.0 **Internal C&A Auditing**

- 4.1 Health Plan auditing extends to all areas of the organization.
  - 4.1.1 Internal auditors are assigned to support the identified areas of risk that are associated with each department of the Health Plan. These auditors are responsible to insure the creation of the audit requirements in Siebel, which outline the methodology of completing an audit, including disseminating information of audit results, performing their assigned audits based on such audit requirements, and creating Audit Report Summaries which provide the overall results of implemented audits. This includes a formalized monitoring and audit process of the claims payment and health information systems.
- 4.2 Audits are completed in accordance with the Audit Work Plan.
  - 4.2.1 The Audit work Plan is the vehicle by which all audits are managed. Primarily those audits which have the greatest level of risk for the Health Plan are treated with the highest priority. Subsequently, the medium and low level risk audits are conducted in order of risk thereafter.
- 4.3 Assigned auditors conduct audits of their respective assigned departments on a monthly, quarterly, semi-annual, and/or annual basis dependent upon regulatory requirements and/or level of risk. Compliance Operations utilizes a Sample Size Calculator to determine an adequate and feasible measure of items to be reviewed.
  - 4.3.1 The audit requirements are created as a guide for conducting each audit and are housed under the corresponding audit in Siebel.
  - 4.3.2 Audit Report Summaries are developed at the conclusion of each audit to provide the outcomes of the audit and are housed under the corresponding audit and service request in Siebel.
    - 4.3.2.1 The data describing the parameters and requirements is entered into the corresponding fields on the Audit Report Summary.
    - 4.3.2.2 The findings from the audit including trends or anomalies are listed in the results field along with any comments from the auditor.
    - 4.3.2.3 The status of the audit is listed in the conclusion field, including percent compliant if applicable.
    - 4.3.2.4 After the Audit Report Summary is completed, it is forwarded to the Compliance Audit Manager for review of completeness and accuracy.
  - 4.3.3 Outcomes of Auditing are documented within Siebel for tracking, trending, reporting and future reference.
    - 4.3.3.1 Supervisors, managers, etc., are able to access and review the Audit Report Summary along with any back-up documents in Siebel for their department's audits.

- 4.3.4 Audits with outcomes of 95% accuracy or above are considered full compliance and are not issued a Compliance Action (CA).
- 4.3.5 Audits with outcomes between 90% to 94% accuracy are considered substantial compliance and the responsible department is issued a Notification of Non-Compliance (NONC).
- 4.3.6 Audits with outcomes between 85% to 89% accuracy are considered partial compliance, and the responsible department is issued a Warning Notice with a Business Plan (WNBWP).
- 4.3.7 Audits with outcomes less than 85% accuracy are considered non-compliance and the responsible department is issued a Corrective Action Plan (CAP).
- 4.3.8 All audit functions are reported to Health Plan Compliance Committee on a quarterly basis.

## 5.0 External Auditing

- 5.1 At times, the Health Plan deems it necessary to use external auditors to perform auditing on its behalf when the Health Plan does not have the necessary expertise within the Health Plan to conduct a required Audit.
- 5.2 The Health Plan will provide the external auditors with the requirements and parameters.
- 5.3 The external auditors will perform the audit on behalf of the Health Plan, following all Health Plan standards and time frames.
- 5.4 Once completed, the external auditors will present the Health Plan with their findings.
  - 5.4.1 Their findings will include a summary of the audit, all back-up documentation used in the audit and their recommendations.
  - 5.4.2 These documents will be housed in Siebel.
- 5.5 The Health Plan will review the audit results and determine the status of the audit (full compliance, substantial compliance, partial compliance, non-compliance, etc.).
  - 5.5.1 The Health Plan will determine if the audit that was performed meets the Health Plan standards and if the external auditors and their performance meet the expectations for future use and subsequent audits.
- 5.6 If the audit status is non-compliant, the Health Plan issues the appropriate Compliance Action.

## 6.0 Compliance Actions and Re-Audits

- 6.1 Compliance Actions are issued and self-assigned when Auditing or Monitoring outcomes result in less than acceptable benchmarks in accordance with the Health Plan's compliance action policies and procedures.
- 6.2 Departments that receive audit outcomes resulting in an overall accuracy measurement of less than 95% are required to submit a Compliance Action to the Compliance Audit Manager.

- 6.2.1 The Compliance Action is documented on the appropriate Health Plan Compliance Action form and submitted to the Compliance Audit Manager for review within 30 days of receiving the Compliance Action form from the Compliance Department or from the identification of the non-compliance from the actual department monitoring results. .
- 6.3 A follow up audit of the area receiving a non-compliant audit outcome is conducted in accordance with the timeline designated in the Compliance Action.

## 7.0 **Reporting to Compliance Committee**

- 7.1 The Compliance and Audit Department reports the audit activity to the Compliance Committee. This includes the number of audits performed, the number of compliant versus non-compliant and opened audits.
- 7.2 The Compliance and Audit Department reports the Compliance Action activity to the Compliance Committee. This includes the number of Compliance Actions assigned, completed and still open.

## 8.0 **Focus Audits**

- 8.1 Focus Audits are conducted as the request arises. These audit request fall outside of the Health Plan's established Audit Matrix.
- 8.2 Focus Audits can be initiated by the Compliance and Audit Department or they can be requested by a department manager, supervisor, director etc.
- 8.3 Focus Audits follow the same steps as a Standard Audit.
- 8.4 Focus Audits can be promoted to a Standard Audit if it is deemed necessary by the Compliance and Audit Department or if any of the reasons in section 2, Audit Modifications, is applicable.

## 9.0 **Subcontractor Oversight Audits**

- 9.1 The Health Plan's subject-matter experts provide internal auditing/oversight of each active vendor contract to ensure contract terms and conditions are appropriately adhered to.
- 9.2 Depending on the type of vendor and the risk involved, the Health Plan may use one or a combination of the following types of auditing to verify that vendors are compliant with their contract terms and conditions:
  - 9.2.1 Internal Self- Monitoring (see section 3.0 above).
  - 9.2.2 Internal C&A Auditing (see section 4.0 above).
  - 9.2.3 External Auditing (see section 5.0 above).

## **PERFORMANCE AND OUTCOME MEASURES**

- 1.0 Annual review of the entire Audit Matrix.
- 2.0 Scoring of the Risk Assessment. Results of each year's Risk Assessment outcomes are compared to the two previous years Risk Assessment outcomes.
- 3.0 All active audits will be tracked for timely completion and compliance. These results are reported quarterly to the UAHP Compliance Compliance Committee.

- 4.0 All non-compliant audits will be assigned a Compliance Action. These should be resolved in no more than 90 days from the date of notification of non-compliance

## **REFERENCES**

- 1.0 AHCCCS Acute Care Contract; Section D; Paragraph 62 – Corporate Compliance.
- 2.0 Component Six of the UAHP Compliance Program.
- 3.0 CMS Medicare Managed Care Manual, Chapters 21 and 9, Compliance Program Guidelines, 42 CFR 422.503(b)(4)(vi)(E), 423.504(b)(4)(vi)(E)
- 4.0 Health Plan Annual Audit Work Plan.

## **ASSOCIATED POLICIES AND PROCEDURES**

- 1.0 Health Plan Policy - CP 6001 Compliance Program
- 2.0 Health Plan Policy - CP 6108 Compliance Actions
- 3.0 Health Plan Policy - CP 6228 Annual Risk Assessment
- 4.0 Health Plan Policy - CP 6032 Offshore Outsourcing
- 5.0 Health Plan Policy - CP 6016 Initial and Post Audit Validation of Contracted Provider Terms
- 6.0 Audit Sample Size Calculator Desktop Procedure

## **ATTACHMENTS**

N/A