



Troy Medicare Policy and Procedure

Title: Corrective Actions		Policy Number: CMP 012	
Primary Department: Compliance	LOB: Medicare Advantage	Author: Sally Scott	
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Interactive Related Department(s)			
<input checked="" type="checkbox"/> All Departments <input type="checkbox"/> Compliance <input type="checkbox"/> Medical Management <input type="checkbox"/> Provider Operations <input type="checkbox"/> Sales and Marketing	<input type="checkbox"/> Appeals and Grievances <input type="checkbox"/> Customer Service <input type="checkbox"/> Member Services <input type="checkbox"/> Quality Management <input type="checkbox"/> Utilization Management	<input type="checkbox"/> Care Management <input type="checkbox"/> Enrollment <input type="checkbox"/> Plan Administration <input type="checkbox"/> Claims <input type="checkbox"/> Other _____	

POLICY PURPOSE

Troy Health, Inc. is committed to establish and implement an effective system for prompt responses to compliance issues. This system addresses those issues identified during internal compliance audits and monitoring, reported issues, as well as audits to evaluate first-tier entities' compliance with CMS requirements.

The purpose of this policy is to describe the processes used to collaborate with the Troy Health operational areas and delegated entities in the appropriate detection, prevention, and correction of non-compliance or potential fraud or misconduct, and the application of disciplinary actions against involved individuals as necessary. Troy Medicare is committed to complying with federal and state rules and regulations

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SCOPE

This policy applies to all employees, and first tier and downstream entities that perform delegated health plan operations.

REFERENCES

- 42 C.F.R. §§ 422.503(b)(4)(vi)(G), 423.504(b)(4)(vi)(G)
- Medicare Managed Care Manual, Chapter 21, Section 50.7

RESPONSIBLE PARTIES

- Chief Compliance Officer
- Chief Operating Officer

DEFINITIONS

- **Corrective Action Plan (CAP)** – the method used to rectify non-compliance; identify its root cause, identify if any members were adversely affected, and includes step-by-step actions to correct the issues. Steps must achieve measurable goals to correct the cause of errors and must be effective to prevent future non-compliance.
- **First-tier entity** – contracted through business associate agreement, the health plan has delegated required health plan operational function to the first-tier entity. A first-tier entity is required to have a Compliance Program based on CMS regulations and perform the operational function(s) following CMS requirements.
- **Member impact** – after completing the root cause analysis, an investigation must be done to identify any members that were negatively impacted by the non-compliance.
- **Root cause analysis** – a method of problem solving used to identify cause or reason for the problem to occur.

POLICY

Troy Health, Inc. has established a system for prompt response to non-compliance as issues are raised. An investigation is conducted by the responsible business owner by completing a root cause analysis of the non-compliance, identifying any members negatively impacted by the non-compliance. Corrective actions may originate from a hotline report and investigation, audit findings, or an ad hoc compliance issue may be identified from other sources.

Compliance is committed to conduct timely and well-documented investigations into any reported or detected non-compliance (or potential fraud or abuse).

If suspicious activity or credible allegations of fraud by a pharmacy or provider are identified, payment suspension will be implemented pending investigation. If there is evidence of potential fraud or misconduct related to the Part C or Part D Program, the Chief Compliance Officer will ensure a voluntary report is made to CMS or the appropriate authority. See the Fraud, Waste, and Abuse policy for additional information.

Once the root cause analysis is completed, the responsible business area must develop their own corrective action plan. The CAP must address the root cause, negative member impact, staff training, updated policies and procedures, and timely execution. This includes setting dates of targeted completion for each step, while keeping corrections for the entire plan to be less than 60 calendar days.

The Chief Compliance Officer must approve the CAP; however, the Chief Compliance Officer will set the parameters to ensure the efficacy of the corrections. Compliance will track the corrective action plan to ensure the corrective actions remain on task.

Note: If an investigation confirms there is a systemic issue of non-compliance, a formal CAP will be required. However, if the issue was caused by a human error, or procedural error, staff training will be required but a formal CAP will not be necessary.

Once a CAP is completed, Compliance will schedule a validation audit to determine if the corrections are completed and will prevent future non-compliance. If the corrections are found to be non-effective, Compliance will require additional work, including but not limited to a new root cause analysis and

CAP.

Issues related to internal operations are reported to the Compliance Department via multiple methods, including, but not limited to, during regular or ad hoc meetings, by email or phone call to the Compliance Department, via the Compliance and Ethics Hotline, or during the twice monthly Issues Review meeting. The Issues Review meeting is an internal meeting of Troy leadership and other compliance and operational staff to review identified compliance deficiencies, root cause, corrective action plans and status of remediation. Documentation and tracking of these corrective actions are maintained in the Compliance Department files.

All CAPs are reported to the Compliance Committee, and to the Chief Executive Officer and Board of Directors on a quarterly basis.

Instances where an employee or FDR employee may fail to satisfactorily implement the corrective action, escalation to the appropriate leader to ensure proper documentation and any necessary personnel actions are undertaken.

PROCEDURE FOR DEVELOPING CORRECTIVE ACTION PLAN BY BUSINESS OWNER

1. Conduct a root cause analysis to determine the source(s) of the non-compliance.
2. Identify the members that have been adversely affected (if applicable) and resolve with each identified member.
3. Identify a reasonable solution and the timeframe to implement the solution.
4. Document CAP activities and completion dates.
5. Obtain Compliance approval of CAP
6. Write or update policies and procedures, workarounds, and monitoring metrics.
7. Develop staff training material or train staff using the procedure.
8. Implement and test if the solution is effective. Provide Compliance with documentation.
9. Update Compliance on a regular basis of its progress or when completed.
10. Follow-up validation audit will be performed by Compliance.

ATTACHMENTS/RELATED POLICIES/STANDARD OPERATING PROCEDURES

- None

APPROVALS



Chief Compliance Officer

01 / 28 / 2024

Date



Policy Committee

01 / 29 / 2024

Date

Revision History:

Date	Author	Revision Notes
10.26.22	E. Strader	Initial version
1.8.2023	S. Scott	Added verbiage for employee failure to complete CAP satisfactorily
1.18.2024	S. Scott	Added verbiage regarding the tracking and monitoring of internal compliance deficiencies and the twice monthly remediation review meetings.