SURVIVING YOUR MANAGED MEDICAID EXTERNAL QUALITY REVIEW

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Intermountain Healthcare

Health Care Compliance Association

HCCA Managed Care Compliance Conference – January 29 – February 1, 2017
www.hcca-info.org

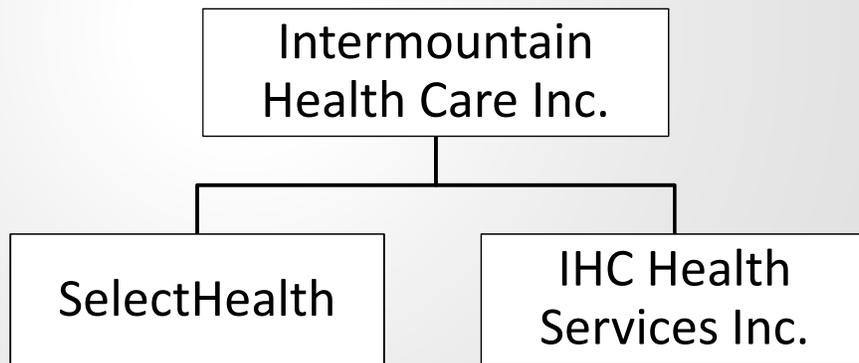selecthealth.   Intermountain Healthcare

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Beau Colvin, CHC

- Responsibilities include regulatory and contract compliance with Medicaid, CHIP, and FEHB
- Cultural Awareness
- Healthcare Administration, 14 years diverse experience at Intermountain Healthcare

Greg Newton, CIA, CFE

- Manage internal audits associated with SelectHealth
- Conduct various regulatory, operational, and financial compliance audits
- Perform risk assessments and assist in annual audit plan development
- 15 years experience with SelectHealth and Intermountain Healthcare

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"Helping people live the healthiest lives possible."

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          │    Intermountain    │
          │  Health Care Inc.   │
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│                  │   │  Services Inc.   │
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22 hospitals	185 Clinics	Established 1984
2,526 beds	1,500 Multi-Specialty Physicians/Caregivers (approx.)	1,500 Employees
37,000 Employees	Multi-Specialty and Comprehensive Care Clinics, InstaCare, KidsCare and WorkMed	More than 880,000 members
		Large Employer, Individual/Family, Small Employer, CHIP/Medicaid, Medicare Advantage, Federal Employees

Objectives:

- What is the purpose of the External Quality Review (EQR)
- How to successfully complete an EQR in Managed Medicaid
- Lessons learned from a completed EQR and the role of Internal Audit in preparing for — and responding to — an EQR announcement

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What is an EQR?

- An analysis and evaluation by an External Quality Review Organization (EQRO), of aggregated information on quality, timeliness, and access to healthcare services that a managed care organization furnishes to Medicaid beneficiaries – 42 CFR 438.320
- State Medicaid programs must ensure a qualified EQRO performs an annual EQR – 42 CFR 438.350
- Determine compliance with federal healthcare regulations and contractual requirements within the Medicaid/CHIP programs

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Year One

Year Two

Year Three
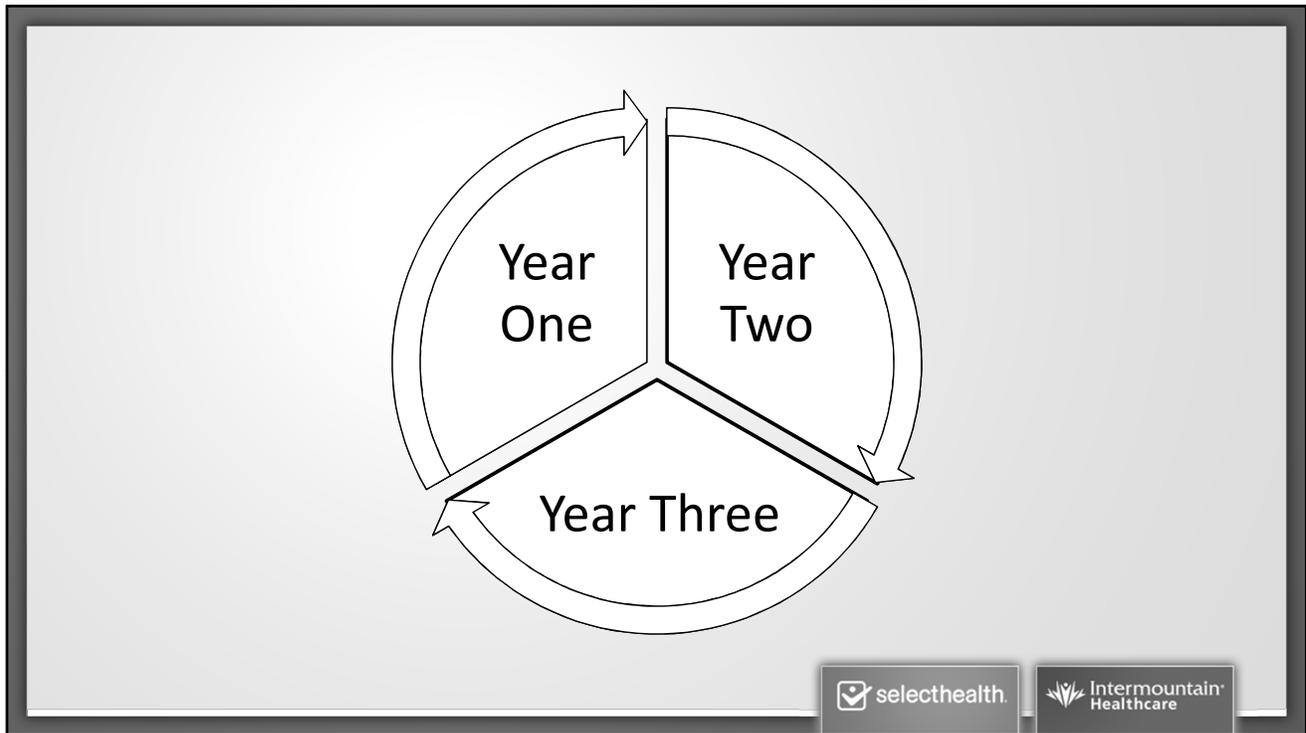
What is an EQRO?

- An organization that meets the competence and independence requirements set in 42 CFR 438.354, and performs the EQR, other (optional) EQR related activities, or both – 42 CFR 438.320
- Competence requirements of the EQRO
  - An EQRO must have staff with demonstrated experience and knowledge of…
- Independence requirements of the EQRO
  - To qualify as "Independent" an EQRO may not….

EQR Activities

Mandatory Activities

- Validation of performance improvement projects
- Validation of performance measures required in 42 CFR 438.330(b)(2)
- Review compliance with quality assessment and performance improvement requirements
- Validation of network adequacy during the preceding 12 month period

Standards for Review

- Standard I – Coverage and authorization of services
- Standard II – Access and Availability of services
- Standard III – Coordination and continuity of care
- Standard IV – Enrollee rights and protections
- Standard V – Enrollee information
- Standard VI – Grievance/Appeal system
- Standard VII – Provider participation and program integrity
- Standard VIII – Subcontracts and delegation
- Standard IX – Quality assessment and performance improvement

Expected Timelines of the EQR

- 60 day audit announcement
- 30 day document submission requirement
- On-site
- Preliminary/Final report of findings
- Corrective action plan submission

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Audit Review and Announcement

- Are you prepared for the submission/on-site?
- How do you respond?
- What went right when preparing to respond?
- Where can improvements be made?

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Data Submission

- What documentation should be submitted?
- How was the data submitted?
- What went right when submitting data?
- Identify areas for improvement

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On-Site Auditors

- Preparation/Etiquette
- Adequate Scheduling
- Dos and Don'ts in interactions

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Corrective Actions

- Appropriate to resolve the discovered issue
- Should be achievable
- Contact with regulators/auditors
- Appropriately vetted through stakeholders or subject experts
- Clearly explain if and what training is necessary

SelectHealth EQR Year One

- What went right?
- What are our areas for improvement?
- Know your limits
  - When to push back

SelectHealth EQR Year Two

- What went right?
- What are our areas for improvement?
- Self Disclosure
  - Are there benefits?

SelectHealth EQR Year Three

- Preparations in action
- What to expect
- What's unknown
- What's next?

Utilizing Internal Audit

- Risk Assessment
- Pre-Review
- Targeted approach
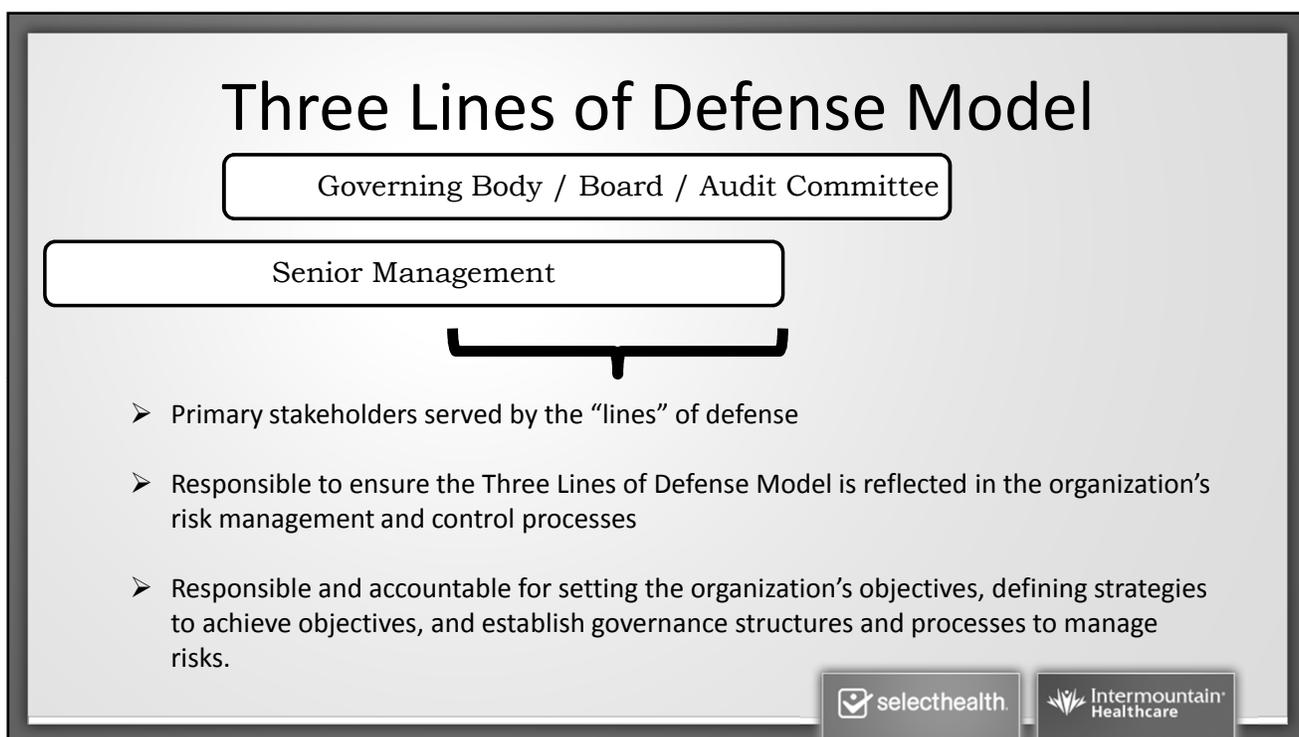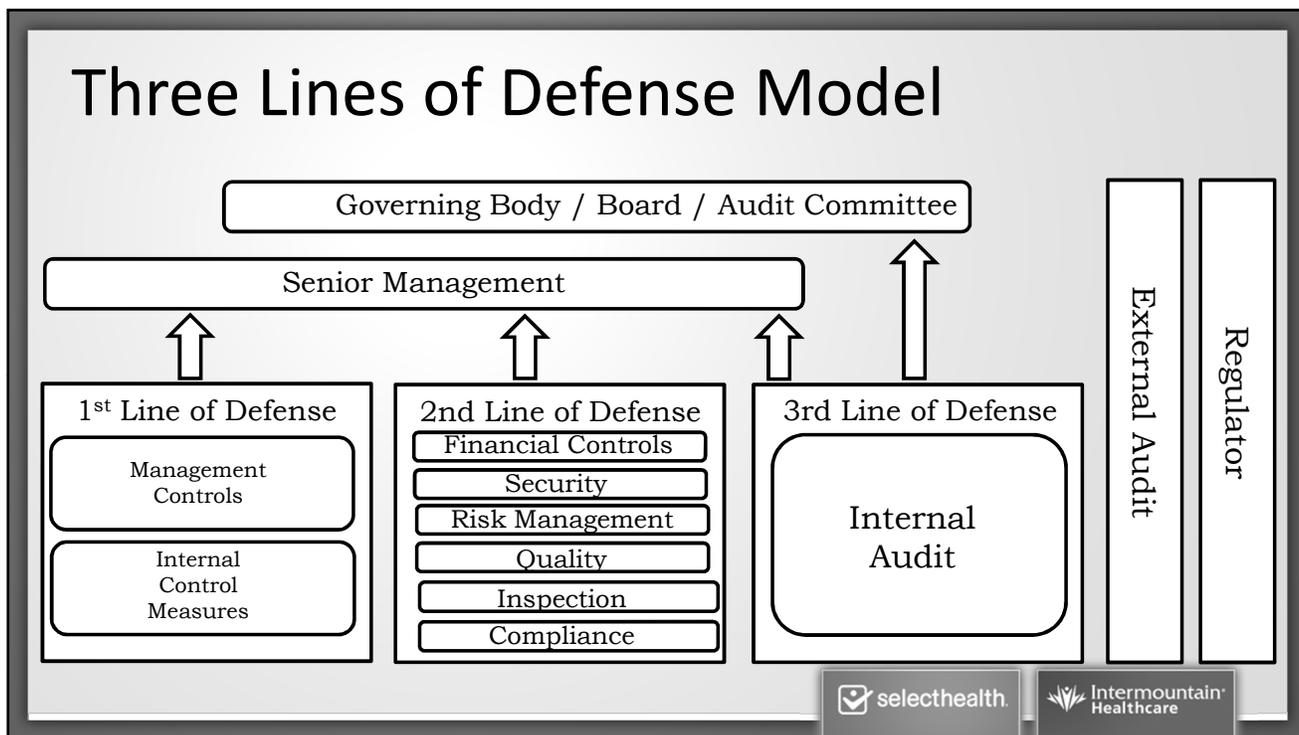- Challenges
  - Timing
  - Scope

Internal Audit

"Internal auditing is an independent, objective assurance and <u>consulting activity</u> designed to <u>add value</u> and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes."

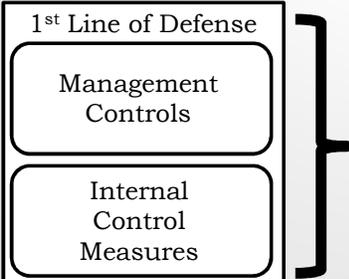*-The Institute of Internal Auditors: Definition of Internal Auditing*

Three Lines of Defense Model

Governing Body / Board / Audit Committee

Senior Management

External Audit

Regulator

1st Line of Defense	2nd Line of Defense	3rd Line of Defense
Management Controls	Financial Controls	
	Security	Internal Audit
Internal Control Measures	Risk Management	
	Quality	
	Inspection	
	Compliance	

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Three Lines of Defense Model

Governing Body / Board / Audit Committee

Senior Management

➢ Primary stakeholders served by the "lines" of defense

➢ Responsible to ensure the Three Lines of Defense Model is reflected in the organization's risk management and control processes

➢ Responsible and accountable for setting the organization's objectives, defining strategies to achieve objectives, and establish governance structures and processes to manage risks.

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Three Lines of Defense Model

Governing Body / Board / Audit Committee

Senior Management

1st Line of Defense
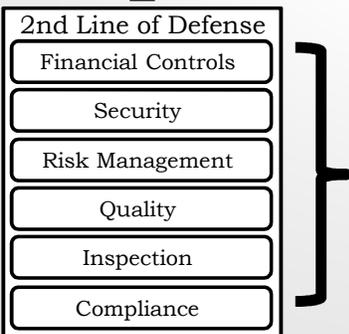
Management Controls

Internal Control Measures

➢ Operational managers own and manage risk

➢ Responsible for implementing corrective actions to address process and control deficiencies

➢ Responsible for maintaining effective internal controls

➢ Operational management identifies, assesses, controls, and mitigates risks, guiding the development and implementation of internal policies and procedures and ensuring that activities are consistent with goals and objectives.

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Three Lines of Defense Model

Governing Body / Board / Audit Committee

Senior Management

2nd Line of Defense

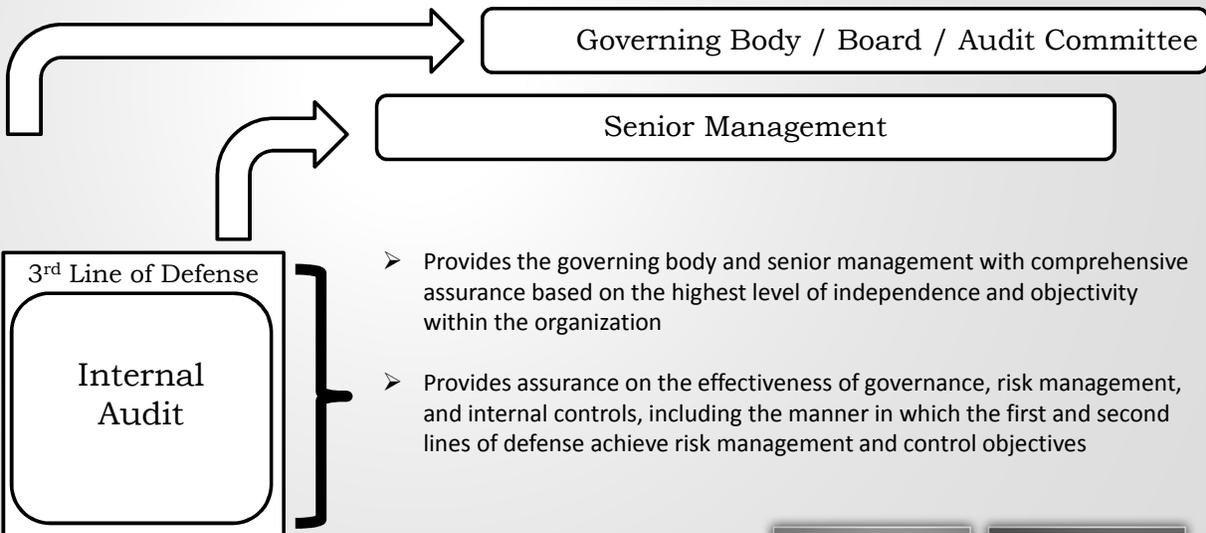Financial Controls

Security

Risk Management

Quality

Inspection

Compliance

➢ Supports policies, defines roles and responsibilities, and sets goals for implementation
➢ Provides risk management frameworks
➢ Identifies known and emerging issues
➢ Identifies shifts in the organization's implicit risk appetite
➢ Assists management in developing processes and controls to manage risks and issues
➢ Monitors the adequacy and effectiveness of internal control, accuracy and completeness of reporting, compliance with laws and regulations, and timely remediation of deficiencies

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Three Lines of Defense Model

Governing Body / Board / Audit Committee

Senior Management

3rd Line of Defense

Internal Audit

➢ Provides the governing body and senior management with comprehensive assurance based on the highest level of independence and objectivity within the organization

➢ Provides assurance on the effectiveness of governance, risk management, and internal controls, including the manner in which the first and second lines of defense achieve risk management and control objectives

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Risk Assessment / Audit Program

- Annual risk assessment with SelectHealth Executives and other key stakeholders
- Medicaid product in-scope
- Attended EQR entrance conference, group testing sessions, and EQR closing conference
- Anticipated EQR follow-up to findings

Internal Audit Objective & Scope

Objective: The objective of the audit was to evaluate corrective actions developed in response to the External Quality Review Compliance Monitoring Report for the SelectHealth Community Care and CHIP programs.

Scope: The scope of the audit included 21 selected corrective action plans associated with the following standards of performance noted in the EQRO Report dated July 2015:
- Coverage and Authorization of Services
- Access and Availability
- Enrollee Rights and Protections
- Enrollee Information
- Grievance System
- Participation and Program Integrity

Benefits of Internal Audit

- Provided an independent, objective evaluation of actions taken to complete corrective actions agreed upon as a result of the audit findings
- Demonstrated a "proactive approach" to external regulators
- Provided an opportunity to address potential issues of non-compliance prior to EQR follow-up review

Challenges of Internal Audit

- Timing of internal audit between time of corrective action plan completion and regulator follow-up review
- Scope – what items to review?
- Potential difference of opinion between Internal Audit and regulator

Objectives in Review

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Questions?