Simplifying Healthcare Compliance

CareSource's Experience with Integrated GRC

CareSource

Agenda

Introduction and Overview

Governance, Risk and Compliance

Getting Organized

Implementation and Beyond

Lesson Learned

CareSource

Who is CareSource?

CareSource

Slide 1:

Our **MISSION**

To make a lasting difference in our members' lives by improving their health and well-being.

CARESOURCE

- A nonprofit health plan and national leader in Managed Care
- 27-year history of serving the low-income populations across multiple states and insurance products
- Currently serving over 1.5 million members in Kentucky, Ohio, Indiana, West Virginia
- Preparing to serve Indiana and Georgia Medicaid members in 2017

Medicaid → Health Insurance Marketplace → Medicare Advantage → Dual Eligibles

1.52M members

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Slide 2:

Our **COMMITMENT**

As a **non-profit, member-centric company,** we are accountable to our members and the communities we serve - not shareholders.

We will always put people over profit.

- Best-in-class administrative cost ratio delivers maximum benefits to members while being responsible stewards of government funds
- Serving members across the continuum of government programs, coordinating care as their eligibility changes
- Comprehensive, member-centric models of care to address our entire population's health and social needs
- Help members navigate through daily life challenges and obstacles

6% Administrative Costs

90-92% Medical Cost Ratio

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Slide 3:

Why Governance Risk and Control Automation?

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OBJECTIVES
Governance Risk & Compliance

With the highly evolving regulatory landscape, healthcare payers are facing numerous compliance challenges and stringent regulatory scrutiny.

Mitigating risks of non-compliance with evolving regulations is a top priority in the industry today, making healthcare organizations move towards adopting GRC solutions.

Governance Risk and Control (GRC) solutions offer benefits for successfully managing regulatory and compliance elements

- Get a single source of truth for all compliance, risk, and quality data
- Streamline and automate GRC processes
- Improve collaboration and coordination across GRC activities
- Transform real-time risk data into valuable business intelligence
- Simplify compliance with regulations, corporate policies, and quality standards through a common compliance framework

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INTEGRATED GRC
Second Level

THE GOAL

Bring people together by coordinating efforts and sharing resources.

GRC TERMINOLOGY
Compliance And Controls
Enterprise Risk Management
Integrated Assurance

ORGANIZATIONAL FOUNDATION
Compliance And Controls
Enterprise Risk Management
Integrated Assurance

START WITH THE END IN MIND
Reporting Expectations
Executive Level Rollup
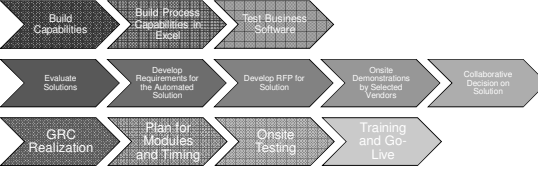Agility When There Are Changes

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GRC AUTOMATION
Our Journey

Build Capabilities → Build Process Capabilities in Excel → Test Business Software

Evaluate Solutions → Develop Requirements for the Automated Solution → Develop RFP for Solution → Onsite Demonstrations by Selected Vendors → Collaborative Decision on Solution

GRC Realization → Plan for Modules and Timing → Onsite Testing → Training and Go-Live

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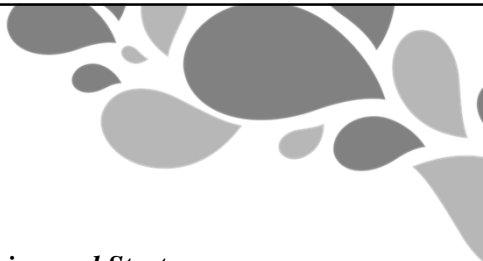
Planning and Strategy

PLANNING

Develop your plan BEFORE starting GRC implementation.

ROADMAPS
Technology
Implementation and Foundation First

FOUNDATIONAL ELEMENTS
Determine Scope of Implementation
Process, Controls, Metrics, Risk, etc.

HIERARCHY
Determine Reporting Capability
Segment
Tie to Financial or HR Systems

HIGH LEVEL PROCESS
Understand Critical Steps
Evaluate Process
Be Flexible

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FOUNDATION ELEMENT
Basics

Compliance Audits

ERM Risk Assessments

Internal Audits

GRC Foundation

Vendor Risk Analysis

Delegation Oversight

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FOUNDATION ELEMENT
Example Controls

FOUNDATION ELEMENT
Example Controls

FOUNDATION ELEMENT
Example Risks

FOUNDATION ELEMENT
Example Risks

RSK-0000107	D1 RA Lack of Governance Processes and Monitoring	Active	Level 1	No

Description:
Governance processes and monitoring activities are not in place or sufficient, leading to reduced effectiveness of CareSource's control environment

Owner Organizations: CareSource

Owners: Cathleen Altman

Level 1 Approver:

Level 2 Approver:

Applies to Organizations:

Related Areas of Compliance: Internal Controls

Related Assets:

Related Controls: D109 Finance Committee;D110 Audit and Compliance Committee;D111 Nominating/Governance Committee;D112 Executive Compensation Committee;D113 ERM Committee;D114 Executive Council Committee;D115 Enterprise Governance Committee;D116 Compliance Committee

Related Functions:

Related Objectives:

Related Processes: D1 Entity Level Controls

Related Products:

Related Regulatory Bodies: Internal

Related Requirements:
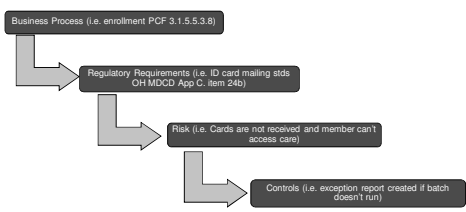
Related Risks:

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HIGH LEVEL PROCESS

Business Process (i.e. enrollment PCF 3.1.5.5.3.8)

↓

Regulatory Requirements (i.e. ID card mailing stds OH MDCD App C. item 24b)

↓

Risk (i.e. Cards are not received and member can't access care)

↓

Controls (i.e. exception report created if batch doesn't run)

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PLANNING
Support Model

DEDICATED STAFF
Internal Staff
Vendors

PARTNER WITH ANOTHER ORGANIZATION

UNDERSTAND THE TOOL
Understand Functionality

PARTNER WITH THE VENDOR
Frequent Connection Points
Develop Escalation Paths
Determine Willingness to Modify the Product Roadmap

WORK WITH END USERS
Understand Functionality

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PLANNING
Role Assignments

CONSIDERATIONS FOR ROLE ASSIGNMENTS
- Security
- Reporting Needs
- Activity Input vs. Supervisor Approval
- Executive
- Same for all modules or can vary by module
- Multiple roles per user
- Place primary and backup people in each role

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ROLE ASSIGNMENTS
Example

Role-Activity Mapping

The following table lists the roles and related activities in the **Risk Management** application.

Activities	Roles					
	Chief Risk Officer	Risk Program Manager	Risk Assessor	Business Unit Head	ERM Admin	Risk Manager
RSK - Manage Scenarios		✓			✓	
RSK - Manage Risk Factors		✓			✓	
RSK - View All Scheduled Risk Assessments		✓				
RSK - View Scheduled Risk Assessments				✓		✓
RSK - Edit All Scheduled Risk Assessments		✓				
RSK - Edit Scheduled Risk Assessment		✓				✓
RSK - Approve Scheduled Risk Assessment						✓
RSK - Assess Risks			✓			
RSK - Approve Risk Assessments		✓				✓
RSK - View Risk Assessment				✓		✓
RSK - View All Risk Assessments	✓	✓				

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PLANNING
Governance Model

STEERING COMMITTEE
Review and monitor overall program progress
Specifically oversee any customization decisions
Monitor budget and implementation timelines
Includes executive sponsor, senior leaders and key stakeholders

WORKGROUP COMMITTEE
Discuss and decide on implementation needs
Collaborate on central functions
Benchmark and share best practices
Includes business owners from all departments using system

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***Implementation Steps
& Outcomes***

IMPLEMENTATION STEPS
Rollout Strategy

Phase 1	Phase 2	Phase 3
• Governing structure & hierarchy • Issue management • Compliance management	• Internal Audit • Enterprise Risk Management	• Vendor Management • Regulation Change Management

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BACKGROUND
Case Study - Complaints

Complaints received from State Regulators require formal and comprehensive responses according to the regulator specified timelines. The expectation is 100% on-time response rate and greater than 90% "first-response" resolution.

During 2015, response rates performed at 92% on-time and first-response resolution performed at 65%.

Previous system for managing complaints did not allow simultaneous interactions from multiple business owners impacting the thoroughness of the response and causing delays in timely responses.

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IMPLEMENTATION ACTIONS
Case Study - Complaints

IMPLEMENTATION ACTIONS

Determined requirements for successful management of complaint activity

Cross business collaboration

Identification of SMEs across business areas

Tracking of business owner activities

Tracking of response activities

Ability to report trends and themes

Engaged business in developing the solution

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RESULTS
Case Study - Complaints

*Through the implementation of our new GRC tool, we improved on-time response rates to regulators from **67% to 99.9%** for complaints.*

Through business owner engagement and collaboration in the solution, the response rates improved internally.

First-response resolution also improved from **55% to over 90%.**

2016 State Complaint Action

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SAMPLE REPORTING
Case Study - Complaints

SAMPLE ONLY

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Lessons Learned

BEST PRACTICES

Do The Foundation Work First

Learn The Capabilities Of The Tool

Establish Change Control Structure

Configuration Vs. Customization

Consultants Onsite For Key Milestones To Ensure Engagement

Readiness Checklist

Plan For Reporting

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CONTACT US

- Kurt Lenhart
  - VP, Corporate Compliance Officer
  - Kurt.Lenhart@CareSource.com
  - 937-531-2028

- Margaux Frazee
  - Director, Medicaid Compliance
  - Margaux.Frazee@CareSource.com
  - 937-531-3338

- Sean Woodson
  - GRC Implementation Lead
  - Sean.Woodson@CareSource.com
  - 937-531-2734

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