

LEGAL AND COMPLIANCE DISPUTES AND INVESTIGATIONS

INDEPENDENT AUDITOR SERVICES

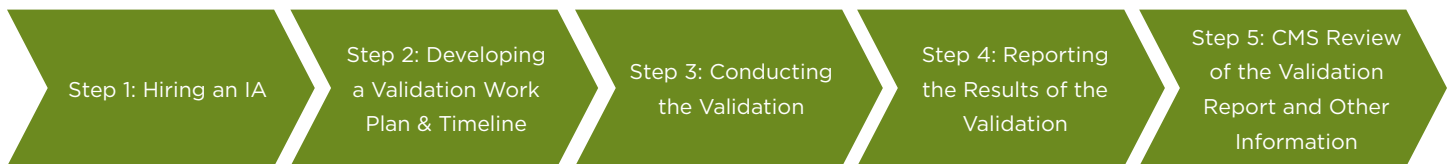
What are the services that an Independent Auditor (IA) should provide to Medicare Advantage and Prescription Drug Plans?

The Centers for Medicare & Medicaid Services (CMS) has begun enforcing CMS-4159-F2 which requires a sponsoring organization to hire an IA to validate whether the deficiencies found during a CMS full or partial program audit have been corrected. A validation audit is much different than a full program audit. Knowing the differences is crucial to a successful validation, and experience matters when considering an IA to perform the validation. An experienced IA will navigate the process with you and CMS and keep the scope of your validation specific to the issues that gave rise to the conditions in your CMS audit report.

While CMS outlines minimal requirements to consider when hiring an IA in their November 12, 2015 HPMS memorandum, the nuances of a sanction validation or a corrective action plan (CAP) validation require much more knowledge about the process, clean periods, targeted sampling, systems, and reporting. Getting your CAPs approved by CMS is just the beginning of your validation. The team you hire is critical to navigating through all the phases of a validation audit and clearing the way for getting back to business.

KEY STEPS IN THE VALIDATION PROCESS

After CMS completes your full or partial program audit, you will receive a report with findings on corrective actions required (CARs), immediate corrective actions required (ICARs), observations, and the IA requirement. After CMS reviews and approves your CAPs, you will have 150 days to determine a clean period and complete the validation process. An experienced IA can help you navigate the timelines and follow the process.



Consider the many responsibilities and requirements a validator must adhere to during the validation process that can affect your outcomes:

- Develop work plans and timelines that keep you on track;
- Determine which universes to request;
- Develop and describe their sampling methodology for CMS before the validation begins;
- Target outcome-based samples to specifically test your corrective actions;
- Effectively navigate your multiple systems during the audit;
- Experience with dealing with multiple First Tier, Downstream, and Related Entities as applicable;
- Determine what documentation should be recorded for CMS;
- Conduct an audit that stays within the scope of the CMS corrective actions;
- Accurately and clearly report the audit outcomes to CMS;
- Effectively communicate with you, your teams, and CMS throughout the process.



OUR EXPERIENCE

Navigant has extensive IA experience in the industry. Our experience helps our clients navigate the validation process from beginning to end.

- Our team was chosen by many MA and Part D plans to validate corrective actions taken in response to both CMS Sanctions as well as Program and Compliance Audits.
- Navigant validated remediation efforts made as part of CARs and ICARs for CMS audit conditions in the areas of CPE, FA, CDAG, ODAG and SNP-MOC.
- We have received CMS approval for validation work plans, timelines, audit and sampling methodology, and reporting.
- Navigant has successfully utilized CMS audit methodologies, along with our extensive large scale data analytics capabilities, to assess and target the specific corrective actions being validated.

OUR TEAM

- Navigant offers a team of experts led by professionals who have utilized the CMS Program Audit and IA protocols since their inception, including:
- Former health plan internal audit, compliance, and pharmacy benefit management operations personnel bringing deep experience with audits of all Medicare Advantage and Prescription Drug Plan program areas.
- Data analytics experts able to effectively manage, validate, and manipulate extremely large volumes of data from disparate sources, resulting in synthesized and actionable universe validity and timeliness analytics.
- Former government enforcement officials and Medicare compliance officers with a proven track record in helping sponsors deal with the federal government on sensitive issues.

COMMON QUESTIONS SPONSORS HAVE ABOUT THE VALIDATION PROCESS

Question: How long does the validation process take?

Navigant: This depends on when your CAPs are approved by CMS and your clean period determination. Navigant utilizes a phased approach and a methodology that has proven to keep validations on track and within scope. We work collaboratively with plan sponsors during each phase of a validation audit to ensure all expectations and outcomes are thoroughly communicated. After the clean period is complete, the time from validation to final CMS report is approximately six to eight weeks.

Our phased approach includes:



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About Navigant

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Question: What documents do you request and what does the document review entail?

Navigant: Any documents you refer to in your CMS approved CAPs will be requested as evidence that they were completed for recording purposes only. For instance, if a CAP refers to a new or updated policy and procedure, that document will be requested and noted in our report as having been received. We do not audit the documents themselves for correctness.

Question: Do you validate the observations that CMS identified in our final audit report?

Navigant: No. CMS has indicated that only CARs and ICARs will be validated according to your CMS approved CAPs.

Question: Can you stagger the testing and the clean period?

Navigant: Yes. Plan sponsors have to decide whether to wait for all areas to be remediated or to indicate that some areas such as Part D are "clean", while others will not be until a later date. The IA would then conduct a phased or staggered approach provided that this is amenable to CMS.

Question: What is the overall role of the IA?

Navigant: The IA is to perform the audit using the CMS audit protocols and its own skills and experience to provide the information to CMS and the plan, which documents whether the issues that gave rise to the conditions are corrected and not likely to recur.

Question: Does the IA issue a "pass or fail" type of opinion or determination?

Navigant: No, that is for CMS to determine. The IA gathers and tests the facts and presents them in a manner that is easily understood. Only CMS has the authority to deem the audit and its conditions closed or to release a plan from Sanctions.

In summary, we hope this information is helpful to you to prepare for the fact that CMS has stated the 2017 audit notices are coming out on February 21st, 2017. Many plan sponsors have shared feedback that they wish they had started their selection process for an IA sooner rather than later. Navigant agrees that early planning for your validation is one of the keys to a successful audit.

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