

NORTHCARE NETWORK

Regulatory Compliance Program Plan

I. INTRODUCTION

NorthCare Network's beliefs coincide with the OIG's office in that an effective compliance program provides a mechanism for reducing fraud and abuse, improving operational quality, improving the quality of health care and hopefully reducing the costs of health care.

Additional benefits may be realized including, but not limited to:

- ✓ The formulation of effective internal controls to assure compliance with State and Federal regulations and internal guidelines;
- ✓ Improved clinical record documentation;
- ✓ A concrete demonstration to employees and the community at large of the organization's strong commitment to honest and responsible conduct;
- ✓ Increased likelihood of identification and prevention of criminal and unethical conduct; and
- ✓ A methodology that encourages employees to report potential problems.

Our goal with this compliance program is not only to fulfill the purpose, but to provide a tool to strengthen the efforts of employees affiliates, agents, volunteers, and independent contractors (hereinafter referred to as "covered parties") to prevent and reduce improper conduct. NorthCare's Compliance Program will also inform covered parties of their responsibilities and obligations under the law and to help maintain the highest level of ethical behavior.

II. PURPOSE

The purpose of NorthCare's compliance program is to provide a framework that guides the management and provision of the NorthCare Medicaid Managed Specialty Supports and Services contract and the Adults Benefit Waiver (ABW) contract across the Upper Peninsula. The program outlines the expectations and practices that services are managed/provided in an ethical manner and within the structure of all laws, statutes, rules, regulations, and guidance applicable to the work that we do. The framework extends from NorthCare, the Prepaid Inpatient Health Plan (PIHP) to all providers within our network, i.e., CMHSPs, SA Providers, and Contract Providers.

III. APPLICATION

All providers billing or paying out \$5 million or more annually are required to have a formal compliance program. [Provision of the Deficit Reduction Act of 2005, signed into law Feb. 8, 2006] Therefore, it is NorthCare's expectation that all providers meeting this threshold maintain an active compliance program, which includes NorthCare Compliance Program requirements. Entities not meeting the threshold as defined by the Deficit Reduction Act are strongly encouraged to have formal compliance efforts documented and implemented; and, are required to comply with NorthCare's Compliance Program.

IV. CODE OF COMPLIANCE ETHICS

NorthCare has a code of compliance ethics which serves as the base upon which the compliance program is built and therefore is an integral part of the Compliance Program.

V. **COMPLIANCE OFFICER AND RESPONSIBILITIES**

- A. NorthCare's CEO shall appoint a Compliance Officer who will report directly to the CEO and will be allowed direct access to the Board of Directors and legal counsel as he/she believes is necessary.
- B. Duties and responsibilities of the Compliance Officer are outlined in the job description.
- C. The Compliance Officer will maintain an "Open Door Policy".

VI. **EDUCATION REGARDING THE COMPLIANCE PROGRAM**

Training and education regarding Compliance Program is required for all employees at time of hire and annually thereafter, as applicable. Training must include:

- A. Overview of Compliance Program(s) and Policies
- B. Code of Conduct/Ethics and NorthCare's Code of Compliance Ethics
- C. Expectations as an employee or sub-contract employee
- D. Compliance Reporting procedures
- E. Deficit Reduction Act
- F. Federal and State False Claims Acts
- G. Whistleblowers' Protection Act provisions
- H. Any other administrative remedies for false claims under federal law

NorthCare Network will provide training directly or through a train the trainers program with regional Compliance Officers. However, NorthCare Network requires that a standardized training module be used. Modules can be customized to include specifics regarding local protocols.

VI. **AUDITING AND MONITORING**

NorthCare will conduct periodic prospective and retrospective audits for the purposes of:

- A. Identifying issues that are high risk/high probability of occurring and that may impact the quality, efficiency and effectiveness of the region's care delivery system;
- B. Monitoring high risk/high probability issues;
- C. Monitoring compliance with local, state, and federal rules and regulations including, but not limited to:
 - NorthCare/Covered Party contract and delegation agreement (where applicable)
 - NorthCare/MDCH Contract
 - NorthCare/Provider Contract
 - NorthCare's Compliance Plan
 - Medicaid Provider Manual
 - Proper coding and billing procedures
 - NorthCare Verification of Medicaid Services Protocols
 - NorthCare Site Review Protocols
 - HIPAA
 - Balanced Budget Act
 - Deficit Reduction Act
 - Medicaid Integrity Program
- D. Implementing and educating covered parties regarding compliance and practice standards.
- E. Develop and maintain open lines of communication, such as (1) discussions at regional team meetings regarding how to avoid erroneous or fraudulent conduct and (2) community bulletin boards/newsletter articles/etc., to keep employees updated regarding compliance activities.

VII. **NORTHCARE COMPLIANCE MONITORING TEAMS AND RESPONSIBILITIES**

A. NorthCare has established the following ongoing Compliance Teams. Additional or ad hoc committees will be established as needed. NorthCare staff and the Compliance Monitoring Team members shall make every effort to keep current regarding major issues identified by oversight agencies (e.g., Office of Inspector General (OIG), Centers for Medicare and Medicaid Services (CMS), and the Michigan Department of Community Health (MDCH).

1. NorthCare Compliance Monitoring Team

a) Responsibilities include:

- Conducting annual site reviews to ensure compliance with applicable rules and regulations and managed care functions delegated to the CMHSP/Contract Provider
- Analyze applicable regulatory requirements and risk areas
- Assess existing policies and procedures
- Work with appropriate providers to resolve issues
- Recommend and perform monitoring
- Uphold confidentiality of information secured during reviews

b) Team Members include: NorthCare Chief Operating Officer, NorthCare QI Coordinator/Compliance Officer, NorthCare UM Coordinator, NorthCare Member Service Specialist, NorthCare Clinical Practices Specialist, and NorthCare Finance Officer.

2. NorthCare Compliance and Documentation Monitoring Team – SA Providers

a) Responsibilities include:

- Conducting annual site reviews to ensure compliance with applicable rules and regulations and managed care functions delegated to the SA Provider.
- Conducting annual documentation reviews to ensure documentation is meeting all local, state and federal standards, including, verification of Medicaid services.
- Analyze applicable regulatory requirements and risk areas.
- Assess existing policies and procedures.
- Work with appropriate providers to resolve issues.
- Recommend and perform monitoring.
- Uphold confidentiality of information secured during reviews.

b) Team members include: NorthCare Director of SA Services, NorthCare CDR Administrative Assistant, CDR Access Specialist, CA Accountant, and Clinical Consultant.

3. NorthCare's Documentation Review Team – CMHSPs

a) Responsibilities include:

- Retrospective documentation reviews to ensure documentation is meeting all local, state and federal standards.
- Encourage and work with providers to develop and implement prospective review processes internal to their organization to identify problem areas prior to billing/encounter reporting.
- Conduct verification of Medicaid service audits.
- Educate providers regarding Medicaid Provider Manual requirements.
- Uphold confidentiality of information secured during reviews.

b) Team members include: NorthCare QI Coordinator/Compliance Officer, NorthCare UM Coordinator, NorthCare Clinical Practices Coordinator, and NorthCare Data Support Specialist.

4. NorthCare Regional Compliance Team
 - a) Responsibilities include:
 - Assessing existing policies and procedures.
 - Work with appropriate departments within their organizations to resolve issues.
 - Develop compliance tools.
 - Assist with training agency staff.
 - Ensuring sub-contract providers and staff are training on their agency and NorthCare Compliance Program, including the DRA, Federal and Michigan False Claims Acts, etc.
 - Determine appropriate strategies and approaches to promote compliance and detection of potential risk areas.
 - Assist with the development of preventive and corrective action plans.
 - Review the findings of internal and external reviewing bodies and identify risk areas or deficiencies requiring preventive and corrective action.
 - Uphold confidentiality of information secured during reviews.
 - b) Team members include: NorthCare QI Coordinator/Compliance Officer, NorthCare COO, NorthCare Director of SA Services, and Compliance Officers from each CMHSP. Membership will include representation from quality, accreditation, finance, contract management, recipient rights, and federal/state regulations as needed.

VIII. **EMPLOYEE SCREENING**

NorthCare and all covered parties are required to screen prospective and current employees according to their organizational and NorthCare's credentialing and hiring policies and procedures and applicable law. Relevant NorthCare policies can be found at www.northcare-up.org and include:

- A. Criminal Background Check Policy
- B. Credentialing Policy
- C. Privileging Policy
- D. Staff Competency /Staff Education Policy

VIII. **REPORTING**

- A. It is understood that violations of NorthCare's policies or of federal, state or local laws and regulations may be unintended, or may be covert and intended.
- B. Whether the violation is an unwitting mistake or deliberate act, it is important that all employees take responsibility for bringing the violation to the attention of someone who can act to correct the situation.
- C. An employee is responsible for seeking supervisory assistance and/or assistance from their Compliance Officer or NorthCare's Compliance Officer if he or she has doubts or is unclear about what the right action is to reach and/or maintain compliance.
- D. Anyone who believes in good faith that a violation has taken place or will take place should take all available steps to avoid the violation and must report the matter.
- E. Suspected violations can be reported in any manner described in NorthCare's Compliance Program Reporting and Investigation Procedures Policy that is comfortable for the reporter, including telling a supervisor or the Compliance Officer about the violation. Suspected violations can also be reported anonymously.
- F. It is the policy of NorthCare that no retaliation or retribution of any kind will be tolerated against an employee who makes a good faith report of suspected wrongdoing, and any such retaliation or retribution will be grounds for discipline or sanctions. (See NorthCare No Retaliation For Reporting Policy.)

IX. REPORTING PROCEDURES

Reporting procedures are outlined in NorthCare's Regulatory Compliance Program Reporting-Investigation Policy .

X. RESPONDING AND CORRECTIVE ACTION

NorthCare will respond promptly to suspected violations through the investigation of allegations, developing correction action plans, and proper disclosure of incidents to appropriate Governmental entities, law enforcement, and/or stakeholders.

The investigation should identify the violation(s), witnesses to the alleged act, those responsible (intentionally or unintentionally) for the alleged act, and any documentation supporting the allegation. All documentation and proceedings should be controlled by the Compliance Officer. The investigation should also result in recommended changes to policies, procedures, and practices to avert the compliance issue from occurring in the future. Investigative procedures are outlined in NorthCare's Regulatory Compliance Program Reporting and Investigative Procedures Policy.

NorthCare strongly encourages that in all situations where it is appropriate, the organization initiate voluntary disclosure or reporting of violations of civil, criminal, or administrative law to appropriate third-party law enforcement or regulatory agencies, including NorthCare. Self-disclosure must follow the Office of Inspector General's Provider Self-Disclosure Protocol (42 USC 1320a-7b (f)) and the requirements of the Federal False Claims Act, (31 USC 3729-3733).

IX. ENFORCEMENT, CORRECTIVE ACTION AND DISCIPLINE/SANCTIONS:

Enforcement of corrective action and/or disciplinary/sanction standards will be conducted in accordance with NorthCare's Sanctions Policy, applicable contracts and laws.

X. RECORDS

The Compliance Officer is responsible for all paper and electronic records acquired during the course of compliance activities by the Compliance Officer, Compliance Committee, or site review teams. The records will be kept in a secure location which protects the confidentiality of consumers, employees, and business operations. Records that are determined to be obsolete will be destroyed either by shredding or deletion from electronic media. Records will be maintained as follows:

- A. Investigations - until the matter is resolved. The Compliance Officer will prepare a summary of all material activities, list of interviewees, findings, and actions taken before destruction.
- B. Site Reviews - seven years
- C. Corrective actions - seven years
- D. Meeting minutes, board reports, and memoranda will be retained indefinitely.
- E. Litigation's - indefinitely

SOURCES:

Bellucci, Margaret and Thornton, Mary National Council for Community Behavioral Healthcare, 2002. Corporate Compliance manual for Behavioral Healthcare Providers.

Hardin, R. Jay; Kraus, Richard; Marsich, Veronica, Brochert Roe, Rachel. Health Care Corporate Compliance Programs in Michigan. Grand Rapids, MI 1/15/2002.

Federal Register/Vol. 63, No. 243 and Federal Register/Vol. 52, No. 194, OIG Compliance Program Guidance for Third-Party Medical Billing Companies and Small Group Practices.