



Implementing and Maintaining an Effective Compliance Program

Introduction

CMS requires all plan sponsors of federally regulated products (i.e. Medicare Advantage and Prescription Drug Plans) to have proper oversight of their First Tier, Downstream and Related Entities (FDR's) by implementing an effective compliance program. Since you are contracted with such a company and perform business on their behalf you are also expected to implement a compliance program to ensure you have proper oversight of your FDR's as well. These include agents/agencies in your downline and anyone you hire to perform duties that are in any way related to federally regulated Medicare programs.

Below is an outline of what is needed to implement and maintain an effective compliance program.

Compliance Officer

You will need to appoint someone to act as the Compliance Officer / Compliance Lead for your organization. It can be anyone you deem competent enough to oversee all aspects of the program and make sure your organization and all downline agents contracted with you are remaining compliant. They will be responsible for developing, operating and monitoring the compliance program as a whole. They will need to train and educate employees on compliance as well as monitor and track agent performance in regards to compliance metrics for all agents in your downline. Furthermore, they will need to independently investigate compliance matters and ensure that any necessary corrective action is taken.

Policies and Procedures

You will need to develop/draft a set of Policies and Procedures that will serve as a framework for all actions and conduct within your organization. It will also serve as a guide for the day-to-day operations of your organization. Your P&P's should cover the rules and regulations that your employees and business partners are to adhere to (ex. Federal/State/Local laws and regulations, CMS requirements, etc.), as well as lay out the fundamental principles and values expected of your employees and business partners. Keep your P&P's up to date. If you change your operational procedures within your organization make sure to update your P&P's accordingly.

We have provided a copy of Premier's Policies and Procedures for your reference, as well as a Template of our Policies and Procedures that you may use if you would like. Remember, do not incorporate anything into your Policies and Procedures that you don't do or intend to do, because if it's in your Policies and Procedures you are expected to not only do it but be able to provide documentation that it is being done. The grey highlighted areas in the "Template for Premier's Policies and Procedures" are where you need to fill in your own organization's information. However, make sure you review the entire document and delete anything you don't do.

Code of Conduct

You will need to develop/draft a Code of Conduct for your organization. A Code of Conduct is designed to promote honest, ethical, and lawful conduct by all employees, officers, and directors within your organization. Remember, the actions of all people affiliated with your organization affect the

reputation and integrity of your Company. You will need to have **all employees** who aren't contracted to sell federally regulated Medicare products **review and sign your Code of Conduct within 90 days of initial hire and annually thereafter**. Also, remember to retain the signature pages from the Code of Conduct for each applicable employee for a minimum of 10 years.

We have provided a copy of Premier's Code of Conduct for your reference, as well as a Template to use if you would like. Make your Code applicable to the conduct and standards you expect of your employees.

General Compliance Training

Your employees must receive effective and periodic training on the applicable laws, regulations and policies specific to your organization. Agent trainings for the most part will come from the companies themselves through product trainings and certifications, but it is your responsibility to make sure your downline agents are conducting business in a compliant manner. Therefore, periodic training from your organization might be a good idea.

Non-agent employees within your organization must be given a general compliance training course **within 90 days of initial hire and annually thereafter**. This training must include: General Compliance, Fraud, Waste and Abuse (CMS Version), Privacy/Security, and General Medicare. You'll need to have some way to document that your employees completed the training (attendance logs, attestation/signature pages, etc. - some kind of proof that the employee completed the training), and it needs to be retained for a minimum of 10 years.

We have a template of the general compliance training we use. If you choose to use our training document for your organization, you'll have to go through and put your company name in the appropriate spots. You will, at minimum, want to develop an attestation page for your employees to sign saying they have reviewed and understand the content of the training.

OIG/SAM (GSA) Exclusion List Checks

Non-Agent employees must also be checked against the **OIG** and **SAM** (GSA) excluded parties' lists **upon hire and MONTHLY thereafter**. You'll need to document the searches either by capturing screenshots, print-outs, or, at minimum, documenting the date and time the search took place. This is to be done for each non-agent employee that works for your organization (anyone who handles or has access to Medicare client information that isn't a licensed agent). Instructions and links listed below:

OIG: <http://exclusions.oig.hhs.gov/> (Just type the last and first name and click search; if you are searching multiple names click on the link "Search for Multiple Individuals" and you'll be able to search up to five names at one time)

SAM: <https://www.sam.gov/> (Click on "Search Records", then you can type in the person's name: ex Doe, John)

7 Core Elements of an Effective Compliance Program

Every Compliance Program must include the following “**7 Core Elements of an Effective Compliance Program**”. Remember to incorporate these elements when completing the requirements listed previously.

1. **Written Policies and Procedures** (including a statement of Corporate Philosophy and Codes of Conduct). Previously detailed.
2. **Designation of a Compliance Officer**. Previously detailed. Must also meet with the principal/ owner (if not acting as Compliance Officer), its governing body, and CEO on a periodic and as needed basis.
3. **Effective Training and Education**. Previously detailed. Employees and agents must receive effective and periodic training on the applicable laws, regulations and policies that govern your organization. Agent trainings for the most part will come from the companies themselves through product trainings and certifications, but it is your responsibility to make sure your downlines are conducting business in a compliant manner so periodic training from your organization might be a good idea.
4. **Effective Lines of Communication**. The Compliance Officer must develop and maintain effective lines of communication with all employees, agents and the companies your organization is contracted with. Have procedures in place to encourage questions and complaints, and procedures to protect the confidentiality of those reports and the anonymity of complaints. Also, stress that retaliation against complaints is strictly prohibited.
5. **Internal Auditing and Monitoring**. By monitoring your compliance program internally, you should be able to ensure that it is working effectively. Uncovering areas of non compliance internally is much better than through external audits by companies or CMS.
6. **Well Publicized Disciplinary Standards**. Your compliance program should lay out the consequences for violating your organization’s Code of Conduct and Policies and Procedures, as well as Federal and State Laws. This should be done in the “Corrective and Disciplinary Action” portion of your Policies and Procedures.
7. **System for Prompt Response to Issues or Detected Problems**. Reports or indications of suspected non-compliance must be investigated to determine the scope of the potential violation (violation of law, company regulation, or your own policy, etc.). Have a plan in place to report such incidents to the proper authority. Premier is here to help. Come to us with any issues and we will help point you in the right direction or make sure the incident is reported correctly.

If you have any questions or need assistance please contact us.

We are here to help.

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