KS Plan Administrators	Compliance Policy Manual	POLICY NO: CP 7
Subject: Prompt Response to Compliance Issues	**DATE:** October 2012 **Last Revised:** March 2023 **Last Reviewed:** December 2024	
DISTRIBUTION: All Departments	**FUNCTIONAL AREAS:** All Departments	
SUPERCEDES POLICY: N/A	**Reference:** Medicare Managed Care Manual Ch 21 Compliance Program Guidelines	
Prepared by: Medicare Compliance Officer **Revised by:** Sr. Fraud Investigator SIU	**Date Approved:** October 11, 2012 **Revision approved:** December 1, 2023	

I. Goal

KS Plan Administrators, LLC d/b/a KelseyCare Advantage ("KCA") must have a system for promptly responding to compliance issues as they are raised, investigating potential compliance problems as identified in the course of self-evaluations and audits, correcting such problems promptly and thoroughly to reduce the potential for recurrence, and ensuring ongoing compliance with CMS requirements (See: 42 C.F.R. §§ 422.503(b)(4)(vi)(G), 423.504(b)(4)(vi)(G)).

II. Definitions

Abuse: means actions that may, directly or indirectly, result in: unnecessary costs to the Medicare Program, improper payment, payment for services that fail to meet professionally recognized standards of care, or services that are medically unnecessary.

Centers for Medicare & Medicaid Services (CMS): means a Federal agency within the U.S. Department of Health and Human Services responsible for the administration of the Medicare Program.

Downstream Entity: means any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with the MA benefit or Part D benefit, below the level of the arrangement between an MAO or applicant or a Part D plan sponsor or applicant and a first-tier entity.

Employee(s): means to those persons employed by the sponsor (e.g., KCA) or a First Tier, Downstream or Related Entity (FDR) who provide health or administrative services for an enrollee.

First Tier Entity: means any party that enters into a written arrangement, acceptable to CMS, with an MAO or Part D plan sponsor or applicant to provide administrative services or health care services to a Medicare eligible individual under the MA program or Part D program. (See, 42 C.F.R. § 423.501).

Fraud: means knowingly and willfully executing, or attempting to execute, a scheme or artifice to defraud any health care benefit program or to obtain (by means of false or fraudulent pretenses, representations, or promises) any of the money or property owned by, or under the custody or control of, any health care benefit program. 18 U.S.C. § 1347.

KSPA Operating Committee: means the group of individuals at the highest level of governance of KCA (e.g., "Local Board"), who formulate policy and direct and control KCA in the best interests of the organization and its enrollees.

Related Entity: means any entity that is related to an MAO or Part D sponsor by common ownership or control and

1. Performs some of the MAO or Part D plan sponsor's management functions under contract or delegation.
2. Furnishes services to Medicare enrollees under an oral or written agreement.
3. Leases real property or sells materials to the MAO or Part D plan sponsor at a cost of more than $2,500 during a contract period. (See, 42 C.F.R. §423.501).

Special Investigations Unit (SIU): means an internal investigation unit responsible for conducting investigations of potential FWA.

Waste: means the overutilization of services, or other practices that, directly or indirectly, result in unnecessary costs to the Medicare program. Waste is generally not considered to be caused by criminally negligent actions but rather the misuse of resources.

III. Policy

KCA recognizes that violations of its Compliance Program, violations of applicable federal or state law, or other types of misconduct threaten its status as a reliable, honest, and trustworthy organization capable of participating in federal health care programs. Upon report or reasonable indication of suspected noncompliance, the Medicare Compliance Officer, Special Investigations Unit along with management will initiate prompt steps to investigate the conduct in question to determine whether a material violation of applicable law or company policy has occurred, and if necessary, take steps to correct the problem.

1. If KCA discovers evidence of misconduct related to the payment or delivery of prescription drug items or services under the contract, KSPA will conduct a timely reasonable inquiry into that conduct.
2. KCA will conduct appropriate corrective actions (for example, re- payment of overpayments and disciplinary actions against responsible individuals in response to the potential violation reference above.

3. KCA has procedures to voluntarily self-report potential fraud and misconduct related to the program to CMS.

IV. Procedure

1. Program noncompliance and fraud, waste, and abuse (FWA) may occur at any level of KCA or with its FDRs. It may be discovered through a hotline, a website, an enrollee complaint, during routine monitoring or self-evaluation, an audit, or by regulatory authorities. Reports may also be received anonymously and without fear of retaliation and retribution for a good faith report of wrongdoing and are immediately sent to the Medicare Compliance Officer, if necessary, the Special Investigation Unit (SIU) and senior management (e.g., KSPA Operating Committee, Local Board) may be consulted.
2. Compliance will initiate a reasonable inquiry as quickly as possible, but not later than 2 weeks after the date the potential noncompliance or potential FWA incident was identified.
3. Compliance and/or the SIU will conduct a reasonable inquiry including a preliminary investigation of the matter. Depending on the type and severity of the identified noncompliance and/or FWA, Compliance may engage Human Resources, Legal, outside counsel or law enforcement.
4. Employees are expected to cooperate with the investigation. Failure to cooperate in an investigation may lead to disciplinary action. Intimidation or retaliation against any employee who cooperates in a compliance investigation is strictly prohibited and will lead to disciplinary action up to and including termination.
5. Compliance and/or the SIU shall take care to maintain and preserve all records, documents, and summary interviews related to an investigation in the event a referral is made to CMS or law enforcement.
6. Compliance shall undertake appropriate corrective actions in response to potential noncompliance or potential FWA. The corrective action includes a root-cause analysis to understand the underlying problem to prevent a recurrence of internal operation failure or with an FDR. KCA shall advise its FDR the ramifications for failure to satisfactorily implement corrective actions (See: FDR Compliance Guide).