

PARTNERSHIP



HEALTHPLAN
of CALIFORNIA

**Compliance Plan
& Audit Calendar
Calendar Year 2024**

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ATTACHMENTS:

- A. COMPLIANCE COMMITTEE CHARTER
- B. FRAUD PREVENTION PROGRAM
- C. 2024 AUDIT & DELEGATION OVERSIGHT PROGRAM CALENDAR
- D. 2024 INTERNAL AUDITING & MONITORING PROGRAM CALENDAR.

SUMMARY

Partnership HealthPlan of California (PHC) is committed to conducting its business operations in compliance with ethical standards, contractual obligations, and all applicable statutes, regulations, and rules pertaining to Medi-Cal.

PHC has a Compliance Officer who oversees and maintains a formal compliance program. PHC's compliance program incorporates critical compliance elements as identified by the U.S. Department of Health and Human Services (HHS), Office of the Inspector General (OIG), Code of Federal Regulations (CFR) related to Medicaid program integrity requirements, and the California Department of Health Care Services (DHCS). PHC also has a designated Chief Information Officer (CIO), whose role is to actively assess and manage security risks. The CIO provides regular updates to the PHC Board of Commissioners (Commission) and Executive Staff. Additionally, PHC's Privacy Officer, who also serves as the Compliance Officer, actively participates in conducting risk analyses, oversees PHC audits, and manages Fraud, Waste, and Abuse (FWA) and HIPAA (Health Insurance Portability and Accountability Act of 1996)/privacy reporting. This comprehensive approach is intended to prevent and detect any violations of ethical standards, contractual obligations, and applicable laws within PHC's operations, senior leadership, or Board of Commissioners (Commission). The Compliance Plan is a continually evolving document that is annually reviewed and amended, as necessary, based on risk analysis, ongoing compliance monitoring, and newly identified areas of risk. The Compliance Plan applies to employees, temporary personnel, volunteers, interns, health care providers, commissioners, subcontractors, and delegates, collectively, workforce members and affiliates.

This plan has been updated to reflect the ongoing priorities of the organization. In 2024, DHCS is restructuring its managed care contracts- adding robust requirements that will have impacts across the organization. The Plan must demonstrate robust accountability, compliance, monitoring, and oversight programs, including for all delegated entities, to increase transparency, improve equity, and ensure members have access to high quality care. Managed care plans will be held accountable for the quality of care at all levels of delegation. In addition, PHC continues to move forward in our efforts to implement a new claims system, CalAIM and will expand to 10 new counties.

PHC prioritizes its commitments by completing an annual risk analysis. The Compliance Plan reflects the application of this risk analysis by focusing PHC's limited resources in a manner that most effectively protects PHC from FWA, HIPAA breaches, and other risks to PHC, its workforce members, affiliates, and members.

This plan is reviewed and approved annually by PHC's Board of Commissioners.

THE COMPLIANCE PLAN

This Compliance Plan sets forth PHC's commitment to legal and ethical conduct by establishing principles, standards, and policies and procedures in order to efficiently monitor compliance with applicable laws and regulations. The Compliance Plan is designed to ensure PHC's operations and the practices of its workforce members and affiliates, comply with contractual requirements, ethical standards, and applicable laws.

The first part of the Compliance Plan addresses the review and implementation of contractual, legal, and regulatory obligations for PHC's operations. Additionally, PHC maintains policies and procedures relating to its business operations and compliance program. The Compliance Plan highlights critical elements of an effective compliance program. This includes, but is not limited to, the structure and operational aspects of the program, delegation of authority, training and education processes, monitoring and auditing activities, enforcement/discipline, and corrective action.

If a PHC workforce member or affiliate has any questions about the application of this Compliance Plan, PHC values, or PHC policies and procedures, they can seek guidance from the Compliance Officer, or any member of the Compliance Committee. PHC workforce members and/or affiliates should be generally familiar with the contractual, legal, and regulatory requirements pertinent to their roles with PHC. All PHC workforce members receive annual evaluations, which include measurements of job-specific knowledge and knowledge of departmental and company policies and procedures.

This Compliance Plan is not intended to address all of PHC's compliance activities, but to provide the framework for the compliance program. Workforce members and affiliates should seek the guidance of their supervisor, direct report, the Compliance Officer, or PHC Senior Management, as it relates to compliance functions stated within this plan or otherwise.

WRITTEN STANDARDS, POLICIES, AND PROCEDURES

Regulatory Affairs and Compliance (RAC), under the supervision of the Compliance Officer, analyzes potential implications and prepares summaries of new requirements or changes to existing requirements, for discussion with PHC leadership and at the Compliance Committee and/or appropriate venue.

Policies and Procedures

PHC regularly and systematically reviews and updates its policies and procedures to ensure business operations are compliant with new and existing contractual, legal, accreditation, and regulatory requirements. This decentralized process is managed through PHC operational teams and regular committee meetings to review and approve PHC's policies and procedures.

Policies and procedures shall be reviewed no less than annually to ensure that PHC, its workforce members, and affiliates operate under and comply with current standards and/or requirements. Policies and procedures are developed or amended more frequently as needed and in response to new or amended standards, requirements, and potential risk areas identified by PHC and federal and/or state regulatory agencies.

Policies and procedures are maintained and made available in a manner that assures workforce members and affiliates are able to fulfill their roles and responsibilities, in compliance with applicable standards, requirements, laws, and regulations. PHC policies and procedures are available on the PHC intranet and as applicable, accessible through the external PHC website at www.partnershiphp.org.

Code of Conduct

The Code of Conduct (Code) is PHC's foundational document detailing fundamental principles, values, and the framework for business practices within and applicable to PHC, its workforce members and affiliates. PHC's Code was reviewed in August 2023 to ensure its alignment with current state and federal requirements and that it is representative of our mission, values, and emphasizes standards of professional conduct. Workforce members and Commissioners review and attest to their understanding of and compliance with the Code at onboarding, annually thereafter, and upon any changes.

COMPLIANCE PROGRAM ADMINISTRATION

Commission

PHC's Board of Commissioners, herein after referred to as "Commission," has the duty to assure that PHC implements and maintains a Compliance Program governing PHC's operations. The Commission receives and reviews reports from the Compliance Officer. The Commission delegates the Compliance Program oversight and day-to-day activities to the Chief Executive Officer (CEO). As the Compliance Officer, the Director of Compliance and Regulatory Affairs is designated, by the CEO, to manage the day-to-day activities and oversight of the Compliance Program and Plan. Furthermore, the Commission may deputize compliance responsibilities to subcommittees, created by the Commission. The Commission retains the ultimate responsibility of ensuring the successful implementation and effectiveness of the PHC Compliance Program. The Commission's compliance responsibility includes, but is not limited to:

- Understanding the content and operations of PHC's Compliance Program;
- Review and approval of all policies and procedures related to PHC's contractual and regulatory compliance, including operationalizing the compliance program;
- Approving the Compliance Plan;
- Reviewing semi-annual compliance reports, including, but not limited to, summaries of overall compliance activities, and upon review, making recommendations for improvement as necessary; and
- Completing annual compliance training.

Compliance Officer

The Director of Compliance and Regulatory Affairs serves as the PHC Compliance Officer and as such, is responsible for developing, implementing, and ensuring the maintenance of compliance activities and programs in accordance with applicable laws, state and federal statutes and regulations, and contractual obligations. The Compliance Officer reports directly to the CEO and retains the authority to report matters directly to the Commission at any time.

The Compliance Officer shall receive periodic regulatory and compliance training and has the authority to oversee and direct compliance efforts. Through annual performance evaluations, the Compliance Officer will be assessed for fulfilling compliance responsibilities and promoting adherence to the Compliance Program.

Privacy Officer

The Director of Compliance and Regulatory Affairs also serves as the Privacy Officer, is a privacy subject matter expert, and is responsible for ensuring PHC and our staff comply with all state and federal privacy laws including, but not limited to the Health Insurance Portability and Accountability Act (HIPAA), Health Information Technology for Economic and Clinical Health (HITECH) Act, The Confidentiality of Medical Information Act (CMIA) and other rules as applicable.

Security Officer

The Chief Information Officer serves as the Security Officer and is responsible for the administration of the information security program and maintaining the confidentiality, integrity and availability of data within the organization’s information systems for the Health Information Exchange and in compliance with HIPAA, HITECH, and related rules.

Fraud Prevention Officer

The Director of Compliance and Regulatory Affairs serves as the Fraud Prevention Officer and reports directly to the CEO and retains the authority to report matters directly to the Board of Commissioners, “the Commission,” at any time. The Fraud Prevention Officer also attends and participates in DHCS’ quarterly program integrity meetings, as scheduled and attends the California Department of Justice (DOJ) Managed Care Anti-Fraud trainings, as scheduled.

Health Equity Officer

The Director of Health Equity serves as the Health Equity Officer (HEO). The HEO provides leadership in the design and implementation of strategies and programs improving health equity and reducing health disparities. The HEO develops quantifiable metrics that can track and evaluate the results of the targeted interventions designed to eliminate health inequities. The HEO ensures all PHC staff, delegates, and network providers receive mandatory diversity, equity and inclusion training.

Compliance Committee

Purpose

The Compliance Committee, chaired by the Compliance Officer, has general responsibility to oversee PHC’s Compliance Program. The purpose of the Committee is to: (i) oversee PHC’s implementation of the Compliance Program, interventions designed to mitigate compliance risk, policies and procedures that support the prevention and detection of violations with applicable law, regulations, and rules; (ii) provide a mechanism for regular and direct communication with management, those persons responsible for the internal compliance function, and the Commission; and (iii) perform any other duties as directed by the Commission or the CEO.



The Compliance Committee is comprised of Senior Management and operational staff, as designated by the CEO and staffed by RAC. The Compliance Committee Charter is included as *Attachment A*. Individuals selected as members of the Compliance Committee are department heads (or their designated proxy), and other staff, as appropriate, based upon their job function. A complete list of positions for members of the Compliance Committee is included in the Compliance Committee Charter. The Compliance Committee meets no less than four times annually. PHC maintains minutes of Compliance Committee meetings that shall include, but is not limited to, summary of reports, discussion, recommendations for corrective action that may include sanctions and/or revocation of agreements, and/or recommendations or referrals to other PHC committees (subject to the attorney/client privilege, proprietary rights, et cetera).

Delegation Oversight Review Subcommittee (DORS)

The Delegation Oversight Review Subcommittee (DORS) is a subcommittee of the Compliance Committee and is chaired by a senior staff member of RAC. Membership is comprised of key subject matter experts from internal departments that are responsible for overseeing functions for which PHC has delegated authority to an external entity. The DORS has overall responsibility for ensuring PHC's compliance with oversight of delegated responsibilities and activities set forth by PHC's policies and procedures, national accreditation standards, and applicable federal and/or state statutes, regulations, and contractual obligations.

The DORS meets no less than four times annually. RAC sets an external/delegate audit calendar that is reviewed by the Compliance Committee and/or CEO and results of these audits are reviewed by DORS.

The Physical, Technical, and Administrative Safeguards (PTAS) Subcommittee

The Physical, Technical, and Administrative Safeguards (PTAS) Subcommittee is chaired by a senior staff member of RAC. Membership is comprised of key stakeholders from internal departments. This group implements and reviews reasonable and appropriate security measures to safeguard protected health information (PHI) and has oversight of policies and procedures intended to identify, prepare for, and respond to, potential or actual privacy and/or security incidents.

The PTAS meets no less than four times annually. All privacy and security policies are reviewed by PTAS, prior to being submitted to the Compliance Committee.

The Fraud, Waste and Abuse (FWA) Subcommittee

The Fraud, Waste and Abuse (FWA) Subcommittee is chaired by a senior staff member of RAC. Membership is comprised of key stakeholders from internal departments. This group meets to identify irregularities in the practices of workforce members, affiliates, and members where potential FWA is identified and to make recommendations for prevention activities and interventions.

The FWA meets no less than four times annually. All FWA and overpayment recovery related policies are reviewed by FWA, prior to being submitted to the Compliance Committee.

Executive Leadership Team

The CEO and Executive Leadership Team at PHC shall:

- Ensure that the Compliance Officer is integrated into the organization and is given the credibility, authority, and resources necessary to operate a robust and effective compliance program;
- Review periodic reports from the Compliance Officer related to operational risk, the strategies being implemented to address them, and the results of those strategies;
- Maintain working knowledge of contractual obligations, law, regulations, and rules; and
- Be advised of all governmental compliance and enforcement findings and activity, including audit findings, notices of non-compliance, formal enforcement actions, and as applicable, imposition of corrective actions and sanctions and official responses.

Project Management Office

The Project Management Office (OpEx/PMO) is responsible for ensuring that PHC's non-provider agreements are compliant with state and federal regulations and adhere to current business associate agreement requirements.

Provider Relations Department

The Provider Relations Department is responsible for ensuring that all provider contracts are in compliance with associated state and federal regulatory requirements, that providers are not suspended or ineligible to participate in Medi-Cal, and as applicable, are Medi-Cal enrolled. Additionally, Provider Relations is responsible for communicating regulatory updates and PHC policy changes to the provider network and as needed, providing education to promote understanding of and compliance with updates.

Other Departments

Other PHC Departments including, but not limited to, Behavioral Health, Claims, Communications, Configuration, Grievances and Appeals, Population Health Management, Care Coordination, Utilization Management, Quality Improvement, , Legal Affairs, Pharmacy, Finance, Human Resources (HR), Information Technology, and Member Services serve as subject matter experts and as the liaisons between PHC and our community. It is the responsibility of these departments to respond to, implement regulatory guidance, and where applicable, support the oversight of delegated activities for their respective functional areas.

EDUCATION AND TRAINING

PHC provides general and specialized trainings and education to workforce members and affiliates to promote understanding of and adherence with the Compliance Program, including the Compliance Plan, Code of Conduct, and applicable policies and procedures. Through training and education, workforce members are apprised of applicable state and federal laws, regulations, standards of ethical conduct, and corrective and/or disciplinary action for any violation of those rules.

PHC provides training to commissioners, workforce members, and affiliates, as follows:

Initial and Continuing Education and Training

Through onboarding, workforce members receive PHC's Code of Conduct and Compliance Primer and must attest their receipt and understanding. They also have access to all PHC policies and procedures, including those pertinent to the individual's job and/or responsibilities. The HR Department, in coordination with RAC, ensure workforce members receive training on the Compliance Plan during new hire orientation.

Ongoing Compliance Training

All PHC workforce members, regardless of position, are required to complete certain mandatory Compliance Trainings at the time of hire and annually thereafter. These trainings include:

- Information privacy and security (DHCS COHS contract 08-85215, Exhibit G)
- Fraud, waste, and abuse (DHCS COHS contract 08-85215, Exhibit E, Attachment 2, Provision 27 (B))

RAC coordinates with the HR Department to manage the implementation of this training through PHC's Learning Management System (LMS).

As a result of COVID-19, the physical location of staffs' place of work remains dynamic. In response, PHC maintains staff training regarding working remotely, including how to handle PHI. This training covers best practices and reminders on existing privacy related policies.

Specialized Training

Workforce members may receive additional compliance training as is reasonable and necessary based on the scope of their job function and duties or as necessitated by improvement opportunities or non-compliance. The Compliance Plan and compliance policies and procedures are accessible to workforce members via, PHC's intranet.

In addition to maintaining an internal/external policy on how to report potential or actual compliance incidents and the training methods described within this Compliance Plan, PHC may provide specialized training to the Commission, delegates, subcontractors, and/or providers to ensure appropriate response and reporting of compliance inquiries and potential or actual non-compliance.

Commissioner Compliance Training

The Clerk to the Commission (*Board Clerk*) provides new commissioners with a copy of the Compliance Plan, The Code of Conduct, and Confidentiality Agreement upon their appointment. PHC's Compliance Officer, or designee, provides a general overview of the Compliance Program to all Commission members on an annual basis.

Provider Compliance Training

Under the direction of the Senior Director of Provider Relations, providers shall be familiarized with the PHC Provider Manual. This information is available on the provider section of the external PHC website. Providers are encouraged to make available and/or disseminate copies of the Provider Manual to their employees, agents, and subcontractors that furnish items or services to PHC or its members. Individual and group providers are encouraged to provide compliance training to their employees using these tools.

In compliance with the Deficit Reduction Act (DRA) of 2005, Providers are given a copy of PHC's False Claims Act policy (CMP-07) through the Provider Manual.

Failure to Participate in Annual Training

RAC & HR Departments will make a good faith effort to ensure all workforce members participate in annual compliance training. Workforce member training is tracked through the LMS and monitored by RAC for completion. If identified as having failed to participate in the annual training, the workforce member's direct report is contacted. Failure to complete annual training within a reasonable amount of time may be reported at the Compliance Committee. Additionally, the Compliance Officer may discuss training non-compliance with department directors. Continued non-compliance with training requirements may require the development and imposition of a corrective action plan.

Diversity, Equity and Inclusion Training

Under the direction and leadership of the HEO, each staff member is required to complete sensitivity, diversity and cultural competency trainings.

Documentation

RAC and/or HR shall maintain documentation of workforce member training and education via electronic means or hard copy signed attestations and/or sign-in sheets.

Other Education Program Communications

When appropriate, PHC informs workforce members and affiliates of any relevant federal and state fraud alerts and regulatory guidance, pending/new legislation reports, updates, and advisory bulletins through regular operations meetings, ad hoc workgroups, and/or via electronic communication as appropriate. .

- PHC uses electronic communication and/or other forms of communication (as appropriate) to inform workforce members and affiliates of changes in applicable federal and state laws and regulations.
- PHC informs workforce members and affiliates that they can obtain additional information from the Compliance Officer. Any questions, which cannot be answered by the Compliance Officer, shall be referred to the Compliance Committee.

COMMUNICATION

The Compliance Program, including provisions of the Compliance Plan, is implemented and maintained on behalf of PHC by the Compliance Officer and through the Compliance Committee.

Distribution of Compliance Plan

Workforce members and the Commissioners

The Compliance Plan, Code of Conduct, and policies and procedures are made available on the PHC intranet. Workforce members receive compliance training, the Compliance Plan, and the Code of Conduct during the New Hire Orientation and annually thereafter.

A copy of this Compliance Plan, Code of Conduct, and Confidentiality Agreement is distributed to the Commission member(s) upon their appointment, and annually thereafter for review and approval. PHC's Compliance Officer or Clerk of the Commission shall have responsibility to distribute and obtain a signed Confidentiality Agreement from the Commission annually.

Annual Attestation

PHC requires that the Compliance Plan and Code of Conduct and applicable policies and procedures be affirmed each calendar year. The Compliance Plan and Code of Conduct is reviewed by workforce members annually. At the time of annual distribution, recipients will be advised of any changes. Each workforce member shall attest to their understanding of and compliance with these documents.

REPORTING

Disclosure, Confidentiality and Non-Retaliation Establishment, and Publication of Reporting System

PHC has established various avenues for the reporting of privacy incidents, FWA, misconduct or other compliance violation(s). This reporting system provides several lines of “upstream” communication to ensure an effective collection of possible misconduct. Confidentiality, when requested, will be honored to the extent allowed by law. PHC workforce members and the Commissioners have an affirmative duty and are directed in the Code of Conduct, and policies and procedures to report compliance concerns, questionable conduct or practices, and suspected or actual violations immediately upon discovery.

The various means of reporting are described below:

Open Door Policy

All PHC workforce members are notified upon hire, and annually thereafter of PHC’s open door policy. This is incorporated into new hire onboarding and training. All workforce members may approach their supervisor, manager, or director with any issue. PHC encourages check-ins with supervisors, managers, or directors regarding compliance issues, complaints, or questions. Management staff is trained to handle these situations and forward any necessary information to the Compliance Officer and/or RAC for review and/or investigation. Dedicated staff members are assigned to investigate and forward reports of potential or actual privacy incidents and FWA to the State or Federal Government, as applicable.

Compliance Hotline

PHC has an anonymous telephone hotline (Compliance Hotline) for PHC workforce members, affiliates, and members, and other interested persons to report all potential or actual violations of law and/or the Compliance Program and/or questionable or unethical conduct or practices, without limitation. The Compliance Hotline also provides an anonymous and confidential way to report concerns about potential or actual violations of PHC’s business standards.

The Compliance Hotline is a toll-free number: (800) 601-2146, and is accessible 24 hours a day, 7 days a week, excluding designated holidays (when callers are routed to a voice mail message alerting them to call back during established hours of operation).

PHC makes information about the Compliance Hotline accessible through PHC’s intranet, external website, member handbook, e-newsletters, and/or posting hotline posters in prominent common areas.

Notification of hotline reports are sent directly to the Compliance Officer, the Privacy Officer, and the RAC Reporting inbox.

Dedicated Reporting Resources

RAC promotes and maintains a portal for use by workforce members in reporting any compliance, privacy or FWA issues. Furthermore, RAC has a dedicated email address to receive and manage reports of any compliance, privacy or FWA issues from external parties. This dedicated email address is RAC_Reporting@partnershiphp.org.

Confidentiality, Anonymous Reporting and Non-Retaliation/Non-Intimidation

PHC takes all reports of violations, suspected violations, questionable conduct or practices seriously.

Reports of compliance issues are treated with confidentiality to the extent permitted by applicable law and circumstances. For hotline reports the caller and/or author need not provide their name or identity.

Communications via the Compliance Hotline or in writing are treated as privileged to the extent permitted by applicable law.

PHC's policy prohibits any retaliatory action against a workforce member or affiliate for making any verbal or written report in good faith. In addition, PHC policy prohibits any attempt to intimidate an individual reporting a compliance issue, for any reason.

Voluntary Disclosure and Prohibition Against Insulation

PHC workforce members are notified annually during compliance training of PHC's policy of voluntary disclosure. PHC workforce members are encouraged to disclose mistakes and misconduct to their supervisors, managers, directors or the Compliance Officer to prevent or deter FWA.

PHC takes violations of this reporting policy seriously and the Compliance Officer will review disciplinary and/or other corrective action for violations, as appropriate, with the Compliance Committee or Senior Director of Human Resources.

MONITORING

Each PHC department is responsible for implementing controls and oversight mechanisms to ensure compliance with governing requirements for their respective functions. Additionally, RAC facilitates an internal oversight function designed to detect inconsistencies and/or non-compliance with contractual and regulatory requirements, accreditation standards, and policies and procedures.

RAC, in coordination with the Compliance Committee, is responsible for assisting in the development and maintenance of regular auditing and monitoring activities, through the use of a risk assessment reviewed by the Compliance Committee. RAC is responsible for maintaining governing monitoring and auditing policies and procedures as approved by the Compliance Committee.

It is the responsibility of the Compliance Officer to report compliance and risk related information in a format sufficient to satisfy the interests or concerns of the Commission and to fit their capacity to review that information.

Monitoring Systems

Organizational Monitoring

Reports of potential or actual compliance violations, unethical conduct, privacy, FWA, and/or questionable conduct made by workforce members and/or affiliates in writing or verbally, formally or informally, are subject to review and investigation as provided below, as needed, in consultation with legal counsel, by PHC's Compliance Officer and/or their designee.

The Compliance Officer will work under the supervision of the CEO to investigate reports and initiate follow-up actions as appropriate.

Internal Monitoring

Department directors regularly review internal status/progress reports to ensure compliance and efficiency in departmental activities. "Red flags" that are identified in these reports are reviewed by the department director and/or specially trained staff to determine if misconduct has occurred. Instances of FWA or other misconduct are investigated by the department director and reported to RAC. As necessary, a report is prepared and brought before the Compliance Committee. Corrective actions may be applied by the reviewing department director under the direction of the Compliance Committee. Resolution of cases identified for possible or actual FWA are reported to the Compliance Committee at the next quarterly meeting.

Oversight of Delegated Activities

While PHC remains ultimately responsible for the obligations of the DHCS Medi-Cal contract, PHC may elect to delegate certain responsibilities. Under the context of the DHCS Medi-Cal contract and/or NCQA accreditation, PHC may give the authority of performing certain functions and/or processes to external entities, known as subcontractors and/or delegates. Before entering into such an agreement, PHC shall assess the capacity of a potential subcontractor/delegate to perform proposed responsibilities. PHC maintains agreements, inclusive of a mutually agreed upon reporting calendar, with subcontractors and/or delegates to enforce compliance with contractual, legal, and regulatory requirements and applicable Plan policies. Furthermore, PHC maintains policies that govern the oversight requirements of subcontractor/delegate relationships, including regular monitoring and auditing, escalation of compliance issues and related corrective action plans, and administrative sanctions and penalties. Other programmatic documents include a matrix of delegated responsibilities by entity, a calendar of annual audits, tracking of corrective action, and a master calendar of reporting deliverables.

RAC, in coordination with subject matter experts from respective functional areas, ensures the regular oversight of subcontractors/delegates. No less than quarterly, evidence of oversight, monitoring, and/or auditing activities, including identification of deficiencies, improvement opportunities, and corrective actions (recommended or imposed) shall be presented to DORS. Any recommendations for the imposition of administrative or financial sanctions, up to the revocation of the agreement, shall be reported to DORS for review. Upon acceptance of recommendation, matters shall be escalated in compliance with applicable PHC policy and procedure.

Please see *Attachment C* for a schedule of Delegate Audits planned for 2024.

Availability of Records

PHC and its delegate and provider records are available for review by regulatory agencies, or their designee. Records are maintained according to the contractual obligations specified under contract with DHCS and/or between PHC and the provider, and are not kept for a period of time less than that mandated by applicable federal and/or state law.

Records under Medi-Cal are maintained for 10 years.

Minimum Use

PHC has policies and procedures that regulate minimum use by workforce members and affiliates. Compliance with these requirements is regularly discussed during the PTAS Subcommittee and Compliance Committee meetings.

Audit Systems

Internal Audits

In order to comply with its regulatory and contractual requirements, PHC conducts periodic internal audits of its operations. Audits may be routine or ad hoc, depending on the needs of PHC, the function/department that is being assessed, or pursuant to a regulatory agency request, notification, or alert. Audits are based on assessed risk, contractual or regulatory obligations, or PHC policies and procedures.

Please see *Attachment D* for a schedule of Internal Audits planned for 2024.

External Audits

Compliance with Contractual Requirements

As a Medi-Cal managed care plan, PHC maintains a contract with the Department of Health Care Services (DHCS). PHC undergoes annual audit by DHCS to ensure compliance with contractual and regulatory requirements. RAC is responsible for coordinating audits as conducted by DHCS. Results from the DHCS audit are referenced in the development, maintenance and as needed, modification of auditing plans.

Separate from the annual DHCS audit, PHC undergoes an annual Financial Audit that is conducted by an outside Certified Public Accounting Firm. The results of this audit are reported directly to the Commission.

Subcontractor and/or Delegate Oversight

PHC ensures subcontractor and/or delegate compliance with governing requirements. PHC policies and procedures, and nationally recognized accreditation requirements through regular monitoring and at least annual auditing. PHC maintains policies and procedures, an auditing calendar, and audit work plans that govern the auditing process.

Evidence of subcontractor and/or delegate oversight activities, including audit outcomes are presented

to DORS no less than quarterly for review and as needed, recommendation of corrective action. DORS committee minutes are reported to the Compliance Committee.

Please see *Attachment D* for a schedule of delegate/subcontractor audits planned for 2024.

Government-Identified Risk Areas

The Compliance Officer or designee monitors for specific compliance issues identified by health care regulatory agencies. This includes, but is not limited to areas of risk identified in the OIG's Annual Work Plan, specifically the OIG's Medicaid Managed Care and State Management of Medicaid work plan, the results of managed care organization oversight as conducted by health care regulatory agencies, and compliance issues identified and reported to RAC.

PHC Monitoring and Auditing Work Plan

PHC maintains policies, procedures, and a monitoring and auditing work plan that includes:

- Summary of internal monitoring processes;
- Calendar of internal and external audits;
- Audit narrative, including:
 - Audit objectives
 - Scope and methodology;
- Staff responsible for specific audits
- Audit tools and workbooks;
- Strategy to monitor and audit PHC's subcontractors and/or delegates; and
- Process for developing follow-up and corrective action.

The monitoring and auditing plan is modified based on risk assessment and/or recommendation from leadership. The risk assessment is used to determine which areas of PHC's business may be susceptible to privacy, FWA or other non-compliance risks. Audit guides, experiences of other COHS plans, resources developed by regulatory agencies and other health care industry standards, are all referenced to identify high-risk areas. RAC with input from PHC leadership and the Compliance Committee, prioritizes the monitoring and auditing strategy based on assessed risk/vulnerabilities and available resources.

Areas in PHC's business that are found to be deficient are reviewed for redress. Recommendations or corrective actions and/or sanctions may be required depending on the severity of the findings and shall be reviewed and imposed under the authority of the Compliance Committee and/or the CEO in accordance with applicable state and/or federal regulations and PHC policy and procedure.

Actions taken as a result of the audit work plan are tracked to evaluate the success of interventions. A report on internal or regulatory monitoring and auditing results are presented to the Compliance Committee in the quarter following the finalization of the audit report.

Compliance Program Annual Review

Through regular reporting of RAC activities and statistics, the Compliance Committee oversees the effectiveness of the Compliance Program that includes an annual review of this Compliance Plan. _____

The Compliance Plan's functionality will be reviewed to ensure that best efforts are made to protect PHC from FWA and privacy risks and other misconduct that could endanger PHC, delivery of services, members, providers, and other affiliated parties.

Participation Status Review and Background Checks

PHC does not knowingly hire, contract with, or retain on its behalf, any person or entity that is currently suspended, excluded or otherwise ineligible to participate in federal and/or state health care programs; and/or has ever been excluded from participation in federal and/or state health care programs based on a mandatory exclusion.

Under the direction of the Senior Director of Human Resources, PHC conducts participation status reviews upon hiring of new workforce members and monthly thereafter, to ensure individuals are not excluded or do not become excluded from participating in federal and state health programs.

Under the direction of the Senior Director of Provider Relations, verification of a provider's eligibility to contract with PHC is facilitated by Provider Relations through the credentialing and re-credentialing and regular exclusion/sanction checks, no less frequently than monthly. Consistent with applicable requirements, providers found to be ineligible or excluded are reported to the appropriate oversight agency. Payments made by PHC (i) to excluded persons or entities; or (ii) for items or services furnished at the medical direction; or (iii) on the prescription of an excluded or suspended physician are subject to repayment/recoupment.

The Clerk of the Commission conducts participation status reviews upon appointment of members to the Commission, and monthly thereafter, to ensure commissioners are not excluded or do not become excluded from participating in federal and state health programs.

Workforce members are required to notify the HR Department if, after hiring their ability to participate in federal and/or state health care programs changes. In the event PHC discovers the status of any workforce member no longer permits them to work for PHC, corrective actions will be taken.

ENFORCEMENT

Conduct Subject to Enforcement and Discipline

Commissioners may be subject to removal; workforce members to discipline, up to and including termination; and providers, subcontractors, and/or delegates to contract termination for non-compliance, including but not limited to:

- Conduct that leads to the filing of a false or improper claim in violation of federal or state laws, or failure to seek recoupment of known overpayment of a claim involving federal or state Medicaid funds;
- Conduct that results in a violation or violations of any other federal or state laws or contractual requirements relating to participation in federal and/or state health care programs;
- Failure to report potential or actual violations of the Compliance Program or applicable laws or to report suspected or actual FWA issues to an appropriate person; and
- Failing to disclose a conflict of interest.

Enforcement and Discipline

PHC maintains a “zero tolerance” policy towards any illegal conduct that affects the operation, mission, or good standing of PHC. Any workforce member or affiliate engaging in a violation of laws or regulations is subject to discipline scalable to the severity of the violation, up to and including, termination of employment or of their contract. PHC will accord no weight to a claim that any improper conduct was undertaken for the benefit of PHC. Such conduct is not for PHC’s benefit and is expressly prohibited.

PHC maintains a policy on workforce member conduct and work rules which specifies unacceptable workforce member behavior. Necessary discipline is determined by the Senior Director of HR. In determining the appropriate discipline or corrective action for any violation of the Compliance Program or applicable law, PHC will not take into consideration a particular persons or entities economic benefit to the organization.

Workforce members and affiliates should also be aware that violations of applicable laws and regulations, even unintentional, could potentially subject them or PHC to civil, criminal, or administrative sanctions and penalties. Further, violations could lead to suspension or exclusion from participation in federal and/or state health care programs.

INVESTIGATIONS AND REMEDIATION

Notice of Potential or Actual Violation

If a PHC workforce member or affiliate becomes aware of a potential or actual violation or questionable or unethical conduct in violation of the Compliance Plan or applicable law, individual or entity shall notify PHC immediately. The commissioner, workforce member, or affiliate may report any violation, suspected violation, or questionable conduct to their immediate supervisor or director, including the Compliance Officer or RAC, by direct verbal or written report. Such reports may also be made to the Compliance Hotline.

Response to Notice of Violation or Suspected Violation

Upon receipt of a report of non-compliance (whether a general compliance issue, HIPAA or FWA), RAC is responsible for review and investigation. High-risk issues, including but not limited to, workforce member misconduct, may be reported directly to the Compliance Officer or Senior Director of Human Resources for investigation as appropriate.

RAC will work with the appropriate PHC workforce members and/or affiliates to remediate any current or potential for future instances of non-compliance.

Reported issues are tracked by RAC for routine reporting on a quarterly basis to the Compliance Committee. In addition, statistics on compliance issue reporting are provided to the Commission for regular review.

Any identification of deficiencies, improvement opportunities, and corrective actions (recommended or imposed) shall be reported to the (sub)committee with subject matter jurisdiction and as necessary, forwarded to the Compliance Committee for further action. Any recommendations for the imposition of administrative or financial sanctions, penalties and/or corrective action, up to the revocation of the agreement, shall be reported to the subcommittee with subject matter jurisdiction for review and as appropriate, forwarded to the Compliance Committee and/or CEO for review and final action. It is the responsibility of the Senior Director of Human Resources or their designee to implement any disciplinary action with regard to workforce member misconduct.

FRAUD

PHC must comply with specific regulatory requirements pertaining to FWA prevention. Such regulations dictate the investigative, reporting and monitoring activities related to FWA prevention. PHC's approach to identifying and monitoring potential fraud activity is multi-faceted.

Fraud, Waste, and Abuse Program (FWA)

PHC's workforce has the responsibility to understand their job functions and associated processes in order to identify irregularities in the practices of workforce members, affiliates, and members to report any potential FWA to RAC. PHC's approach to identifying and monitoring potential fraud activity is multi-faceted and further detailed in the Fraud Prevention Program, which is included as *Attachment B* to the Compliance Plan. The FWA program was established to detect and receive reports of suspected fraud, and conduct an initial investigation. RAC maintains a tracking system and records all reported allegation of fraud.

FILING SYSTEMS

The Compliance Officer, in coordination with the Security and Privacy Officer as appropriate, will establish and maintain a filing system (or systems) for all compliance- related documents. Records retention is handled according to PHC's contractual and regulatory obligations. Records related to the Compliance Program, including edits to the Compliance Plan, minutes of Compliance Committee meetings, documentation of education, and similar documentation is maintained for no less than 10 years, pursuant to CMS requirements.

RISK ASSESSMENT

Risk Assessment Process

This year RAC conducted an initial account of the compliance landscape and potential risks to the plan and specifically, the Compliance Program. This account took into consideration changes to the health care delivery system, both voluntary and mandatory, and those activities which have the potential to affect PHC such as, benefit implementation, member experience, regulatory compliance, and operational infrastructure. This assessment informed RAC's development of a risk assessment tool to identify organizational and regulatory risks.

Risk Priorities Identified

Although there are a myriad of potential risks and areas of concern for PHC, the focus is on our collaboration with operational departments to support their preparation for the many proposed changes demanded by the external environment.

The identified top operational and regulatory priorities are:

1. **DHCS 2024 Contract Restatement:** PHC has prepared, submitted, and implemented hundreds of deliverables in demonstration of operational readiness regarding the 2024 contract. Focus areas include, but are not limited to:
 - Program integrity and fraud prevention;
 - Diversity, health equity, and inclusion;
 - Subcontractor delegate transparency and oversight including that of financial oversight;
 - Emergency/disaster preparedness and response;
 - Board of commissioner responsibilities and governance of specific programs; and
 - Network provider management and oversight.
2. **Cyber Security:** PHC had a significant system disruption in March 2022 impacting all aspects of our operation. In addition, the Health and Human Services (HHS) Office of Inspector General (OIG) Work Plan 2023 highlighted their priorities as it relates to cyber security. In the current climate and cybersecurity risks throughout the health care industry, it is important that PHC assess the preparedness and responsiveness of providers and subcontractors.
3. **New Claims System Implementation:** PHC is embarking on the implementation of a new core system, which not only constitutes a significant financial investment, it will impact all operational departments. This was identified in the 2019 assessment as the number one priority and continues to be top of mind as PHC prepares for the new core system implementation in quarter two of calendar year 2024.

4. **Medi-Cal Delivery System Reform/California Advancing and Innovating Medi-Cal (CalAIM):** this is a multi-year initiative by DHCS to standardize the benefit delivery system, reducing complexity and building flexibilities; in doing so, improve quality outcomes and reduce health care costs. In addition by 2026, Medi-Cal managed care plans will be responsible to coordinate care for dual enrollees in Medicare and Medi Cal by operating a Dual Special Needs Plan (DSNP). Responsibility for carrying out DHCS led initiatives are passed-through to managed care plans like PHC, necessitating our prioritization of operations and strategic goals in close alignment with our regulator. This effort necessitates PHC build resources, knowledge, and invest into benefits, programs, and in some cases, regulators with little to no historic familiarity.

5. **Geographic Expansion – County Plan Model Changes:** as a result of DHCS’ request for proposals regarding Medi-Cal managed care plan (MCP) contract procurement and county led MCP model changes, starting January 2024, PHC, operating as a county organized health system (COHS), will be the Health Plan for 10 additional counties in Northern California. This has necessitated PHC’s investment into and demonstrated readiness of infrastructure, community familiarity, resources, and financial solvency.

By identifying key priorities, the RAC team can take proactive steps towards managing and mitigating risk. The RAC team wants to serve as partners in these key initiatives and support in the successful implementation.

A component of our risk assessment is to be actively engaged in the implementation and oversight of these initiatives. Any issues that come to our attention will be addressed at the Compliance Committee.

ATTACHMENT A
COMPLIANCE COMMITTEE CHARTER

PURPOSE

The Compliance Committee (Committee) has the fiduciary responsibility to oversee Partnership HealthPlan of California’s (PHC) regulatory Compliance Program and shall ensure the establishment and maintenance of a regulatory compliance program that constitutes part of an “effective compliance program.” Specifically, the Committee shall be primarily responsible for overseeing, monitoring and evaluating PHC’s compliance with all regulatory and contractual obligations of PHC (federal, state and local), as applicable.



AUTHORITY AND RESPONSIBILITIES

Among its authority and responsibilities, the Compliance Committee shall:

- 1) Oversee the development, review, evaluation, and implementation of the annual, plan-wide, Compliance Program.
- 2) Assist the Compliance Officer in developing and maintaining written policies and procedures, which provide guidance and promote PHC workforce members and affiliates awareness of and compliance with all applicable laws, regulations, guidance, and contractual obligations. The Committee has final review and approval authority of PHC’s compliance policies and procedures, and ensures regular review and updates, as applicable. As appropriate, the Compliance Committee participates in the review and approval of policies and procedures that are required under any contract with government agencies for PHC lines of business, or plan-wide policies and procedures.

- 3) Receive, review, and act upon reports and recommendations from the Compliance Officer, subcommittees, and workgroups regarding compliance and/or ethics issues generated through internal and external audits, monitoring, and individual reporting or referrals. Assists the Compliance Officer in developing initiatives to detect and prevent fraud, waste, and abuse across all lines of business.
- 4) The Compliance Committee is responsible for maintaining the Code of Conduct, subject to the ultimate authority of the Board of Commissioners (the Commission).
- 5) Assist the Compliance Officer in identifying and mitigating potential compliance and regulatory risk areas.
- 6) Recommend and monitor the development of policies and procedures to govern its operations as a Compliance Committee.
- 7) Advise the Compliance Officer in the development and implementation of general and specialized compliance and regulatory training materials related to specific compliance issues and risk areas.
- 8) Has the authority to conduct any investigation appropriate to fulfill its responsibilities and has direct access to anyone in the company, as well as, any third party who may perform compliance related consulting services for the company. The Committee shall retain the services of attorneys, accountants, consultants, and other professionals as needed to ensure compliance with applicable laws.
- 9) Respond appropriately if a violation is uncovered, including proper reporting of violations of law to the duly authorized law enforcement or regulatory agencies.
- 10) Maintain a working knowledge of relevant compliance issues, laws, regulations, and contractual obligations.
- 11) Perform other functions as reasonably necessary to assist the Compliance Officer in fulfilling the intent and purpose of the Compliance Program.
- 12) Ensure that legal counsel is consulted as appropriate and that all applicable privileges are preserved, including the attorney-client privilege and/or work product doctrine.

GOVERNANCE, STRUCTURE AND ORGANIZATION

The Chair of the Compliance Committee shall be PHC's Compliance Officer or their designee. The Chair, in consultation with other members of the Committee, will determine the frequency and duration of the meetings of the Committee and the agenda of items to be addressed at each meeting.

Committee Structure: To promote compliance with state and federal regulations, contractual obligations, and industry practices, the Committee shall have a director or above (or his/her designated proxy), represented from all PHC operational departments.

The following groups shall report meeting minutes and other relevant materials or details, as applicable, to the Compliance Committee at all regularly scheduled meetings:*

- Delegation Oversight Review Sub-Committee (DORS)
- Fraud, Waste, and Abuse Sub-Committee (FWA)
- Physical, Technical, and Administrative Safeguards (PTAS)
- Sub-Committee



**Above list is subject to change, and shall not be considered an exhaustive list*

Meetings Schedule: The Committee will meet no less than four times per year. A majority of the members, or at minimum, half of the Committee, present in person or by means of a conference call or other communication equipment by means of which all persons participating in the meeting can hear each other, shall constitute a quorum.

Agenda and Minutes: The Chair shall preside over the meetings of the Committee and shall appoint a secretary (who need not be a member of the Committee) to take written minutes of the meetings. The Committee shall maintain minutes of its meetings and records relating to those meetings.

MEMBERSHIP

- Chief Executive Officer
- Chief Operating Officer
- Chief Strategy & Government Affairs Officer
- Chief Financial Officer
- Chief Medical Officer
- Chief Information Officer
- Chief Health Services Officer
- Senior Director of Human Resources
- Behavioral Health Administrator
- Regional Director, Administration (Santa Rosa)
- Senior Director, Provider Relations
- Director, Health Services
- Senior Director, Member Services
- Director, Member Services
- Director, Provider Relations
- Director, Pharmacy Services
- Director of Compliance and Regulatory Affairs (also serves as the Compliance Officer) **Chair*
- Senior Director, Claims (SR)
- Director, Claims (NR)
- Director of Configuration
- Director of Program Management Office (OpEx/PMO)
- Associate Director of Grievance and Appeals
- Manager of Quality Assurance and Patient Safety

- Regional Manager, Administration (Eureka)

Partnership HealthPlan of California
ATTACHMENT B
FRAUD PREVENTION PROGRAM

As a Medi-Cal managed care plan, contracted with the Department of Health Care Services (DHCS) for the administration of Medi-Cal benefits, PHC must comply with specific regulatory and/contractual requirements pertaining to Fraud Waste and Abuse “FWA” prevention. Such requirements dictate the investigative, reporting and monitoring activities related to FWA prevention. PHC’s approach to identifying and monitoring potential fraud activity is multi-faceted.

PHC’s FWA Program was developed in consideration of State and Federal laws and regulations as well as Centers for Medicare and Medicaid Services (CMS) and Medi-Cal requirements. PHC uses the following definitions:

Abuse – per DHCS 2024 Operational Readiness Contract 22-20196, “DHCS Contract,” means any provider practices that are inconsistent with sound fiscal, business, or medical practice, and result in an unnecessary cost, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for healthcare. It also includes member practices that result in unnecessary cost to Medicare or Medi-Cal.

Fraud – per DHCS contract, means an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to the individual or other person. It includes any act that constitutes fraud under applicable Federal or State law.

Waste – per DHCS contract, means an overutilization or misuse of resources that results in unnecessary costs to the healthcare system, either directly or indirectly.

A. Relevant Federal and State Laws and Regulations

PHC must also address relevant laws pertaining to fraud, waste, and abuse to include:

The Affordable Care Act requires providers, suppliers, Medicare Advantage plans, and Medicare Part D plans to report and return Medicare and Medicaid overpayments within 60 days of awareness.

Federal False Claims Act prohibits knowingly presenting or causing to be presented to the Federal government a false claim for payment or approval, knowingly making or using or causing to be made or used a false record or statement to have a false or fraudulent claim paid or approved by the government, and knowingly making or using or causing to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the government. The False Claims Act defines "knowing" and "knowingly" to mean that a person with respect to the information: 1) has actual knowledge of the information, 2) acts in deliberate ignorance of the truth or falsity of the information, or 3) acts in reckless disregard of the truth or falsity of the information, and 4) no proof of specific intent to defraud is required. See PHC policy CMP07 False Claims Act for more information.

The Deficit Reduction Act requires PHC to disseminate information to employees and FDRs, about our mutual roles and responsibilities to detect and prevent fraud, waste, and abuse in the healthcare system.

California False Claims Act (California Government Code §12650-12656) was enacted by California to enhance the State's ability to recover and impose penalties upon the "knowing" submission of false claims to state or local government programs, including Medi-Cal and was modeled after the Federal False Claims Act. See PHC policy CMP07 False Claims Act for more information.

Federal Anti-Kickback Statute prohibits anyone from knowingly and deliberately offering, giving, or receiving remuneration in exchange for referrals or healthcare goods or services that will be paid for in whole or in part by Medicare or Medicaid.

Federal Stark Law prohibits a physician from referring patients to a facility (such as a clinical laboratory) in which the physician has a financial or ownership interest. The law applies when the facility receives reimbursement from Medicare or Medicaid. The underlying assumption of the law is that allowing such referrals would lead to unnecessary tests and increase costs. A violation of the law is a civil penalty rather than criminal penalty.

Fraud Enforcement & Recovery Act (FERA) is a public law that was enacted in 2009. The law enhanced criminal enforcement of federal fraud laws, especially regarding financial institutions, mortgage fraud, and securities fraud or commodities fraud.

Health Insurance Portability and Accountability Act (HIPAA) established the national Health Care Fraud and Abuse Control Program ("HCFAC") to coordinate federal, state, and local law enforcement activities with respect to healthcare fraud and abuse. HIPAA also enacted an additional prohibition of healthcare fraud, forbidding knowing and willful acts to defraud a healthcare benefit program by false or fraudulent pretenses. Note: HIPAA also protects and safeguards the information health plans, and other covered entities, maintain and transmit about members, whether in paper, electronic or any other form. Member information must be kept confidential and its use and disclosure is only permitted, as required, by state and federal laws and regulations.

Health Information Technology for Economic and Clinical Health (HITECH) Act enacted as part of the American Recovery and Reinvestment Act of 2009, imposes notification requirements on covered entities, business associates, vendors of personal health records, and related entities in the event of certain security breaches relating to protected health information (PHI).

B. Fraud Prevention Officer

The PHC Fraud Prevention Officer, is responsible for developing, implementing, and ensuring the maintenance of program integrity activities including FWA in accordance with applicable laws, state and federal statutes and regulations, and contractual obligations. The Fraud Prevention Officer reports directly to the CEO and retains the authority to report matters directly to the Board of Commissioners, "the Commission," at any time. The Fraud Prevention Officer also attends and participates in DHCS' quarterly program integrity meetings, as scheduled and attends the California Department of Justice (DOJ) Managed Care Anti-Fraud trainings, as scheduled.

C. PHC Workforce Members

PHC's workforce, which includes PHC employees, volunteers, temporary personnel, interns, and/or member of the PHC Board of Commissioners, has the responsibility to understand their job functions and associated processes in order to identify irregularities in the practices of workforce members network providers, subcontractors/delegates, or members, in order to report any potential FWA to Regulatory Affairs and Compliance (RAC). PHC's approach to identifying and monitoring potential fraud activity is multi-faceted. The FWA program was established to receive and conduct investigations regarding reports of suspected fraud, which may include collaboration from various PHC departments. a RAC maintains a tracking system and records all reported allegations of fraud.

D. Training and Education

To promote awareness of and adherence with PHC's Fraud Prevention Program, PHC must ensure that fraud, waste, and abuse training and education is provided to workforce members in accordance with PHC Policy CMP28 Training Program Requirements.

E. Fraud Detection

The foundation of fraud detection is rooted in knowing what can go wrong and who may be responsible for wrongdoing. Structural elements of fraud detection include:

- Knowing what opportunities exist and understanding the systems and controls designed to minimize the opportunities; and
- Knowing the symptoms or patterns of the occurrence both at the individual and system level; ensuring workforce members are versed in problem spotting and building/maintaining programs to identify patterns.

PHC believes that knowing what can go wrong consists of identifying fraud indicators that warrant closer scrutiny, including the types of fraud, common fraud schemes and trends, “red-flags” and situations leading to potential fraud.

PHC remains apprised of trends or “global” schemes in Medicaid (Medi-Cal), Medicare or healthcare fraud and abuse as reported in newspapers, journals, through CMS Fraud Alerts, and other publications. To monitor and detect potential or actual fraud, waste, and abuse, the PHC FWA Plan includes the following key elements, in addition to those set forth in PHC policy CMP09 Investigating and Reporting Fraud, Waste, and Abuse:

- Implement pre- and post- payment claims editing within the claims adjudication system to monitor claims for billing errors such as unbundling, double billing, the inappropriate use of modifiers, and the correct Diagnosis Related Grouping (DRG) assignment.
- Develop and maintain methods to verify that services that have been represented as rendered have been delivered, which may include but is not limited to, random sampling of medical records and chart notes, member surveying, and electronic visit verification, as applicable.
- Investigate State, Federal, and other industry referrals regarding fraud, waste, and abuse.
- Analyze claims history to identify provider outliers in service levels for members based upon current healthcare needs.
- Complete credentialing and regular exclusion/sanctions validations for all contracted network providers.
- Review contracts to include full disclosure of conflicts of interest, prices, and assure contractors understand the PHC’s requirement related to the Compliance Program including the FWA Plan.
- Review appeals and grievances reports to identify case referrals to the Compliance Department.
- Validate that OIG/GSA checks are performed on Commissioners and all workforce members.
- Identify, through the Pharmacy Department potential over utilization cases and take appropriate action.
- Provide education to PHC workforce members and network providers regarding best practices to prevent, detect, make investigative referrals, and correct fraud, waste, and abuse.
- Perform internal audits of operational departments for possible noncompliance risks as informed by PHC’s risk assessment, auditing, and monitoring processes.
- Educate management on how to monitor staff activities and identify fraud, waste, and abuse risk areas.

F. Departmental Monitoring Activities and Reporting requirements

I. Monitoring activities:

Fraud detection requires that fraud be proactively sought through a variety of means. Each PHC department is responsible for taking proactive steps to detect fraud. PHC exercises diligence and actively searches for possible fraudulent behavior through the course of regular business, and as a result of fraud alerts provided by regulatory agencies, which is monitored and communicated by RAC. Once a trend or pattern has been identified, further research is warranted to determine whether or not there is reasonable suspicion of fraudulent behavior.

II. Internal Reporting

PHC Workforce Members will report suspected FWA in accordance with CMP-09, Investigating & Reporting Fraud, Waste and Abuse.

G. Important Trends in HealthCare Fraud, Waste, and Abuse

Fraud, waste, and abuse in healthcare may happen in many places and present itself in many forms. The common perpetrators of healthcare fraud and abuse may be grouped into four categories: 1) Providers, 2) Applicants or Members, 3) Employees Some specific examples of fraud by each category are follows:

I. Provider Schemes

Common provider schemes are identified below.

- Claim for services not rendered: Submitting claims when the services were not performed.
- Invalid services: Falsifying a patient's diagnosis to justify tests, surgeries, or procedures that are not medically necessary.
- Invalid provider: Submitting claims for non-licensed providers under another licensed individual's name.
- Coding substitutions: Misrepresenting procedures to obtain payment for non-covered services (e.g., cosmetic surgery).
- Un-bundling: Billing each stage of a procedure as if it were a separate treatment.
- Up-coding: Billing for a costlier service than what was actually performed.

II. Member Schemes

Common member schemes are identified below.

- ID sharing: A member “loans” their insurance ID card to a friend to obtain medical services using the member’s name and ID.
- False documents: An applicant provides false information, altered ID documents, bills or receipts to get health insurance coverage.
- False claims: A member requests transportation to the doctor’s office. The doctor’s office is next to a mall. The member actually when shopping and used the transportation services inappropriately.
- Cash payments: A member gives his or her Medicare or Medi-Cal Identification Number to a provider who pays the member \$20 a month to use the member's information to submit false claims.

III. Employee Schemes

Employee schemes are unfortunately something that the FWA Plan must deal with in conjunction with Human Resources. Common employee schemes are identified below.

- False expense reports: An employee falsifies mileage, tolls, and lunch expenses on a company expense report, e.g., bills for a business lunch when it was actually lunch with a friend.
- Misuse of business credit cards: An employee uses the business credit card for personal expenses.
- Forgery: An employee forges a signature on an application or other document.
- Inappropriately recording time and attendance: An employee arrives at work but then takes 4 hours off at to go to a "meeting." The employee was really visiting her friend while the employee was allegedly at a business meeting.

RAC, in collaboration with the Fraud Prevention Officer, is responsible to investigate and resolve any allegation of potential or actual fraud, waste, and abuse.

ATTACHMENT C
DELEGATION OVERSIGHT AUDITING SCHEDULE

Audit activities are conducted pursuant to all requirements set forth by the delegation service agreements during the review period.

At minimum, the audit plan will include compliance oversight and review of the following:

- Program Integrity
- Policies & Procedures
- DHCS Requirements (*during review period*)
- NCQA Standards (*during review period*)
- Case File Review (*only applicable scope areas*)

The following Delegation Oversight Audit Grid demonstrates all scope areas which are subject to annual evaluation by PHC for each active delegate, and includes:

- 1.) The current auditable scope areas; and
- 2.) This year's estimated start and completion dates for the annual delegation oversight audits.

ANNUAL OVERSIGHT AUDITS						
DELEGATED ENTITY	DELEGATED SCOPE AREAS	RESPONSIBLE DEPTS.	REVIEW PERIOD (LOOKBACK)	BEGIN AUDIT PLANNING	2024 AUDIT START DATE	2024 AUDIT END DATE
Name	Subcontracted Functions	PHC Department	Calendar Year	90-120 days prior to Start	Estimated	Estimated
Dignity Health Medical Foundation <i>Mercy Medical Group</i>	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations	CY 2023	Nov-2023	Jan-24	Mar-24
Lucile Packard Children's Hospital Med Group	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations	CY 2023	Nov-2023	Jan-24	Mar-24
Sutter Medical Foundation - SMG (Yolo & Solano)	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations	CY 2023	Nov-2023	Jan-24	Mar-24
Sutter Pacific Medical Foundation (PFMA/Marin Headlands/SMG Redwoods) Palo Alto Med Foundation	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations	CY 2023	Nov-2023	Jan-24	Mar-24
UCSF/Bay Childrens	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations	CY 2023	Nov-2023	Jan-24	Mar-24
UC Davis Medical Group (UCD MG)	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations	CY 2023	Nov-2023	Jan-24	Mar-24
Vision Service Plan (VSP)	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations	CY 2023	April 2024	Jul-24	Sept-24
Woodland Medical Goup (Dignity)	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations	CY 2023	Nov-2023	Feb-24	Mar-23
Vision Service Plan (VSP) Credentialing completed by PR	Call Center/Member Services	Member Services	CY 2023	Nov-2023	Feb-24	May-24
	Claims/PDRs	Claims				
	Compliance -not delegated, review in admin capacity	RAC				
	Net Management including New Provider Training	PR				
	Cultural&Linguistic	HECL				
Provision of Vision Services (UM)	Utilization Management					
Adventist Health: AHCL, AHSH, AHUV & MDCH (AH)	Inpatient UM	Utilization Management	CY 2023	Jan-24	Apr-24	Jul-24
Marin General Hospital (MGH)	Inpatient UM	Utilization Management	CY 2023	Jan-24	Apr-24	Jul-24
NorthBay Medical Center & VacaValley Hospital (NBMC)	Inpatient UM	Utilization Management	CY 2023	Jan-24	Apr-24	Jul-24
Queen of the Valley Medical Center (QVMC)	Inpatient UM	Utilization Management	CY 2023	Jan-24	Apr-24	Jul-24
Woodland Memorial Hospital and Woodland Medical Goup (Dignity)	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations	CY 2023	Jan-24	Apr-24	Jul-24
	UM	UM				
	Claims	Claims				
	Cultural Linguistics	Health Education				
	Compliance -not delegated, review in admin capacity	RAC				
Net Management including New Provider Training	PR					
Napa County- Housing and Homelessness Division	CR/Call center/member services	Member Services	FY2023/2024	Mar-24	Jun-24	Sep-24
	Claims	Claims				
	Compliance - not delegated, review in admin capacity	RAC				
	Cultural and Linguistics	Health Education				
	Net Management including New Provider Training	PR				
Vetting	PR					
Carelton/CHIPA	Call Center	Member Services	CY 2023	Mar-24	July-24	Oct-24
	Case Management/Care Coordination	Care Coordination				
	Claims/PDRs/Misdirected/Prop 56	Claims				
	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations				
	Cultural Linguistics	Health Education				
	Quality Improvement	Quality Improvement				
	Network Mangement	Provider Relations				
	G&A	Grievance & Appeals				
	Utilization Management (as applicable)	Utilization Management				
	Member Experience	G&A/Member Services				
Compliance-DelegatedFWA,remaining review admin Capacity	RAC					
Kaiser	BH/MH	Behavioral Health	FY2023/2024	Mar-24	Sept-24	Q1-2025
	Call Center	Member Services				
	Claims/PDR/Misdirected/Prop 56	Claims				
	CR/Re-Cred (NCQA) ; Screen/Enroll	Provider Relations				
	Cultural Linguistics/HE	Health Education				
	Compliance (FWA/HIPAA)	RAC				
	G&A	Grievance & Appeals				
	Member Experience	G&A/Member Services				
	NEMT/NMT	Care Coordination				
	Network Mangement	Provider Relations				
	New Provider Training	Provider Relations				
	PHM/Care Coordination	Provider Relations				
	PQI	Quality Improvement				
	Quality Improvement	Quality Improvement				
Enhanced Care Management (ECM)	Care Coordination					
UM	Utilization Management					
CareNet	Call Center/Member Services	Member Services	CY 2023	July-24	Oct-24	Jan-25
	Advise Nurse	Care Coordination				
	Compliance -not delegated, review in admin capacity	RAC				
	Cultural Linguistics	Health Education				

ATTACHMENT D

INTERNAL AUDIT & MONITORING WORK PLAN

As the internal audits/monitoring activities are concluded, this plan will be re-evaluated to determine if recurring audits or retesting of the business function should be conducted and at what frequency. Certain risks justify the need for annual reviews, regardless of prior internal audit results.

The following internal audit calendar provides the planned internal audits and monitoring activities that includes the anticipated dates which the internal audits will commence. Unexpected ad-hoc internal audits are not listed on this grid, but updates will be shared with Compliance Committee.

INTERNAL AUDITS (IA) & MONITORING						
Audit Title	Scope Description	Auditee(s)	Reported To (Frequency)	Begin IA Planning	Estimated Start Date	Estimated End Date
Caught You Being Compliant (CYBC)	Compliance with Physical, Technical and Security policy.	All Staff	PTAS (Quarterly)	n/a	Once a qtr	n/a
DOPNA, SOPNA, Provider term process	Assess PHC's documented process and related adherence to monitor DOPNA, SOPNA reports and evaluate the effectiveness of the provider term process	PR, UM, MS, Claims/Config	Compliance Committee (Yearly)	Continued from 2023	Jan-24	Feb-24
IT oversight of cyber security rules	Assess the effectiveness of and adherence with IT's documented process for overseeing contractor, subcontractor and vendor compliance with cyber security rules	IT	Compliance Committee (Yearly)	Continued from 2023	Jan-24	Feb-24
COVID-19 Regulatory Flexibility "Sunset"	Assess PHC reinstatement of regulatory requirements post-public health emergency (limited to applicable DHCS publications such as APL 20-004, etc.)	Multiple	Compliance Committee (Yearly)	Continued from 2023	Feb-24	Mar-24
Provider dispute resolution process and provider bill of rights	Assess PHC's documented process and related adherence with provide dispute resolution and ensure provider bill of rights is being upheld	PR	Compliance Committee (Yearly)	Continued from 2023	Mar-24	Apr-24
Population Health Management	Assess PHC's population health program activities during the 2023 year as required under CalAIM.	PHM	Compliance Committee (Yearly)	May-24	Jun-24	Jul-24
BAA (business associate agreement) audit of our subcontractor	Assess PHC's documented process for establishing and maintaining adherence to business associate agreements with PHC's contractor's and subcontractors.	Multiple	Compliance Committee (Yearly)	Jun-24	Jul-24	Aug-24
Timely access to behavioral health services	Assess PHC's process for ensuring timely access to mental health and substance use disorder services, including out-of-network services and medically necessary follow-up services.	BH	Compliance Committee (Yearly)	Aug-24	Sep-24	Oct-24
Provider training program	Assess PHC's program and materials for training providers and subcontractors consistent with regulatory requirements of frequency, topics, and reporting.	PR	Compliance Committee (Yearly)	Sep-24	Oct-24	Nov-24
ADA Claim Response	Assess PHC's documented roles and responsibilities and investigative process for evaluating and responding to ADA claims.	G&A	Compliance Committee (Yearly)	Oct-24	Nov-24	Dec-24