

# Medicare and Corporate Compliance Training

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2024



UNIVERSITY OF MICHIGAN  
HEALTH PLAN  
UNIVERSITY OF MICHIGAN HEALTH

# Important Notice

This training module will assist Corporate Compliance Training and University of Michigan Health Medicare(UMHM) Parts C and D in satisfying the Compliance training requirements of the Compliance regulations at:

- 42 C.F.R. Section 422.503(b)(4)(vi) and 423.504(b)(4)(vi)
- Section 50.3 of the Compliance Program Guidelines are found in Chapter 9 of the Medicare Prescription Drug Benefit Manual and Chapter 21 of the Medicare Managed Care Manual.
- 45 C.F.R Section 156 Health Insurance Issuer Standards under the ACA

# Agenda

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- 1 Introduction
- 2 General Compliance
- 3 Resources
- 4 Knowledge Test

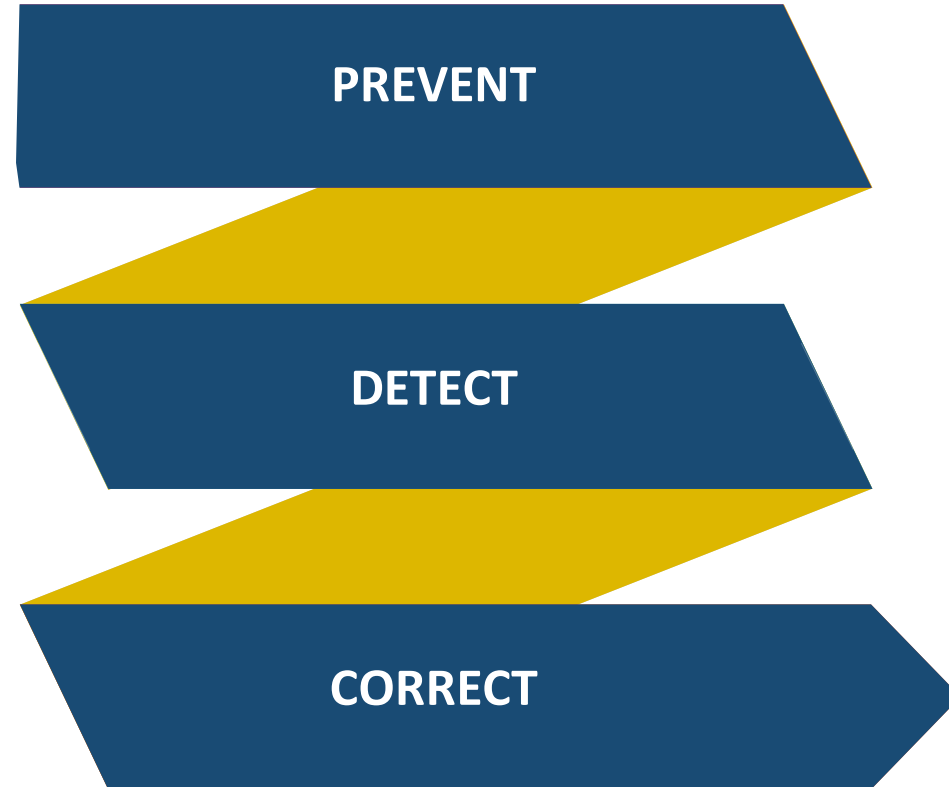
# Introduction

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# Why Compliance?

Compliance is **everyone's** responsibility!

As an individual who provides health or administrative services for the University of Michigan Health Plan (UMHP) enrollees, every action you take potentially affects enrollees for all lines of business throughout our organization, including the University of Michigan Health Medicare program, or the Medicare trust fund.



# Training Objectives




- To understand the organization's commitment to legal and ethical business behavior
- To understand how a compliance program operates
- To gain awareness of how compliance violations should be reported

# General Compliance

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# Medicare Program



Medicare Advantage Prescription Drug (MAPD) Plan: Also known as a Sponsor (Medicare Advantage Organization (MAO) or a Prescription Drug Plan (PDP)) – University of Michigan Health Medicare is a MAPD plan



First-tier entity: Examples of First-tier entity: agents & brokers directly contracted with; firms providing agent/broker services, hospital or health care facility; provider group; doctor's office; clinical laboratory; customer service provider; claims processing and adjudication company; a company that handles enrollment, disenrollment, and membership functions; and contracted sales agents



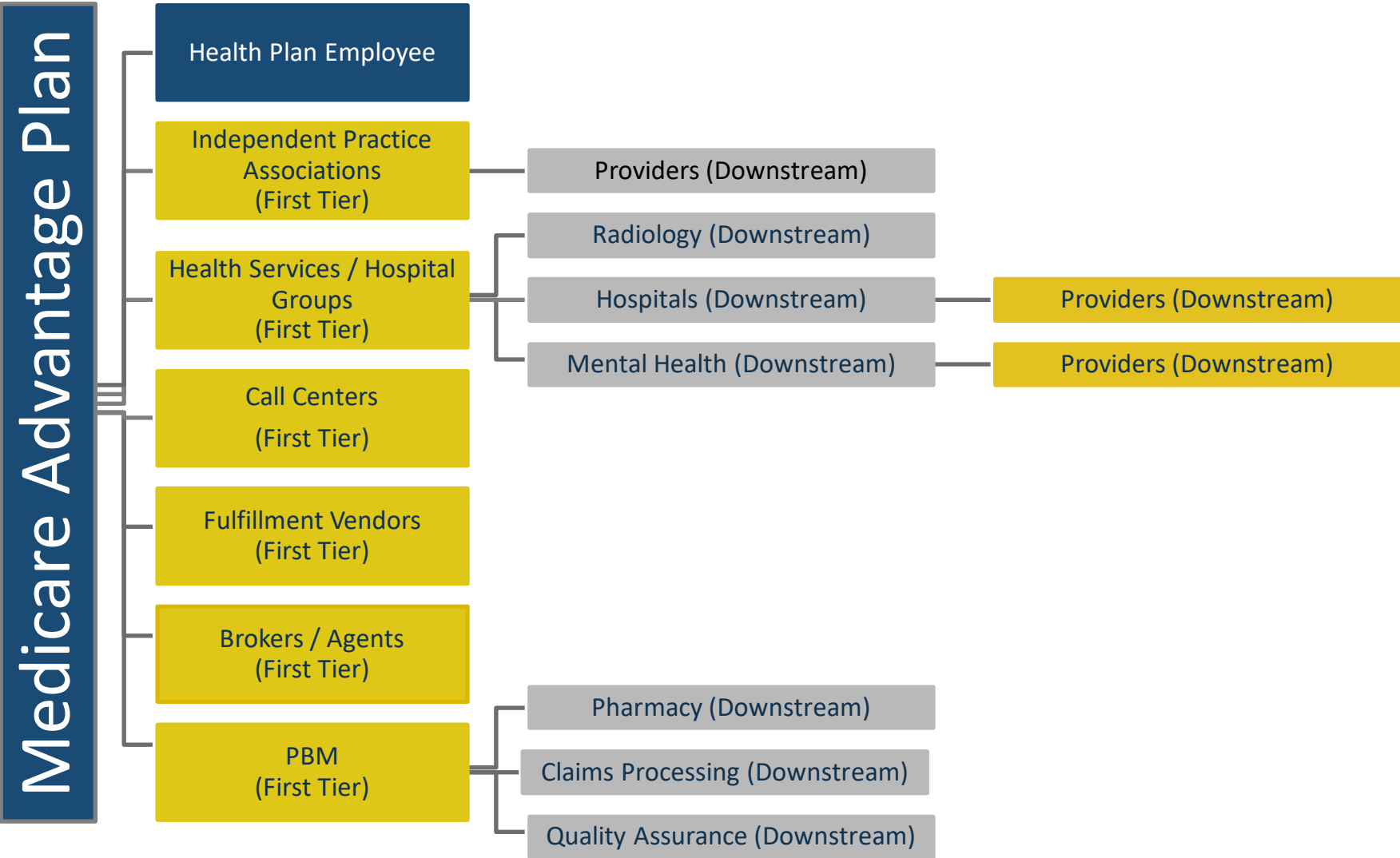
Downstream entity: Examples of Downstream Entity: brokers & agents contracted by sales firms, pharmacies, doctor's office, firms providing agent/broker services, marketing firms, and call centers



Related entity: Examples of Related entity: Entity with common ownership or control of a Sponsor, health promotion provider




# Where Do I Fit in the Medicare Program




# Affordable Care Act (ACA) – Qualified Health Plan (QHP)



A qualified health plan issuer or QHP issuer is a health insurance issuer that offers a QHP in accordance with a certification from an exchange

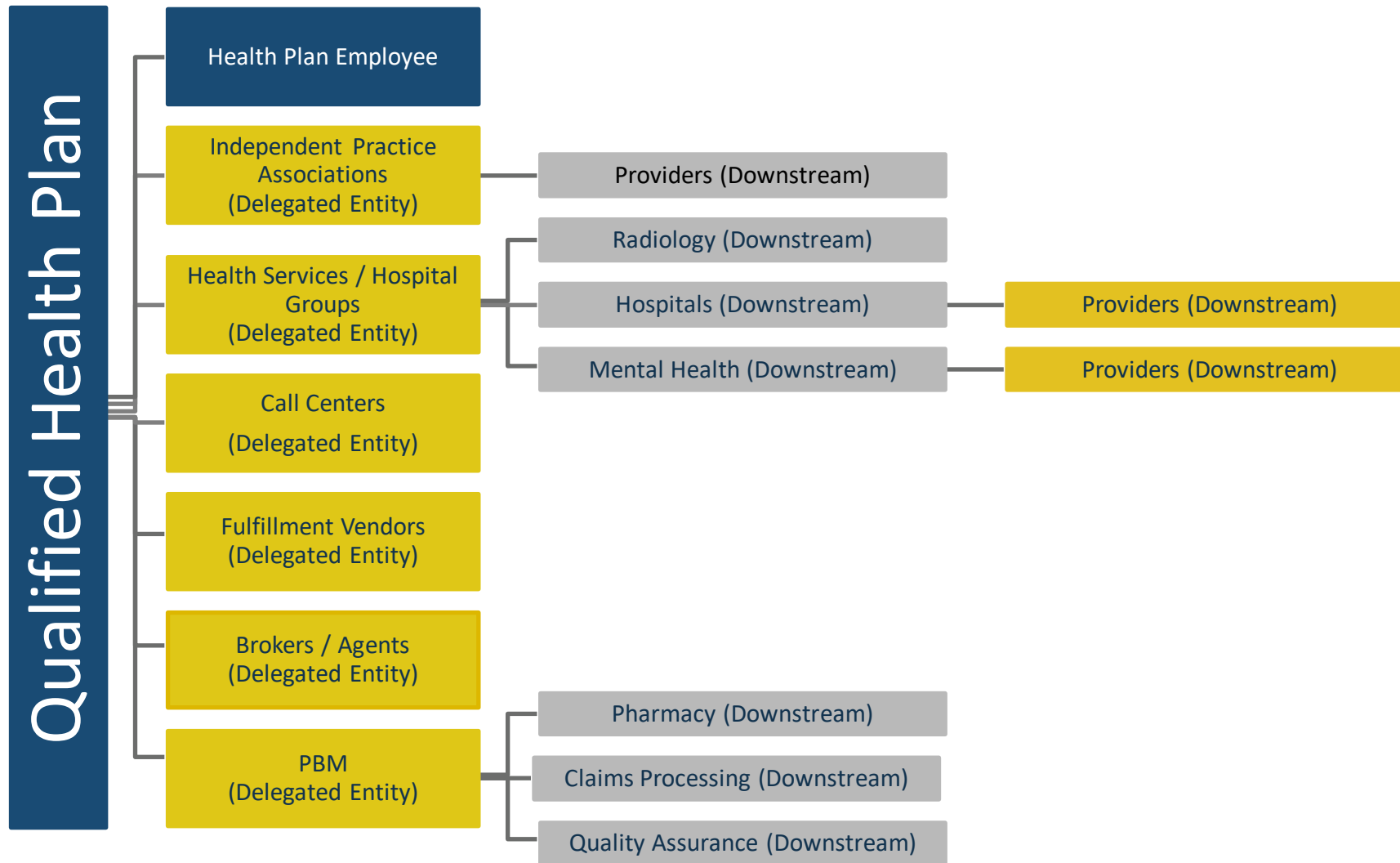


A delegated entity is any party, including an agent or broker, that enters into an agreement with a QHP issuer to provide administrative services or health care services to qualified individuals, qualified employers, or qualified employees and their dependents



**Downstream entity:** any party, including an agent or broker, that enters into an agreement with a delegated entity or with another downstream entity for purposes of providing administrative or health care services related to the agreement between the delegated entity and the QHP issuer. Refer to slide seven for noted examples

# Where Do I Fit in the QHP Market



# What Governs Compliance

## Social Security Act:

- Title 18

## Code of Federal Regulations\*:

- 42 CFR Parts 422 (Part C) and 423 (Part D)
- 45 CFR 156 (Group/Individual market)

## CMS Guidance:

- Manuals
- HPMS Memos

## CMS Contracts:

- Private entities apply and contracts are renewed/non-renewed each year

## Other Sources:

- OIG/DOJ (fraud, waste and abuse (FWA))
- HHS (HIPAA privacy)
- NCQA (Credentialing)
- DIFS (Department of Insurance and Financial Services)

## State Laws:

- Licensure
- Financial Solvency
- Sales Agents
- \* 42 C.F.R. §§ 422.503(b)(4)(vi) and 423.504(b)(4)(vi)

## UMHP Corporate Compliance Plan

- Code of Conduct
- Policies and Procedures

# Compliance Program

CMS requires UMHP to implement an effective compliance program.

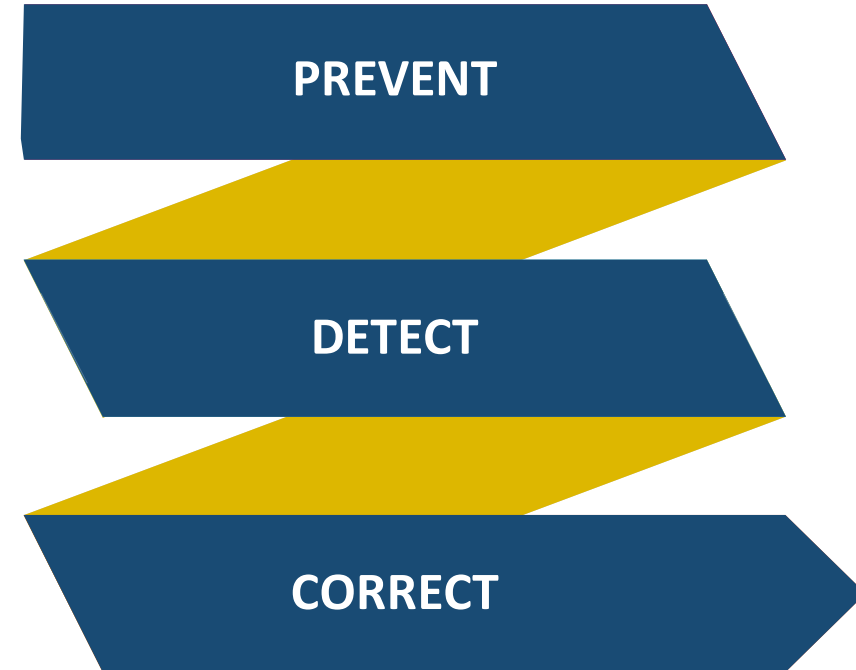
An effective compliance program should:

- Guide how to identify and report compliance violations
- Guide how to handle compliance questions and concerns
- Articulate and demonstrate an organization's commitment to legal and ethical conduct

# An Effective Compliance Program

A culture of compliance within an organization:

- **PREVENTS**  
non-compliance
- **DETECTS**  
non-compliance
- **CORRECTS**  
non-compliance



## 7 Elements of an Effective Compliance Program

1. Implementing written policies, procedures, and standards of conduct
2. Designating a compliance officer and compliance committee
3. Conducting effective training and education
4. Developing effective lines of communication
5. Conducting internal monitoring and auditing
6. Enforcing standards through well-publicized disciplinary guidelines
7. Responding promptly to detected offenses and undertaking corrective action

42 C.F.R. §§ 422.503(b)(4)(vi) and 423.504(b)(4)(vi); Medicare Managed Care Manual Chapter 21; Medicare Prescription Drug Benefit Manual Chapter 9

## 5 Tips for Creating a Culture of Compliance

1. Make compliance plans a priority
2. Know your fraud and abuse risk areas
3. Manage your financial relationships
4. Report, Report, Report! If any compliance issue (violation of law, regulation, policy, etc.), Call the UMHP Compliance Hotline at 866.747.2667 to report suspect practices
5. When in doubt, ask for help



# Ethics – Do the Right Thing!



# UMHP Compliance & Ethics What is Expected of Me?

## UMHP Compliance Plan

- A written document that explains how UMHP will comply with all of the laws and regulations that apply to its business practices.
- Intranet Documents are found in the Policy and Procedure Manual (PPM).

## Code of Conduct:

- Review the University of Michigan Health Plan Code of Conduct
- Be honest and tell the truth
- The document records completely, accurately, and timely
- Do not accept bribes or payoffs for any reason
- Treat all member information as confidential
- Avoid situations that may cause a question as to your integrity or motives
- Report violations of the Code of Conduct and suspected non-compliance

## Communication

- CMS expects UMHP will apply their training requirements and “effective lines of communication” to employees and to the entities with which they partner
- Having “effective lines of communication” means that employees of the organization and the partnering entities have several avenues through which to report compliance concerns

# Report Compliance Concerns

1

Talk with your  
Manager or  
Supervisor

2

Call the  
Compliance  
Hotline

3

Report directly  
to UMHP  
Compliance

# How to Report Compliance Concerns



Verbal: Contact your Supervisor, Medicare Compliance Officer (MCO) (Michelle Coberly), the Corporate Compliance Officer (CCO) (Michael Krupnik), or the designee in person, by telephone, or via email



Written correspondence to University of Michigan Health Plan Compliance Department at:

- Mail: PO Box 30377 Lansing MI 48909-7877
- Email: [phpcompliance@phpmm.org](mailto:phpcompliance@phpmm.org)



Call the Compliance Hotline to report concerns and violations confidentially and anonymously, 24 hours a day, 7 days a week, 866.747.2667

## I'm Afraid to Report Noncompliance

- There can be **NO** retaliation against you for reporting suspected non-compliance in good faith
- All employees are required to report issues of non-compliance
- UMHP prohibits any retaliatory action for good faith reporting of suspected violations of law, regulation, or UMHP policy
- Managers are to promote/support employees reporting non-compliance issues

# What is Noncompliance?

Noncompliance is conduct that does not conform to the law, and Federal/statutory program requirements, or an organization's ethical and business policies



# What to Report?

## ISSUES

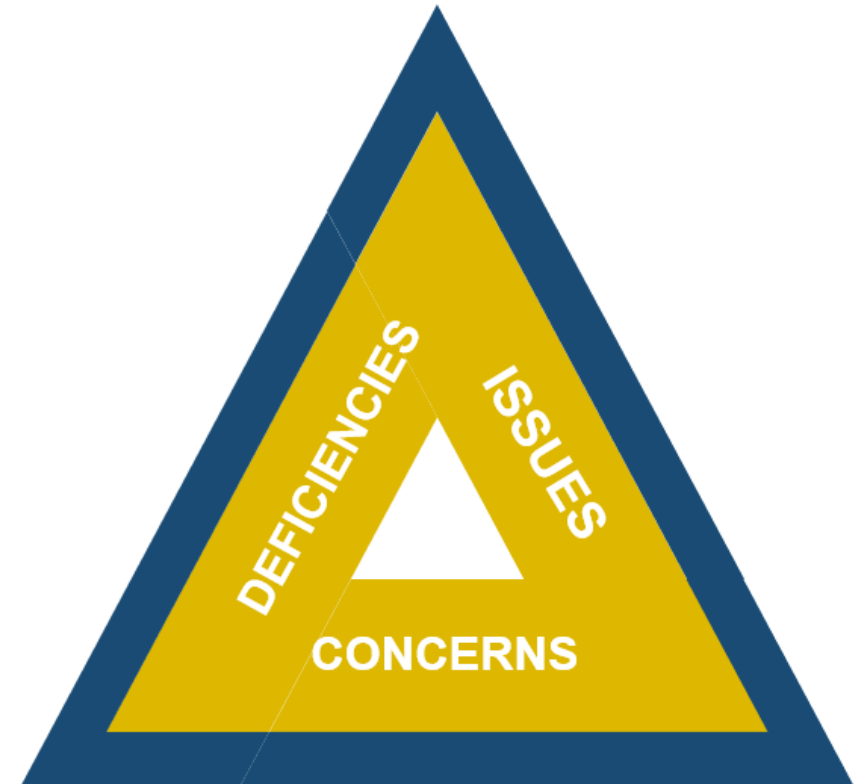
Actual non-compliance

## CONCERNS

Potential non-compliance, areas of concern. This shows the department is proactive in identifying potential issues and can resolve them.

## DEFICIENCIES

Deficiencies with monitoring activities. Deficiencies do not necessarily mean non-compliance.





# Noncompliance Harms Members

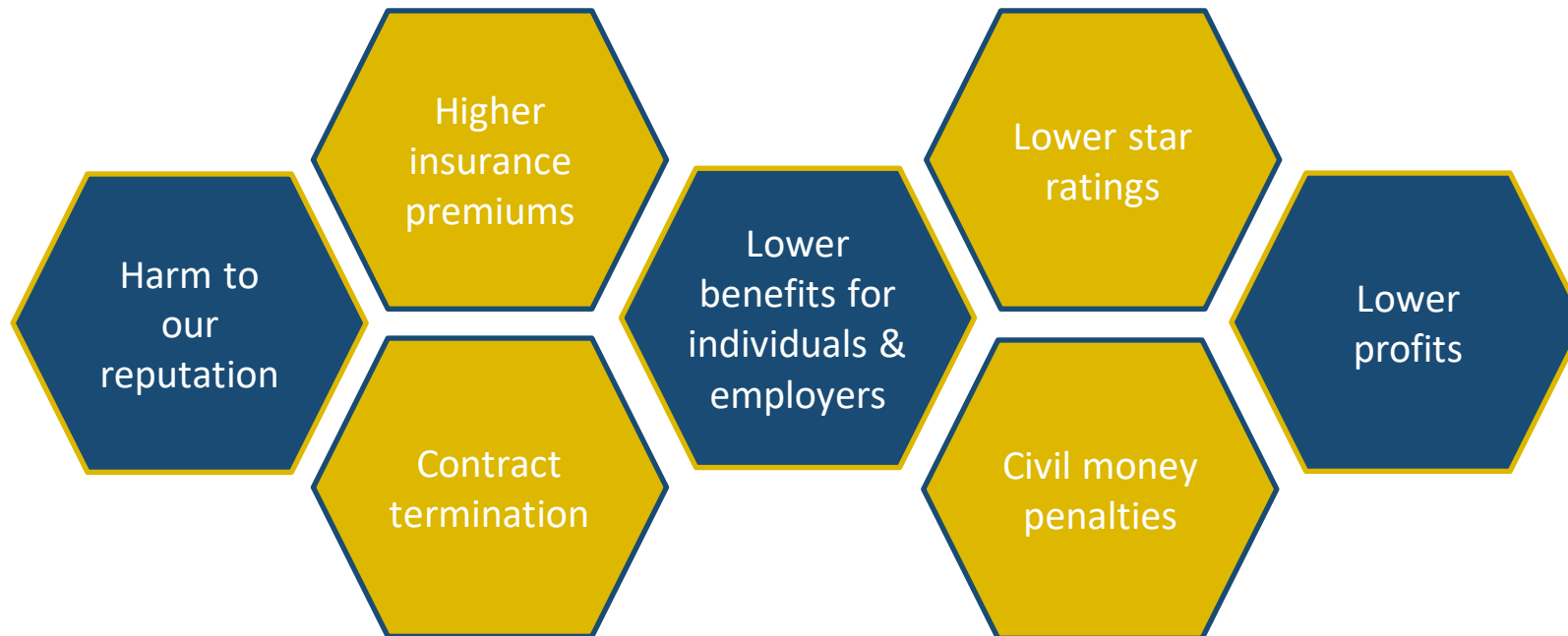
Without programs to prevent, detect, and correct non-compliance, we all risk: Harm to beneficiaries, such as:



# Noncompliance Costs Money

Noncompliance affects **EVERYONE!**

Without programs to prevent, detect, and correct noncompliance you risk:



# What Happens Next?

## After noncompliance has been detected:

- Investigation occurs immediately and is coordinated with relevant leadership/appropriate parties
- Investigation should be fair, expedient, and confidential
- Immediate response and appropriate corrective actions are initiated

## Correcting and monitoring for noncompliance:

- Avoids the recurrence of the same noncompliance
- Promotes efficiency and effective internal controls
- Protects members
- Ensures ongoing compliance with CMS requirements

## Learn from Noncompliance

- Once non-compliance is detected and corrected, an ongoing evaluation process is critical to ensure the non-compliance does not recur
- Monitoring activities are regular reviews that confirm ongoing compliance and ensure that corrective actions are undertaken and effective
- The audit is a formal review of compliance with a particular set of standards (e.g., policies and procedures, laws and regulations) used as base measures

## Consequences of Noncompliance

UMHP is required to have disciplinary standards in place for non-compliant behavior. Those who engage in noncompliant behavior may be subject to any of the following:

- Mandatory Training or Re-Training
- Disciplinary Action
- Termination

# Compliance is EVERYONE'S Responsibility

**PREVENT**

## PREVENT

Operate within University of Michigan Health Plan ethical expectations to PREVENT non-compliance.

**DETECT & REPORT**

## DETECT & REPORT

If you DETECT potential non-compliance REPORT it.

**CORRECT**

## CORRECT

CORRECT non-compliance to protect members and to save money.

# HIPAA and PHI

- Health Insurance Portability and Accountability Act (HIPAA) was passed in Congress in 1996 and designed to provide privacy standards to protect patients' medical records and other health information
- The HIPAA Privacy Rule establishes national standards to protect individuals' medical records and other personal health information and applies to health plans, health care clearinghouses, and health care providers that conduct certain health care transactions electronically
- The Rule requires appropriate safeguards to protect the privacy of personal health information and sets limits and conditions on the uses and disclosures that may be made of such information without patient authorization
- Protected Health Information (PHI) is any health information that can identify an individual that is in possession of or transmitted by a "covered entity" or its business associates that relates to a patient's past, present, or future health.

# Use and Disclosure of Protected Health Information (PHI)

- What is meant by “Use and Disclosure of PHI?”
  - “**Use**” refers to how PHI is accessed, shared, reported, and analyzed within UMHP
  - “**Disclosure**” refers to how PHI is released, transferred, provided, or shared in any way outside UMHP
- The HIPAA privacy regulations require UMHP to obtain a signed authorization to use or disclose PHI (with limited exceptions) for any purpose other than:
  - For treatment, payment, or healthcare operations
  - With the individual’s authorization
  - To the individual
  - As otherwise permitted or required under the privacy regulations

Additional information is available in UMHP Policy CPP-54 General Policy-Use and Disclosure of Protected Health Information (PHI)



# Access to PHI

## Right to Individual Access

Under HIPAA, members have the right to access their records and they should be provided free of charge. The member can request records by completing a Use and Disclosure form.

The form is forwarded to the UMHP Compliance Department for completion.

As a UMHP Associate, you must remember that your or your family's records may only be accessed by:

- Contacting customer service department to obtain your information;
- Submitting a CPP-78 Use and Disclosure form to UMHP;
- Accessing your information via the Member Portal

Once a UMHP Associate becomes a member, you cease to be the "UMHP Associate." You should only access, use, or disclose information need to do your job, following minimum necessary rules.

Additional information is available in  
UMHP Policy CPP-78 Individual's Right to Inspect and Copy Protected Health Information (PHI)

# Authorized Personal Representative

Members may assign someone as their Personal Representative (PR), such as a parent, spouse, family member, or close friend.

- All requests must be filled out completely and signed
- Completed forms are forwarded to UMHP Compliance for completion
- Parents requesting information for their minor child 14 years and over relating to substance abuse, mental health, prenatal or pregnancy services, and sexually transmitted diseases **must** be authorized by the minor

*Additional information is available in UMHP Policy CPP-66 Disclosure of Protected Health Information; Personal Representatives*

# Safeguarding PHI

## Ways to protect and Safeguard Member's privacy:

- Lock your computer when you are away from your device
- Encrypt emails when sending confidential information. Type "SHSENCRYPT" anywhere in the subject line or body of the email.
- Conduct professional telephone conversations in a way that prevents others from overhearing your conversation
- Do not discuss anything related to any Member on any social media platform, such as Facebook, Instagram, Twitter, Tik Tok or blogs
- Employ a "clean desk policy" and lock up PHI before the end of the day
- Do not copy/reproduce Member records and remove them from the UMHP building

## Minimum Necessary

- Covered Entities (CE) must make reasonable efforts to limit PHI to the minimum necessary to accomplish the intended purpose of the use, disclosure, or request. UMHP cannot disclose PHI except as permitted by the HIPAA Privacy Rule.
- Access to confidential Member/Patient information is allowed on a “NEED TO KNOW” basis
  - The “NEED TO KNOW” rule states that access to Member/Patient information can be allowed if it is required to perform your job
  - Keep in mind that computer access for all UMHP Associates is monitored in accordance with privacy and security laws and regular audits are performed

*Additional information is available in UMHP Policy CPP-81 Minimum Necessary Rule*

# ACCESSING PHI

UMHP Policies, including HR Policy 614 - Confidentiality, prohibit UMHP Associates from accessing records when there is no legitimate need for the information **as part of their job responsibilities.**

Consequences for Inappropriate Access:

- Can result in penalties up to and including termination of your employment and/or civil legal action against you

# BREACH OF PHI

- A breach means the unauthorized *acquisition, access, use, or disclosure of PHI in a manner not permitted by the Privacy Rule, which compromises the security or privacy of the information*
- UMHP is required to send a notice to our members if their PHI has been breached within 60 days of discovery
- Annual reporting to the Secretary of the Department of Health and Human Services (HHS) and/or Centers for Medicare and Medicaid Services (CMS) is required
- All suspected incidences of a PHI breach **must** be reported to your direct supervisor and forwarded to UMHP Compliance for investigation

*Additional information is available in  
UMHP Policy CPP-49 Notification Regarding Breaches of Unsecured Protected Health  
Information (PHI)*

# BREACH EXAMPLES

Examples of breaches include:

- Loss or unauthorized access of paper files/records, laptops/desktops, USB (thumb) drives, or CDs containing PHI
- Misdirecting a fax or email containing PHI to an unauthorized recipient
- Sending one member's PHI to another member in error
- Written or oral disclosures of PHI to unauthorized individuals

## HOW CAN YOU AVOID A BREACH?

- Verify the fax number, mailing address, or email before sending; validate that the document you are sending does not contain another member's information (this is one of the least technical but potentially one of the easiest ways to allow a breach of PHI)
- For laptops or wireless devices (i.e., smartphone), make sure you use it properly and keep track of it:
  - Do not leave it unattended
  - Do not use it for non-work-related purposes or allow family members to use it



# Reporting Incidents

When should I report a privacy complaint, HIPAA incident, breach, or potential identity theft incident?

Everyone is responsible for immediately reporting all complaints, violations, and incidents.

Privacy Incidents should be reported to:

UMHP Compliance or the UMHP Compliance Officer by:

- Emailing at [phpcompliance@phpmm.org](mailto:phpcompliance@phpmm.org)
- Calling the UMHP Compliance Department at 1-866-747-2667 or
- Completing the Notice of Authorized Use and Disclosure Form on SharePoint (located under Compliance Department > Compliance Forms)

# Resources

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## Additional Compliance Resources

For more information on laws governing the Medicare program and Medicare noncompliance, QHP, or for additional healthcare compliance resources please see:

- Title XVIII of the Social Security Act
- Medicare Regulations governing Parts C and D (42 C.F.R. §§ 422 and 423)
- Civil False Claims Act (31 U.S.C. §§ 3729-3733)
- Criminal False Claims Statute (18 U.S.C. §§ 287,1001)
- Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b))
- Stark Statute (Physician Self-Referral Law) (42 U.S.C. § 1395nn)
- Exclusion entities instruction (42 U.S.C. § 1395w-27(g)(1)(G))
- The Health Insurance Portability and Accountability Act of 1996 (HIPAA) (Public Law 104-191) (45 CFR Part 160 and Part 164, Subparts A and E)
- OIG Compliance Program Guidance for the Healthcare Industry:  
<http://oig.hhs.gov/compliance/compliance-guidance/index.asp>
- Health Insurance Issuer Standards Under the Affordable Care Act (45 C.F.R Part 156)