


| | | |
|---|---|---|
|  | PCHP.CP.102 Compliance Officer, Compliance Committee and High Level Oversight V5 PCHP.CP.102-Dup | |
| | Name: | PCHP.CP.102 Compliance Officer, Compliance Committee and High Level Oversight |
| | ID Number: | PCHP.CP.102-Dup |

Body

Policy Name: Compliance Officer, Compliance Committee and High Level Oversight

Scope: Entire Piedmont workforce

Purpose: Describes the governing body who oversees and ensures Piedmont is adhering to its corporate commitment to comply with all applicable Federal and State laws and standards, CMS regulations and continuing guidance, Centra's Code of Conduct and Piedmont's Compliance Plan.

Definitions & Acronyms:

- CMS: Centers for Medicare & Medicaid
- CFR: Code of Federal Regulations
- FDR: First Tier, Downstream or Related Entity

Piedmont: "Piedmont" collectively refers to Piedmont Community Health Plan (PCHP), Piedmont Community HealthCare (PCHC) and any future entities that are owned, affiliated with and/or operated by Piedmont.

Policy:

Piedmont shall designate a Compliance Officer and Compliance Committee accountable to Piedmont's Chief Executive Officer and Board of Directors.

1. **The Compliance Officer** is vested with the day-to-day operations of the compliance program and defines the program structure, educational requirements, reporting and complaint mechanisms, response and corrective procedures, and compliance expectations of all personnel and FDRs.
 - A. The Compliance Officer position should be full-time. Piedmont must assess the scope of the existing Compliance Officer's responsibilities, the size of the organization, and the organization's resources when determining whether a single Compliance Officer can effectively implement the Compliance Program and the sponsor's commercial or other governmental business.
 - B. The Compliance Officer must be an employee of Piedmont, its parent company or corporate affiliate and not an employee of an FDR.
 - C. Piedmont must ensure that reports from the Compliance Officer reach the senior-most leader (typically the CEO or President). The direct reporting relationship between the Compliance Officer and the senior-most leadership refers to the direct reporting of information, not necessarily to a supervisory reporting relationship. This can be accomplished through a dotted line or matrix reporting.
 - D. The Compliance Officer must have express authority to provide unfiltered, in-person reports to Piedmont's senior-most leader. The Compliance Officer's reports should not be routed to the CEO or President through operational management such as the CFO or other executives responsible for operational areas.
 - E. The Compliance Officer's reports to Piedmont's Board of Directors must be made through the compliance infrastructure. The Compliance Officer must have express authority to provide unfiltered, in-person reports to Piedmont's Board of Directors at his/her discretion.
 - F. Other Compliance staff may report compliance issues directly to the Compliance Officer and/or the Compliance Committee, who then provide compliance reports directly to the Board of Directors.
 - G. The Compliance Officer should have the authority to:
 - 1). Interview employees and other relevant individuals regarding compliance issues;
 - 2). Review company contracts and other documents pertinent to state and federal programs;

- 3). Review submission of data to regulatory agencies to ensure that it is accurate and in compliance with CMS reporting requirements;
 - 4). Independently seek advice from legal counsel;
 - 5). Report potential FWA to CMS and/or other regulatory agencies, or law enforcement;
 - 6). Conduct and direct audits and investigations of any FDRs;
 - 7). Conduct and/or direct audits of any area or function involved with a government program;
 - 8). Recommend policy, procedure and process changes.
2. The **Compliance Committee** oversees the Compliance Program.
- A. Piedmont does not need to have a separate Compliance Committee for each product, as long as the Committee addresses product compliance issues separately.
 - B. Piedmont's Compliance Committee is chaired by the Compliance Officer and the Compliance Committee serves to advise the Compliance Officer.
 - C. The Compliance Committee is accountable to Piedmont's CEO and Board of Directors.
 - D. Duties of the Compliance Committee may include but are not limited to:
 - 1). Meeting at least quarterly, or more frequently as necessary to enable reasonable oversight of the Compliance Program;
 - 2). Developing strategies to promote compliance and detection of potential violations;
 - 3). Assisting with the creation and implementation of the compliance risk assessment and compliance monitoring and auditing work plan;
 - 4). Assisting in the creation, implementation and monitoring of effective corrective actions;
 - 5). Developing innovative ways to implement appropriate corrective and preventative action;
 - 6). Reviewing effectiveness of the system of internal controls designed to ensure compliance with government regulations in daily operations;
 - 7). Supporting the Compliance Officer's needs for sufficient staff and resources to carry out duties;
 - 8). Assuring compliance policies and procedures are appropriate and up-to-date;
 - 9). Ensuring Piedmont has a system for compliance questions and reporting issues of noncompliance and potential FWA confidentially or anonymously and without fear of retaliation.
 - 10). Ensuring Piedmont has a method for enrollees to report potential FWA.
 - 11). Reviewing and addressing reports of monitoring and auditing of areas in which Piedmont is at risk for program non-compliance or potential FWA and ensuring that corrective action plans are implemented and monitored for effectiveness.
 - E. Piedmont's Compliance Committee includes individuals with a variety of backgrounds, and reflects the size and scope of Piedmont.
 - F. Members of the Compliance Committee have decision-making authority in their respective areas of expertise.
3. The **Governing Body** (e.g., Board of Directors) must be knowledgeable about the content and operation of the Compliance Program and must exercise reasonable oversight with respect to the implementation and effectiveness of the Compliance Program.
- A. When compliance issues are presented to the governing body, the Board of Directors should make further inquiry and take appropriate action to ensure the issues are resolved.
 - B. The Board of Directors may delegate compliance program oversight to a specific committee of the governing body (e.g., Board Audit Committee or Board compliance committee).
 - C. The Board of Directors must receive training and education as to the structure and operation of the Compliance Program. The Board should be knowledgeable about compliance risks and strategies, should understand the measurements of outcome, and should be able to gauge effectiveness of the Compliance Program.
 - D. Reasonable oversight by the Board of Directors (assisted by a Committee, if desired) includes but is not limited to:
 - 1). Approving the Standards of Conduct (this should be performed by the full governing body and not a committee);
 - 2). Understanding the Compliance Program structure;
 - 3). Remaining informed about the Compliance Program outcomes, including results of internal and external audits;
 - 4). Remaining informed about governmental compliance enforcement activity such as Notices of Non-Compliance, Warning Letters and/or more formal sanctions;
 - 5). Receiving regularly scheduled, periodic updates from the Compliance Officer and Compliance Committee;
 - 6). Reviewing the results of performance and effectiveness assessment of the Compliance Program.

- E. The governing body may delegate some or all of these activities to senior management or to the Compliance Committee:
 - 1). Development, implementation and annual review of compliance policies and procedures;
 - 2). Approval of compliance policies and procedures;
 - 3). Review and approval of compliance and FWA training;
 - 4). Review and approval of compliance risk assessment;
 - 5). Review of internal and external audit work plans and audit results;
 - 6). Review and approval of corrective action plans resulting from audits;
 - 7). Review and approval of the Compliance Officer;
 - 8). Review and approval of performance goals for the Compliance Officer;
 - 9). Evaluation of the senior management team's commitment to ethics and the Compliance Program;
 - 10). Review of dashboards, scorecards, self-assessment tools, etc. that reveal compliance issues.
- F. The governing body should collect and review measurable evidence that the Compliance Program is detecting and correcting noncompliance on a timely basis. It is a best practice for the governing body to be provided with data showing that the program has reduced the risks of program noncompliance and FWA.
- G. CMS should be able to validate, through review of the Board of Directors meeting minutes or other documentation, the active engagement of the governing body in the oversight of the Compliance Program. A governing body that is appropriately engaged asks questions, requires follow-up on issues and takes action when necessary.
- 4. **Senior Management** (CEO or senior-most leader) must recognize the importance of and be engaged in the Compliance Program for it to be effective.
 - A. Senior Management should 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.
 - B. The CEO must receive periodic reports from the Compliance Officer of risk areas facing the organization, the strategies being implemented to address them and the results of those strategies.
 - C. The CEO must be advised of all governmental compliance enforcement activity, from Notices of Non-compliance to formal enforcement actions.

Procedures:

1. Compliance Officer

- A. Piedmont employs a full-time Compliance Officer and a team of Compliance Specialists dedicated solely to compliance. The Compliance Officer has authority to provide unfiltered reports directly to the CEO.
- B. Piedmont's Compliance Officer is a member of senior management and meets in Executive Sessions regularly.
- C. Piedmont's Compliance Officer's duties include, but are not limited to:
 - 1). Regular Compliance reports to the governing body, CEO and Compliance Committee. Reports include the status of Piedmont's compliance program implementation, the identification and resolution of suspected, detected or reported instances of noncompliance, and compliance oversight and audit activities;
 - 2). Being aware of daily business activities by interacting with operational units;
 - 3). Creating and coordinating educational and training programs related to compliance and FWA;
 - 4). Developing and implementing programs that encourage reporting noncompliance and potential FWA without fear of retaliation;
 - 5). Maintaining the compliance reporting mechanism;
 - 6). Responding to reports of FWA, including coordination of internal investigation;
 - 7). Ensuring that DHHS, OIG, and SAM lists have been checked with respect to all employees, governing body members, and FDRs monthly, and coordinating any issues with HR, Security, Legal or other departments as appropriate;
 - 8). Maintaining all documentation for reports of potential non-compliance or FWA;
 - 9). Overseeing development, monitoring, and implementation of Corrective Action Plans;
 - 10). Coordinating potential fraud investigations with SIU, NBI MEDIC, or other agencies where applicable.

2. Compliance Committee

- A. Piedmont's Compliance Committee is comprised of full-time Piedmont employees representing diverse areas.

- B. The Compliance Officer serves as the Chairman of the Committee. The members of the Committee are appointed by the Compliance Officer and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal.
- C. The Compliance Committee meets on a quarterly basis, but may be adjusted as circumstances dictate.
- D. A majority of the Committee shall constitute a quorum for the transaction of business.
- E. The Committee may ask the Chief Executive Officer and any other member of management, company employee, or other outside party to attend meetings and provide relevant information. Additionally, members of The Board of Directors of Piedmont may, at their discretion, attend the Compliance Committee meetings and participate as full voting members.
- F. The Committee shall keep regular written minutes of the proceedings of each meeting which are distributed to the CEO and duly filed in the company records. Minutes from each Compliance Committee meeting shall be approved by **email vote following the committee meeting**. Once approved by vote, the minutes will become evidentiary documentation of the compliance program. Minutes will be fact-based and are not to include reference to committee members' opinions, thoughts or unrelated comments.
- G. The Compliance Committee Charter, attached as Exhibit A, provides more detail on the duties and responsibilities of the Compliance Committee.

3. Governing Body

- A. Piedmont is governed by a Board of Directors that includes primary care physicians, specialist physicians, hospital management staff representatives, and community business leaders.
- B. The Piedmont Board of Directors typically meets quarterly to review the status of the various products and programs. The Board of Directors keeps regular written minutes of the proceedings.
- C. The Board of Directors receives a quarterly presentation by the Compliance Officer which incorporates various requirements of the Compliance Plan which may include, but is not limited to:
 - 1). Compliance and FWA Training (annually)
 - 2). Code of Conduct (annually)
 - 3). Measurable Progress Reports on Compliance and Compliance Program Effectiveness
 - 4). Updated Compliance Plan with Risk Assessments
 - 5). CMS Notices of Non-Compliance
 - 6). Non-Compliant Issues Self-Disclosed to CMS
 - 7). **Results from Auditing and Monitoring Activities**
- D. The Board of Directors must approve the Code of Conduct.
- E. Only the Board of Directors has the authority to terminate the Compliance Officer.
- F. Notices of Non-Compliance and other governmental compliance enforcement activity shall be reported to the Board of Directors for review and consideration of any action needed on their part;
- G. The Board of Directors delegates the following activities to the Compliance Committee:
 - 1). Development, approval, implementation and annual review of compliance policies and procedures
 - 2). Review and approval of annual risk assessment
 - 3). Review of internal and external audit work plans and audit results
 - 4). Review and approval of corrective action plans resulting from audits
 - 5). Review of dashboards, scorecards, self-assessment tools, etc. that reveal compliance issues
- H. Members of the Board of Directors may, at their discretion, attend Compliance Committee meetings and participate as full voting members.
- I. **Members of the Board receive quarterly written minutes from the Compliance Committee meetings.**

4. Senior Management

- A. Piedmont Senior Management meets regularly to communicate compliance issues.
- B. The CEO receives quarterly written minutes from the Compliance Committee meetings and additional unfiltered reports directly from the Compliance Officer when warranted.

Equipment: None

Forms and Letters: None

Reference(s): [42 CFR Sections 422.503\(b\)\(4\)\(vi\)\(B\), 423.504\(b\)\(4\)\(vi\)\(B\)](#); Medicare Managed Care Manual, Chapter 21 and Prescription Drug Benefit Manual, Chapter 9 (Rev. 1-11-13) – Compliance Program Guidelines, Section 50.2

Interdisciplinary Review: None

Policy History:

| Date | Revision No. | Reason for Change | Sections Affected |
|------------|--------------|---|--|
| 01/06/2011 | Draft | | All |
| 01/19/2011 | NEW | <ul style="list-style-type: none"> ▪ Policy format template modified changing header, adding Definitions and History sections. ▪ Approved by Compliance Committee | All |
| 07/10/2012 | 1.0 | <ul style="list-style-type: none"> ▪ 8 members on Compliance Committee rather than 7 ▪ Monthly meetings on third Friday rather than Thursday ▪ Responsible Area/Dept updated to Organization Wide | Procedures & Header |
| 01/11/2013 | 2.0 | <ul style="list-style-type: none"> ▪ Reformatted Policy Header to include Line of Business and more detail for Responsible Departments. Removed Category (Dept Type) and sections for Revised Date and Review Date. ▪ Changed Policy Title from Designation of Compliance Officer and Committee. ▪ Updated Policy and Procedures to be more specific on responsibilities of Compliance Officer, Compliance Committee and High Level Oversight. | Header, Policy Title, Policy and Procedures |
| 03/04/2014 | 3.0 | <ul style="list-style-type: none"> ▪ Annual Review. Removed designation of Compliance Specialist "for each product". | Procedures |
| 02/16/2015 | 4.0 | <ul style="list-style-type: none"> ▪ Annual Review. Updated job titles in various departments. Reduced Compliance Committee members down to 7. Added PCHP to Header and Footer. Changed monthly day selected for Compliance Committee Meetings from Wednesday to Monday. | Header, Footer, Definitions, Procedures |
| 7/16/15 | 4.1 | <ul style="list-style-type: none"> ▪ Updated job titles to add COO, separate Compliance Officer from Director of Operations and replace Compliance Analyst position with a 2nd Compliance Specialist position. | Policies and Procedures |
| 11/19/15 | 5.0 | <ul style="list-style-type: none"> ▪ Converted Policy to Centra format, new numbering system, and new housing location on Centra's Intranet | All |
| 1/19/2017 | 6.0 | <ul style="list-style-type: none"> ▪ Changed Compliance Committee meeting frequency to quarterly ▪ Minor clarifications in other areas | All |
| 08/22/2017 | 7.0 | <ul style="list-style-type: none"> ▪ Added newly approved Compliance Committee Charter – approved by the Board of Directors | Attachment |
| 1/18/2018 | 8.0 | <ul style="list-style-type: none"> ▪ Edits to Policy 1 (G) to cover all products more broadly ▪ Changed Procedure 4(A) to regular frequency | Policy 1G Procedure 4A |
| 1/21/2019 | 9.0 | <ul style="list-style-type: none"> ▪ Edits to Procedure 2 (F) allowing Compliance Committee meeting minutes to be approved via email vote ▪ Added Auditing and Monitoring results are shared with the Board ▪ Added that the Board receives quarterly Compliance | Procedure 2F Procedure 3C 7 Procedure 3I |

Document Link Manager

No Documents Linked No Documents Linked

Attachment Manager

Attachments List:

Name

Size

| | |
|---|--------|
|  PCHP.CP.102 - EXHIBIT A - Compliance Committee Charter (2017).pdf | 113 KB |
|---|--------|