

CASE STUDY: HEALTH PLAN COMPLIANCE

(DOI, CMS, MEDICAID)



Health Plan Compliance: "... audit ready in 24 hours..."

- Compliance audits (DOI, CMS, Medicaid, etc) are a normal part of conducting business as a health plan.
- When the systems are in place, audits are *merely* physical representation and demonstration of (ANOC/EOC) submittal
- In building the framework for *compliance* the organization was able to *see* (and close) gaps in process, communications, measurement and compliance
- The compliance framework resulted in a *compliance dashboard* that became part of the monthly *financial* review package
- All key operational departments developed and maintained *key process indicators* on a daily/weekly basis

LEAN SOLUTIONS: COMPLIANCE

Overview: Too often *compliance* within a health plan is viewed as a series of independent tasks and responsibilities organized by *department* and monitored by *compliance*. When viewed, structured and managed in this fashion, *every audit* can become a period of stress/concern (they have to find *something*, what will they find?) A Lean approach to *compliance* is to view *compliance* as merely a physical representation and demonstration (of processes, metrics, examples, etc.) of what we said we were doing. It is from this perspective, that we have used lean to design and build the infrastructure for *compliance* for *all* auditing agencies (i.e. there is no distinction between a *CMS audit* vs a DOI audit). We do what we said we would do, everyday for every member, with every claim regardless of line of business and regardless of pre or post audit. Building this *capability* significantly reduces the *stress* and *distraction* associated with an *audit*.

The challenge for a health plan is how to break the *department, silo, task* level mindset and create a common *vision* of information flow *across departments*, from *enrollment* through *benefits repository*, through *claims*, through *member services*, through *denials*, and through *plan renewal*. The key is in understanding that *compliance* in itself owns *no processes* within daily operations. Instead what *compliance* must own *daily* is the appropriate level of monitoring of *key process indicators* (KPI's) that appropriately represent a state of operations, *compliance* and 'exception identification, exception management,

and exception resolution that is consistent with what was submitted to the governing agency. Where needed, *drill down* capability must be developed to be able to support an audit *any day* and for *any situation*.

Compliance Case Study: A case study of a compliance program designed, documented, implemented and deployed with a large regional health plan, resulted in a *compliance program* with supporting dashboards, metrics and documentation of processes in all operations departments. This same model (developed for the health plan) was then replicated for the broader IMO (4 hospitals, 75+ clinics, 5 health centers, etc). The key components of the compliance program included:

- Development of a senior leadership dashboard that identified and monitored (daily) the KPI's needed to monitor health plan compliance.
- Supporting the Senior leadership compliance dashboard were KPI's by *line of business* and by *key departments* within operations (e.g. member services, claims, disputes, MARCOM, etc).
- Each line of business/department's KPIs were linked to key work *processes* and *systems*, each of which had *line of sight* to the compliance metric.
- Departments *uploaded* supporting documentation/evidence into their *folders* as needed. This documentation was accessible *instantaneously* by internal or external auditors in *real time*.

Lean Solutions: Development of Compliance System

- * Senior Executive *Compliance Dashboard* developed.
- * Dashboard metrics were all linked to key processes, process owners and local KPIs
- * KPIs were embedded (by the local owners) into their key *processes* and updated daily/weekly
- * ALL supporting documentation/evidence was uploaded *by case* into the same repository to
- support *real time* audit by any entity/agency.

