Implementing a GRC Solution to Manage and Enhance Auditing & Monitoring

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- **Home Base:** Tulsa, OK
- **Provider Owned:** Ascension St. John/Saint Francis
- **Membership:** 110,000+
- **Employees:** 425
- **Medicare Business** (25%)
  - MAPD
  - Stand-Alone PDP
- **Commercial Business** (55%)
  - Individual
  - Small Group
  - Large Group
- **ASO Self-Funded** (20%)

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Governance, Risk, and Compliance (GRC)

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GRC - Introduction

- Governance, risk management and compliance
- An increasingly used 'umbrella term' that covers these three areas of enterprise activities
- These activities are progressively being more aligned and integrated to improve enterprise performance and delivery of stakeholder needs. RB1

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Slide 4

RB1 Where did CMS cite this as a best practice? I didn't find it in their 2017 Program Audit and Enforcement report
Rebecca Blades, 12/16/2019

Why Implement a GRC Solution for Auditing & Monitoring?

- Visualize and communicate risk at all levels of the business.
- Develop and monitor internal controls to address risks.
- Manage the lifecycle of corporate and department level policies and procedures.
- Comply with regulations in the most efficient way possible.
- Document identified issues and their associated remediation plans.
- Enable a risk-based, business-aligned audit function.

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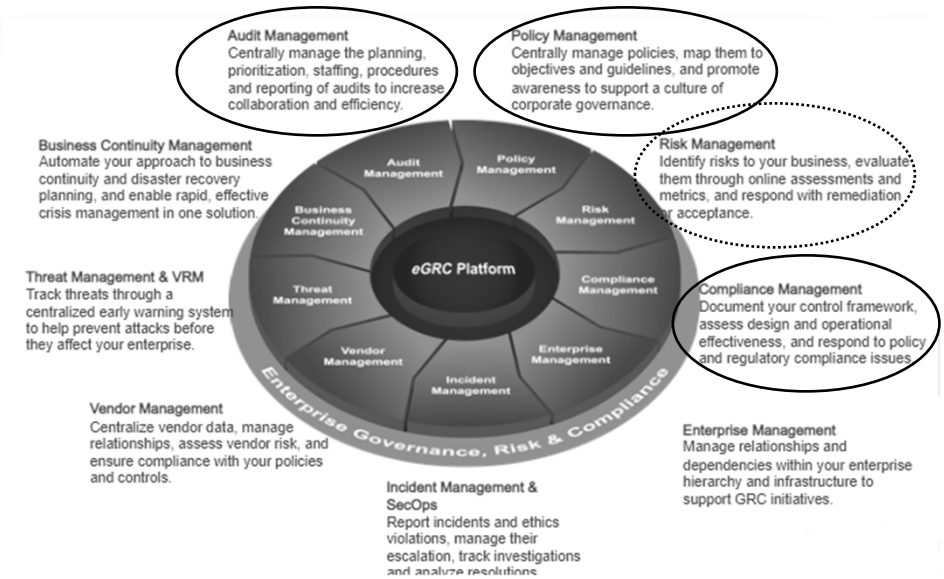

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GRC Implementation

- The integration of GRC activities within an enterprise requires a systemic approach for reliably achieving the business goals of its stakeholders.
- Such approaches are typically based on enablers of various types (e.g., principles, policies, models, frameworks, organizational structures).

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GRC Implementation - Roadmap

1. Review your GRC framework to identify existing components and gaps

2. Select a GRC solution that fits your needs
   - Ensure all process owners are involved in the selection process
   - Consider both business needs and regulatory requirements
   - Review the system's reporting capabilities

3. Select the right implementation partner
   - Consider both experience and certifications with selected GRC solution
4. Develop a feasible project timeline with key milestones
   - Include development of key reports and dashboards
   - Ensure adequate testing time and resources

5. Develop the necessary GRC procedures/workflows
   - Maintenance of policies, controls, risks, etc.
6. Train key process owners
7. Monitor GRC platform post go-live

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Effective Compliance Program

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CMS' Elements of an Effective Compliance Program

- Element I: Written Policies, Procedures and Standards of Conduct
- **Element II**: Compliance Officer, Compliance Committee and High Level Oversight
- Element III: Effective Training and Education
- Element IV: Effective Lines of Communication
- Element V: Well-Publicized Disciplinary Standards
- **Element VI**: Effective System for Routine Monitoring, Auditing and Identification of Compliance Risks
- **Element VII**: Procedures and System for Prompt Response to Compliance Issues

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ServiceNow GRC Overview – Key Components

- Policy & Procedure Management

- Control Management

- Risk Management

- Audit Management

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Element VI: Auditing & Monitoring

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CMS' Definition for Auditing and Monitoring

Per CMS' Compliance Program Guidelines outlined in chapter 21 of the Medicare Managed Care Manual and chapter 9 of the Prescription Drug Benefit Manual, the definitions for auditing and monitoring activities are as follows:

- **Audit** - Formal review of compliance with a particular set of standards (e.g., policies and procedures, laws and regulations) used as base measures.
- **Monitoring** - Regular reviews performed as part of normal operations to confirm ongoing compliance and to ensure that corrective actions are undertaken and effective.

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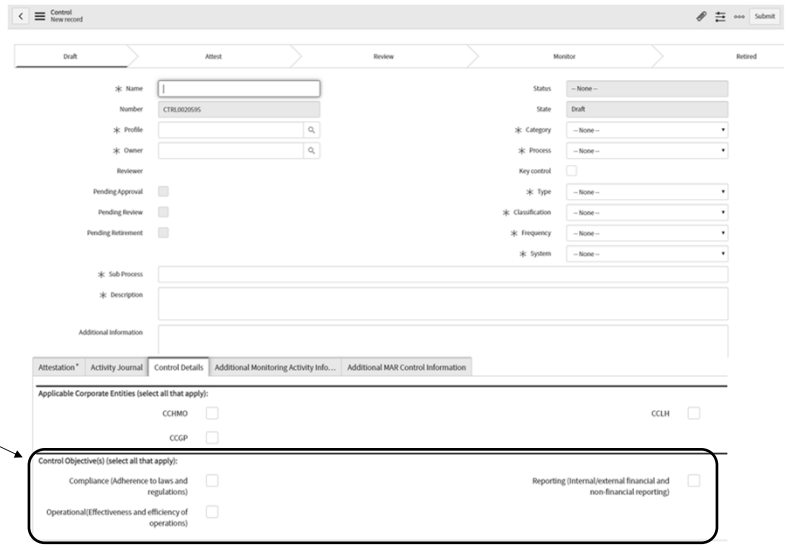
Monitoring Activities – Control Record

- Control Management module used by process owners to document internal controls and classify accordingly:
  - Compliance
  - Financial Reporting
  - Operational



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Monitoring Activities - Process Owner Attestations

- Control Management module used by process owners to attest to their internal controls:

Type	Frequency	Attestation
Compliance	Per Control Frequency	Report results of monitoring (i.e., compliance issues identified and actions taken)
Financial Reporting	Annually	Operating as intended? (Y or N)
Operational	Annually	Operating as intended? (Y or N)

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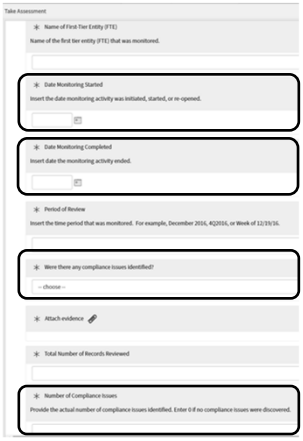
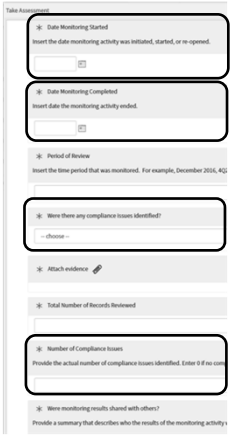
Monitoring Activities – Tie to CMS Universe Layout

- Data from compliance control attestations is also used for CMS audit purposes.

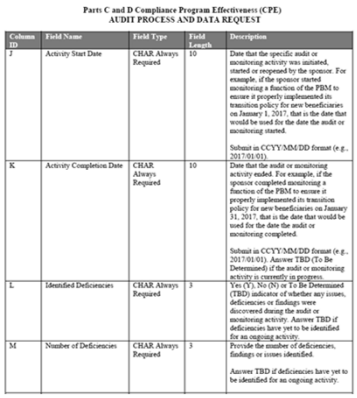
FTE Monitoring Attestation



Internal Monitoring Attestation



CPE Universe Record Layout



Parts C and D Compliance Program Effectiveness (CPE)
AUDIT PROCESS AND DATA REQUEST

Column ID	Field Name	Field Type	Field Length	Description
J	Activity Start Date	CHAR Always Required	10	Date that the specific audit or monitoring activity was initiated, started or reopened by the sponsor. For example, if the sponsor started monitoring a function of the PBM to ensure it properly implemented its transition policy for new beneficiaries on January 1, 2017, that is the date that would be used for the date the audit or monitoring started. Submit as CCYY/MM/DD format (e.g., 2017/01/01).
K	Activity Completion Date	CHAR Always Required	10	Date that the audit or monitoring activity ended. For example, if the sponsor completed monitoring a function of the PBM to ensure it properly implemented its transition policy for new beneficiaries on January 31, 2017, that is the date that would be used for the date the audit or monitoring completed. Submit as CCYY/MM/DD format (e.g., 2017/01/01). Answer TBD (To Be Determined) if the audit or monitoring activity is currently in progress.
L	Identified Deficiencies	CHAR Always Required	3	Yes (Y), No (N) or To Be Determined (TBD) indicator of whether any issues, deficiencies or findings were discovered during the audit or monitoring activity. Answer TBD if deficiencies have yet to be identified for an ongoing activity.
M	Number of Deficiencies	CHAR Always Required	3	Provide the number of deficiencies, findings or issues identified. Answer TBD if deficiencies have yet to be identified for an ongoing activity.

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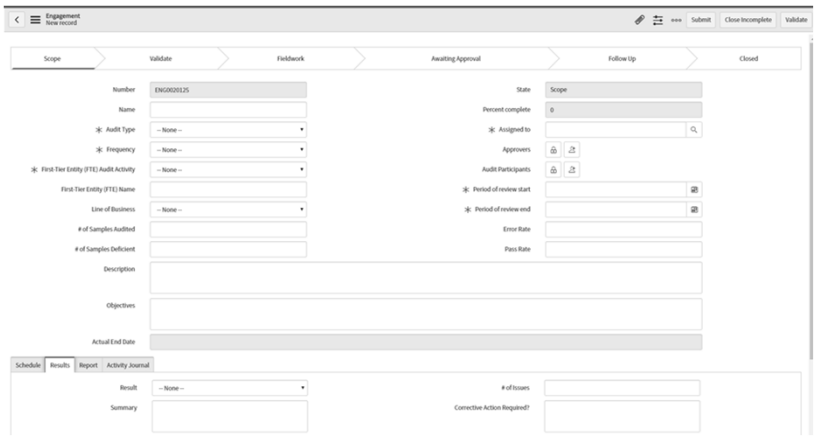
Auditing Activities – Engagement Record

- Audit Management module used by Internal Audit to <u>document</u> results of audit engagements:
  - Internal Control Testing
  - Compliance Audits
    - Medicare
    - ACA



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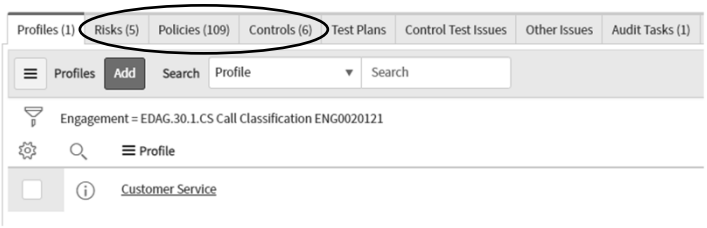
Auditing Activities – Tie to GRC Components

- Audit engagement record ties to risks, controls, and policies for the department/vendor being audited:



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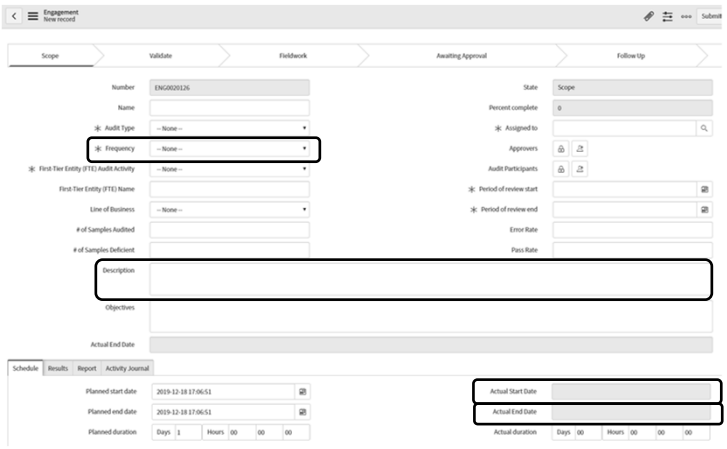
Auditing Activities – Tie to CMS Universe Layout

- Data from engagement records is also used to produce universe for CMS audit.

Audit Engagement Record



CPE Universe Record Layout

Parts C and D Compliance Program Effectiveness (CPE)
AUDIT PROCESS AND DATA REQUEST

Column ID	Field Name	Field Type	Field Length	Description
D	Compliance or FWA?	CHAR Always Required	10	Enter whether the activity was a "compliance" or a "FWA" activity.
E	Audit Frequency	CHAR Always Required	10	Provide the frequency of the audit activity (e.g. weekly, monthly, quarterly, annually, or ad-hoc).
F	Audit Rationale	CHAR Always Required	200	Provide the rationale for conducting the audit activity (e.g., audit activity was implemented because the function has an immediate impact on members' access to immediate medical care and prescription drugs).
G	Audit Description	CHAR Always Required	400	Provide a description of the audit activity (e.g., operational area, training requirements, timeliness, accuracy of organization determinations and notifications, messaging errors, contractual agreements, unannounced or onsite audits, spot checks, compliance monitoring, targeted or stratified sampling, audit protocols).
H	Audit Start Date	CHAR Always Required	10	Date that the specific audit activity was initiated, started or reopened. For example, if the sponsor started an audit of the appeals process/function within the sponsor on January 1, 2017, that is the date that would be used for the date the audit started. Submit in CCYY/MM/DD format (e.g., 2017/01/01).
I	Audit Completion Date	CHAR Always Required	10	Date that the specific audit activity ended. For example, if the sponsor ended an audit of the appeals process/function within the sponsor on January 31, 2017, that is the date that would be used for the date the audit ended. Submit in CCYY/MM/DD format (e.g., 2017/01/01). Answer TBD (To Be Determined) if the audit activity is currently in progress.

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Element VII: Response to Compliance Issues

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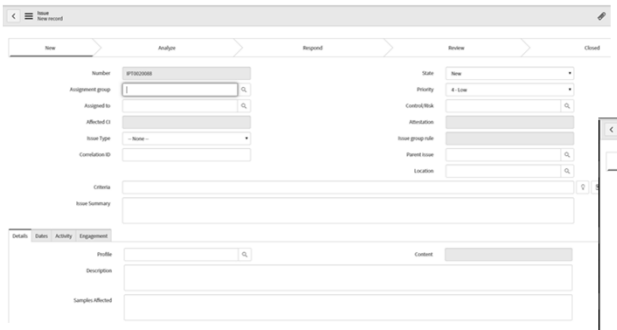
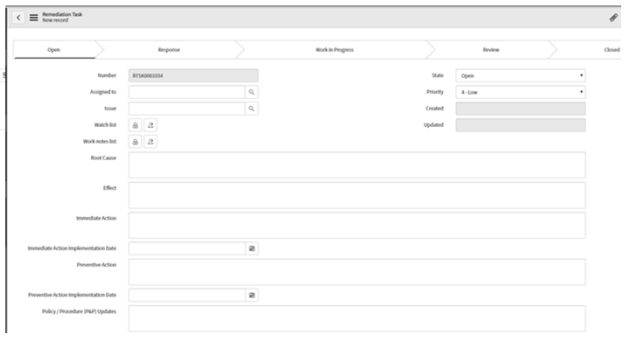
Tracking Issues and Remediation/Corrective Action Plans

- Issue Management module used to document issues and remediation plans for both auditing <u>and</u> monitoring activities:





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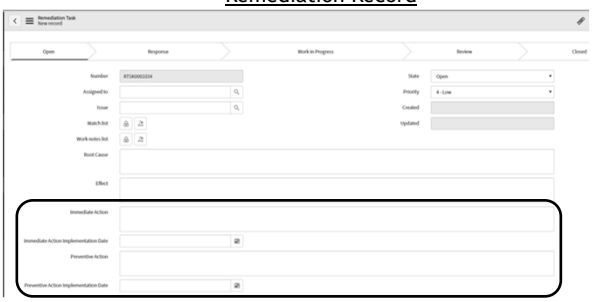
Issues & Remediations – Tie to CMS Universe Layout

- Data from issue/remediation records also used to produce universe for CMS audit.

<u>Issue Record</u>

<u>Remediation Record</u>



<u>CPE Universe Record Layout</u>

Column ID	Field Name	Field Type	Field Length	Description
L	Description of Deficiencies	CHAR Always Required	1000	Provide a summary of all deficiencies, findings or issues identified during the monitoring activity. If the monitoring activity is identified in the pre-audit issue summary submitted to CMS, please include the issue number. Answer TBD if deficiencies have yet to be identified for an ongoing activity.

Column ID	Field Name	Field Type	Field Length	Description
N	Corrective Action Description	CHAR Always Required	1000	Provide a summary of the corrective action(s) implemented by the sponsor in response to the noncompliance or potential FWA, including any root cause analysis, timeframes for specific achievements and any ramifications for failing to implement the corrective action satisfactorily.

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Element II: Compliance Officer, Compliance Committee, and High-Level Oversight

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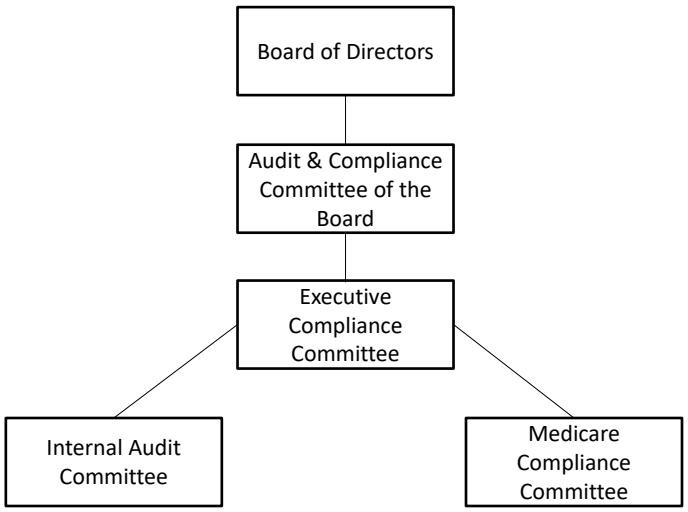
Compliance Committee Structure



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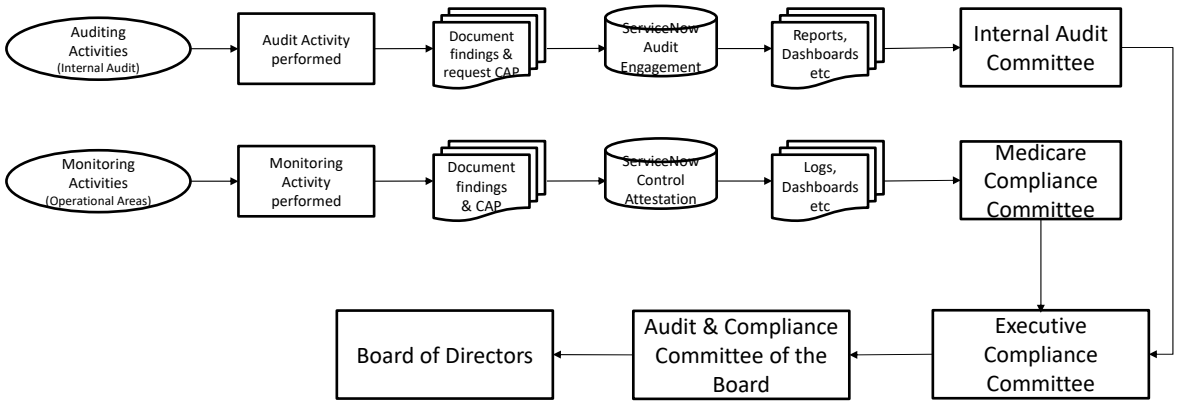
Auditing & Monitoring Reporting Structure



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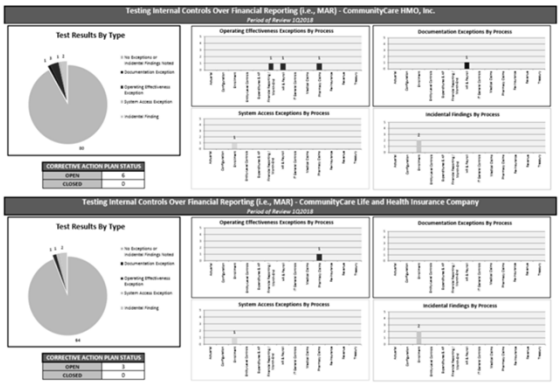
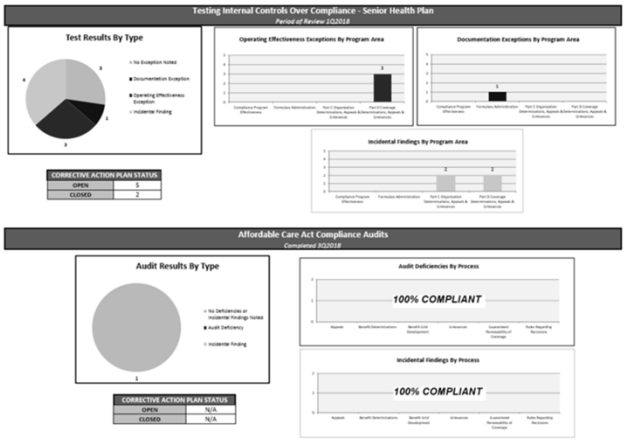
Example Dashboards – Auditing Activities





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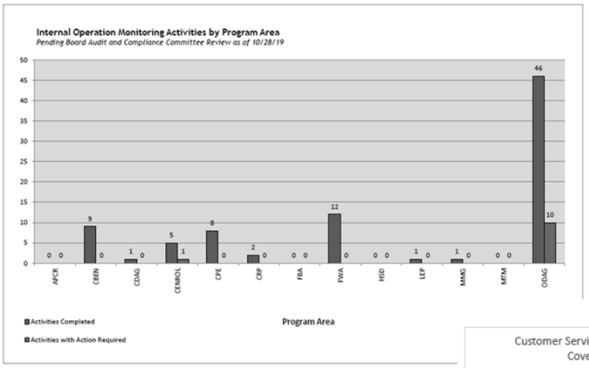
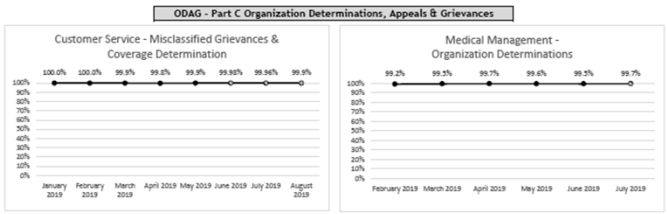
Example Dashboards – Monitoring Activities





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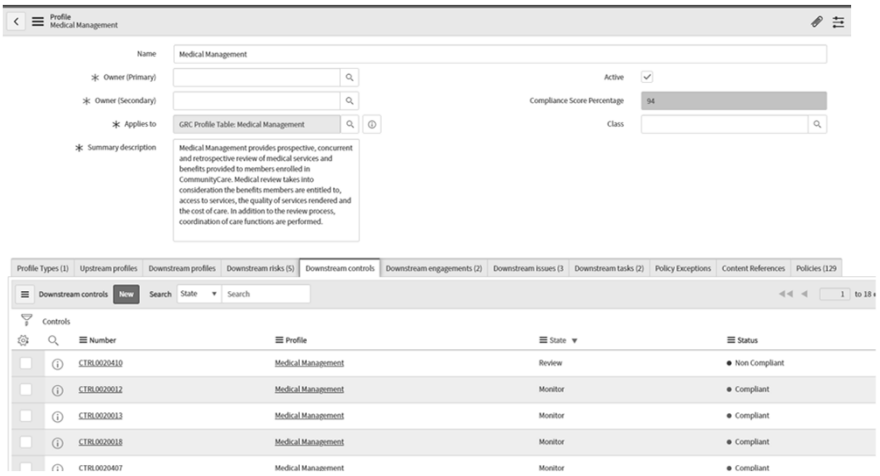
Executive Level Oversight

- Real-time monitoring of risks, controls, audit engagements, issues, etc.



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Key Takeaways

- Choose the right vendor for your organization.
- Develop a comprehensive roadmap for your GRC implementation.
- Review reporting capabilities prior to go-live.
- Define reasonable milestones and scope.
- Involve all relevant key process owners.
- Test, test, and test again.
- Training and document procedures.

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QUESTIONS

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