

Medicare Prescription Drug Part D Compliance Conference



December 7-9, 2008 | Renaissance Baltimore Harborplace Hotel | Baltimore, MD

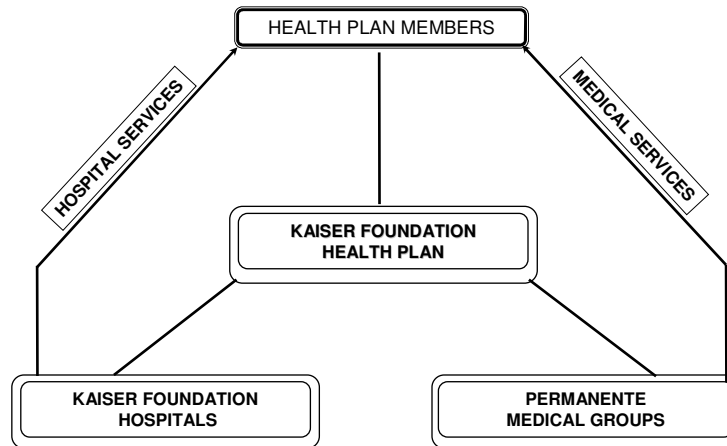
Kaiser Foundation Health Plan, Inc. Medicare Monitoring Program

Health Care Compliance Association
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Agenda

- What is Kaiser Permanente?
- Background
- Approach/Implementation
- Methodology
- Reporting
- Lessons Learned
- Benefits Achieved
- Questions and Contacts

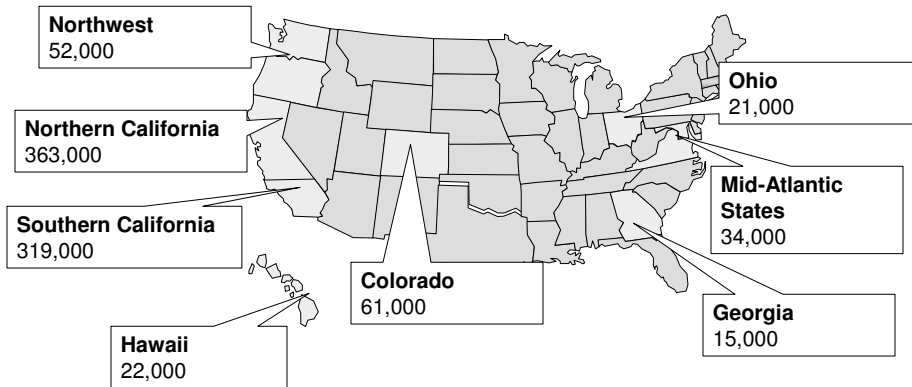
Kaiser Permanente: An Integrated Healthcare System



Kaiser Foundation Health Plan Medicare Plans

- Kaiser Foundation Health Plans (KFHP) serve more than 895,000 Medicare beneficiaries through seven regions with multiple plan offerings.
 - California
 - Colorado
 - Georgia
 - Hawaii
 - Mid-Atlantic (DC, MD, VA)
 - Northwest (OR, WA)
 - Ohio
- Contract types include Medicare Advantage (MA), Special Needs Plans, Cost Plans, and a Social HMO (SHMO).
- Offer Individual Plans and Employer Group Plans.

Kaiser Permanente Medicare Membership*



*As of December 31, 2007

Background

- Challenges to ensuring compliance with a common regulatory framework in a geographically-diverse structure
 - Multiple locations
 - Decentralized operational areas, e.g., separate Claims department for each Regional health plan
 - Different technology and processes across those Regions
- Decision made to invest in a comprehensive program designed specifically for monitoring compliance with Medicare requirements in all Regions
- An effective Medicare monitoring program is essential for:
 - Participation in Medicare (e.g., it is required by the Office of the Inspector General (OIG) for Medicare participation)
 - Understanding and managing performance of CMS-required activities
 - Maintaining an organization's image and reputation
 - Ensuring that changing CMS requirements are incorporated into operations

Background

- Kaiser Permanente’s design for an effective monitoring program:
 - Comprehensive scope – include all Part C and Part D requirements
 - Maintain currency with CMS requirements through periodic revision, deletion, and addition of metrics
 - Proactive identification of issues – monitoring should be an **indicator system**
 - “Red” metrics indicate non-compliance with the assigned goal (e.g., compliance percentage) and prompt deeper investigation as to root cause and appropriate corrective action
 - Near real-time data – monitoring should provide a **current picture** of performance
 - Data input and business review cycles should be relatively short, e.g., data due 4 weeks after the close of the period, business review approx. 6 weeks thereafter
 - Identification of **better/best practices by sharing results across regions**
 - National business reviews with participation from all Regions

Approach/Implementation

- Identified compliance requirements
 - Part C “Monitoring Review Guide”
 - Part D “Audit Guide”
- Constructed and validated metrics with operational leaders
- Secured executive sponsorship from highest level of organization
 - Messaging from CEO that the work was critical and needed to get done

Approach/Implementation

- Developed tiered communication plan from CEO and CCO, down through supervisor level regarding importance of work
- Delivered regular reports on progress of implementation
- Engaged functional areas
 - Focused on highly visible areas for initial rollout, e.g., Claims, Member Services, Marketing, Membership Administration, and Pharmacy
 - Collaborated on metric content review

Approach/Implementation

- Required identification of accountable parties for *each* metric
- Identified existing software (ActiveStrategy) as system of record for all metrics
 - KP already using ActiveStrategy software for internal business performance metrics
- Provided system training
- Initiated reporting
- Scheduled business reviews

Reporting

- Reporting frequency matches metric type
 - Structural metrics, e.g., P&Ps: Annual
 - Transactional metrics, e.g., timeliness: Quarterly
 - Part D reporting requirements metrics: Per the HPMS frequencies
- Data input
 - Business owners enter data and, for metrics not meeting their goal, complete Variance Reports
- Business Review of compliance metrics
 - Partnership between Compliance and Operations
 - Formalized process at the National level
 - Various processes at the Regional and departmental levels
 - Business owners accountable for data and results of corrective actions

Reporting

- *Example:* Stoplight chart
 - “No” (red cell) = not compliant
 - “TREND” (red cell) = not compliant now and for at least 1 of the 2 prior quarters

	Region A	Region B	Region C	Region D	Region E	Region F	Region G	Region H
D-GV01 Complaint categorization grievances/cov det	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
D-GV04 Timely notification - grievance disposition	Yes	Yes	Yes	Yes	Yes	TREND	Yes	Yes
D-GV05 Method of grievance response	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
D-GV06 Grievance response - quality of care	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
D-GV07 Timely response to expedited grievances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Reporting

- *Example:* Scorecard exception report
 - Variance Report information for non-compliant metrics

Status	Name	Actual	Target	Var	Date	Owners
<input checked="" type="checkbox"/>	D-GV01.2 Member concerns categorized correctly (sample) (Qtr) (Region B)	84 %	87 %	(3) %	Sep 08	

Variance Report Comments:

Cause: Unanticipated staff absence and newly-identified training issue. Resolution: Conducted retraining in August to improve case timeliness and quality. Also cross-trained a back-up person. Expect to be compliant for Q4.

Reporting

- Maturation process of reporting
 - Initial business reviews were more simple
 - Stoplight charts and Variance Report text
 - Subsequent business reviews had history and enhanced depth
 - High-level, quarter-over-quarter trending began with the 3rd review (slide 17)
 - Advanced to detailed examination of trends and associated Variance Reports
 - Added views across Regions (slide 18) and across functional areas (slide 19)
- Further evolution of reporting needs may require custom designs

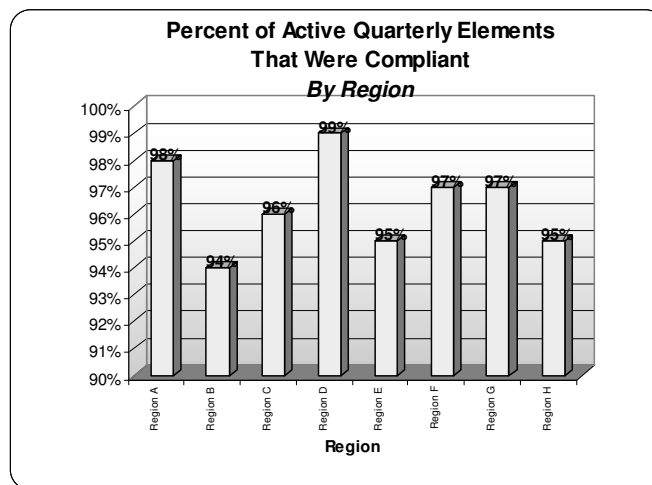
Reporting

- *Example: Trends*
 - Tracking “red” elements by quarter
 - “Trend” is “red” now and for at least 1 of the prior 2 quarters

Region	CMS Area	Element	Red Q1	Red Q2	Red Q3	Red Q4 (NOW)	# qtrs red
A	Part D Cov Det (D-CD)	D-CD03			X	X	2
B	Grievances (C-GV, D-GV)	D-GV01	X	X		X	3
B	Org'n Det - Pre-Service (C-OP)	C-OP01		X		X	2
C	Reconsid - Claims (C-RC)	C-RC02			X	X	2
F	Disenrollment (C-DN)	C-DN06		X		X	2
H	Grievances (C-GV, D-GV)	D-GV06			X	X	2

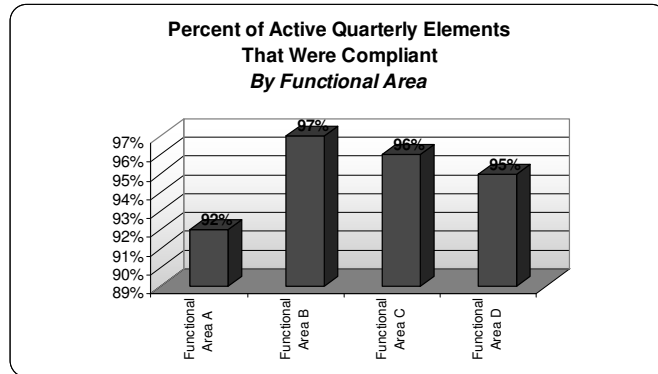
Reporting

- *Example: Results by Region*



Reporting

- *Example:* Results by functional area



Lessons Learned

- Executive sponsorship
 - Critical to success
- Robust communication plan
 - Essential for operational engagement
- Identification of accountable parties
 - Should be done early on to facilitate implementation
- Pre-review of data by Regional and business partners
 - Greatly facilitates business review preparation and flow
- Templates
 - Content guidance and/or templates to facilitate desired input on first attempt, e.g., Variance Reports

Benefits Achieved

- Operations is self-monitoring
- Joint reporting to Compliance and Operations
- Line of sight into non-compliant areas
- Ability to be pro-active
- Ability to identify and correct deficient areas prior to a CMS audit
- Ability to monitor CAP effectiveness

After only 5 quarters of reporting, the experience has been very successful

Questions and Contacts

- Questions?
- Contact information
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