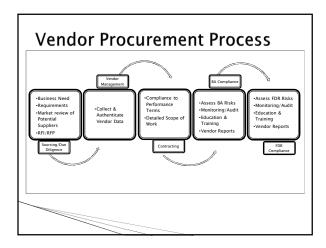


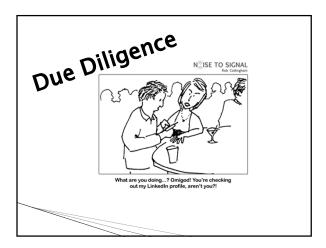
Jaima Binzer, CHC, Manager of External Audit & Delegated Oversight, DST Health Solutions Mary Menard, CHC, CHPC, Compliance Solutions Executive, DST Health Solutions

Objectives

- To recognize the importance of due diligence in initial vendor selection
- To understand what should be included in a robust vendor oversight program
- To learn methods to prepare your team and your vendors' teams for a regulatory audit

Coordinate and Educate: Logistically Speaking -Protocols and Procedures





Due Diligence in Vendor Selection

- Strategies and Goals
- ▶ Financial Condition
- ▶ Insurance Coverage
- Business Experience and Reputation
- Qualifications, Backgrounds, and Reputations of Company Principals
- Conflicting Contractual Arrangements with Other Parties

Due Diligence in Vendor Selection

- ▶ Reliance of Subcontractors
- ▶ Human Resource Management
- ▶ Information Security
- ▶ Physical Security
- Business Continuity & Disaster Recovery
- ▶ Compliance with Laws & Regulatory
- ▶ Risk Management

Due Diligence in Vendor Selection

- Has the vendor had any reportable violations in the past 3 years?
- Documentation to support an effective compliance program (CPE)
- Date and results of most recent Compliance Program Effectiveness review?
- Date of last regulatory risk assessment.
- ▶ Date of last HIPAA privacy/security risk assessment
- ▶ Copy of SSAE 16, if applicable

.ract	Negotiation
Court	CONTRACT
	The Agreement age or
	Antonia and a series of the series and the series a
	Will all comes deposed as command in Technick 1.16 of Section Section Section agrees and command as follows: 1. The water particles proces for all Ecologies, SectionSection Response to 8. projection on Section Sec
	OU R
	Play property to be and horouser shall be assessed by a mended from field of falls, duty conceased by the factor.
	 The faster processes and operar to convey great, there and marketable talls to all the property to be said between the largest to be fine and rings of all faces and elevations of all processes of and property with the delivered to the major condition that it is now, responsible tone and one expension.
	 Communication of the sale, with payment by the thirtee of the behavior of the durino payment and the delivery by the below of a little of table, with later place on or before.
	1. The fighte easy use the profilest enters, or any portion thereof, to close any exponent continuous on the property resoluted and to the count that discrepance substances and the property and exposure of the county of the
	Clearl that abstracts of the Bill of Sales the Solder shall excessed in our ways on our property in the secured than in proceeds insured.
	2. Operating expenses of \$\frac{1}{2}\$ producing better formed to case, because provide and cases than be approximated as of the date of the primary of pages and the case assumes former and the date of the former of the for

Key Compliance Interests in Contract Negotiation

- Nature and scope of arrangement
- Performance measures or benchmarks
- Responsibilities for providing, receiving and retaining information
- Right to monitor, audit and require remediation
- Responsibility for compliance with applicable laws and regulations
- Oversight and accountability
- Subcontractors

Communicate and Motivate: Pass it on - Inspiring Partnership

Vendor Management & Oversight

Note: Vendors may have vendors

Policies and Procedures



- ▶ Vendor Oversight
- ▶ Monitoring & Audit of FDRs
- **→** Communication Protocols
- Audit Notification & Coordination

Vendor Oversight Policy

- Ensure OIG/GSA background checks are performed
- Receipt of validation of required training
- Receipt of Code of Conduct
- Assess for effectiveness of compliance program
- Annual assessment of due diligence elements
- ▶ CMS Readiness Assessments

Monitoring & Auditing Policy

- Assess vendor review of controls
- Service Level Agreements (SLAs) & performance metrics
- Receipt and review of regular reports
- ▶ Compliance and FWA
- Consistent monitoring and follow-up to ensure corrective actions are implemented

Monitoring & Auditing Policy

- Include vendors in annual risk assessment
- Share audit tools with vendors and ensure they clearly understand the elements they are responsible for performing - PRACTICE
- Regular on-site visits
- Mock audits and practice universe pulls

Communication Policy

- Establish an active Delegation Oversight Committee that reports to the Compliance Committee
- Frequent communication with vendors to confirm understanding of CMS regulatory and sub-regulatory requirements
- Inspire your vendors to achieve success!



Audit Notification & Coordination Policy



- ▶ Internal notification
- External notification (to vendors)
- Establish expectations
 - · Clear timelines
 - Roles & responsibilities
- Participation and support
- · Communication plan
- Deliverables
- ∘ Follow-up

You Receive Your AUDIT LETTER



Notify Team AND Vendor(s)

- As soon as possible after notification call
 - Share engagement letter
 - $_{\circ}$ Hold a meeting with Plan team and Vendor team
 - · Clarify with vendor what Plan will need from them
 - · Identify vendor point of contact and audit team
 - Establish regular touch point meetings

Audit Process with Vendor

- Be sure to include vendor in "testing the webinar" with auditor if vendor will be participating
- Conduct a practice session with vendor prior to universe validation webinar
- Include vendor in universe validation webinar with auditors, if applicable
- Conduct practice sessions for sample reviews
- → Include vendor in Entrance Conference

Audit Process with Vendor

- Maintain communication with vendor team during webinar portion of audit
- Include vendor team in applicable daily de-briefs, including document requests
- ▶ Include vendor in Preliminary Exit Conference
- 2nd week CPE will be much easier from a vendor oversight perspective if you have implemented a strong vendor oversight program

Post Audit Activities with Vendor

- Prepare with vendor for potential CMS required actions
- Share applicable portions of Draft Audit Report with vendor
- Maintain close communication with vendor contact to ensure timely deliverables
- Submit any CAPs and continue monitoring efforts to ensure corrective actions are effective

Evaluate: It's not over 'til It's over

On-going Activities

- Conduct a Lesson Learned Session, include vendor where applicable
- Begin preparing for the follow-up audit, if applicable
- Share audit close out audit letter with vendor



3 Key Areas of Vendor Oversight to **Ensure Audit Readiness**

- Oversight & Accountability
 - Vendor Oversight Committee
 - Ensure vendor risk assessment, monitoring & audit plan
 - Maintain effective communication
 - Ensure continuous audit readiness
- Documentation & Reporting
 - Receipt of routine reports from vendors
- Annual Reviews
 - Of vendors risk management, compliance program and operational processes

prepare NOW for Final **Thoughts** Know your vendors

- Head in the sand is not a defense
- Willful ignorance is not a defense
- > Follow your own policies and procedures



