

# FDR Compliance Newsletter

Mercy Care Advantage 4500 E. Cotton Center Blvd. Phoenix, AZ 85040

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## 2023 CMS Program Audit Season

The Centers for Medicare and Medicaid Services (CMS) Medicare Parts C and D Oversight and Enforcement Group (MOEG) began issuing program audit engagement letters to Plan Sponsors in February and this will continue through July. To date Mercy Care has not received a program audit engagement letter, but if selected applicable delegated entities will be required to provide Mercy Care Advantage universe data and participate in the Mercy Care audit. It is critical for our first-tier, downstream and related entities (FDR) to routinely extract universe data, validate accuracy, conduct routine internal audits and oversight to ensure systems, supporting documentation, and employees are prepared to support the actions required for a CMS program audit.

## Reporting suspicious activities: Fraud, waste, and abuse (FWA)

Healthcare fraud continues to be on the rise and has fraudulently billed the Medicare and Medicaid programs for millions of dollars. CMS, in collaboration with the Investigations Medicare Drug Integrity Contractor (I-MEDIC) continues to take enforcement actions against providers, pharmacies and other individuals who've committed substantiated fraudulent activities. If your organization identifies suspected FWA involving any of the Mercy Care lines of business, please immediately make a report by calling the Mercy Care FWA hotline at: **1-800-810-6544**.

## Risk Identification and Disclosure

CMS requires Plan Sponsors and their first-tier, downstream and related entities (FDR) to have oversight and monitoring processes implemented to maintain Medicare contract compliance. When a contractual risk issue is identified, CMS expects Plan Sponsors to immediately begin root cause analysis to identify the action steps required for timely remediation and to determine member impact. CMS expects disclosure within 72 hours of the identified contractual risk issue, even if root cause analysis is still in progress. This expectation applies to Mercy Care and its contracted delegated entities. **If your organization identifies a contractual risk issue that has impact to any of the Mercy Care lines of business, please report it to your Mercy Care Relationship Manager within 48 hours of identification to allow for timely regulator disclosure.**

## Medicare Compliance Policies

The Medicare Compliance policies are designed to assist in conducting monitoring and oversight and to help prevent, detect and correct Medicare Part C and D Program non-compliance and fraud, waste and abuse (FWA). Our Health Plan and contracted FDRs are required to maintain an effective Compliance Program that includes Standards of Conduct as well as specific policies and procedures that implement the operations of the compliance program. Contracted FDR must have processes in place to prevent, detect, and correct identified non-compliance and fraud, waste and abuse (FWA), which includes required disclosure. FDR employees and sub-contractors must abide by federal laws related to the Medicare program as well as CMS rules, regulations and sub-regulatory guidance. Our Medicare Compliance Program supports the information and regulatory requirements contained within our policies. FDR's should also implement similar policies or can adopt ours. FDR's may request a copy of our Compliance Program and other Medicare Compliance policies by sending an email to Wendy Jones at [JonesW1@mercycazeaz.org](mailto:JonesW1@mercycazeaz.org).

Medicare Compliance Program  
Effective Lines of Communication  
Disciplinary Action and Enforcement  
Compliance Training and Education  
Risk Assessment, Monitoring and Auditing  
Maintenance and Record Retention  
Deficit Reduction Act and False Claims Act Compliance  
Federal Disaster or Public Health Emergency Declarations

