

1/1/2023

First Tier, Downstream or Related Entity (FDR) Compliance Program Guide

Integrated Home Care Services

I. Introduction – Integrated Home Care Services Compliance Program.

We've built our reputation on trust, honesty, and caring. And while a lot has changed in providing health benefits over the years, one thing that hasn't changed is our commitment to be trustworthy, honest, and ethical.

IHCS's compliance program is designed to meet and build upon the requirements for an effective compliance program.

Our Compliance Program helps us serve our members ethically We're committed to practicing business in an ethical manner. Our Compliance Program is designed to:

- Reduce or eliminate fraud, waste, and abuse (FWA);
- Ensure we comply with applicable laws, rules and regulations; and
- Reinforce our commitment to compliance.

It is important for you to follow these requirements

You received this Compliance Program Guide because we've identified **you** as an FDR. This means that you must comply with the requirements established in this Guide.

II. What is an FDR?

We use the current CMS definitions to define first tier, downstream, and related entities:

First Tier Entity is any party that enters into a written arrangement, acceptable to CMS, with a Medicare Advantage Organization or Part D plan sponsor or applicant to provide administrative services or healthcare services to a Medicare eligible individual under the Medicare Advantage program or Part D program. (See 42 C.F.R. §§ 422.500 & 423.501).

Downstream Entity is any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with the Medicare Advantage benefit or Part D benefit, below the level of the arrangement between a Medicare Advantage Organization or applicant or a Part D plan sponsor or applicant and a first-tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services. (See 42 C.F.R. §§ 422.500 & 423.501).

Related Entity means any entity that is related to a Medicare Advantage Organization or Part D sponsor by common ownership or control and:

- (1) Performs some of the Medicare Advantage Organization's or Part D plan sponsor's management functions under contract or delegation; or
- (2) Furnishes services to Medicare enrollees under an oral or written agreement; or
- (3) Leases real property or sells materials to the Medicare Advantage Organization or Part D plan sponsor at a cost of more than \$2,500 during a contract period. (See 42 C.F.R. §§ 422.500 & 423.501).

FDRs providing administrative or healthcare services

The Compliance Program requirements apply to entities with which IHCS contracts to perform administrative and health care services relating to the Health Plan members. Some examples of administrative service functions include:

- Utilization management;
- Quality improvement;
- Health care services.

Examples of health care providers contracted with IHCS to participate in our network include Downstream Providers, and other provider types.

Other examples of FDRs include delegates, pharmacies and other individuals, entities, vendors or suppliers contracted with IHCS to provide administrative or health care services for our Members. You can find more information in the [Medicare Managed Care Manual](#), Chapter 9, § 40, including the Stakeholder Relationship Flow Charts.

III. FDR Compliance Program & Attestation Requirements

It is important that our FDRs are in compliance with applicable laws, rules and regulations. Although we contract with FDRs to provide administrative or health care services for our Members, IHCS is ultimately responsible for fulfilling the terms and conditions of our contract with the Health Plan and meeting applicable Medicare program requirements.

Compliance program requirements

First tier entities are responsible for making sure that their downstream entities comply with applicable laws and regulations, including the requirements in this Compliance Program Guide. As a first-tier entity, your organization and all your downstream entities (if applicable) must comply with these Compliance Program requirements. This Guide summarizes your Compliance Program responsibilities.

Please review this Guide each year to make sure that you have internal processes to support your compliance with these requirements. These Compliance Program requirements include, but are not limited to:

- A. Fraud, Waste and Abuse (FWA) training, general compliance training and Code of Conduct distribution;
- B. Exclusion list screenings;
- C. Reporting FWA and compliance concerns to IHCS;
- D. Specific federal and state compliance obligations; and
- E. Monitoring and auditing of FDRs.

What may happen if you do not comply?

If an FDR fails to meet these Advantage Compliance Program requirements, it may lead to:

- Development of a corrective action plan;
- Retraining; and/or
- Termination of your contract and relationship with IHCS.

Our actions in response to an FDR's non-compliance will depend on the severity of the compliance issue. If a FDR identifies areas of non-compliance (*e.g.*, refusal of an employee to complete the required FWA training), the FDR must take prompt action to fix the issue and prevent it from happening again.

Attestation requirements

Each year, an authorized representative from your organization must attest to your compliance with the Compliance Program requirements described in this Guide. You must maintain evidence of your compliance with these Compliance Program requirements (*e.g.*, employee training records, CMS certificate of FWA training completion, etc.) for no less than 10 years. IHCS and CMS may request that you provide evidence of your compliance with these requirements up to ten years after the event in question. This is for monitoring/auditing purposes.

We take these responsibilities very seriously. If you have questions or concerns about these requirements, contact the appropriate IHCS business area representative who will provide guidance or escalate the matter to the IHCS Compliance Officer. What follows is a description of each Compliance Program requirement.

A. Fraud, Waste and Abuse (FWA) training, general compliance training and Code of Conduct distribution

FWA and General Compliance training

As a first-tier entity, your organization must provide FWA and general compliance training to all of your employees assigned to provide administrative and/or health care services for IHCS's Medicare plans. To comply with this requirement, you must use the [CMS Medicare Parts C & D Fraud, Waste, and Abuse Training and General Compliance Training](#).

Compliance training requirements

Regardless of the method used, the training must be completed:

- Within 90 days of initial hire or the effective date of contracting; and
- At least annually thereafter.

B. Exclusion list screenings

Federal law prohibits Medicare, Medicaid and other federal health care programs from paying for items or services provided by a person or entity excluded from participation in these federal programs. Therefore, prior to contracting with IHCS and monthly thereafter, each first tier entity must check the Office of Inspector General (OIG) and General Services Administration (GSA) “exclusion lists” to confirm that all employees (temporary, permanent, and volunteer) and performing administrative or health care services for IHCS’s Members are not excluded from participating in federally-funded health care programs. You can use these websites to perform the required exclusion list screening:

- [Office of Inspector General \(OIG\) List of Excluded Individuals and Entities; and](#)
- [General Services Administration \(GSA\) System for Award Management \(SAM\).](#)

In addition, FDRs must maintain for 10 years evidence that they checked these exclusion lists. You can use logs or other records to document that you’ve screened each employee and downstream entity in accordance with current laws, regulations and CMS requirements.

You must take action if an employee is on the list

If any of your employees are on one of these exclusion lists, you must immediately remove them from work directly or indirectly related to IHCS’s Members and notify us right away.

These exclusion list requirements are noted in § 1862(e)(1)(B) of the Social Security Act, 42 C.F.R. §§ 422.503(b)(4)(vi)(F), 422.752(a)(8), 423.504(b)(4)(vi)(F), 423.752(a)(6), 1001.1901, and further described in the [Medicare Managed Care Manual](#), Chapter 9, § 50.6.8.

C. Specific federal and state compliance obligations

Based upon the services that your organization performs for IHCS’s Members, you may be subject to other federal and state laws, rules and regulations that we didn’t describe in this Guide. If you have questions about the compliance requirements for the services that your organization performs, consult your IHCS Compliance Department.

D. Monitoring and auditing of FDRs

CMS requires that we develop a strategy to monitor and audit our FDRs. This helps ensure compliance with all applicable laws and regulations and that our first-tier entities monitor the compliance of their downstream entities. Therefore, IHCS chooses to subcontract with other parties to provide health care services for IHCS’s Members, it is also our responsibility to make sure that our downstream entities abide by all laws and regulations that apply to you as a d/s entity and to us as a first-tier entity. This includes the Compliance Program requirements described in this Guide.

In addition, IHCS and your organization must conduct sufficient oversight to test and ensure that your employees are compliant with applicable laws, retain evidence of completion, conduct root cause analysis and implement corrective action plans or take disciplinary actions, as necessary, to prevent reoccurrence of non-compliance with applicable laws.

Expect routine monitoring and audits

Integrated Home Care Services will monitor its FDRs' activities and performance to ensure that they fulfill their contractual requirements for Medicare Parts C and Part D and that they meet established performance standards. IHCS will use multiple methods to monitor and audit FDRs, including risk assessments, on-site audits, desk reviews and monitoring of self-audit reports. IHCS conducts risk assessments to identify the highest risk FDRs in order to choose which FDRs to audit.

IHCS may conduct these audits using its employees, or it may contract with independent third parties to conduct these audits. IHCS staff is dedicated to FDR monitoring and auditing will employ audits to validate compliance, develop corrective action plans in response to detected offenses and report oversight activities to IHCS's Compliance/PI Committee.

If IHCS determines that an FDR does not comply with any of the requirements in this Guide, we will require the FDR to develop and submit a Corrective Action Plan (CAP). We can help the FDR address the identified compliance issues, if necessary.

These Monitoring and Auditing requirements are noted in 42 C.F.R. § 422.503(b)(4)(vi)(F) for Medicare Advantage (Part C) and 42 C.F.R. § 423.504(b)(4)(vi)(F) for Part D, and further described in the Medicare Managed Care Manual, Chapter 9 § 50.6.6.

Questions/Concerns

For compliance questions or concerns, please contact the IHCS Compliance Department at compliance@ihccorp.com or 954-381-7951