

POLICY AND PROCEDURE

Department: Compliance

Title: Annual Risk Assessment Policy

Effective Date: 10/2016

Annual Review Date: 09/2019

Date Revised: 09/2018

I. INTRODUCTION

The purpose of the Annual Risk Assessment (ARA) Policy is to define the process to support an Annual Risk Assessment Program designed to identify the areas of greatest (1) internal and external compliance risk and (2) internal and external risk to beneficiaries. Further, the purpose of such Annual Risk Assessment is to allocate compliance resources according to such areas of risk.

AHI shall maintain a Risk Assessment Program overseen and implemented by the Chief Compliance Officer and the Corporate Compliance and Privacy/Security Specialist and for the purposes of the AHI PPS, assisted by the Regional Compliance Workgroup.

AHI shall audit and document compliance with the ARA Policies and Procedures. Such audit shall be conducted pursuant to the Monitoring Compliance and Audits (MCA) procedures as outlined in the following sections. Relevant documentation, which may include electronic documentation, shall be maintained in Risk Assessment Program files, consistent with AHI's document retention policies but, in no case, for a period of less than six years.

Any questions concerning the Annual Risk Assessment Policy, or questions that are not specifically addressed in the ARA Policy and Procedures, should be directed to the AHI's Chief Compliance Officer.

II. AHI AUDITING & MONITORING

Purpose

The purpose of the ARA is to set forth policies and procedures pursuant to which the Chief Compliance Officer (or his or her designee) will work with Senior Managers on the development and implementation of an effective system for routine monitoring and identification of compliance risks concerning AHI and AHI PPS operations. Such system shall include internal monitoring and audits and, as appropriate, external audits, to evaluate AHI PPS Participant compliance with applicable state and federal laws and regulations, PPS Participation Agreement, and the terms and conditions of the relevant agreement.

Policy

It is AHI's policy for the Chief Compliance Officer (and his or her designees) to coordinate with Senior Managers on the development and implementation of processes and procedures by which AHI shall engage in effective routine monitoring and auditing of AHI Departments and AHI PPS Participant performance. Such monitoring and auditing shall be designed to identify compliance risks by, among other things, examining if:

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- A. Sufficient controls are in place to ensure, among other things, operational compliance with applicable state and federal laws and regulations, AHI PPS Participation Agreement, and the terms and conditions of the relevant Participant Agreement; and
- B. AHI PPS Participant staff are aware of and have been following the applicable requirements.

Procedures

Monitoring and Formal Annual Review

1. The performance of AHI Departments and AHI PPS Participants shall be monitored on a routine basis. Senior Managers, in consultation with the Chief Compliance Officer, shall determine the manner, degree and frequency of routine monitoring for each Department and/or Participant.
2. AHI Departments and AHI PPS Participants shall be formally reviewed at least annually to assess whether their performance is in compliance with policies and procedures, AHI Department Compliance Work Plan deliverables, applicable Participation Agreements and deliverables, and state and federal standards to which their performance promotes the overall goals and objectives for AHI and AHI PPS' functions. Such reviews may include audits of selected AHI Departments and AHI PPS Participants, as determined in accordance with the creation of the Risk Assessment Evaluation Tools.
3. Determinations regarding the scope and intensity of routine monitoring and annual reviews shall take into account the nature of the activity, the risks and potential impacts on departments and PPS Partners and/or the program associated with non-compliance, and past experience with the Participant.
4. Specific policies and procedures shall be developed, as necessary and appropriate, for the oversight of certain Departments and/or AHI PPS Participants.
5. Monitoring and annual review strategies designed to detect potential compliance issues may take many forms, including (but not limited to):
 - a. interviews with AHI Department and/or AHI PPS Participant staff (where applicable);
 - b. monthly or other scheduled meetings with AHI Department and/or AHI PPS Participant staff (where applicable);
 - c. collection and analysis of data (e.g., through standard or ad hoc reports);
 - d. direct monitoring (e.g., secret shopper, ride-alongs);
 - e. data validation reviews; and
 - f. chart reviews.

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6. Routine monitoring and annual reviews shall be carried out by individuals at AHI and at each PPS Participant who are qualified to assess the relevant activities. Specific data shall be analyzed from AHI Department and from AHI PPS Participants, as applicable and appropriate, and reviewed regularly as routine reports are generated and monitored.
7. AHI Compliance Department may require AHI PPS Participants to develop audit work plans to engage in self-monitoring and/or monitoring of downstream entities, including periodic audits, and to share the results of such monitoring and audits, including audit reports, with the AHI Compliance Department.
8. Annual reviews and/or audits may also be undertaken through arrangements with outside entities that are qualified to assess the PPS Participants' activities.
9. Department and Program Managers and AHI PPS Participants shall promptly share copies of monitoring and auditing reports and other evaluations with the Chief Compliance Officer, and the Chief Compliance Officer (or his or her designee) shall promptly review such results.
10. If any problems or deficiencies are identified as a result of routine monitoring or the annual review, senior managers – in consultation with the Chief Compliance Officer or his or her designee, and the AHI PPS Clinical Governance and Quality Committee, as appropriate – will work with the AHI Department and/or the AHI PPS Participant, as appropriate, with regard to:
 - a. investigating the matter to determine the extent to which actual deficiencies exist;
 - b. evaluating the cause(s);
 - c. specifying necessary and appropriate corrective actions, including timelines for implementation;
 - d. implementing procedures for assuring that the corrective action has been effectively applied; and
 - e. documenting that the corrective action taken has remedied the issue.
11. Other actions by the AHI Compliance Department may also be appropriate, including (but not limited to) revocation of specific activities by the AHI PPS Participant and/or Participant Agreement termination or non-renewal.

Auditing

1. The Corporate Compliance and Privacy/Security Specialist shall include in the Department Compliance Work Plan the number and types of AHI PPS Participants that will be audited each year and how the entities will be selected for audit, if there are multiple PPS Participants of the same type. A similar scenario will occur within AHI Departments for auditing purposes.

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2. Such audits, whether through internal and/or external resources, shall be conducted at the Chief Compliance Officer, the Corporate Compliance and Privacy/Security Specialist (or, as appropriate) legal counsel direction.
3. Data and processes that may be reviewed in connection with audits may include (but are not limited to):
 - a. reviews of medical records, prescriptions, coverage determinations, claim transaction records, invoices, signature logs, licenses and credentials, exclusions, purchase records, provider and member grievances and appeals, disenrollment, rebates, negotiated prices, and member notices;
 - b. verification and documentation that AHI Department and/or PPS Participants are devoting sufficient resources to performing delegated tasks; and
 - c. verification and documentation that network providers are in compliance with the minimum standards of practice as established by the States, follow PPS Compliance program and (to the extent required by CMS rules) post or distribute compliance hotline notices.
4. Ensuring that AHI's self-disclosure procedure and AHI PPS's disclosure procedure is operating effectively and that compliance concerns generated through such are appropriately entered into a log and addressed and documented.
5. Ensuring that exit interviews of departing employees and Contractors (as relevant) are conducted to elicit, among other things, information concerning potential violations of any laws, regulations, the Code of Conduct, or the Compliance Policies and Procedures.
6. Investigating suspected violations of applicable laws and regulations and taking corrective action, where appropriate, and coordinating with or through legal counsel, as appropriate, on such investigations.
7. Consulting with legal counsel for legal advice and guidance, as appropriate.
8. Developing an annual Compliance Work Plan and making annual compliance budget recommendations and presenting each to the CEO, and the Audit and Compliance Committee for adoption.

III. ENFORCEMENT

All AHI workforce members and AHI PPS members tasked with implementing the Annual Risk Assessment shall be subject to the enforcement actions provided for in this Annual Risk Assessment Policy.

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- A. Penalties for Non-Compliance
 - a. Any individual tasked with implementing the Yearly Risk Assessment found to be in violation of this policy and procedure may be subject to disciplinary action, up to and including termination of employment or contract.
 - b. Violations of this ARA should be reported to the Chief Compliance Officer or as otherwise provided in the AHI and AHI PPS policies and procedures.
 - c. Any questions concerning this ARA should be directed to AHI’s Chief Compliance Officer.

IV. Violations

The Compliance Department will verify compliance to this policy through various methods, including but not limited to, periodic walk-throughs, business tool reports, internal and external audits, and any other necessary means of investigation.

Violations will be reviewed on a case-by-case basis. If it is determined that a workforce member has violated one or more of the above regulations, corrective action will ensue.

Any workforce member that witnesses abuse of elements contained herein this policy are required to report the incident at the earliest possible moment to either a supervisor or to the Compliance Department. Any incident reported in good-faith is protected under AHI’s whistleblower policy.

Contact Person: Corporate Compliance and Privacy/Security Specialist

Responsible Person: Chief Operating and Compliance Officer

Approved By: Chief Executive Officer