CountyCare Compliance Program

Annual Report
County Fiscal Year 2022
December 1, 2021 – November 30, 2022

January 10, 2023

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I. Executive Summary

The Cook County Fiscal Year ("CFY") 2022 CountyCare Compliance Program Annual Report summarizes the compliance activities carried out in CFY 2022 and identifies priorities for CFY 2023.

This past fiscal year, CountyCare Health Plan ("CountyCare") accomplished many goals and implemented a variety of initiatives. As part of one of the largest public health systems in the United States, CountyCare is nearing its ten-year anniversary as a Medicaid Plan serving Cook County. Since its inception, CountyCare has served 938,045 unique members, 239,000 of which have been with the plan for at least 5 years. In its ninth year of operation, CountyCare ended CFY 2022 with its highest membership of over 436,000 members and, during CFY 2022, the plan served 505,601 unique members.

CountyCare continues to stay true to its mission statement adopted in 2021: "*As a public, provider-led health plan, we improve our members' lives by partnering with communities, supporting a vibrant safety-net, advancing health equity, and empowering providers to deliver integrated, member-centered care.*"

The Cook County Health ("CCH") Corporate Compliance Program resources dedicated to CountyCare were directly involved in major plan initiatives to ensure execution adhered to and incorporated relevant regulatory directives and contractual requirements. Some notable achievements from CFY 2022 include:

- Proactive Monitoring and Auditing of Network Providers and Delegated Vendors
  CountyCare Compliance implemented several new processes to carry out the goal of being more proactive in its monitoring and auditing of potential fraud, waste, and abuse (FWA). This included being more involved at the initial contracting level by conducting comprehensive FWA and sanction screening checks on all providers before contract signature and by continuing to partner with the Delegated Vendor Oversight team to audit vendors and their compliance programs. These efforts allow CountyCare Compliance to continue focusing on maintaining adherence to contractual requirements and compliance best practices.

- Collaboration with Special Investigation Units ("SIUs") for Payment Integrity Initiatives
  CountyCare Compliance FWA and Program Integrity activities resulted in a total of approximately $7.4 million collected in overpayments in state Fiscal Year ("SFY") 2022 and proactively prevented $2.02 million in losses. Overpayments collected in 2022 include recovery amounts that were put on hold at the onset of the Public Health Emergency ("PHE") and that were impacted by implementation of new prior approval processes..

- Revised Processes for Reporting FWA Data to HFS OIG
  In November of 2022, the Illinois Department of Healthcare and Family Services ("HFS") Office of the Inspector General ("OIG") transitioned to a new, online FWA Reporting Portal. The FWA Reporting Portal is designed to receive case updates in "real time" and replaces the monthly and quarterly report submission process. CountyCare Compliance continues to work

to develop internal policies and SIU partner guidance that outline the new parameters for developing, reviewing and submitting FWA information to HFS OIG, and is leveraging existing Salesforce tools to help consolidate data from all the various SIU partners and streamline the reporting process.

In CFY 2023, CountyCare Compliance will continue to focus on maintaining adherence to contractual requirements and compliance best practices, as both the Health Plan and compliance program continue to mature. CountyCare Compliance also hopes to locate additional resources for CountyCare Compliance to better concentrate on initiatives designed to expand the Compliance Program, Program Integrity, and compliance presence for CountyCare operations. In collaboration with its delegated vendors, CountyCare Compliance will also continue to concentrate on identifying opportunities for risk reduction in the areas of compliance, policy implementation, and the development and implementation of monitoring and auditing efforts.

Notable priorities that have been identified for CFY 2023 include:

- <u>CountyCare Compliance Department Hiring</u>
  The onboarding of a new designated Compliance Officer for CountyCare and either an SIU Manager or Compliance Analyst position are central to the effort to locate additional resources for CountyCare Compliance in order to better concentrate on initiatives to expand the Compliance Program and Program Integrity operations.

- <u>Workforce Education and Compliance Training</u>
  Efforts will be increased to strengthen CountyCare workforce education and knowledge regarding CountyCare Compliance's responsibilities, the compliance hotline, and a workforce member's duty to report, as well as to encourage proactive identification and discussion of issues with the department.

- <u>Strengthen Partnerships with Special Investigation Units ("SIUs") for Payment Integrity Initiatives</u>
  CountyCare Compliance will continue to strengthen processes for Program Integrity oversight in the areas of fraud, waste, abuse, mismanagement, and misconduct (collectively, "FWA"), in collaboration with delegated SIU partners. Significant focus will be placed on finalizing and implementing internal policies and SIU guidance to address new parameters for developing, reviewing and submitting FWA information to HFS OIG via the new FWA Reporting Portal, as well as leveraging existing Salesforce tools to create quality, efficient reporting for governance and oversight of Program Integrity efforts.

- <u>Continued Collaboration with Key Stakeholders</u>
  CountyCare Compliance will continue to enhance its collaboration with the CountyCare Delegated Vendor Oversight program, including the development of vendor specific annual compliance audit protocols that allow for a more focused, comprehensive, and strategic audit process. Additionally, work will continue to effectively collaborate with HFS, HFS OIG, non-

government organizations, and other Managed Care Organizations' SIUs to build a network of skilled investigators and increase effective Program Integrity efforts.

II. Introduction

CountyCare is a Managed Care Community Network ("MCCN") health plan offered by Cook County Health ("CCH") pursuant to a contract with the Illinois Department of Healthcare and Family Services ("HFS"). Since late 2012, CCH has partnered with the State of Illinois, initially through the State of Illinois federal Section 1115 demonstration waiver which was an early start on Medicaid expansion, then in 2014, CountyCare transitioned into the MCCN. The operation of the CountyCare MCCN continues to be facilitated through CCH and its various subcontractors.

In 2012, CCH developed and implemented the CountyCare Compliance Program in order to adhere to the Medicaid Managed Care Program Integrity requirements outlined by both Centers for Medicare & Medicaid Services ("CMS") and the contractual provisions in the MCCN Agreement with HFS, as well as the elements of an effective compliance program as recommended in the Department of Health and Human Services Office of Inspector General ("OIG") Compliance Program Guidance publications.[1] The purpose of the CountyCare Compliance Program is to demonstrate the health plan's ongoing commitment to promoting ethical and lawful conduct consistent with all applicable laws, regulations, contractual requirements, CCH policies, procedures, and Code of Ethics.

This Annual Report presents the activities conducted during the County Fiscal Year ("CFY") 2022, which covers the timeframe of December 1, 2021 through November 30, 2022. CountyCare Compliance is currently under the executive leadership of Nicole Almiro, Chief Compliance & Privacy Officer, Maya Bogacz, Interim CountyCare Compliance Officer and Ashley Huntington, Privacy Officer. John Tao, the Compliance Officer, CountyCare, hired in September of 2021, departed the organization in August 2022. CountyCare Compliance continues to engage external compliance consultants from Strategic Management, LLC to assist with critical CountyCare projects, support leadership transitions, and temporarily fill staffing openings, as necessary.

III. Building Blocks – Program Infrastructure and Scope

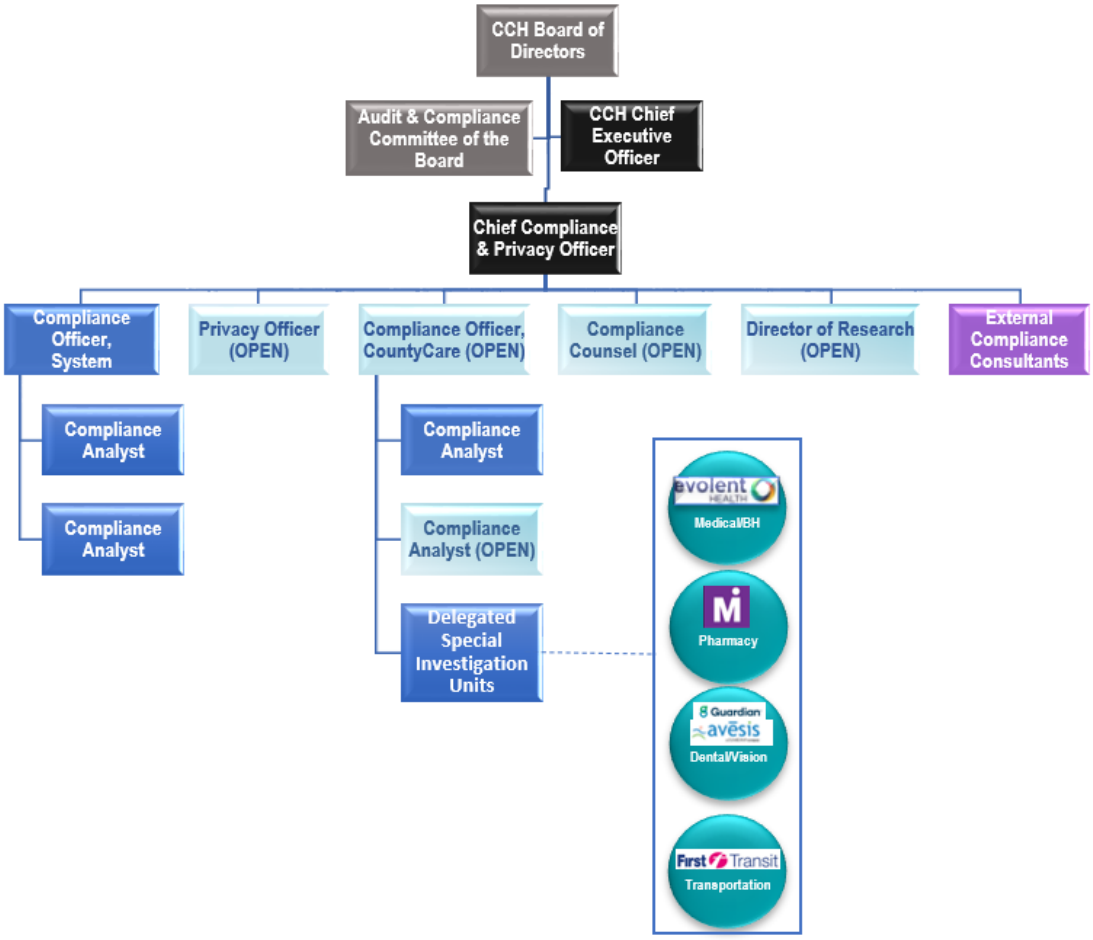
This Annual Report begins with an overview of the structure and activities of CountyCare Compliance generally, which includes the CCH Compliance infrastructure supporting the comprehensive compliance program for CountyCare and its affiliates.

CountyCare Compliance Program Infrastructure

The current CCH Compliance Departmental Organization Chart appears below.

[1] See 42 C.F.R. §438.608 and Section 5.35 of the MCCN Agreement (2018-24-201), as amended by KA2 and KA5 in 2020. See also HHS OIG Compliance Guidance documents linked here.

CCH Compliance Organization Chart



Adequate resourcing for the CountyCare Compliance Program remained a significant challenge in CFY 2022 and will continue to be a priority in CFY 2023. While the Compliance Officer, CountyCare role was finally filled at the end of September 2021, John Tao departed the role in August 2022. Resource strain for both the CCH and CountyCare Compliance departments remains a significant challenge. Five CCH Compliance positions remain open at this time (see chart, above). Efforts to fill open positions are a critical priority for CCH Compliance in CFY 2023, including filling the Compliance Officer, CountyCare role.

During CFY 2022, the majority of CountyCare related compliance issues were handled internally by the plan Compliance Officer and Compliance Analyst. However, CCH Compliance continued to manage many of the Privacy related issues for CountyCare (e.g., breach analysis and notification, subpoena, and subrogation requests). CCH Compliance also continued its engagement with longtime department consultants, Strategic Management, LLC, to assist with critical CountyCare and Privacy projects and support the overall success of CCH Compliance. Consultants from Strategic Management will continue to provide staffing support for the department in CFY 2023 with the vacancy of the Compliance Officer, CountyCare role.

Program priorities continue to be focused on adequate staffing for the CountyCare Compliance department to support and fulfill the comprehensive slate of required audit, investigation, and reporting responsibilities mandated by the Program Integrity provisions of the MCCN agreement. Where possible, CountyCare Compliance is also engaged in identifying and addressing CountyCare Compliance related issues as reported, in both a proactive and reactive manner.

CountyCare Compliance Program Scope

The CountyCare Compliance Program is tasked with outlining guidelines and providing insight to:

- Comply with the CMS Managed Care Program Integrity requirements and the terms of the CountyCare Health Plan contract with HFS;
- Prevent, detect, and eliminate fraud, waste abuse, mismanagement, and misconduct (collectively "FWA");
- Protect CountyCare members, providers, CCH, the State, and the taxpaying public from potentially fraudulent and/or unethical activities;
- Respond and provide guidance related to privacy, confidentiality, and potential or actual security breaches;
- Provide high-level oversight to CountyCare's Grievances and Appeals Program; and,
- Understand and focus on high-risk areas that have the greatest potential for non-compliance with federal and state regulatory and contractual requirements.

CCH and CountyCare Compliance's limited staffing has resulted in the necessity to focus only on core elements of the Compliance Program, including those activities mandated by the MCCN Agreement and required by HFS and HFS OIG.

When possible, the CountyCare Compliance Program also aims to continually evaluate and strengthen its working communication strategy to increase the CountyCare workforce awareness, including vendors and subcontractors, of the following topics:

- Code of Ethics;
- Privacy, Confidentiality, and Security;
- Accessibility of the Compliance Officer and the compliance team;
- Availability to report issues anonymously through multiple methods;
- Responsibility to report potential and actual issues;
- Consequences of not reporting; and,
- Non-retaliation protections.

The CountyCare Compliance Program scope of work is subject to ongoing review and revision as deemed necessary to ensure ongoing compliance, especially in light of significant staffing challenges. It is designed to accommodate future changes in regulations and laws and may be updated to address issues not currently covered, issues related to new service offerings, or regulatory requirements.

IV. Annual Compliance Program Activity – Performance of the Elements

This section of the report summarizes activities performed by CountyCare Compliance in CFY 2022 and serves to demonstrate the effectiveness of the program, using the seven Compliance Program Elements for a comprehensive compliance program as criteria (as outlined in the CMS Managed Care Program Integrity requirements and by contractual provisions in the MCCN Agreement[2]). However, as noted previously in this Annual Report, staffing shortages, among other challenges, have limited CountyCare Compliance's scope during this fiscal year.

Element 1:

An effective compliance program maintains and distributes a written Code of Ethics, as well as written policies and procedures, that promote the health plan's commitment to compliance with all applicable requirements and standards related to program integrity and that address specific areas of potential fraud, waste, abuse, mismanagement or misconduct.

The CCH Code of Ethics applies to all CountyCare personnel and includes but is not limited to, volunteers, independent contractors, consultants, business partners, providers, agents and subcontractors. The Code of Ethics, as well as CCH's policies and procedures, support CountyCare's commitment to comply with all federal and state standards, including but not limited to, applicable statutes, regulations and sub-regulatory guidance and contractual requirements. CountyCare also maintains a Compliance Plan demonstrating its commitment to promoting ethical and lawful conduct consistent with all applicable laws, regulations, and contractual requirements, as well as CCH policies, procedures, and Code of Ethics/Standards of Conduct.

Policies and Procedures

CountyCare Compliance engaged in the following activities impacting written guidance to promote and maintain an effective compliance program for CountyCare:

- Reviewed, revised, and continued to abide by the CountyCare Compliance Plan specifically outlining compliance responsibilities of the Health Plan and program design, as well as specific CountyCare Compliance policies.
- Reviewed and revised multiple CountyCare health plan policies and procedures, with a focus on high-risk areas for operations, to ensure alignment with changes made to CountyCare's contractual and legal requirements, as well as best practices and changes in overall operations design.
- Developed additional CountyCare Compliance internal policies, procedures and guidance for distribution to vendor partners related to processes for reporting FWA to HFS OIG.
- Ensured CountyCare personnel, providers, agents, and subcontractors had access to compliance documentation electronically and were provided with hard copies of compliance policies and procedures, upon request.

[2] See 42 C.F.R. §438.608 and Section 5.35 of the MCCN Agreement (2018-24-201), as amended by KA2 and KA5 in 2020.

- Reviewed and/or drafted appropriate compliance contract language for new or updated requests for proposals (RFPs) and CountyCare contracts with delegated vendors and providers.

Ad Hoc Activities/Guidance

CountyCare Compliance, in collaboration with CCH Compliance, worked with CountyCare leadership and operational areas to assess compliance with policies, procedures and/or regulatory requirements and, in certain instances, provided guidance and/or assisted in the development of new policies, procedures and guidelines.

Examples of areas assessed:

- FWA Checks for New Provider Network Contracts
  Provider Contracting and CountyCare Compliance created a process to ensure appropriate FWA and sanction screening checks were performed for potential Network Providers. By integrating compliance within the contracting process, it ensures continued confidence in the quality and regulatory compliance of Network Providers who newly contract with CountyCare. The ongoing effort related to performing FWA and sanctions screening checks is significant due to the size and volume of the CountyCare provider network.

- CMIS: Transition to an Internal Care Management Documentation System.
  In February of 2022, CountyCare transitioned to Cook County Health's Care Management Information System (CMIS), an integrated and comprehensive care management system to facilitate and support the needs of the complex care management program. The CMIS was developed in-house by CCH and meets all requirements and is in alignment with all HFS, CMS, and National Committee for Quality Assurance (NCQA) standards. CountyCare Compliance provided guidance on several issues related to contract requirements and privacy and information sharing with our delegated vendors as part of the CMIS development and implementation process.

- Information Sharing with New Vendor Partners.
  CountyCare Compliance provided guidance regarding various privacy and security concerns related to sharing and communicating member information, internally and with vendors and providers, including for new nutrition programs and end-stage renal disease vendor partners, and for various care management and care coordination related purposes.

- HB 711 Prior Authorization Reform Act Requirements
  CountyCare Compliance collaborated with CountyCare clinical teams, leadership and delegated vendors to review requirements from HB 711 and provide guidance related to process changes for member authorization and continuity of care requirements throughout the implementation process.

- Mental Health Parity Review Requirements
  CountyCare Compliance collaborated with CountyCare clinical teams, leadership and delegated vendors to review and complete Mental Health Parity Review tools from HFS and update CountyCare Mental Health Parity related policies and procedures.

- Provider Recovery Lookback Timeframes
  CountyCare Compliance collaborated with operations and SIUs to review, establish and publish requirements related to provider recovery lookback timeframes for program integrity and payment integrity audit and investigation activity, in line with guidance received from HFS OIG.

- Annual Vendor Audit Protocol Enhancement
  CountyCare Compliance reviewed the annual certification requirements of its vendors and subcontractors and identified opportunities to become more proactive in its review and audit. In CFY 2022 CountyCare Compliance partnered closely with the Delegated Vendor Oversight team during their operational audits and incorporated a fulsome, standalone compliance audit, including testing of policy access, training completion and sanctions screening completion requirements across vendors.

- Recipient Restriction (Lock In) Program ("RRP")
  CountyCare Compliance continued to provide guidance and reviewed review revisions to policies and procedures addressing RRP processes, including how members are enrolled in the Proactive and Reactive Lock-In Programs, communications made to members/providers regarding lock-in changes, and the process for monitoring program progress to CountyCare Pharmacy and Quality departments.

- System Access Tracker
  Continued process for biannual monitoring of system access separate and distinct from CCH systems access as the CountyCare workforce accesses multiple external resources that contains sensitive information including member protected health information, by example through Third Party Administrators ("TPAs").

- Closeout of MoreCare Medicare Plan
  CCH, through its Health Plan Services department, partners with MoreCare to operate a Medicare product. The MoreCare Medicaid produce will be discontinued in CFY 2023. While MoreCare has its own Compliance role, CountyCare Compliance collaborated with Health Plan Services to track that all requirements related to the close out of the Medicare plan that apply to Health Plan Services are met.

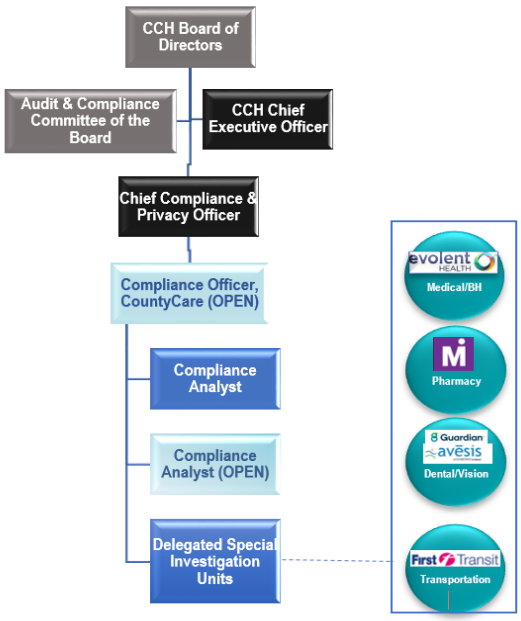
Element 2

An effective compliance program is led by a Chief Compliance Officer, who reports directly to the organization's Chief Executive Officer and the Board of Directors and who is responsible for developing and implementing policies and procedures designed to ensure compliance with program integrity requirements. Oversight of the compliance program should be performed by Board and executive-level committees, consisting of members of the Board of Directors and senior management charged with the responsibility of operating and monitoring the compliance program.

Compliance Office and Oversight Committees

Nicole Almiro, the CCH Chief Compliance & Privacy Officer, reports to both the CCH Audit & Compliance Committee of the Board and the CCH Chief Executive Officer. In turn, the CCH Audit & Compliance Committee of the Board and the CCH Chief Executive Officer each report to the CCH Board of Directors. The Compliance Officer, CountyCare reports directly to the CCH Chief Compliance & Privacy Officer.

The graphic below illustrates the communication and reporting structure for the CountyCare Compliance program, which is embedded within CCH Compliance.



The Compliance Officer, CountyCare role was filled for nine months CFY2022, with John Tao resigning from the position in late August of 2022. With his resignation, the Chief Compliance & Privacy Officer assumed primary operational responsibility for CountyCare Compliance in the capacity of interim Compliance Officer, CountyCare.

In October of 2022, the CountyCare Compliance Analyst, was named the Interim Compliance Officer for CountyCare and she will hold the position until the new CountyCare is Compliance Officer, hired.

The primary duties of the Compliance Officer, CountyCare did not change during CFY 2022.

The following committees are tasked with oversight over the CountyCare Compliance Program, as outlined below:

- **Audit & Compliance Committee of the Board** meets quarterly and advises the CCH Board of Directors regarding the implementation of standards and processes to assure professional responsibility and honest behavior, compliance with regulatory requirements, and risk management. The Audit & Compliance Committee of the Board

receive periodic updates regarding the CountyCare Compliance program, including FWA metrics and assessments of risk areas.

- **Regulatory Compliance Committee**, chaired by the Compliance Officer, CountyCare, meets quarterly and provides oversight of and guidance to CountyCare operations to ensure regulatory compliance and fulfill Compliance Program requirements, which include the implementation and operation of the Compliance Program. The Regulatory Compliance Committee also reviews CountyCare activity pursuant to Compliance Program requirements and contractual requirements, including, but not limited to audits, monitoring activity, and corrective action plans. The Regulatory Compliance Committee reports through the Chief Compliance and Privacy Officer to the Audit & Compliance Committee of the Board.

Additionally, the Compliance Officer, CountyCare participates in the following regular meetings, committees and/or Program Integrity related meetings to fulfill their responsibilities as a senior executive within Health Plan operations:

- **CountyCare Senior Leadership,** a weekly meeting with CountyCare Senior Leadership which rotates topics on a weekly basis focusing on areas such as: Plan Metrics, Project Management Office initiatives and status, Finance Roadmap/MCAP, Strategic Domains such as Staff & Membership Experience/Quality/Health Equity. This weekly meeting is comprised only of CountyCare senior leadership and reviews the health of the Health Plan across all metrics.

- **HFS OIG MCO Subcommittee,** comprised of HFS OIG and Managed Care Organization's ("MCO") compliance members involved in the program integrity functions of their respective MCOs. This subcommittee meets monthly to review and share information regarding FWA activity as it relates to specific providers and trends.

- **Program Integrity Meetings,** comprised of delegated vendors occurring on a bi-weekly or monthly cadence, depending on the vendor and amount of activity. Led by the Compliance Officer, CountyCare, and attended by other members of CCH Compliance, as needed, the meetings provide an overview of the vendors' activities and serve as a forum to review, approve, modify, or reject the direction of audits, investigations, data mining efforts and recoupment activity.

- **Quality Improvement Committee (QIC)** oversight meetings occcur quarterly and are focused on promoting a system-wide approach to achieve Quality Improvement (QI) and Performance Improvement (PI) and improve Population Health (PH). The QIC provides oversight and direction in assessing the availability, access, and appropriateness of care and services delivered to continuously enhance and improve thequality of care and services provided to members.

- **Grievance and Appeals Committee,** a subcommittee of the CountyCare QIC responsible for maintaining compliance with contractual, federal, and accrediting body requirements, including NCQA standards, related to the processing of grievances and appeals. The scope of the committee includes tracking and analysis of member grievances and appeals from all delegated vendors including type and timeliness of resolution, performing barrier and root cause analysis, and making recommendations regarding corrective actions as indicated.

- **Delegated Vendor Oversight Committee** meets quarterly to provide oversight of the operations affecting the scope of functions of delegated vendors and subcontractors to ensure compliance with statutory and contractual requirements. The committee provides oversight of quarterly delegation audits, monthly joint operations meetings, and regular monitoring of member and provider complaints. Identified areas of compliance risk are referred to CCH Compliance and/or CountyCare Compliance for assessment, when appropriate.

- **Pharmacy and Therapeutics Committee** meets quarterly to provide oversight of the pharmaceutical and therapeutic operations to ensure compliance with statutory, contractual, and regulatory requirements such as the member Recipient Restriction Program. The committee also provides oversight of pharmaceutical and therapeutic policies, procedures, and operational processes.

Element 3

An effective compliance program should institute and maintain regular, effective education and training programs for all affected employees, including the Compliance Officer, Board of Directors, senior managers, and health plan employees, regarding the importance of complying with federal and state compliance related requirements.

Education and Training

Traditional CountyCare Compliance related training opportunities continued to be limited in CFY 2022 due to staff constraints and the lingering impacts of COVID-19. However, CountyCare Compliance was able to participate in the following opportunities to present training related to compliance, FWA and HIPAA.

CountyCare Training Materials - Provider FWA and New Employee/Contractor Orientation

- Reviewed and updated provider Fraud, Waste and Abuse training materials to provide new content related to Program Integrity contract changes.
- Provided updates to CountyCare New Employee training, which covers an introduction to all aspects of CountyCare for new hires (both permanent and contractual), with dedicated time for compliance program introduction and privacy guidance.

CountyCare – HIPAA Training and Guidance for Care Management Staff

- CountyCare Compliance, in conjunction with the CCH Privacy Officer, continued to collaborate with the Care coordination department to implement an extensive Privacy training for CountyCare Care Coordinators. In early CFY22, CountyCare Compliance and the CCH Privacy Officer facilitated several "train the trainer" sessions with Care Coordination leadership to successfully ensure delivery of the training to new Care Coordinators.

Targeted Education

- Lunch & Learn: In the fall of 2019, CountyCare launched an internal initiative aimed at educating its workforce regarding different operational areas within the health plan. In September 2022 Compliance provided a lunch and learn Compliance training open to all CountyCare employees that addressed the role of the CountyCare Compliance program, requirements related to the privacy and confidentiality of member protected health information, details regarding FWA related activities conducted by CountyCare Compliance and its delegates and information regarding how to report potential compliance concerns.
- CountyCare Compliance continued to monitor and provide guidance and commentary regarding updates to 42 CFR Part 2 related to the disclosure of substance use disorder records as it relates to CountyCare member information.

Element 4

An effective compliance program should maintain several lines of communication to receive complaints from employees, subcontractors, network providers, members and the HFS OIG, including the adoption of procedures to protect the anonymity of complainants (such as the use of a hotline) and to protect whistleblowers from retaliation. Issues reported via communication channels should be tracked, investigated, and reported (as needed).

Receiving and Responding to CountyCare Related Complaints

1. Several lines of communication are available for reporting issues and complaints related to CountyCare. Specifically, CountyCare Compliance:
    - Maintains an e-mail address for CountyCare Compliance communications (countycarecompliance@cookcountyhhs.org)
    - Monitors Third Party Administrator's ("TPA") support and assistance to CountyCare members through the TPA's hotline service, including bi-weekly meetings with TPA's compliance staff to discuss issues received through the hot line and appropriate responses to those issues.
    - Shares the accessibility of reporting concerns to the CountyCare workforce through:
        - A hotline service by a third party to preserve anonymity if desired;
        - A separate toll-free number for privacy breaches; and
        - Open door policies for CCH Compliance leadership and each team member.

2. There are established CountyCare Compliance processes for responding to issues and complaints received. CountyCare Compliance maintains processes for issue, complaint management, and resolution as follows**:**

    - The workflow process for compliance contacts follows SBAR, an acronym for **S**ituation, **B**ackground, **A**ssessment, and **R**ecommendation.
    - Initially, CCH Compliance is made aware of a **S**ituation,
        - Contact is made through one or multiple methods e.g., via direct phone call or calls through the compliance hotline, e-mail, and/or in-person contact;
        - An inquiry is made, or concern is described;
        - An individual(s), area(s) or situation is identified.
    - This **B**ackground information is categorized, compiled, and logged in the CCH Compliance tracking tool.
    - An **A**ssessment occurs, which may include
        - Review of and/or following contractual obligations, organizational policy, federal, state, and county regulations related to the incident to evaluate the situation presented;
        - Determining what the problem is and/or the severity.
    - Lastly, the **R**ecommendation for the issue or complaint is made, which includes:
        - Establishing a pathway for mitigation and remediation. These may include further auditing of documentation, mitigating harm, and potentially informing the appropriate government entity.
        - Engaging and collaborating with leadership and appropriate entities.
        - Sharing recommendations with the reporter, as appropriate.

3. Categories have been defined to allow CountyCare Compliance to accurately organize and report compliance inquiries/issues received. The inclusion of an item in a specific category does not substantiate the issue; rather it classifies the issue within a defined category. The CFY 2022 CountyCare Compliance issues addressed fall within the following categories:

    - Contractual Issues & Reviews, including FWA checks for all new network providers;
    - Regulatory/Policy Matters;
    - HIPAA Privacy, Confidentiality and Security;
    - Accurate Books & Records;
    - Fraud, Waste and Abuse;
    - Quality/Patient Safety
    - Conflict of Interest; and
    - Other (e.g., subpoenas, unique grievance & appeals guidance, involuntary discharge of CountyCare member, etc.).

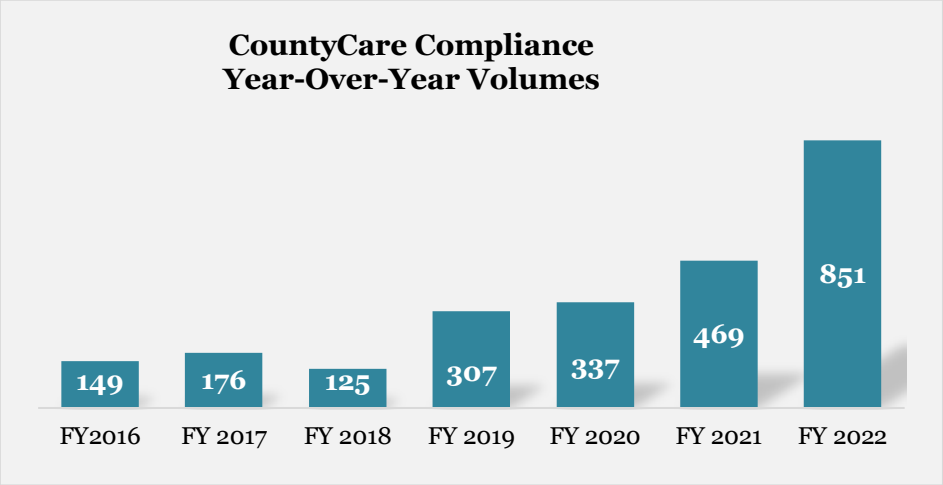
4. CountyCare Compliance tracks and identifies trends and patterns within its contacts and activities to further mitigate organizational risks and facilitate operational improvement. Additionally, trends and patterns within CountyCare Compliance reports and activities are

presented to the Regulatory Compliance Committee, CountyCare Senior Leadership meetings, and to the Audit & Compliance Committee of the Board, as appropriate.

CFY 2022 CountyCare Compliance Contact Volume

1. Total Volume of General Compliance Contacts

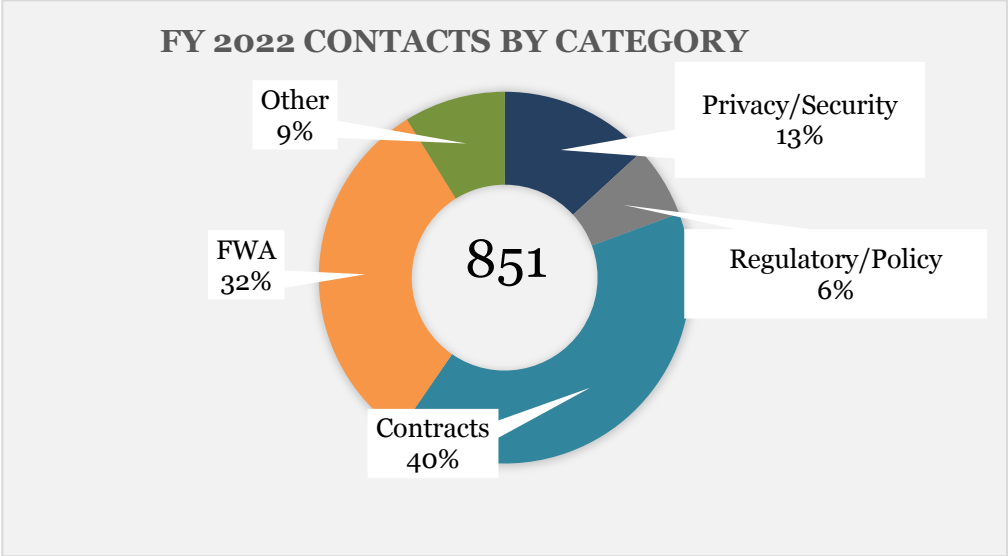
851 contacts were documented for the CountyCare Compliance Program during CFY 2022. The chart that follows illustrates the year-over-year activity, which shows a significant increase of nearly 55% compared to the previous fiscal year.



There are several factors which may be attributed to this increase. First, this increase is a result of the continued success of CountyCare, the increasing membership, and variety of new initiatives. In FY 2022, CountyCare established a new process for conducting FWA reviews for each network provider contract that was proposed for signature by CountyCare, which includes a process for conducting regulatorily required sanction screening checks as well as evaluating the risk of FWA for each provider contract. This new process resulted in a significant increase (almost 400% more) in contract-related reviews conducted by CountyCare Compliance.

Additionally, CountyCare continued to proactively monitor FWA trends and patterns and increase collaboration with local regulators/enforcers (for example, HFS OIG), which resulted in an increase in FWA related issues and activities across the board. Finally, there was an enhanced effort to ensure visibility of the new Compliance Officer, CountyCare position (filled in late FY 2021) and this outreach resulted in additional requests related to contract reviews, regulatory reviews and policy reviews which were carried out throughout the year.

2. Inquiry/Issue Breakdown by Category CFY 2022 (December 1, 2021-November 30, 2022)



The chart above illustrates the volume of CFY 2022 contacts received by CountyCare Compliance, separated out by issue category. The associated category count follows:

Categories	Count
Contracts/ Agreements	342
Fraud, Waste, Abuse	269
Privacy, Confidentiality and Security (HIPAA)	112
Regulatory/Policy	53
Other	75
Total	**851**

Issue types included in the "Other" category include queries regarding:

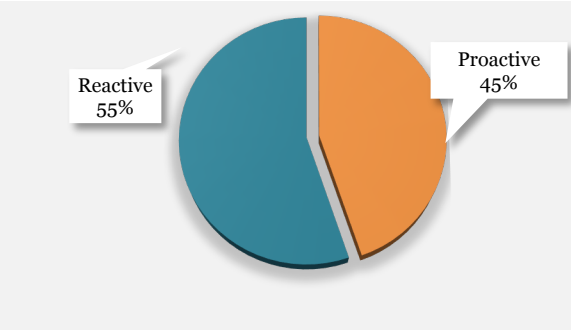
- Accurate documentation,
- Conflict of interest,
- Quality/member safety,
- Human resources, and
- Others, as applicable.

3. CFY 2022 Contact Status

Of the 851 contacts throughout CFY 2022, 772 contacts were resolved at the end of the fiscal year. The remaining 79 contacts carried into FY 2023. As the majority of contacts brought to CountyCare Compliance involve partnership with other operational areas or delegated vendors to address the concerns raised, carrying contacts over to the next FY is not viewed as problematic.

4. CFY 2022 Proactive vs. Reactive

Of the 851 CountyCare contacts in CFY 2022, 45% or 381 contacts, were proactive while 55% or 470 contacts were reactive. Proactive contact continues to be optimal for compliance because individuals seek guidance prior to the occurrence of an event or activity rather than retrospectively.



CountyCare Compliance continues to look forward to increasing awareness of CountyCare Compliance so issues may be addressed more proactively in the coming year, where appropriate resources are available.

5. Privacy, Confidentiality and Security ("HIPAA")

As a covered entity and business associate of HFS, CountyCare is required to safeguard privacy for plan members. Privacy and security of member information is highly regulated, and this category accounted for 112, or 13% of all CountyCare issues in CFY 2022.

During CFY 2022, 32 privacy related incidents and breaches were reported to CountyCare Compliance. Incidents occur when, after a risk assessment, it is determined that the event does not rise to the level of a HIPAA breach. The majority of the incidents involved mistakes in sharing member information to either health care providers or other health plan operations staff via fax or email. In these cases, attestations were obtained that information was destroyed and/or not used further. There were no reportable HIPAA breaches for CountyCare in CFY 2022.

Additionally, 45 of the contacts included within the HIPAA category reflect activities related to reviewing and processing record requests for CountyCare member records as related to subpoenas and subrogation. These record requests were exclusively managed by CCH Compliance during most of CFY 2022. However, after completing several in-depth training sessions, the responsibility to review and process subpoena and subrogation requests was transferred from Compliance to CountyCare Finance operations as of November 1, 2022. This accounts for the decrease in this type of contact for CFY 2022, compared to the 97 contacts reported for CFY 2021.

Finally, 29 contacts within the HIPAA category reflected guidance or review activities provided by CountyCare Compliance and/or the CCH Privacy Officer to confirm permissible instances of access, use or disclosure of member protected health information by organizational staff and benefit administrator/vendor partners.

6. Fraud, Waste, and Abuse, Mismanagement and Misconduct (collectively, "FWA")

   A significant amount of time and effort is assigned to the prevention, detection and elimination of FWA by CountyCare Compliance. Of the 851 CountyCare contacts in CFY 2022, 32% or 269 contacts, were related to FWA. More information regarding CountyCare's efforts related to these contacts can be found under Element 6 below, as the majority of these contacts were identified during or resulted in auditing, monitoring, or investigation related activities.

Receiving and Responding to Communications from HFS OIG

CountyCare Compliance is contractually obligated to receive and respond to communications received from HFS OIG, both on a regular basis (e.g., monthly), as well as an ad hoc basis. Types of communications received from HFS OIG include several types of Provider Alerts, which impact the various types of providers used to provide benefits and services to CountyCare members, including Providers, (Medical, Dental and Vision), Pharmacies, Durable Medical Equipment ("DME"), Skilled Nursing Facilities ("SNFs"), Homemakers and Transportation providers.

Notably, the volume of Provider Alerts increased in CFY 2022 to 165, from 101 in the year prior.

Below is a summary of the volume of Provider Alerts, separated by notice type, received in CFY 2022 from HFS OIG, which CountyCare Compliance then communicated to its relevant SIUs and benefits administrators, as appropriate:

CFY 2022 Provider Alerts	
Active Investigation (also known as "Deconfliction")	7
Payment Withhold	13
Payment Suspension Release	9
Disenrollment, Termination and Voluntary Withdrawal	133
Reinstatement	3
TOTAL	**165**

Element 5

An effective compliance program maintains a system to respond to allegations of improper/illegal activities and coordinates with relevant departments to ensure enforcement of appropriate disciplinary action, using well-publicized disciplinary guidelines, against workforce members who have violated internal compliance policies, program integrity related requirements, applicable statutes, regulations or Federal health care program requirements.

Enforcing Standards

During CFY 2022, CountyCare Compliance and its delegated partners exercised the scope of its enforcement standards through:

- Investigations and Guidance for Employee Related Corrective Actions. CountyCare Compliance, via CCH Compliance, investigated employee related complaints (for example, those related to confidentiality complaints or conflict of interest) and provided guidance to involved employees and leadership to remediate the situations and avoid repetition of the incident.

- Monitoring Corrective Action Plans ("CAPs"), Deficiency Action Plan ("DAPs"), and Performance Improvement Plans ("PIPs"). CountyCare Compliance, in collaboration with the CountyCare Delegated Vendor Oversight program, monitors any CountyCare vendor placed on a CAP, DAP or PIP for issues related to program integrity or compliance. During CFY 2022, no vendors were placed on a compliance or program integrity related CAP, DAP or PIP.

- Privacy and Security ("HIPAA") Breach Assessments. CountyCare Compliance, in collaboration with the Privacy Officer, maintains consistency in approach for breach assessments and to provide guidance to CountyCare workforce members and business associates.

- Fraud, Waste, Abuse, Mismanagement and Misconduct (collectively, "FWA") Monitoring. CountyCare Compliance collaborated closely with the Special Investigation Units ("SIUs") of Delegated Vendors to identify potential FWA. CountyCare continues to work with its SIUs to perform data analytics, including DRG auditing and coding analysis, to identify, investigate and report unusual behaviors by providers, which includes processes for reaching out to providers to educate on issues identified as well as suggesting network termination for non-compliance with network provider agreement provisions, where appropriate.

- Partnerships with Governmental Agencies. CountyCare Compliance partnered with the HFS, HFS OIG, the DOJ and Illinois' Medicaid Fraud Control Unit ("MFCU").

- Partnerships with non-Governmental Agencies. CountyCare Compliance continues to collaborate with a number of organizations related to the detection of fraud and wrongdoing in the insurance industry. These non-governmental organizations include other managed care organizations and health plans, the HealthCare Fraud Prevention Partnership ("HFPP"), National Insurance Crime Bureau ("NICB"), Midwest Anti-Fraud Insurance Association ("MAIA"), and the professional organization of compliance professionals, Health Care Compliance Association ("HCCA").

Element 6

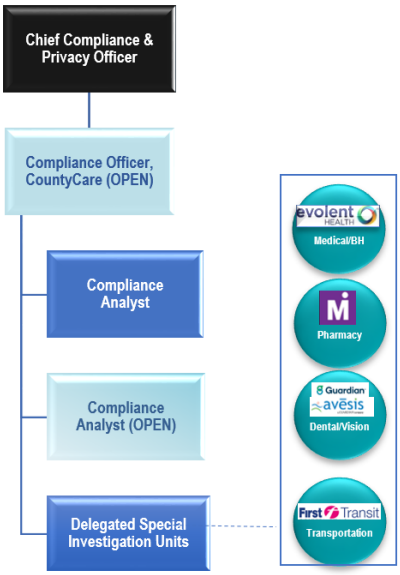
An effective compliance program utilizes risk assessments, audits and/or other evaluation techniques to monitor program integrity and assist in the prevention and/or reduction of identified problem areas related to fraud, waste, abuse, mismanagement and misconduct.

CountyCare Delegated Special Investigation Units

Prevention, detection and elimination of fraud, waste, abuse, mismanagement and misconduct (collectively, "FWA") is a central responsibility for CountyCare Compliance. Benefit and Program Integrity is critical not only because it is a contractual requirement and a significant focus by the State and Federal government but because it is *the right thing to do*. The impetus of this key initiative is to ensure federal, state, and county taxpayer dollars are spent appropriately on delivering quality, medically necessary care and preventing FWA in addition to protecting CountyCare members and providers.

To identify potential FWA, CountyCare Compliance partners with each delegated vendor through their dedicated areas commonly known as Special Investigation Units ("SIU").

As reflected in the adjacent organization chart, the Compliance Officer, CountyCare provides direct oversight of program integrity activity. CountyCare Compliance is planning to pursue an "SIU Manager" role within the organization to provide additional support in CFY 2023.



Auditing and Monitoring Efforts for SFY 2022

Fraud, Waste, Abuse, Mismanagement and Misconduct (collectively, "FWA")

CountyCare Compliance relies upon the monitoring, auditing, investigation, and utilization controls performed by the designated SIUs carried out by its delegated vendors. FWA activity matters are raised through multiple lines of communication, either to each delegated vendor or directly to CCH Compliance. All allegations are tracked and monitored to resolution. In addition, other auditing and investigation measures are undertaken through the SIUs.

CountyCare continues to utilize data mining, a proprietary catalogue of concepts developed by its SIUs, to analyze CountyCare claims and identify providers with unusual billing patterns and reviews. CountyCare Compliance also investigates tips received from HFS, HFS OIG, other

Managed Care Organizations ("MCOs"), healthcare fraud groups, CountyCare employees, the media, and other sources to identify FWA.

All Program Integrity activity is tracked by State Fiscal Year ("SFY") for state reporting purposes and not by County Fiscal Year ("CFY"). The SFY runs from July 1st through June 30th of each year. Metrics for both SFY 2022 along with the first quarter of SFY 2023, as reported to HFS OIG on a quarterly basis, follow:

FWA Recovery Metrics (SFY 2022 – Q1 SFY 2023)

S-FY	Reporting Period	Tips[3]	Referrals to HFS OIG[4]	Overpayments Identified[5]	Overpayments Collected[6]
2022	**Q1** 07/01 -09/30/21	**100**	**18**	**$ 704,372**	**$ 66,066**
2022	**Q2** 10/01 – 12/31/21	**43**	**31**	**$ 1,046,935**	**$ 522,453**
2022	**Q3** 01/01 – 03/31/22	**20**	**12**	**$ 1,276,050**	**$ 3,116,460**
2022	**Q4** 04/01 – 06/30/22	**28**	**14**	**$ 966,366**	**$ 3,534,743**
2023	**Q1** 07/01 – 09/30/22	**71**	**30**	**$ 1,445,091**	**$ 632,345**

The results of the annual Program Integrity activities are reflected in the metrics above with a total of $7,239,722 collected in overpayments in SFY 2022. The amount recovered in SFY 2022 was substantially higher than the $1,699,412.03 collected in overpayments in SFY 2021.

The unique increase in SFY 2022 was driven in part due to recoveries that were finally made on recoupments that were temporarily suspended during the PHE. There was a backlog of approximately 22,500 claims identified, using data mining and clinical audits at the DRG level, during the temporary PHE suspension that received HFS OIG approval for recovery in late 2021. A significant effort throughout the year has resulted in the backlog being close to complete. To date, $4.56 million has been recovered of the total projected amount, which was $8.3 million. At this time, recovery is unlikely for close to $3.8 million of the claims initially identified for

[3] The term *tip*, as defined by HFS OIG, includes any allegations or incidents of suspected FWA opened on a CountyCare provider by the health plan. Often, tips reported to HFS OIG monthly are not fully vetted referrals, only preliminary information that SIUs are providing to HFS OIG in real time. Additionally, not all investigative activity is reported to HFS OIG via the Tips report (for example, data mining efforts or audits based on proprietary algorithms are not reported.)

[4] Where CountyCare Compliance identifies actual instances of FWA, mismanagement, or misconduct, information regarding the investigation is also *referred* to HFS OIG.

[5] *Overpayments Identified* indicates the dollar amount identified for possible overpayment (for example, the total amount paid to the provider for the identified inaccurate codes) during the quarter, based the investigation or audit conducted by the SIU. These amounts may be supported through additional review of documentation submitted by the provider or may be offset if a provider elects to bill a corrected claim.

[6] *Overpayments Collected* represents the dollar amount recovered from the provider/group, as allowable by the MCCN Agreement.

recoupment, due to issues related to claims being closed out due to claim adjustments, provider settlements, provider appeals and/or timely filing and payment deadlines.

Additionally, proactive preventative loss efforts carried out by CountyCare Compliance SIU vendor partner were able to prevent approximately $2.02 million in losses in SFY 2022.

Metrics related to proactive preventative loss for SFY 2022 and the first quarter of SFY 2023 are included below:

Proactive Preventative Loss Metrics (SFY 2022 – Q1 SFY 2023)

S-FY	Reporting Period	Overpayments Avoided
2022	**Q1** 07/01 -09/30/21	**$ 1,029,151**
2022	**Q2** 10/01 – 12/31/21	**$ 202,961**
2022	**Q3** 01/01 – 03/31/22	**$ 704,522**
2022	**Q4** 04/01 – 06/30/22	**$ 81,031**
2023	**Q1** 07/01 – 09/30/22	**$ 306,187**

CountyCare Compliance continuously monitors the process to ensure appropriate action is taken, including reporting suspected FWA to HFS OIG. In SFY 2022, CountyCare referred 75 cases to the HFS OIG for possible FWA – an increase from the 37 cases referred during SFY 2021. 30 referrals have been made in SFY Q1 2023 alone, which evidences efforts for increased oversight of CountyCare providers.

Annual Compliance Audit and Attestation

CountyCare Compliance continued to utilize an Annual Compliance Attestation, issued to all CountyCare's delegated vendors in June 2022. The Compliance Attestation required all vendors to attest to several compliance provisions in their contracts, compliance with the requirements of Section 9.2 of the MCCN. Additionally, each of CountyCare's delegated vendors completed a compliance audit during CFY2022, which was facilitated through a partnership with the Delegated Vendor Oversight audit process.

Grievances and Appeals Activities

CountyCare Compliance continues to provide high-level oversight related to grievance and appeals activities at the plan level. As needed, guidance and assistance are provided related particularly to contractual and regulatory timeframes. Additionally, CountyCare Compliance

participates in the quarterly CountyCare Grievance and Appeals Committee, as well as Delegated Vendor Oversight meetings.

Regulator Audit Activity for CFY 2022

No official compliance related audit requests were issued by HFS OIG and HSAG during CFY 2022. However, as a follow up to an item audited as part of the 2022 HealthChoice Illinois Compliance Review for CountyCare conducted by HSAG, CountyCare Compliance submitted and received approval from HFS for the current reporting structure of the CCH system and health plan compliance officer to the CCH Board of Directors.

Risk Assessment

The primary focus within CountyCare Compliance is prevention, detection and elimination of FWA, in addition to other areas of risk identified in CFY 2022. Risk assessment currently is an ongoing, fluid and dynamic exercise within CountyCare Compliance, performed on a consistent basis by monitoring issues that arise via the various lines of communications offered by the Department as well as in day-to-day communications with CountyCare operations and benefit administrators.

Where resources are available in CFY 2023, CountyCare Compliance will initiate an annual, unique to CountyCare risk assessment process with executive leadership and key thought leaders to identify outstanding risks and challenges to meeting the standards of an effective health plan compliance program.

Element 7

Effective compliance programs maintain processes for the investigation and remediation of identified systemic problems and the development of policies addressing the non-employment or retention of sanctioned individuals. Additionally, processes are in place to ensure that prompt reporting of all overpayments identified or recovered to HFS OIG.

Identification of Systemic Issues

Sanction Screening Checks

- CCH maintains a policy and procedure paralleling requirements set forth by the MCCN Agreement and the Department of Health and Human Services, Office of Inspector General, to ensure the screening of all contractors and workforce members.
- The goal of the policy is to avoid employing, engaging, contracting, or agreeing with any individual or entity excluded or "sanctioned" from participation in a federal health care program or who is debarred from participation in federal procurement or non-procurement programs for the provision of goods or services.
- Sanction screening requirements continue to be embedded within each CountyCare contract and each CountyCare benefit administrator is required to screen each provider in their networks.

- New in CFY 2022, CountyCare Compliance now completes required sanction screening checks against four databases for all providers that are entering into contracts with CountyCare (i.e., in-network providers). These sanction screening checks occur prior to contracting with the provider/provider group/organization.
- Data is provided monthly to CountyCare Compliance to verify that sanction screening checks are conducted for all providers who receive payment from CountyCare (medical and behavioral health providers).
- As part of the annual compliance audit, CountyCare vendors are also required to produce policies, procedures and documentation to prove that sanction screening checks are performed in line with their contract requirements.

Prompt Reporting of Program Integrity Data to HFS OIG

CountyCare Compliance is contractually obligated to submit both monthly and quarterly reports to HFS OIG capturing its Program Integrity activities, particularly with respect to FWA identified that is related to providers/groups enrolled in the HealthChoice Illinois Medicaid program.

- Monthly Tips Report. On a monthly basis, CountyCare Compliance submits a Tips Report to HFS OIG, documented within an Excel document, which lists any allegations or incidents of suspected FWA that has been opened by the health plan related to a provider within that past month which impacts the Illinois Medicaid program. Tips reported are not designed to be a fully vetted referral to HFS OIG; rather, they are designed to help provide necessary information to HFS OIG and avoid delays that would impact appropriate law enforcement or administrative review/action even before an audit or investigation has fully vetted the allegation.

- Quarterly FWA Report. The MCCN Agreement requires CountyCare Compliance to submit a quarterly FWA report to HFS OIG. This report must include updates related to all instances of suspected FWA, among other Program Integrity data requested, or indicate there was no suspected FWA during that quarter.

The requirements related to the submission of the monthly and quarterly FWA reports were in place for the majority of CFY 2022. However, in November of 2022, HFS OIG announced a new online FWA Reporting Portal that would be used as a mechanism for submitting information typically included in the monthly and quarterly reports. The FWA Reporting Portal is designed to receive case updates in "real time" and replaces the monthly and quarterly report submission process.

CountyCare Compliance spends a significant amount of time and effort to develop, review and submit reports to HFS OIG, including comprehensive coordination and communication with the various SIUs to gather and validate the required Program Integrity related activity information and data. With the new FWA reporting portal in place, CountyCare Compliance is in the process of developing internal policies and SIU partner guidance that outline the new parameters for developing, reviewing and submitting information to HFS OIG via the portal, and will leverage

existing Salesforce tools to help consolidate data from all the various SIU partners and streamline the reporting process.

Prompt Responses to HFS OIG Data Requests / Request for Information

HFS OIG and its partner governmental agencies, such as the US DOJ and the Medicaid Fraud Control Unit (MFCU), regularly submit data requests to CountyCare for review and completion. These requests typically are focused on provider claims activity / encounter data but can also involve submission of FWA investigation and audit documentation, provider contracts, grievances/complaint data, or any number of items related to the MCO. There are typically two types of requests.

- Request for Information. These typically have a short turnaround time of between 48 hours and a few weeks and are centered on information related to specific providers are specific situations. CountyCare must diligently review the request and partner with the appropriate SIU benefit administrator to ensure timely and accurate responses are provided to HFS OIG.

- Requests for Audit. Requests for audit are lengthier data requests from HFS OIG and their partner governmental organizations which require CountyCare to review the request, partner with the appropriate SIU benefit administrator and oversee, conduct and validate the audit scope and findings. These requests typically have a turnaround time of three to six months and may require varying levels of detail.

During CFY 2022, CountyCare received and responded to 49 requests for information submitted by HFS OIG, HFS, the Department of Justice ("DOJ") or other government agencies, averaging almost one a week. This is a slight increase from the amount of requests received in CFY 2021.

V. Looking Ahead to CFY 2023

In CFY 2023, CCH Compliance will continue to focus on maintaining adherence to contractual requirements and healthcare compliance best practices. As CountyCare relies heavily on delegated vendors, monitoring for adherence to CountyCare policies, contractual, and regulatory standards are critical to ensure that federal, state, and county taxpayer dollars are spent appropriately on delivering quality, necessary care and preventing FWA, in addition to protecting CountyCare members and providers. The Program will continue ongoing activities related to risk reduction in the areas of compliance, policy implementation, and the development and implementation of monitoring and auditing efforts and will investigate all issues/complaints brought to the attention CountyCare Compliance.

These priorities have been established for the CountyCare Compliance Program:

- Add staffing resources for the Program, including the onboarding of a new designated Compliance Officer for CountyCare and hiring of either a SIU Manager or Compliance Analyst position, is central in the effort to better concentrate on initiatives designed to improve the Compliance Program, Program Integrity, and compliance presence for CountyCare operations.

- Strengthen CountyCare oversight of FWA Activities:
    - Finalize and implement internal policies and SIU guidance to address new parameters for developing, reviewing and submitting FWA information to HFS OIG via the new FWA Reporting Portal.
    - Leverage existing Salesforce tools to create quality, efficient reporting necessary for performing appropriate governance and oversight of Program Integrity efforts, as well as tracking information reported via the FWA Reporting Portal.
    - Continue efforts to review and approve new concepts for data mining and clinical audit recovery activities.
    - Foster continued partnerships with HFS OIG and the State's MFCU to develop best practices in Corporate Compliance for CountyCare and enhance relationships with non-government organizations and other MCOs' to build a network of skilled investigators and increase effective Program Integrity efforts.
- Increase workforce education and knowledge regarding the Compliance Department's duties, the compliance hotline, and a workforce member's duty to report in order to cultivate a culture of compliance throughout the Health Plan.
- Enhance its collaboration with CountyCare Delegated Vendor Oversight program, including the development of vendor specific annual compliance audit protocols that allow for a more focused, comprehensive and strategic audit process.
- Foster partnerships with other CountyCare departments and delegated vendors to fulfill contractual obligations in Program Integrity and state reporting and encourage proactive identification and discussion of issues with CountyCare Compliance.
- Conduct a comprehensive annual risk assessment with executive leadership and key thought leaders nationally to identify outstanding risks and challenges to meeting the standards of an effective health plan compliance program.
- Serve as a compliance and privacy resource to the workforce and delegated vendors.
- Uphold compliance with continuously changing contractual requirements and industry best practices as CountyCare continues as the largest Medicaid Managed Care Organization in Cook County.