

C.26. Program Integrity

- a. Provide a detailed summary of Contractor’s proposed Program Integrity plan, including a discussion of the following:
 - i. The Contractor’s fraud and abuse detection/prevention program activities for employees, caregivers and providers, including reporting and follow-up, continuous monitoring of compliance, identification and reporting of issues to all required parties, and ongoing training.
 - ii. An overview of the Regulatory Compliance Committee.
 - iii. The proposed appeals process.
 - iv. Proposed innovations for reporting data in the Program Integrity area. Provide examples of successful innovations implemented in Kentucky or other states.
- b. Describe the Contractor’s proposed approach to prepayment reviews.

Passport Highlights: Program Integrity

How We’re Different	Why It Matters	Proof
Passport Identifi management information system (MIS) is an integrated custom-designed FWA program that uses a suite of analytics designed to identify aberrant claim patterns with a comprehensive claim and case management platform	<ul style="list-style-type: none"> Fully integrated platform enhances our ability to identify and respond to FWA quickly and streamlines the management and coordination of our FWA program Efficient tracking and reporting of overpayment identification and recovery activities for services including FWA, data mining, clinical audit, credit balance, subrogation and coordination of benefits (COB) Prompt reporting of suspected fraud or abuse to the Program Integrity Unit (PIU) for further review and development 	<ul style="list-style-type: none"> In the past two (2) years, Passport PIU received twenty-three (23) internal referrals of member and provider aberrant claims patterns with three (3) resulting in fraud referrals to DMS Created \$871,000 in recoveries related to FWA activities Integrated reporting from internal and several vendor recovery efforts
Passport ClarisHealth Pareo® Payment Integrity Ecosystem platform is unique	<ul style="list-style-type: none"> Fosters visibility and transparency across the entire payment integrity ecosystem and processes for all providers and stakeholders Facilitates advanced reporting analysis and detailed analytics Maximizes recoveries and optimizes costs while minimizing provider abrasion 	<ul style="list-style-type: none"> Since implementation, performance improvements have included a two hundred twelve percent (212%) increase in number of concepts, 1,831% increase in number of Findings Letters, ninety-four percent (94%) increase in number of dollars identified, and a three hundred fifty-two percent (352%) increase in recoveries

Introduction

Passport is committed to maintaining program integrity through the promotion of ethical business conduct and the prevention and detection of fraud, waste or abuse (FWA). Our Program Integrity Plan has established internal controls, policies and procedures, and systems in place to detect and address unnecessary or wasteful practices or fraudulent activities in accordance with the requirements of applicable state and federal law, including Section 6032 of the Federal Deficit Reduction Act of 2005, 42 CFR § 438.600 to 438.610 and the requirements set out in Subtitle F, Section 6501 through 6507, of the Patient Protection and Affordable Care Act (PPACA) of 2010. Passport complies fully with the program integrity requirements and standards set forth in 42 CFR 438.608, our contractual requirements with the Commonwealth of Kentucky (Commonwealth), Department for Medicaid Services (DMS), and all other Commonwealth and federal requirements, standards, laws and regulations.



- C.26.a. Provide a detailed summary of Contractor’s proposed Program Integrity plan, including a discussion of the following:
 - C.26.a.ii. The Contractor’s fraud and abuse detection/prevention program activities for employees, caregivers and providers, including reporting and follow-up, continuous monitoring of compliance, identification and reporting of issues to all required parties, and ongoing training.

Passport’s Established Program Integrity Plan

Passport brings a complete solution to monitor, detect and protect the Commonwealth from FWA. The foundation of our comprehensive Program Integrity Program is Passport’s responsibility to adhere to all applicable federal and Commonwealth laws and standards of conduct through the engagement and cooperation of Passport’s Board and leadership, associates, provider partners, delegated vendors and members. We also work in partnership with DMS, the Office of the Inspector General (OIG) and the Office of the Attorney General’s (OAG’s) Medicaid Fraud Control Unit (MFCU) on matters related to program integrity. Collectively, we safeguard against FWA through documented policies and procedures, training, education and ongoing communications, tools and systems, stringent oversight and monitoring, and appropriate corrective actions.

The Passport Program Integrity Plan encompasses all DMS-required activity, as described below. The Program Integrity Plan includes written policies, procedures and standards of conduct that articulate our commitment to comply with all applicable federal and Commonwealth standards and is available for review as **Attachment C.26-1_Passport Program Integrity Plan**.

Documented Policies and Procedures

Passport is dedicated to the utmost integrity and compliance with the law. Written policies, procedures and standards of conduct document the expectations and commitment to comply with all applicable Commonwealth and federal standards that Passport associates, Board members and subcontractors must follow. Completion of required annual training by all associates includes a review of the policies outlined in **Exhibit C.26-1**.

Exhibit C.26-1: Passport FWA Policies and Procedures

Policy	Policy Summary
<p>Code of Conduct and Ethics Associates: UHC-GEN-04 Board Members: UHC-BD-01</p>	<p>The Code of Conduct (Code) is a statement of ethical and compliance principles that guides daily operations. It provides evidence of our commitment to the lawful and ethical conduct of business, promotes lawful and ethical behavior by associates, and protects those who report violations of the Code with the Non-Retaliation Policy, which includes whistleblower provisions.</p> <p>Approved by the Board of Directors, the Code establishes that we expect associates, subcontractors, vendors and agents to act in accordance with law and applicable policies. It articulates our fundamental principles, values and framework for action within our organization. The Code sets the expectation that all associates and Board members carry out their responsibilities ethically and in a manner that avoids even the appearance of improper behavior.</p> <p>All associates sign a Code of Conduct and Ethics Statement upon hire and annually thereafter, acknowledging that they have received, read and understand the Code and the consequences for noncompliance.</p>
<p>Conflict of Interest Associates: UHC-GEN-03 Board Members: UHC-BD-03</p>	<p>The Conflict of Interest Policy is designed to identify and avoid potential or actual conflicts of interest and to protect our interests when contemplating entering into a transaction or arrangement that might benefit the private interests of an associate, Board member, or one of their immediate family members and where the potential for personal gain could interfere with or influence the performance of his/her work duties. When any potential or perceived conflicts of interest occur, it is required that they be reported, and the chief compliance officer, chair of the Board or the attorney for the Board (as applicable) must be contacted whenever there is doubt about any activity or relationship.</p> <p>To facilitate assessment of any perceived or actual conflicts of interest, we require annual conflict of interest disclosures. All associates complete a Conflict of Interest Questionnaire upon hire and annually thereafter; Board members complete it when they begin their term and annually thereafter. The questionnaire requires the disclosure of any known potential or actual conflict of interest and requires acknowledgment and agreement to disclose any future conflict of interest.</p>

Policy	Policy Summary
<p>Non-Retaliation Associates: UHC-GEN-05 Board Members: UHC-BD-05</p>	<p>The Non-Retaliation Policy protects associates and Board members who report suspected or actual occurrences of illegal, unethical or inappropriate activities, including possible violations of Commonwealth or federal law. It also prohibits any type of retaliation against an associate or Board member for reporting such activity. All associates sign an acknowledgment that they have received, read and understood the non-retaliation and whistleblower provisions of this policy upon hire and annually thereafter. Board members complete a Non-Retaliation Policy Acknowledgment when they begin their term as a Board member and annually thereafter.</p>
<p>Standards of Conduct for Contracted Entities (UHC-GEN-12)</p>	<p>The Standards of Conduct for Contracted Entities provides guidance on a range of business and ethical issues that Contracted Entities may encounter in their business activities with us.</p> <p>Upon execution of a contract with Passport, and at the time of renewal of a contract, each Contracted Entity must agree to the terms of this policy, UHC-GEN-03, UHC-GEN-04, UHC-GEN-05, UHC-GEN-11 and UHC-GEN-33. Each Contracted Entity is responsible for ensuring that it is compliant with this policy, and for verifying that its subcontracted entities are also in compliance with this policy.</p>
<p>Program Integrity— Prevention, Detection and Investigation of Fraud/Waste/Abuse— (UHC-CO-08)</p>	<p>Policy and Procedure UHC-CO-08 sets forth procedures for the prevention and investigation of potential FWA in accordance with 42 CFR 438.608 and applicable Commonwealth and federal regulations.</p> <p>The policy includes established procedures for the Program Integrity Unit (PIU) to:</p> <ul style="list-style-type: none"> • Identify instances of provider and member FWA. • Identify potentially abusive utilization patterns that may lead to FWA. • Receive, investigate and track the status of allegations of FWA received from members, providers or other sources, which may be made against our providers or members. <p>Categorize cases as high, medium or low, with high priority cases involving:</p> <ul style="list-style-type: none"> • Multistate fraud or problems of national scope, or FWA crossing partnership boundaries • High dollar amount of potential overpayment • Likelihood for an increase in the amount of FWA, or enlargement of a pattern

The standards for disciplinary action are included in the policies. Associates are required to attest to understanding of and compliance with the policies. Allegations of possible associate offenses and compliance violations are dealt with immediately through a joint effort of the director of Human Resources (HR) and the chief compliance officer (Policy/Procedures UHC-CO-37 and UHC-GEN-47). Corrective action is initiated immediately when warranted and can include sanctions from a verbal or written warning up to termination.

Everyone Is Responsible for the Prevention of FWA

Passport is committed to the prevention of FWA. Education, training and ongoing communications are integral parts of our Program Integrity Program. **All Passport associates, providers, subcontractors and Board members are educated on what FWA is, how to detect and report FWA, and what they can do to deter FWA. This includes the CEO, executive positions, administrative positions and members of the Board of Directors.**

Passport is an active participant at all quarterly MFCU meetings. In addition, Passport associates attend the Statewide Health Care Fraud Task Force Meeting and Training led by the U.S. Attorney's Office.

Training and Education

Substantive, ongoing FWA training and education ensures awareness and expectations for program integrity and provides the supports and tools for compliance. All associates receive mandatory annual proficiency-tested training that includes the following required courses:

- Fraud, Waste, and Abuse
- Code of Conduct
- Information Security
- Discrimination and Harassment Free Workplace
- Deficit Reduction Act, False Claims and Employee Protections (as whistleblowers and other federal and state laws as described in Section 1902 of the Act (42 USC 1396a(a)(68))
- Health Insurance Portability and Accountability Act (HIPAA) Privacy Standards

100% Compliance

The required annual trainings have a 100% completion rate, as verified by Internal Audit.

Representatives from Passport attend all trainings conducted by the Commonwealth/fiscal agent or other organizations providing FWA training and actively pursue training opportunities from the DMS Program Integrity Department and other agencies, such as OAG.

- Compliance staff:
 - Receive extensive HIPAA, general compliance and investigations training
 - Are encouraged to attend Certified Compliance & Ethics Professional (CCEP) and Certified in Healthcare Compliance (CHC) certification training, the industry standard for compliance professionals, after they have one (1) year of compliance experience
 - Attend Passport-hosted in-person discussions with HIPAA experts and a variety of webinars, seminars and other job-based trainings
- PIU staff participate in Centers for Medicare & Medicaid Services (CMS)-sponsored training by the Center for Program Integrity and the Healthcare Fraud Prevention Partnership (HFPP), as well as the Association of Certified Fraud Examiners and others
- Subcontractors are required to provide annual FWA training to all associates within the subcontractor's organization, with participation verified as a part of the pre-delegation and annual surveys

- Providers receive FWA education and training through appropriate channels, such as provider newsletters, webinars, conferences and workshops, and the Provider Manual on topics that include:
 - Billing practices and documentation
 - Performance assessment and auditing processes
 - Regulatory changes and Commonwealth communications
 - Funding source purposes and restrictions
- Members receive FWA education and information through the Member Handbook, the Passport website and annually in our member newsletter

In addition, in-person training presentations and seminars relating to company policies and procedures are regularly conducted along with our mandatory annual training. During the calendar year 2019, we conducted more than 76 in-person trainings of our Associates on detecting FWA. In addition, all Passport Associates can access several e-learning courses related to compliance. All Associates are notified of available training and policy and procedure changes relating to compliance through Passport's intranet and e-mail system.

Ongoing, Open Communications

Passport recognizes that the assistance and support of our associates and Board members is critical to program integrity efforts. **We foster dialogue about FWA throughout the company at all levels and in the board room.** It is important that all associates and Board members know where they can turn for a meaningful response without fear of retribution. **To help detect and report FWA, Passport has an open communication policy that is supported by its confidentiality and non-retaliation policies.** Associates, subcontractors and Board members are required to report suspected or actual occurrences of illegal, unethical or inappropriate activities, including possible violations of Commonwealth or federal law, and are informed that they can contact the chief compliance officer, Compliance department team members, management, the chair of the Board, or the attorney for the Board, as applicable. We regularly reinforce our Program Integrity Program and open communications policy in the following ways:

- Company email newsletters (*PassportNow*)
- Compliance Talk sessions conducted by the chief compliance officer
- Feedback from the Compliance Liaison Committee
- Question/answer sessions with the chief compliance officer
- Compliance presentations by the Compliance department and at other Passport departmental meetings
- Communications at all-staff meetings
- Actively advertise our Hotline: **1-855-512-8500** and **anonymous**
E-mail: passportlistens@getintouch.com

Passport's Systems and Processes for Detecting FWA

Passport places a strong emphasis on prevention, the PIU proactively detects incidents of FWA, as required by 42 CFR 438.608, through the use of algorithms, investigations and record review, including member and provider grievances and appeals for the purpose of identifying potentially fraudulent acts. The PIU ensures that cases with the greatest potential program impact are given the highest priority. Prompt and timely corrective actions are taken when offenses are detected.

Internal Systems Controls to Ensure Payments Are Made Properly

Passport employs **Identifi**, an MIS that leverages a custom-designed FWA program that uses a suite of analytics designed to identify aberrant claim patterns with a comprehensive claim and case management platform, enabling efficient tracking and reporting of all recovery activity. The system identifies patterns of fraud and potentially wasteful or fraudulent claims and can pend claims from providers or for services to members who are being investigated for potential FWA. In short, our system is built to identify and pay only appropriate claims as specified by Commonwealth and federal law.

Program and Payment Integrity Processes to Detect FWA

Passport has processes that apply nationally recognized policies and complex claims-editing and analytical methodologies to detect and avoid inappropriate billing through several methods, including:

- **Claim Edits:** Our proprietary edits detect the potential for inappropriate billing or reimbursement prior to payment:
 - This process is supported by a retrospective solution—an array of analytics based upon a history of aberrant claim behavior and trends as well as updated state-specific provider sanctions and the latest in OIG fraud schemes.
 - After validation, the findings from retrospective analytics may be implemented into a claim edit solution to ensure future cost avoidance.
- **Data Analytics:** FWA is detected, avoided and mitigated through data analytics customized for Passport.
- **Predictive Analytics:** Patterns, trends, detected billing spikes and payment aberrancies are analyzed to identify opportunities for new FWA research and analytic development areas.
- **Medical Record Reviews:** Passport identifies potential FWA through analytics targeting overpayments and by substantiating the overpayments through medical records review.
- **Fraudulent Provider Trending:** System flags help detect the presence of FWA or overpayment behavior that may warrant further investigation, such as physical impossibility scenarios and opioid abuses, such as billing for:
 - Unreasonable hours
 - Treatment prior to the date of scheduled visits
 - Treatment after a member's date of death

- Questionable services, such as services outside the scope of practice or for claims rendered by another provider
- Services where the provider has ownership in the referred program or facility
- **Claim Selection and Medical Record Review:** Monthly retrospective claim selection reviews are conducted according to a specific reference library of known FWA trends and medical records examined through audits to determine presence of potential FWA.
- **On-Site and Desk Audits of Providers:** Passport investigators participate in a minimum of three (3) on-site visits per quarter, conducted upon approval by DMS, related to investigations of suspected fraud and abuse. Results are reported to DMS, including identified overpayments and recommendations per the process described in Policy PI.3.00.E: Provider On-Site Audits.
- **Monitoring of Potential Member Card Sharing:** Indications of member card sharing is monitored through comprehensive claims analysis, review of hotline calls and provider referrals. All credible allegations of card sharing are reported to regulatory bodies as required. We send eligibility cases to DMS for a determination and next steps, and we address suspected member FWA to the OIG. This process is outlined in Policy PI.5.00.E: Member Card Sharing Investigative Process.
- **Provider-Focused Claims Review:** If a provider is suspected of FWA, the following is an example of items reviewed and compared to providers within the same or similar specialties to identify outliers:
 - Previous billing and payment history
 - Reports of questionable billing practices
 - Education outreach conducted by the Provider Network Management Department related to an allegation
 - Laboratory referrals
 - Program policy and procedure violations
 - Prospective and retrospective claims for patterns and suspect activity
 - Prescribing habits, if applicable
- **Member-Focused Utilization Monitoring:** Encounter and prospective and retrospective claims data is reviewed for members suspected of FWA, for example:
 - The number of prescribers
 - Categories of medications
 - Duplicated services
 - Excessive or contraindicated services or treatments
 - Evidence of possible card sharing
 - Prescription history and pharmacy claims data in relation to the number and type of office visits and any evidence of possible drug seeking
- **Hotline Complaints/Referrals:** Calls and referrals received from the Compliance hotline identifying potential FWA are reviewed and investigated as appropriate.
- **Internal and External Referrals:** Passport analyzes and acts on referrals from other managed care organization (MCOs), Commonwealth or federal agencies, members, providers and members of the public as appropriate. We direct members or other internal or external entities/sources reporting potential FWA to the PIU for further analysis, validation and potential case initiation.

Internal and Subcontractor Monitoring

In fulfilling the requirements of the DMS contract and servicing members and providers, Passport currently uses a carefully selected and tightly controlled small set of subcontractors, such as Conduent for subrogation. Subcontractors are integrated as part of the service and operational model only in scenarios where their focus maximizes and supports better access, care, quality outcomes, service delivery and financial results. As Passport is fully accountable for the end-to-end delivery of our obligations to DMS, deep ongoing governance and performance management through a multilayered oversight function covers internal and subcontractor activities.

A straight line of accountability exists within the Passport organizational structure, beginning at the highest level with our Board of Directors to our CEO and executive team, and spreads throughout the organization. Members of Passport’s executive leadership team (ELT) have a specific role in oversight of subcontractors and internal operations, as demonstrated in **Exhibit C.26-2**.

Exhibit C.26-2: Subcontractor Oversight and Internal Operations

Executive	Roles and Responsibilities	Responsible for
<p>Chief Operating Officer Shawn Elman</p>	<p>Oversight of nonclinical contractual requirements:</p> <ul style="list-style-type: none"> Oversees service-level agreements (SLAs) Ensures delegates meet the nonclinical needs of member, provider and DMS Builds relationships for operational effectiveness Sets operational priorities Assesses delegates Creates strong culture of compliance 	<ul style="list-style-type: none"> Avesis Third Party Administrators Inc. Caret Health Services CVS/Caremark Pharmacy Evolent Health
<p>Chief Medical Officer Dr. Stephen Houghland</p>	<p>Oversight of clinical contractual requirements:</p> <ul style="list-style-type: none"> Ensures delegates meet the clinical needs of member, provider and DMS Builds relationships for clinical effectiveness Promotes clinical collaboration Sets clinical expectations Escalates concerns <p>Oversees quality program and ensures subcontractor adherence:</p> <ul style="list-style-type: none"> Assesses delegates Creates a strong culture of compliance 	<ul style="list-style-type: none"> Beacon Health Options Evolent Health

Executive	Roles and Responsibilities	Responsible for
<p>Chief Compliance Officer David Henley</p>	<p>Oversight of delegated services model:</p> <ul style="list-style-type: none"> Delegated services manager Reports plan, schedule and outcomes Corrective action plans (CAPs) Escalation of concerns Reports through Compliance Committee and Board Notifies DMS <p>Ensures delegates adhere to expectations, including:</p> <ul style="list-style-type: none"> Applicable laws, regulations and guidelines Compliance program requirements Delegate assessment Creating a strong culture of compliance 	<ul style="list-style-type: none"> Conduent Evolent Health
<p>Chief Financial Officer Scott Worthington</p>	<p>Oversight of all delegated services fiscal requirements:</p> <ul style="list-style-type: none"> Provides solvency review and oversight, including review of financial metrics Oversees risk and bond requirements Assesses delegates Creates a strong culture of compliance 	<ul style="list-style-type: none"> Evolent Health

The ELT works closely with Passport’s manager of Delegation Oversight, who manages the day-to-day delegation oversight of our subcontractors. The manager of Delegation Oversight works closely with the Delegation Oversight Committee (DOC) to oversee and monitor subcontractors’ performance and compliance with contractual and National Committee for Quality Assurance (NCQA) accreditation requirements, as well as Commonwealth and federal law.

Subcontractor performance is further monitored through the Quality Medical Management Committee (QMMC). The QMMC provides oversight and input for quality improvement and accreditation activities throughout the health plan, provider network and subcontractor relationships. The QMMC oversees all activities of our DOC as it pertains to subcontractors relevant to NCQA accreditation. The DOC reports through our Compliance organization and is a central body in overseeing subcontractors to which utilization or quality management, credentialing, member services, provider services, claims operations and other administrative functions have been delegated. The DOC reviews all contractual metrics for each subcontractor, including SLAs, performance reports and quality improvement (QI)/utilization management (UM) reports (if applicable). It also reviews the annual delegation audit to ensure compliance with all federal, Commonwealth, Department and contract requirements, as well as any pre-delegation assessments prior to effective date of new delegation contracts.

The following are also in place to ensure performance is meeting all expectations and requirements:

- **Oversight Structure:** For each subcontractor, we have created an organizational design framework applied across all such relationships. This establishes a committee of named individuals responsible for the performance of the subcontractor:
 - Passport executive sponsor
 - Passport business owner
 - Operational leadership
 - Compliance liaison
 - Subcontractor manager employed for direct oversight of the vendor’s performance and adherence to contractual requirements
- Contract measurements designed around DMS and service requirements.
- Passport holds subcontractors accountable to metrics and SLAs in line with DMS’ contractual expectations, as well as our ingrained service ethic to support a smooth provider and member experience through operators with accountability to quickly drive resolution for any temporary disruption. SLAs are an integral portion of each subcontractor agreement and vary based on the services being performed and the DMS contractual requirements. Regular reporting expectations to Passport from subcontractors extend beyond SLAs and cover a variety of operational indicators. All Passport subcontractor agreements include language committing the subcontractor to compliance with all DMS requirements and to implementing and administering DMS-required changes. Subcontractors are required to provide data and reporting to the health plan, which is reviewed for completeness, accuracy and compliance.
- **Escalation and Remediation Protocols:** Passport’s subcontractor agreements contain escalating action steps for noncompliance with contractual obligations and can include placing the subcontractor under a Letter of Concern, requiring a CAP with specific remediation requirements, or imposing financial penalties. By establishing the expectations at the time of contracting, Passport supports subcontractors’ fulfillment of obligations to fully comply with DMS requirements.

Subcontractor Oversight

Passport has multiple control mechanisms and processes to detect FWA through subcontractor oversight and internal and subcontractor monitoring. The PIU works directly with our subcontractors’ FWA team members to monitor and coordinate investigations. All subcontractors receive and fully understand the requirement to refer potential FWA allegations to Passport. Subcontractors are also required to provide their Program Integrity Program description in their annual reporting for Passport’s review.

Delegation oversight audits are performed pre-delegation and annually thereafter. The surveys include specific requirements for controls relating to the identification of cases involving suspected FWA with potential multistate or national impact. The surveys also include audits of subcontractors’ policies and procedures for validating active and unsanctioned status with the following:

- OIG List of Excluded Individuals and Entities (LEIE)
- Excluded Parties List System (EPLS)
- Kentucky Medicaid Excluded/Termed Provider List

Continuous Monitoring of Internal and Subcontractor Operations

Passport monitors both internal operations as well as those of its subcontractors on an ongoing basis. These continuous monitoring activities provide independent, objective assurance services to add value and improve operations.

The Internal Audit Unit completes an annual Enterprise Risk Assessment to evaluate the effectiveness of risk management, control and governance processes across the organization. Annual activities include performing independent reviews of internal controls over financial reporting and disclosures in compliance with requirements of the National Association of Insurance Commissioner (NAIC) Model Audit Rule. The Passport Model Audit Rule Program incorporates the identification of key controls within each process that ensure completeness, accuracy, validity and restricted access to prevent errors to the financial statements, confirm data integrity and protect corporate assets. Examples of processes reviewed include claims processing and payments, claims reimbursement, revenue and accounts receivable, and pharmacy claims and rebates. **The 2018 Model Audit Rule Program identified no material weaknesses or provider integrity-related deficiencies, and we expect the same outcome for 2019.**

The Internal Audit Unit also conducts corporate fraud and misconduct reviews in conjunction with the chief compliance officer. Formal audit reports are submitted to the Audit Committee of the Board of Directors for review and approval.

Investigating FWA

Passport's PIU conducts all FWA investigations in compliance with DMS requirements. If potential FWA activity is identified, the PIU requests medical records relevant to the case being investigated and, as necessary, will conduct a broader investigation, which may include an expanded time frame and a comprehensive review of the provider's claims history. The results of the investigation are reported to the appropriate regulatory agencies, and Passport will initiate recoveries, when required, as identified based on the final review and decision of each case. Provider accounts receivable activity is conducted pursuant to established policies and procedures. All account receivable activity aging over one hundred twenty (120) days, including for program integrity, is reported to DMS.

If post-payment review identifies potential FWA, the provider will receive a CAP. A provider suspected of committing FWA may also be terminated from our provider network.

A member suspected of committing FWA is referred to DMS. All activity is reported to DMS monthly on Report #72, Medicaid Program Violation Letters and Collections.

Passport follows cases from the time they are opened until they are closed and makes all information available to DMS upon completion, using the DMS-required form as documented in **Attachment C.26-2_Policy UHC-CO-08 Program Integrity—Prevention, Detection and Investigation of FWA**. The PIU generates an investigative report for each case, including the following elements:

- Name and address of the subject
- Medicaid identification number

- Source of the complaint
- Statement of the complaint/allegation
- Date assigned to the investigator
- Name of the investigator
- Detail of the time frame reviewed and date of completion
- Number of member records reviewed and the total number of claims during the time frame reviewed
- Methodology used during the investigation
- Facts discovered by the investigation as well as the full case report and supporting documentation
- All exhibits or supporting documentation
- Recommendations, as considered necessary for administrative action or policy revision
- Potential overpayment, if any, and recommendation concerning the collection
- Any other elements identified by CMS for fraud referrals

On a quarterly basis and upon request, the PIU reports the following data elements to DMS and OIG in a Microsoft Excel format:

- Passport case number
- OIG case number, if assigned
- Provider/member name
- Date complaint received by Passport
- Provider National Provider Identifier (NPI), if applicable
- Source of complaint, unless there is a request to remain anonymous
- Date opened and name of the PIU investigator assigned
- Summary of complaint with the time frame reviewed
- If the complaint is substantiated or not substantiated (Yes or No)
- Passport action taken (most current update)
- Date referred to DMS (with code), as applicable
- Overpayment identified (if any)
- Date case closed

The reporting to DMS includes any activities generated by internal monitoring, internal audits, subcontractor activity and external audits. In accordance with Commonwealth law, Passport immediately reports incidents or allegations concerning physical or mental abuse of members to the Department for Community Based Services (DCBS).

In addition to measuring and improving quality, Passport also monitors care to ensure members are not receiving substandard care or care that could be harmful to their health. For example, program integrity violations that compromise quality of care have occurred around the country with regard to (1) the provision of unnecessary or risky services, (2) drug manufacturers who market drugs “off-label” for

unapproved use, or (3) providers who are paid for providing a set of services to members but fail to do so. When cases such as these are detected, Passport diligently works with officials on the investigation to minimize negative impact on members and manage financial Medicaid implications.

We continually assess and improve our program integrity efforts and are committed to working in partnership with DMS, OIG and OAG to achieve the best results possible.

Reporting FWA

Open lines of communication are critical to any successful Program Integrity Program. We encourage members and providers to call and request to speak directly to a Program Integrity investigator. Additionally, Passport and subcontractor staff are invited to report any concerns to Passport Compliance through our PHPCompliance@passporthealthplan.com email address or to reach out directly to any Program Integrity or compliance team member.

Passport has several established channels for individuals who want to report any FWA concerns or possible ethics violations, including associates, providers, members, subcontractors, stakeholders and community resources, as depicted in **Exhibit C.26-3**.

This information is prominently displayed on Passport’s website, intranet site and in our Louisville office. Additionally, methods for reporting suspected FWA is published in the member handbook, on the member’s ID card and in the provider manual.

Exhibit C.26-3: FWA Reporting Channels

Communication Channel	Action
Toll-Free Phone Compliance Hotline 1-855-512-8500	FWA or compliance concerns may be verbally reported to an automated compliance hotline 24/7/365. Callers can leave a recorded message to report anonymously or provide contact information for a response.
Anonymous Email Inbox passportlistens@getintouch.com	FWA or compliance concerns may be reported in writing to an external email box. The vendor then forwards the anonymous message to staff within Passport’s Compliance Department for further handling.
Website Form	Written FWA concerns may also be submitted through a web form.

Effective Response to FWA

Passport recognizes and acknowledges our responsibility for investigating, recovering, reporting and, where warranted, assisting with the prosecution of incidents involving FWA. We regularly meet with DMS, OIG, OAG and the other MCOs to discuss issues related to FWA prevention, detection and investigation and to keep the agencies abreast of our FWA activities, including any suspension and escrow of payments to a providers in Passport’s network as a result of notification from DMS of a credible allegation of fraud in

accordance with 42 C.F.R. 455.23. Quarterly reports of any payment suspensions are submitted to DMS, as required.

Passport also participates in monthly collaboration calls with the other MCOs. Passport PIU has access to the HFPP, which allows the Program Integrity team to have access to informational presentations, Regional Information Sharing /sessions and fraud alerts.

If the PIU identifies potential FWA activity, the PIU investigates. The PIU's investigation may include a review of medical records or an on-site audit of the provider's office or facility. Finally, we communicate the results of the investigation to DMS through an investigative report.

Recoveries from Providers

Passport reports the results of its investigation to DMS and initiates the recovery of identified overpayments, where appropriate, with the approval of DMS.

When an overpayment is discovered, our dedicated PIU team sends the provider a letter requesting a refund and stating the reason and amount of the overpayment. If the provider does not provide a refund within the stated amount of time, the overpayment may automatically be recovered from future claim payments with approval of DMS. Further, Passport contracts with a collection agency, GB Collects, to recover balances that have aged past a mandated span of time.

Corrective Actions

Upon completion of an investigation into potential FWA, the PIU makes recommendations for case closure or appropriate corrective actions to DMS. Upon DMS approval, recommended corrective actions may include:

- Provider education in the form of written communication, telephone training or in-person counseling by Provider Network Management
- CAPs may be issued that identify the issue and stipulate required remediation plan
- Overpayment recovery
- Provider termination or suspension for violations as defined within the provider's contract
- Legal action
- Card sharing corrective actions may include the Commonwealth's request for member disenrollment, replacement of ID cards and payment recovery
- Disciplinary actions of an employee are initiated immediately when warranted and can include a verbal or written warning up to termination

Program Integrity Compliance

Verifying Billed Services

Passport's Explanation of Member Benefits (EOMB) program verifies members' receipt of the services billed by providers. In accordance with 42 CFR 455.20 and as documented in Policy/Procedure MS 70.0, we systematically identify a random sample of five hundred (500) Medicaid members each month for all claim types, such as medical, pharmacy, dental and vision. In collaboration with DMS, we retain a list of exclusions, using diagnosis codes for verification of services rendered the prior month.

A letter is mailed to each of the five hundred (500) members identifying the provider, services rendered and date of service. The letter requests the member call the Passport Member Services phone number included in the letter for confirmation of services or to advise of any noted discrepancies in services.

In addition, in compliance with DMS Program Integrity Policies and Procedures and NCQA guidelines, Passport's Credentialing and Recredentialing process also monitors for issues that may affect a provider's enrollment with the Commonwealth and our network, including verifying Medicare and Medicaid sanctions or exclusions through the state Medicaid agency or intermediary, Medicare intermediary, LEIE (maintained by OIG and available over the internet), Medicare Exclusion Database (MED), Federal Employees Health Benefits Plan (FEHB) published by the Office of Personnel Management, OIG, American Medical Association (AMA) Physician Masterfile, Federation of State Medical Boards (FSMB) or National Practitioner Data Bank (NPDB).

On-Site Review and Compliance with DMS Requests For Documents/Records

Passport complies with all aspects of on-site review requirements and DMS requests for documentation and records. The following examples illustrate Passport's historical adherence to on-site reviews and record requests:

- Annual reviews of Passport's operations have been conducted by DMS' designated External Quality Review Organization (EQRO) or Island Peer Review Organization (IPRO) every year since 1998.
- FWA case and process control reviews are subject to annual audit, and Passport incorporates any recommendations noted in the auditor findings to enhance our FWA efforts in a timely manner.
- Passport works in close cooperation with DMS and OAG. Passport has provided and will continue to provide documents pertaining to many OIG and OAG investigations.

Program Integrity Unit

The PIU implements Passport's Program Integrity Plan in compliance with its contract with the Kentucky Cabinet for Health and Family Services (CHFS) and DMS. The PIU is comprised of Kentucky-based associates and is responsible for:

- The identification of vulnerabilities
- The deterrence and detection of FWA
- Confidential investigations of all allegations of FWA

- Recoupment of overpayments
- Oversight of necessary corrective actions and dispute resolutions
- Managing member and provider appeals related to program integrity audits
- Conducting provider on-site audits
- Attendance at trainings and meetings offered by the Commonwealth
- Collection of outstanding debt owed to DMS
- Responding to DMS or Passport informational or reporting needs within the requested time frame
- Ensuring formal case tracking and case management of provider and member cases
- Management of FWA-related complaints to the internal compliance hotline
- Referring potential fraud to the state MFCU/DMS/OIG
- Providing recommendations to other departments regarding program improvement
- Making recommendations for changes to the policy

The PIU works in concert with state regulators and state and federal law enforcement to detect, deter and stop Medicaid fraud.

The PIU, through the chief compliance officer, receives and makes recommendations to the Board and executive leadership for improving and enhancing Passport's ability to prevent, detect and deter FWA, as well as making and receiving such recommendations to and from DMS. In addition, the PIU initiates and maintains network and outreach activities to ensure effective interaction and exchange of information both internally at Passport and externally with other MCOs and state and federal regulators.

Passport's Program Integrity Unit (PIU) team will include two investigators, fully meeting the requirements of the contract, that are physically located in our offices in Louisville and are 100% dedicated to Kentucky Medicaid. Program Integrity investigators possess valuable experience in healthcare and Medicaid; their credentials include:

- Certified Pharmacy Technician (CPT)
- Certified Professional Coder (CPC)
- Certified Professional Medical Auditor (CPMA)

The investigations team has performed thorough and effective investigations on behalf of Passport, resulting in identified overpayments as well as referrals to DMS and OIG. The investigators receive one-on-one training upon hire and then attend multiple events throughout the year, such as Regional Information Sharing Sessions sponsored by the HFPP, quarterly MFCU meetings, monthly MCO collaboration calls and webinars sponsored by organizations such as the National Health Care Anti-Fraud Association. The investigators have access to valuable tools, such as coding software and books, as well as direct oversight and supervision by management.

In addition to the investigators, Passport's Program Integrity team is comprised of a department manager, who has six (6) years in Medicaid and commercial claims auditing experience, and a senior director, who possesses thirty-three (33) years of health care investigation experience with ten (10) years specific to

Medicaid and multiple certifications, including Accredited Health Care Fraud Investigator (AHFI) and Certified Fraud Examiner (CFE). In addition, Passport's Compliance Department oversees and approves all FWA actions. With over thirty-five (35) years of combined experience, these leaders have the specific knowledge base in Kentucky Medicaid to make the appropriate decisions to protect both Passport's and the Commonwealth's Medicaid programs.

C.26.a.ii. An overview of the Regulatory Compliance Committee.

Passport's Program Integrity Program Is Structured for Mutual Success

While ultimate responsibility for program integrity and compliance with all contractual requirements rests with Passport's Board of Directors and Chief Executive Officer, Scott Bowers, the Program Integrity Program is also governed by Passport Chief Compliance Officer David Henley. Board of Directors, as the authority in governance of the Plan, through leadership of CEO Scott Bowers and Chief Compliance Officer David Henley, have charged Passport with the establishment of Passport's Regulatory Compliance Committee. This committee, overseen by CCO David Henley is fully accountable for the review and direction of the plan's program integrity efforts. This Committee meets quarterly, and reviews PIU activities, and approves of the Program Integrity Plan, the Medicaid Compliance Program, which details the oversight and monitoring of the Program Integrity Unit. One of the successes of the Regulator Compliance Committee was the establishment of the Medicaid Steering Committee, a sub-committee established for the purpose of review and discussion of the highly technical aspects of Medicaid operations. The Steering Committee then provides reports and makes recommendations to the Regulatory Compliance Committee. This technical advisory role allows the Regulatory Compliance Committee to function in more of a strategic role in seeking solutions to better address the needs of members and providers. Regulatory Compliance Committee

Regulatory Compliance Committee

Committee members are invited from across our entire organization and includes a multidisciplinary list of contributors. We believe that this helps strengthen the presence and awareness of Program Integrity at all levels of our Company, by not only involving compliance staff but true Passport business owners, each with their own perspective and ability to contribute. The Regulatory Compliance Committee, meets monthly, reviews compliance issues and communicates them internal and externally to Providers and Stakeholders.

Members includes the following members:

- Chief Compliance Officer: David Henley
- HR Manager: Craig Feger
- Manager, Compliance: Crystal Smiley
- Vice President (VP) and Chief Medical Officer: Stephen Houghland
- Senior Director, Plan Development and Chief of Staff: Greg Pugh
- Manager, Information Security: Jason Payton
- Internal Auditor: Jordan Hall
- Managing Attorney, Regulatory Affairs: Josh Waltrip

- Manager, Delegation Oversight: Kimberly Hughes
- Compliance Trainer: Kristie Ingram
- VP, Health Integration: Liz McKune
- Director of Facility Operations: Mark Scrivener
- Manager, Operational Performance: Meredith Norris
- VP and Chief Financial Officer: Scott Worthington
- Chief Operations Officer: Shawn Elman
- Manager, Compliance: Tara Carnes
- Director, Compliance: Tracy Bertram
- Executive Assistant: Anita Phelps
- Director, Quality and Performance: Betsy Simpson
- Director, Pharmacy Medicaid: Carrie Armstrong
- Medical Director, Utilization Management: James Mumford
- Manager, PIU: Katelyn Haycraft

C.26.1.iii. The proposed appeals process.

Passport Program Integrity Appeals Process

While only a small number of appeals have been filed in regard to program integrity over the past two (2) years, the PIU addresses each one timely, thoroughly and compliantly, well thought-out thoroughly and in accordance with compliance requirements of the contract.

Passport's process begins with the Providers receive written notification of all program integrity audit determinations and have the right to appeal if they do not agree with the decision(s) noted within the letter. All provider appeals must be submitted in writing and be received by Passport's Program Integrity manager within thirty (30) calendar days of the determination notification. The written request for appeal must be accompanied with a copy of the audit report and any supporting documentation the provider elects to include, including the following at a minimum:

- Provider name
- Provider identification number
- Provider contact information
- Member name
- Member identification number
- A clear identification of the disputed items
- The date(s) of service
- A clear explanation of the reasons for contesting the outstanding amount due

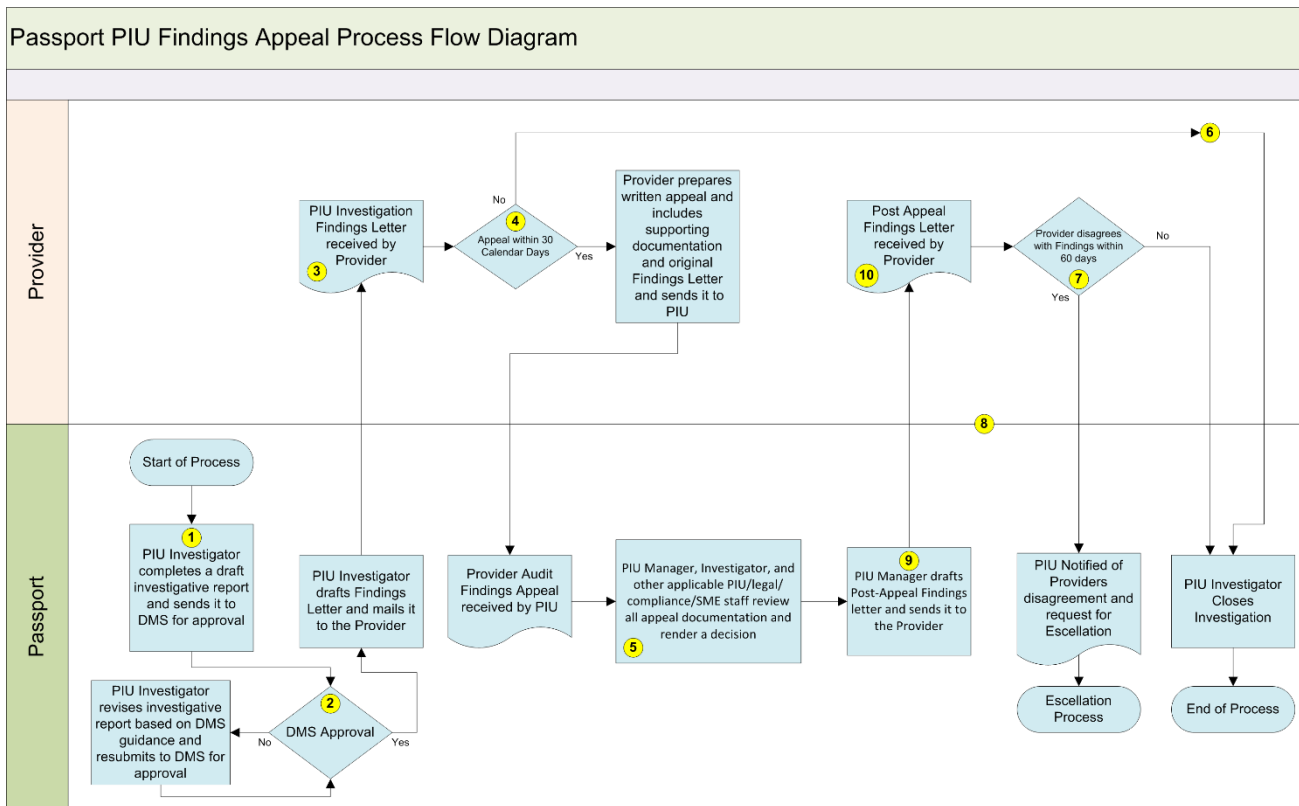
Program Integrity Provider Appeals Over the Years

Passport providers have filed very few program integrity-related appeals over the years: fifteen (15) program integrity appeals since 2017.

As detailed in the Passport Provider Manual, upon receipt of all required documentation, Passport must review the appeal and uphold or reverse the decision within thirty (30) days, unless the time period is extended by fourteen (14) calendar days upon request of either the provider or Passport. Providers will receive written notice of the resolution of the appeal from Passport, which also includes the process to escalate if the provider disagrees with the determination of appeal, as applicable. At no time will punitive or retaliatory action be taken against a provider for filing an appeal or for supporting a member appeal.

Passport’s Payment Integrity Appeals Process is not only important to our providers, it is beneficial to our members as it ensures that services they are receiving from the provider, and entitled to under Kentucky Medicaid, are correctly billed, ensuring the program remains efficient. , while ensure the program to be efficient. Additionally, the providers need the appropriate education in supplying audit claims, so an appeals process is necessary to make sure we are being fair with providers and giving them due process. So the appeals process allows providers the due process to supply additional information to help us understand if these issues are in fact FWA, as well as required by 907 KAR 1:671 (p6 of Attachment C.26-2 Policy UHC-CO-08 Program Integrity – Prevention, Detection and Investigation of FWA). Passport’s **Exhibit C.26-5: Passport PIU Findings Appeal Process Flow Diagram** and the detailed steps below, describe our end-to-end PIU Findings Appeal process:

Exhibit C.26-5: Passport PIU Findings Appeal Process Flow Diagram



1. Once a Program Integrity investigation is complete the PIU will draft an investigative report to send to the DMS. This report summarizes the investigation, all findings, and requests permission to recover the identified overpayment and close the case (when applicable)
2. Once approval is received from DMS, a findings letter will be drafted and mailed to the provider in order to notify them of all audit results and any potential identified overpayment.
3. Findings letters give the provider claim by claim breakdown of each record reviewed, the claim paid and overpaid amounts, and provide education on missing documentation or billing errors. They also include detailed instructions of how to submit an appeal, the appeal process, and PIU contact information for any questions.
4. The provider is allotted 30 calendar days to submit a written appeal to any audit results. The written appeal must include supporting documentation with a copy of the original audit findings.
5. Once the provider's appeal is received, the PIU Manager, Investigator, and other applicable PIU/legal/compliance team members will review all appeal documentation submitted. The PIU may also enlist the assistance of a Passport Medical Director, Dental Director, or other subject matter expert on any questionable claim appeal decisions.
6. If a provider does not submit an appeal within the 30-day timeframe outlined on their letter, the PIU will assume that the provider agrees with all findings and continue with administrative actions, including recoupment.
7. If the provider needs additional time to submit an appeal, they may submit a request in writing to the PIU for an extension.
8. Once the appeal documentation is received the documentation is reviewed by PIU staff, and a determination is made on whether the documentation fully supports the claim billed. The original audit findings may be adjusted to reflect the newly submitted documentation. This could result in a reduction of the originally identified overpayment, changes in provider error rate, and overall audit results.
9. After the appeal review is complete, the PIU will draft an additional post-appeal findings letter that includes all original audit findings, with the original claim and overpayment breakdown, along with documentation of any changes or reductions in the overpayment.
10. The post-appeal letter will be sent to the provider and will include a process to escalate within 60 days should the provider disagree with the determination of appeal results.

C.26.a.iv. Proposed innovations for reporting data in the Program Integrity area. Provide examples of successful innovations implemented in Kentucky or other states.

Innovations in Reporting Program Integrity Data

As Passport focuses on leveraging systems and technology that make our operations more scalable and agile, we continually seek ways to advance our program integrity program. Actively using our real-time, industry leading, surveillance tools, our operations teams run algorithms, focusing on waste and error, to achieve a higher level of “payment integrity.

On a daily basis, our operations run algorithms, focusing on waste and error, in addition to the regular tips reports and data mining. To move from a reactive to a proactive FWA program, we have partnered with a leading anti-fraud vendor, ClarisHealth (through Amenity). As an analytics vendor for Passport, ClarisHealth offers solutions to health plans through an expanded third-party program called Pareo®. The Pareo® platform fosters visibility and transparency across the entire payment integrity ecosystem for all stakeholders, including third-party service providers. It assists in vendor management, maximizes recoveries and optimizes costs while minimizing provider abrasion. Pareo® has valuable overpayment tracking capabilities, advanced reporting analysis and the ability to perform detailed FWA analytics.

ClarisHealth performs routine analytics on Passport claims data, including hundreds of concepts that run regularly, looking for abuse, waste and payment errors. The team thoroughly vets each concept to ensure validity of the concept and integrity of the sample claims. In addition, ClarisHealth conducts analysis of the claims data, looking to identify situations of possible fraud.

Passport created a cross-functional team that includes representatives from our Claims, Provider Relations, Contracting, and Payment Integrity teams to review the outcomes from the ClarisHealth analytics. The overall objective of the cross-functional team is for more efficient, cost-effective and results-oriented FWA prevention. This cross-functional team reviews the concept and analytics outcomes and identifies which department should lead the team in a deeper review. The results from the concepts and analytics can lead to a full investigation, overpayment collection, provider education, system edits and more.

As shown in **Exhibit C.26-6**, since implementing ClarisHealth analytics in 2018, Passport has seen significant improvements across the board, including a two hundred twelve percent (212%) increase in the number of concepts, a 1,831% increase in the number of findings letters sent, a ninety-four percent (94%) increase in dollars identified, and a three hundred fifty-two percent (352%) increase in dollars recouped.

Exhibit C.26-6: Results Since Implementing ClarisHealth Analytics

	# of Concepts	# of Findings Letters Sent	Dollars Identified	Dollars Recouped
ClarisHealth 2019	25	6,682	\$3.1 Million	\$1,765,000
Optum 2018	8	346	\$1,594,253	\$390,036
Difference:	213% increase	1,831% increase	94% Increase	353% increase in recoveries
	17 additional concepts ran in 2019 than 2018	6,336 more overpayment letters mailed	An additional 1.5 million identified in 2019 vs. 2018	An additional \$1,374.964 recovered in 2019 vs. 2018

C.26.b. Describe the Contractor’s proposed approach to prepayment reviews.

Passport’s Approach to Prepayment Reviews

Passport understands the need to continually improve and use all tools available to fight FWA. Our current program is DMS approved and is fully implemented. Passport actively reviews and continually enhances the efficacy of this program. of our FWA programs, process and policies, and education of providers. Detailed in our prepayment policy, UHC-GEN-58 Prepayment, we focus on:

- High volume of services
- High cost
- Dramatic change in frequency of use
- High-risk, problem-prone areas
- Complaints
- Identification by DMS or any other federal or Commonwealth agency of a certain vulnerability in a service area

We will also use prepayment claim review to verify or confirm reputable suspicions of FWA and identify areas for additional development of medical policies and claim edits. In addition, Passport will use prepayment review as an educational tool to correct questionable billing practices and improve overall member and patient safety and experience.

We will send an advance written notice of prepayment review to the provider on or before the prepayment review begins. The notification will include:

- The specific reason for the review
- A comprehensive description of the needed documentation and how to submit the documentation to Passport
- The time frame for returning the documentation and the implications for not meeting the time frame
- Length of time for the prepayment review process, if determined
- Passport contract information
- Information for how the provider may contact and request removal of the prepayment review

Providers will be allotted forty-five (45) days to submit documents in support of claims under prepayment review. All prepayment reviews performed by or on behalf of Passport will be conducted within thirty (30) days of the date of request, in accordance with the requirements of Passport's contract with DMS. Passport will use prepayment reviews to confirm the medical records or documentation submitted by the provider substantiate the setting, level of service and procedures stated on the claim. Prepayment review may also be used when there is a sustained or high level of payment error or data analysis identifies a problem area related to possible FWA. As per the contract requirements, Passport will notify DMS of any provider placed on prepayment review.

Passport may select providers for Prepayment Review as a result of any circumstances suggesting potential fraud, waste, and abuse, including but not limited to post-payment review, high volume of services, high costs, dramatic changes in utilization or payment, high risk problem-prone areas, complaints, vulnerabilities identified by DMS or other Commonwealth or federal agencies, or other reasons identified by Passport or all applicable subcontractors.

The approval and denial rates of the providers placed on prepayment review will be regularly monitored, and providers will be given further education when their prepayment denial rates remain high. This education may consist of information on proper billing procedures, medical and payment policies, and documentation requirements. After educating the provider, if prepayment claim denial rates continue to be high, a recommendation may be made to terminate the provider from the network.

Conclusion

For over twenty-two (22) years, Passport has served the Commonwealth as a good steward and protector of Medicaid funds. Our Program Integrity Plan is built on best practices policies and procedures, refined over many years of exceptional service, and infused with best-in-class technologies. It spans every business and clinical domain within our organization. Program integrity is a priority within Passport and a requirement of our subcontractors. Our program has helped guard against FWA of Kentucky Medicaid services in compliance with the provisions of Medicaid managed care through the promotion of ethical business conduct and the prevention and detection of FWA. We look forward to having the privilege to continue serving Kentuckians while protecting the dollars placed in our trust.



Passport has been honored to serve the Kentucky Medicaid and foster care populations for 22 years and will continue to comply with all provisions of the Medicaid Managed Care Contract and Appendices (including Kentucky SKY) as we continue to serve them in the future.