

# ROUTINE MONITORING AND AUDITING PROCESS



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For purposes of this process, “monitoring” and “auditing” activities are defined as follows:

1. Monitoring activities – regular reviews performed as part of normal operations to confirm ongoing compliance and to ensure that corrective actions are under taken (when appropriate) and effective.
2. Auditing activities – formal review of compliance with a particular set of standards (e.g. policies and procedures, laws and regulations) used as a base measure. These activities may include annual audits as required by CMS regulations.

## Identification of Compliance Risks

Fallon Health’s Medicare compliance risk assessment takes into account Medicare Advantage and PACE business operational areas and is assessed for the types and levels of risk the area presents to Fallon’s Medicare Advantage and PACE programs.

## Medicare Compliance Risk Assessment

Annually, Fallon Health Leaders that have involvement in our Medicare lines of business receive an electronic survey to help us identify, track, and prioritize potential weaknesses and vulnerabilities (risks) associated with our Medicare products. Identify areas of risk allows Fallon Health an opportunity to analyze potential effects and proactively inform decision-makers regarding next steps to reduce the risks. The identified risks are incorporated into our ongoing Medicare Compliance Risk Assessment 9-block.

Identified risks are captured on the 9-block, and updates on the actions to reduce the risk are requested from the risk owners throughout the year, including the addition of any additional risks.

The 9-block is discussed and reviewed at the Compliance Committee meetings, and is reported to the Audit & Compliance Committee of the Board with opportunity for discussion there as well.

## Annual Auditing of the Compliance Program

Fallon Health’s Senior Leadership, including the Senior Vice President and Chief Compliance Officer, ensure the implementation of an audit function appropriate to Fallon Health’s size, scope, known risks and structure. Fallon Health audits or monitors the effectiveness of the compliance program, on at least an annual basis, and the results are shared with the governing body.

Fallon Health’s Compliance and Internal Audit departments ensure that staff is knowledgeable about CMS operational requirements and is independent of and has appropriate access to the personnel, information, records and operational areas under review.

## Routine Monitoring and Auditing

Medicare Compliance coordinates with stakeholders to ensure that the monitoring program and auditing work plans address CMS requirements (operational and/or contract compliance), this includes functions performed by FDRs.

Fallon Health’s Medicare Compliance monitoring ensures compliance with CMS requirements of our operational business areas through departmental data dashboards that are reported monthly and/or quarterly. The dashboards measures and metric/goals are reviewed at least annually and may change throughout the year as necessary to align with CMS changes, internal processes changes, and/or issues identified that require additional monitoring.

Fallon Health’s monitoring and auditing of FDRs ensures functions delegated are performed in accordance with applicable laws and regulations. In accordance with CMS’ requirements, Fallon Health uses a risk assessment process to rank the entities from highest to lowest risk for purposes of focusing monitoring and auditing efforts. Medicare Compliance coordinates with Internal Audit to ensure a reasonable number of FDRs are audited on an ongoing basis. The FDR monitoring includes processes for providing results to committees and for conducting follow-up of areas found to be non-compliant as well as reviews to determine if a corrective action was implemented as needed.

Results of the auditing and monitoring are provided to the Compliance Committee(s), CEO, senior leadership, and to the governing body on a regular basis.

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