
	<b>Internal Auditing and Monitoring</b>			
	<b>Chapter:</b>	Corporate Compliance	<b>Policy #</b>	6-1-6
	<b>Section:</b>	Regulatory Management	<b>Revision #</b>	2

- I. **PURPOSE:** West Michigan CMH’s governing body believes that an ongoing evaluation program is critical to a successful compliance program. An acceptable evaluation program must contain both auditing and monitoring components in order to determine:
1. Whether West Michigan CMH is, in fact, operating under current applicable legal, regulatory and contractual standards; and
  2. Whether West Michigan CMH’s regulatory management program is effective in detecting, deterring and remediating compliance violations.
- II. **APPLICATION:** All programs and services operated by West Michigan CMH.
- III. **REQUIRED BY:** 42 CFR, Ch. IV §438.608; Contract with PIHP.
- IV. **POLICY:** West Michigan CMH shall put into place auditing and monitoring procedures designed to accomplish the following:
1. To determine whether West Michigan CMH and its network providers are providing services and billing in accordance with Federal and State laws, regulations, and contractual requirements.
  2. To determine whether West Michigan CMH and its network providers are providing services that are:
    - a. Appropriately documented and coded;
    - b. Actually provided;
    - c. Reasonable and medically necessary; and
    - d. Provided without improper incentives.
  3. To identify compliance problem areas requiring special focus; and
  4. To provide a baseline snapshot by which to measure the effectiveness of compliance efforts.
- V. **PROCEDURES**
- Standards and Guidelines:
1. In order to ensure the successful implementation of an effective compliance program, regular and periodic compliance audits will be performed by internal or external auditors who have expertise in Federal and State health care statutes, regulations and Federal health care program requirements. Audits will be planned based on risks identified through organizational risk assessments and will focus on the WMCMH programs and managed care functions including external relationships with third-party contractors. In particular, the audits will focus on the risk areas

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known to affect WMCMH, especially the data and information that affect payments by Medicaid as well as all other payer sources.

2. Internal staff or external sources involved in any audits will:
  - a. Possess the qualifications and experience necessary to adequately identify potential issues with the subject matter to be reviewed;
  - b. Be independent of the specific functional area examined;
  - c. Have access to existing audit resources, relevant personnel and all relevant areas of operation;
  - d. Specifically identify areas where corrective actions are needed.
  
3. In order to detect noncompliance and improve the quality of work, an ongoing evaluation process is critical to the success of West Michigan CMH's Corporate Compliance Program. The Corporate Compliance Director will conduct periodic audits of various departmental compliance. This will be done by the following:
  - a. **No-Notice Audit:** random audit of a program and/or service. This will be accomplished either in-person or via electronic means.
  - b. **Scheduled Audit:** a predetermined date or timeframe where the director of the identified department is notified, and a point of contact (POC) has been provided to the Corporate Compliance Director.
  - c. **SMT Directed Review:** A review determined by the Senior Management Team. They will provide the scope and determine if it will be a No-Notice Audit or Scheduled Audit. Afterward an Executive Summary will be provided to the SMT or designee.

**VI. SUPPORTING DOCUMENTS:** Not Applicable

**VII. POLICY/PROCEDURE REVIEW:**

REV#	APPROVED BY	Policy/Procedure	DATE
1	CCC	Procedure	3/15
1	TB		5/16
1	TB		5/17
1	CCC		5/18
1	Unknown		6/19
2	CCC	Procedure	11/20
2	CCC	Annual Review	02/22
2	CCC	Annual Review	01/23
2	CCC	Annual Review	10/23
<b>Board Approval Date: 3/19/2002</b>			

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**IX. CHIEF EXECUTIVE OFFICER ENDORSEMENT:**

I have reviewed and approve of policy #6-1-6 Revision # 2

**CEO: Lisa A. Williams    Approval Signature: \_\_\_\_\_**