

# Medicare Compliance FDR newsletter

Quarter 1, 2025

## Strengthening compliance program effectiveness

We want to thank our First-Tier, Downstream, and Related Entities (FDRs) for your hard work and dedication. Your efforts ensure compliance with important rules and regulations, helping us provide safe, quality care to our members.

In 2024, the top compliance issue from our Compliance Program assessments was related to exclusion screening failures. The root causes included inconsistent screening practices, gaps in ongoing monitoring, failure to screen downstream entities and failing to retain documentation.

Ensuring proper exclusion screening is a priority for CVS Health® and our First-Tier, Downstream, and Related Entities (FDRs). Exclusion screening failures can lead to rule violations, financial penalties and reputational risks. Understanding these issues helps strengthen your oversight and prevent future compliance risks for us.

To stay compliant, be sure to complete required exclusion screening timely (prior to hire / contracting, and monthly thereafter) to comply with our policies and CMS regulations. Report any concerns right away. If you have questions Email us at [MedicareFDR@Aetna.com](mailto:MedicareFDR@Aetna.com).

## FDR guidebooks updated

We want you to understand what we expect from you and help you understand how to comply with our policies and CMS regulations.

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## Quick links

- **[Medicare Managed Care Manual](#)**
- **[Medicare Prescription Drug Benefit Manual](#)**
- **[CVS Health Code of Conduct \(updated November 2024\)](#)**

Exclusion list links:

- **[OIG list of excluded individuals and entities \(LEIE\)](#)**
- **[GSA System for Award Management \(SAM\)](#)**

Link not working? Go to **[SAM.gov/SAM](https://sam.gov/SAM)** to access the site directly.

We have a robust Medicare Compliance program, including communication with our Medicare FDRs.

Our Medicare Compliance Officer is Patrick Jeswald. Questions or concerns? Email **[MedicareFDR@Aetna.com](mailto:MedicareFDR@Aetna.com)**

Our guidebooks provide our FDRs with a summary of the FDR compliance program requirements applicable to their organization.

The **Aetna® FDR Guidebook** and the CVS Health® FDR Guidebook were both recently updated to include a new **Business Continuity Plan (BCP) Self-Assessment tool** to help organizations evaluate their continuity strategies.

Our FDRs receive our guidebooks through initial and annual training, the **Aetna® FDR Guidebook** is always available online, and the CVS Health® FDR Guidebook is available upon request.

We encourage you to review. If you have any questions or need a copy of the CVS Health FDR Guidebook, please reach out to us at **MedicareFDR@Aetna.com**.

## Performing offshore services

We must comply with applicable Federal and State laws, rules and regulations related to use and reporting of offshore entities.

Health Plans are required to provide details to CMS about offshore services involving protected health information (PHI) performed by FDRs. We rely on our FDRs to provide us with offshore information prior to performing functions offshore, and prior to contracting with downstream entities to perform services offshore.

### What locations are considered “offshore”?

Offshore refers to an individual or entity physically located outside the United States or one of its territories, like American Samoa, Guam, Northern Marianas, Puerto Rico and the Virgin Islands. Examples of offshore countries include Mexico, Canada, India, Germany, the Philippines and Japan.

Offshore subcontractors can be American owned companies with portions of their operations outside of the U.S. Or they can be foreign-owned companies with operations outside of the U.S. Offshore subcontractors provide services performed by workers located in offshore countries, regardless of whether they’re employed by American or foreign companies.

### What offshore services need to be reported:

FDRs must submit an attestation to disclose offshore services performed that involve the receipt, process, transfer, handling, storage, or access to beneficiary PHI. The information can be verbal or written.

Examples of PHI include:

- Beneficiary name
- Birth date
- Address
- Social Security number
- Health insurance claim number
- Patient identifier
- Medical diagnosis
- Medical history
- Treatment records
- Type of provider visited
- Use of health care services
- Payment information
- Evidence of insurance coverage
- Any information that could reasonably identify a beneficiary

### How and when do I report offshore?

We must provide approval before you can utilize offshore services in advance. An authorized CVS Health® representative must grant approval before your organization can use an individual or entity to perform offshore services for our Medicare plans. If there are material changes in any offshore services information you have submitted in the past, tell us right away. See our FDR guidebooks for additional details on the reporting process.

## Business continuity planning

Strong Business Continuity Plans (BCPs) are important in ensuring that services remain available during disruptions. A well-prepared BCP helps organizations quickly recover from natural disasters, cyberattacks, pandemics, system failures and other emergencies, minimizing service interruptions.

### Minimum BCP requirements

CMS requires all health care organizations, to have a plan for handling emergencies. If an organization is not prepared, it can lead to service disruptions and risks to member safety. The minimum BCP requirements include:

### Risk Assessment & Mitigation:

- Implement risk mitigation strategies to reduce exposure and impact.
- Regularly assess risks and update plans to reflect new threats.

### Chain of Command & Business Communication:

- Employee communication strategies for emergency updates and instructions.
- Implement secure communication channels to maintain business operations.

### Restoration & Business Operations

- Establish a structured recovery process to restore normal operations efficiently.
- Prioritize business functions based on impact assessment and operational needs.
- Conduct post-incident evaluations to identify lessons learned and improve response strategies.

### Training & Testing

- Provide ongoing training to ensure employees understand BCP procedures.
- Review and update the BCP periodically to reflect business and regulatory changes.
- Maintain records of all BCP-related activities, including risk assessments, training logs, and revisions.

As an FDR, you play an important role in ensuring business continuity. By working together, we can ensure continued compliance with CMS regulations and provide uninterrupted, high-quality care. BCP requirements are found under **42 CFR § 422.504(o)(1)** and **§, 423.505(p)(1)**.

## Looking for resources?



Our relationship with you — a First Tier, Downstream or Related Entity (FDR) — is important to us. We need you to help fulfill our contracts with CMS. And you can rely on us for the teamwork and support you need.

Read our **Aetna FDR Guide**; it includes a toolbox of resources. If you need the **CVS Health FDR Guide**, contact us.

Past newsletters are available on ([aetna.com](https://aetna.com))

### Need to report noncompliance or potential fraud, waste and abuse (FWA)?

Here are the different ways to report:

- **Call** the CVS Health Ethics Line at **1-877-287-2040 (TTY: 711)**
- **Visit** [CVSHealth.com/Ethicsline](https://CVSHealth.com/Ethicsline)
- **Write to** Chief Compliance Officer, CVS Health, One CVS Drive, Woonsocket, RI 02895

## Earning the trust of our customers

