

# Medicare Compliance FDR newsletter

Quarter 4, 2024

## Code of conduct

CVS Health® is committed to standards of conduct and/or compliance policies and procedures that reflect our commitment to conduct business based on the highest ethical standards and in strict compliance with applicable federal and state laws and regulations.

We recently updated the [CVS Health Code of Conduct \(Code\)](#). The Code is intended to help resolve ethical and compliance issues by providing the information, tools, and resources necessary to make good decisions. It also includes information on how to report issues or concerns. We encourage you to review it.

You can always find our [Code of Conduct](#) online.

## Exclusion screening, a critical responsibility

During 2024 oversight reviews of our First Tier, Downstream, and Related (FDR) entities revealed that our FDRs were not always conducting the required exclusion screenings against the [Office of Inspector General \(OIG\) list of excluded individuals and entities \(LEIE\)](#) and the [General Services Administration \(GSA\) System for Award Management \(SAM\)](#).

Federal law prohibits Medicare, Medicaid and other federal health care programs from paying for items or services provided by a person or entity excluded from these federal programs.

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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](#) 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)

Before hiring or contracting and monthly thereafter, each FDR must check exclusion lists. Exclusion screenings are a critical compliance step to ensure that no individual or entity excluded from federal health programs engages in providing services.

Failing to meet these requirements can result in significant regulatory and operational risks, including potential civil monetary penalties and could jeopardize contractual relationships.

The primary issues identified were that our FDRs were failing to complete the screenings as required, or they maintained insufficient documentation of the screening process to demonstrate that it was happening.

#### Exclusion Screening Checklist:

- Ensure exclusion screenings are performed for all individuals and downstream entities before hiring or entering into a contract and then monthly thereafter.
- Maintain records of completed screenings, including dates, results, and necessary follow-up actions.
- Cross-check details such as names, addresses, and Tax Identification Numbers (TINs) to ensure accuracy.
- Provide regular training to employees involved in downstream/vendor management to ensure understanding of Centers for Medicare & Medicaid Services (CMS) regulations and our policies.
- Conduct periodic audit and monitoring of the exclusion screening process to verify timely completion and address any gaps promptly.

## Reporting a positive exclusion list occurrence

If your organization's exclusion monitoring of [GSA SAM](#) and [OIG](#) exclusion database identifies a match for your employed or contracted population, it is important to act promptly to comply. Verify the match to confirm whether it is

indeed the same individual or organization. Once validated, remove them from any direct or indirect work on our Medicare plans and then notify us immediately. Don't worry about retaliation. We enforce a zero-tolerance policy for retaliation against anyone reports concerns in good faith.

#### Reporting Checklist:

- Ensure your company policy for reporting FWA and compliance concerns to us includes this scenario.
- Designate a compliance officer or team responsible for submitting reports to us.
- Review a sample of past screenings and reports to ensure accuracy and completeness.

CVS Health® relies on our FDRs to comply with the CMS exclusion screening requirements and by working together, we can ensure that only eligible providers and entities participate in the delivery of health care.

## Identifying downstream entities

If you choose to subcontract with other parties for services for our Medicare plans, you must make sure they abide by all laws and regulations that apply to you as a first-tier entity. Being able to accurately identify downstream entities and subcontractors is critical to maintaining compliance with CMS guidelines.

Only subcontractors that provide administrative or health care services for our Medicare Advantage and Prescription Drug plan products may be downstream entities.

Our [FDR Guide](#) includes a [resource](#) to help you determine what subcontractors are a downstream entity. If you have questions about which entities would be considered Downstream Entities for your organization, or if you have

subcontractors that are not on this list, we can help. Just send an email to us.

Few examples of downstream entities:

- Contracted providers (e.g. physicians, chiropractors, dentists) and nurses and nurses' aides;
- Contracted laboratory and radiology technicians.
- Contracted billing staff, including certified coders, and pharmacy or medical claim processors.
- Call centers taking beneficiary calls.
- Vendors printing and mailing required member communications.
- Entities that generate claim data

Our FDRs must adopt processes to ensure all their downstream entities and subcontractors are correctly identified.

To meet these requirements, FDRs must ensure:

- Guidelines are in place determine which entities qualify as a downstream as well as who is considered an employee.
- Maintain contracts clearly define the roles and responsibilities of downstream entities, including compliance with applicable laws and regulations.
- Perform regular oversight activities to validating that the downstream entities meet performance and compliance standards.
- Verifying their compliance with the compliance program requirements including exclusion screenings, privacy, business continuity and security requirements.
- Implement corrective actions for identified non-compliance that prevent, detect and correct issues of non-compliance.

Taking these steps ensures that our FDRs maintain compliance while delivering high quality services.

## 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 **FDR Guide**; it includes a toolbox of resources. You can also find archived newsletters **[Provider Newsletter Archive \(aetna.com\)](#)**

### 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://www.cvshealth.com/ethicsline)**
- **Write to** Chief Compliance Officer, CVS Health, One CVS Drive, Woonsocket, RI 02895

## Earning the trust of our customers

