

ORGANIZATIONAL PROCEDURE

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| PROCEDURE TITLE: COMPLIANCE PROGRAM AUDITING AND MONITORING | | | |
| Topic Area: CORPORATE COMPLIANCE | | REVIEW DATES | |
| Related Policies: 9.7 Compliance Reviews and Investigations | | 7/21/23 | |
| Applies to: Lakeshore Regional Entity Staff and Operations | ISSUED BY: Chief Executive Officer | | |
| Review Cycle: Annually | | | |
| Developed and Maintained by: LRE Chief Executive Officer & LRE Chief Compliance Officer | APPROVED BY: | | |
| Supersedes: N/A | Effective Date: 7/22/22 | Revised Date: July 22, 2023 | |

I. PURPOSE

The purpose of this procedure is to articulate Lakeshore Regional Entity (LRE) commitment to an ongoing process of evaluation and monitoring to ensure the successful implementation and effectiveness of its compliance program.

II. PROCEDURES

An ongoing evaluation and monitoring process is critical to a successful compliance program. The LRE compliance program will incorporate thorough monitoring of its compliance program implementation and regular reporting to the organization's senior officers. Compliance reports created by the ongoing monitoring and auditing efforts, including reports of suspected noncompliance, will be maintained by the Chief Compliance Officer and reviewed with the LRE compliance committee and Board of Directors as required.

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.

1. Audits will be planned based on risks identified through organizational risk assessments and will focus on Lakeshore Regional Entity' programs and managed care functions including external relationships with third-party contractors.
2. Audits will focus on the risk areas known to affect LRE, especially the data and information that affect payments by Medicaid as well as all other payer sources.
3. Compliance audit and monitoring efforts will also focus on any areas of specific concern identified within the environment and within the Office of Inspector General annual work plans.
4. Internal staff or external sources involved in any audits will:
 - Possess the qualifications and experience necessary to adequately identify potential issues with the subject matter to be reviewed;

- Be independent of the specific functional area examined;
 - Have access to existing audit resources, relevant personnel and all relevant areas of operation;
 - Specifically identify areas where corrective actions are needed; and
5. The Chief Compliance Officer will provide and present written evaluative reports on compliance activities to the CEO, COC, and Board of Directors on a periodic basis but not less than annually.

III. MONITORING AND REVIEW

The Chief Compliance Officer, in conjunction with the Chief Executive Officer, will review this procedure on an annual basis.

IV. DEFINITIONS

N/A

V. RELATED POLICIES AND PROCEDURES

- A. LRE Compliance Policies and Procedures
- B. LRE Corporate Compliance Plan

VI. REFERENCES/LEGAL AUTHORITY

- A. 42 CFR 455.17
- B. 42 CFR 438.608
- C. Michigan Mental Health Code
- D. MDHHS Managed Special Supports and Service Contract

VII. CHANGE LOG

| Date of Change | Description of Change | Responsible Party |
|----------------|-----------------------|--------------------------|
| 7/22/22 | New Procedure | Chief Compliance Officer |
| 7/22/23 | Annual Review | CEO/Designee |
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