



Attachment W
Pharmacy FWA Audit Services
Mandatory Scored Response Worksheet

Suppliers must provide responses to all questions in the **Supplier Response section** in this document and submit them as a **single** PDF attachment **bookmarked** in sequential order with the title(s) provided in the question.

Each narrative response must adhere to any assigned page limits and be in Arial, size twelve (12) font. The narrative page count will begin after the page containing the question, i.e., the page with the question and response on the remainder of that page will count as page #0.

The narrative response, along with any required supporting material, will be evaluated and awarded points in accordance with Attachment A – Lead State eRFP, Section 6 Proposal Evaluation and Award. Documents not requested will not be evaluated.

Failure to provide responses and any required supporting documentation for all questions may result in disqualification of the proposal.



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1. Bookmark Title: MSQ1 - Executive Summary

The Executive Summary is limited to five (5) pages.

Provide an Executive Summary that illustrates the Supplier's understanding of and capability to provide the requested services as described in Attachment H - Pharmacy Fraud, Waste, and Abuse (FWA) Audit Services Scope of Work and Attachment C - Common Scope Requirements and Security Standards.

The Executive Summary must include a brief corporate background of the Supplier, including the date the Supplier was formed, established, or created, total number of employees, Equal Employment Opportunity policy and current percentages in key positions, and location of the Supplier's primary and any satellite offices.

NorthStar HealthCare Consulting (NHC) is pleased to submit this technical proposal in response to the State of Georgia in Conjunction with National Association of State Purchasing Officer's Organization (NASPO) ValuePoint's *Electronic Request for Proposals (eRFP) 41900-DCH0000136 – Pharmacy Benefit Services: Pharmacy Fraud, Waste, and Abuse Audit Services* to support the Georgia Department of Community Health (DCH), in achieving its goals for improving pharmacy program claim integrity and fiscal stewardship through the provision of pharmacy auditing services. We have partnered with Medicaid Fee-For-Service (FFS) programs throughout the country—programs with similar objectives committed to complying with federal requirements to combat fraud, waste, and abuse and ensuring responsible fiscal oversight of the Medicaid drug benefit.

Introduction

At NHC, we recognize that increasing complexity of drug regimens combined with increasing healthcare regulations and complex government requirements leave many states struggling to oversee and manage their pharmacy benefit. Stewardship of public funds grows ever more important in this era of mandated oversight and necessitates that states ensure those scarce public funds are used appropriately and in a manner that reduces waste and redirects those limited resources back to patient care. **It is estimated that fraud and waste, which includes inappropriate billing, accounts for 25% of healthcare costs.**¹

Pharmacy expenditures continue to grow and consume a significant portion of the healthcare dollar. The Congressional Budget Office estimated that from 2009 to 2018 the average net price of brand-name prescription drugs increased substantially from \$147 to \$218 in Medicaid.² The Kaiser Family Foundation reports overall healthcare

1. Shrank, William H., et al. (2019, October 15). Waste in the US Health Care System: Estimated Costs and Potential Savings. Retrieved from pubmed.ncbi.nlm.nih.gov

2. Health Expenditures [Web log post]. Retrieved December 31, 2017, from <https://www.cdc.gov/nchs/fastats/health-expenditures.htm>

3. McGough, M., et al. (2023, Oct 11). How Much is Health Spending Expected to Grow? Retrieved from <https://www.healthsystemtracker.org/chart-collection/how-much-is-health-spending-expected-to-grow>

4. Executive Order 13520: Reducing Improper Payments And Eliminating Waste In Federal Programs (Rev. 1, Issued: 09-23-11, Effective: 09-23-11, Implementation: 09-23-11) Cited January 17th, 2018 from: <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1MPI.pdf>



expenditures are expected to grow at an annual rate of 4.8% between 2022 and 2031.³ These numbers are not inclusive of the recent influx of gene therapy products, for which an impact has not yet been accounted. Change is inevitable and managing that change properly is crucial. At NHC, we bring best in class integrated clinical pharmacy management and cost containment strategies to our healthcare partners to support flexible and sustainable programs and initiatives. NHC programs not only help states oversee and monitor their prescription drug spend, but we also assist states in meeting CMS requirements and federal regulations for Fraud, Waste, and Abuse monitoring.

The Objective

- Provide a comprehensive approach to pharmacy audits that are also educational in nature and serve to enhance Provider knowledge of the State policy
- Assist the State with identifying and responding to fraud, waste, and abuse within the system, including that of Members and Providers
- Support the State to ensure the compliance of systems and services with federal and state law as well as the State's pharmacy program policies, procedures, and processes
- Operate a Pharmacy Lock-In Program to improve patient outcomes
- Achieve a high level of client satisfaction through exemplary performance

The Rationale

- CMS has identified pharmacy as a high vulnerability/high risk area for Medicaid⁴
- States are required under 42 CFR 455.1 to have a fraud detection and audit program and to ensure that services billed were actually provided to beneficiaries

The Solution

Our total program approach includes:

- Review of your policy and provider contract for potential suggested revisions
- Comprehensive and complete claims review, using our proprietary platform **CompassRxSM**
- Stakeholder management
- Extensive reporting capabilities

As the incumbent vendor, NHC has been DCH's partner in pharmacy audits for 18 years. **Our solutions are time-tested and successful, developed by experienced healthcare professionals, and free from commercial bias or conflict of interest.**



OUR PROPOSAL

Approach to Audit

NHC offers a personalized approach to pharmacy audits and multiple levels of audits and review. Levels may increase in intensity and when combined, create a program that can be tailored to the State's needs and fiscal requirements while offering a comprehensive and complete audit program. All audits offer flexible parameters; audits are customized to account for plan-specific requirements and benefit allowances. And, unlike most commercial audit vendors, NHC will **never** include claims from other clients when conducting routine field or desk audits on behalf of a state Medicaid program. Further, we pledge that our audit program will be customized and reflective of your Medicaid program and not based on a commercial book of business that lacks the understanding of and regulatory oversight that is Title XIX Medicaid.

Medicaid agencies operate with significant variation and the pharmacy audit program is designed to accommodate unique policies, state pharmacy regulatory requirements, and legislative mandates such as an audit bill of rights. NHC also has experience with and understands the importance of Medicaid Fraud Control Unit (MFCU) referrals and Office of Inspector General (OIG) coordination. Additionally, all audits are traceable back to a specific prescription, and a specific and referenced criterion for recovery. Extrapolation of adverse financial audit findings to broader time periods is not used in routine audit processes.

CompassRx Concurrent Review

Concurrent Review approximates a 'real-time' audit approach when claims data is provided and audited on a daily or weekly basis. It can serve as a prepayment audit, eliminating the need for recoupment post-payment. All claims are analyzed using dynamic logic that has been developed based on our experience as a leading pharmacy audit company and on our substantial experience as practitioners. Concurrent Review notifications are delivered via facsimile when possible, requiring no response by the pharmacy. Pharmacies are encouraged to review the flagged claims to ensure they have been billed properly, according to Plan requirements and prescription directions.

Claims that are not modified may be flagged for further investigation through the desk audit program. Monthly reports are provided to document the positive impact of the Concurrent Review Program.

CompassRx Desktop and Field Audits

Our second level of pharmacy audits, Desk and Field Audits, offer a robust review of pharmacy claims data. These audits are initiated through individual claims analysis,

pharmacy report cards, and external referrals and tips (state/investigative agencies).

Pharmacies are grouped into regions, and their dispensing patterns are analyzed by our team of pharmacy technicians and pharmacists for inconsistencies or unusual activity. Reviews are typically performed monthly to quarterly, with select criteria analyzed on a year-over-year basis to detect potentially significant changes in dispensing tendencies. Statistical analysis is utilized to create pharmacy scores based on standard deviations from the network average across various criteria. Specific prescriptions are targeted for review based upon anomalies noted in the report card. Pharmacies are assessed through comparative analysis within the network for desktop or fields audits based on:

- Total claims volume
- Average dollar amount per claim
- Average number of claims per member
- Dispense as written (DAW) percentages
- Generic dispensing rates
- Opiate and controlled substance dispensing
- Percentage of claims reversed
- Date and time stamp of claims when available
- Client-specific high dollar thresholds
- Compounded Rx activity if allowed by policy
- Drug-specific measures (e.g., unusual quantities, package size mismatches, etc.)

All *CompassRx* audit programs return claims-level findings to the pharmacy and offer a grievance and appeal process including an ultimate opportunity to appeal to the State.

Pharmacy Lock-In Program

Problematic behaviors are not limited to providers but can include members as well. When there is a suspicion of member fraud, waste, abuse, or misuse, a robust Pharmacy Lock-In (PLI) program combined with an education intervention can assist with deterring problematic behavior. The overarching goal of any PLI program is to


 Monday, February 27, 2024

MAIN STREET PHARMACY
1 MAIN STREET
GAINESVILLE, GA 30506

Concurrent Review Notification
This is NOT an Audit

Supervising Pharmacist:

This letter serves as a courtesy notification of a concurrent claims review being performed by NorthStar HealthCare Consulting (NSHC) on behalf of Georgia Department of Community Health. Recently submitted paid claims have been reviewed for potential billing errors. This notification provides pharmacies with an opportunity to proactively review these claims. Please review the prescription(s), listed below, paying close attention to the reason code which may have identified a potential billing error. Only if appropriate, please resubmit the claim making any necessary corrections. Although you may contact the reviewer listed below with any questions, it is not necessary to respond to this notification.

CONCURRENT REVIEW PRESCRIPTION LIST Number: 143-0127

Name: MAIN STREET PHARMACY NPI: [REDACTED]

Phone: 678-672-4204 Fax: 678-672-4194

Reason Code	Member First Name	Member Last Name	Member Date of Birth	Rx Number	Drug Name	Quantity	Date Submitted	Date Filled
HQ	JOHN	SMITH	[REDACTED]	[REDACTED]	HUMALOG 100 UNITS/ML VIAL	50	9/11/2016	9/11/2016

HQ High quantity per day supply. This claim was billed for a quantity of 50 for a 30 day supply. The amount submitted is not consistent with average claim quantities, although the amount may be indicated based on the prescription directions. Please verify this prescription to ensure the quantity of medication and day supply submitted are supported by the administration directions.

Please note, these prescriptions may be re-reviewed for compliance in the future. In addition, you may have also received a prior authorization which allows you to submit this claim for payment. This notice is intended to verify the claim was billed appropriately. These two processes are separate and distinct.

Sincerely,

Matt Reed, CPhT
NorthStar HealthCare Consulting
4080 McGinnis Ferry Rd., Suite 1091
Alpharetta, GA 30005
Phone: 866-354-9021 ext. 204 • Fax: 678-672-4194 • Email: Matt.Reed@nhs-llc.com



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ensure the appropriate therapy and judicious use of services for Medicaid recipients. Secondary goals include identification of providers, both prescribers and pharmacies, whose behavior may indicate further review is necessary by Program Integrity (PI).

Scope of Work

NHC offers a comprehensive fraud, waste, and abuse program that incorporates multiple resources for protecting the financial integrity of the State's network. A well-structured program offers an opportunity to:

- Assess compliance with published program requirements,
- Identify opportunities for improvement in policy,
- Improve member outcomes through increased oversight, and
- Identify and resolve overpayments that divert funds and reduce state resources available for treating a state's most vulnerable populations.

NHC's *CompassRx* audit programs incorporate Concurrent Review, Desktop Audit, and Field Audits in a tiered offering to provide a comprehensive audit program solution. Additionally, a PLI Program serves as a useful tool to address member behavior. All programs offer:

- Flexibility in the administration of the program.
- Customized criteria for audit (or Lock-In) inclusion that is approved by the State and in alignment with current payment policies.
- Letters customized to state-specific requirements for notification and a formal process for provider notification of audits (or Lock-In) and audit results.
- A process for provider notification of audit appeals and escalation processes.
- Adherence to any state audit Bill of Rights, or in the absence of a Bill of Rights, adherence to best practices including adequate notification; not auditing on Mondays, Fridays, or the first week of the month; sufficient time for pharmacies to review/respond to audits; and a complete appeal, grievance, and escalation process.

Common Scope Requirements

NHC utilizes a comprehensive approach to project organization and management, understanding that such an approach is imperative to the success of a project of this magnitude. Beginning in the Design, Development, and Implementation (DDI) stage of the project, NHC will leverage its Communications Plan to facilitate a kick-off meeting in which project schedule, risks, quality, and change management will be discussed. Additionally, project costs will be intensively managed in this stage and all others. While continuing to focus on these areas into the Operations and Maintenance (O&M) stage of the project, we will incorporate our Requirements Management Plan to ensure all



applicable deliverables are reliably met. NHC will also offer relevant training to State employees and other stakeholders as needed. Throughout the life of the project, NHC will work with the State's Independent Verification and Validation (IV&V) vendor, responding to their requests for project information and providing project management deliverables as requested.

About NorthStar HealthCare Consulting

Since 2003, NHC has been providing clients with clinically appropriate customized cost initiatives that have improved quality, transparency, and cost outcomes. Since its inception, NHC has been a Georgia-domiciled, woman-owned, small business. It is independently owned and has no commercial holdings or contractual relationships with pharmacies that can cause an actual or perceived conflict of interest. NHC operates in a fee-for-service environment, when possible, to reduce any appearance of conflict. With corporate headquarters located in Alpharetta, Georgia, more than 75% of NHC's revenue is retained within the state of Georgia through its locally based employees. Indeed, eight of NHC's nine employees are located within 60 miles of the Georgia Department of Community Health's offices.

Collectively, our staff possess over 100 years of Medicaid, managed care, retail pharmacy, and fraud and abuse experience – with over 70 years specific to Georgia Medicaid. All program compliance staff are licensed pharmacists or certified technicians in the State of Georgia. As true experts in the markets served, our understanding of the clinical environment enables us to think creatively to develop the most practical, cost-effective solutions to pharmacy cost challenges. Currently 67% of our program compliance staff are in key positions under this scope of work, although **100% of the program compliance team is performing work for DCH often in collaborative cross functional capacities.**

Equal Employment Opportunity Commission (EEOC)

It is the established policy of NHC to provide equal employment opportunities to all qualified persons and to administer all aspects and conditions of employment without regard to race, religion, color, sex, gender, gender-based wage discrimination, sexual orientation, pregnancy, age, national origin, ancestry, physical or mental disability, severe/morbid obesity, medical condition, military or veteran status, genetic information, marital status, ethnicity, alienage or any other protected classification, in accordance with applicable federal, state, and local laws. NHC takes allegations of discrimination, intimidation, harassment, and retaliation very seriously and will promptly investigate when warranted. Equal employment opportunity includes, but is not limited to, employment, training, promotion, demotion, transfer, leaves of absence, and termination.



2.

Bookmark Title: MSQ2 – Compliance

Narrative description is limited to two (2) pages.

Describe in detail how you will ensure compliance of systems and services with federal and state law and the State's pharmacy program policies, procedures, and processes as required for this scope of work.

NorthStar HealthCare Consulting (NHC) actively monitors and remains up to date with all Federal and State laws, rules, and regulations as well as the policies of our clients. We are current on all requirements and will use audits as an opportunity to educate providers on client expectations. We actively verify compliance and identify noncompliance during pharmacy audits. Working closely with our clients, NHC often makes recommendations and advises on policy language. Indeed, NHC assisted the Georgia Department of Community Health (DCH) with a recent policy manual review and update, at their request. Finally, onboarding new clients includes a thorough review of client specific policies and procedures.

Compliance in Auditing

During the audit process, NHC monitors for compliance with federal law, state rules and regulations, and client-specific policy. It is within this process that we can identify prescriptions filled that are not in accordance with the aforementioned ordinances. Such discrepancies include the following:

- C-III, C-IV, C-V prescriptions filled past their six-month expiration date
- Prescriptions filled outside of the timeframe allowed by a plan's policy
- Prescriptions filled with *incorrect* patient name, prescriber name, drug/product, dosage form, or dosage strength
- Prescriptions filled from an order *missing* one or more of the required elements, such as
 - Patient name
 - Prescriber name
 - Date of issuance
 - Name, strength, dosage form, and/or quantity of prescribed medication
 - Prescriber signature
 - Drug Enforcement Agency (DEA) number for controlled orders
 - Name of supervising physician for orders written by midlevel practitioners, when required by state regulations
 - Required elements of a call-in or verbally transferred prescription
 - Required elements of an electronic prescription drug order



- Prescriptions filled or refilled not pursuant to a valid drug order
- Prescriptions filled not in accordance with the prescriber's instructions
- Prescriptions filled for a quantity more than allowed by a plan
- Prescriptions filled more frequently than allowed by a plan
- Prescriptions filled after the date of a member's death
- Prescriptions filled with a "sig" not allowed by a plan (e.g., "as directed")
- Prescriptions filled without obtaining proof of receipt where required by a plan
- Prescriptions filled and not dispensed to members or returned to stock (reversed) within a timeframe as determined by a plan
- Pharmacy records have not been maintained and/or retained in accordance with State and/or plan requirements

Maintaining Compliance

Staying current regarding industry trends is critical in the realm of compliance. As such, NHC subscribes to updates from the Georgia Board of Pharmacy, several pharmacy professional publications, as well as fraud-specific organizations. These efforts coupled with our day-to-day activities in fraud, waste, and abuse assist with keeping us continuously updated.

Our expertise is not limited to just our systems and services, but our staff brings a wealth of knowledge and experience in the compliance arena. While staffing is explored in detail further in our response to MSQ12 of Attachment W of this eRFP, it is important to highlight some of the more noteworthy credentials of our staff. We have a Pharm.D., J.D. that provides insight and interpretation on the intersection of pharmacy practice and compliance. Additional staff serve as Certified Fraud Examiners, which denotes enhanced training in fraud detection. Other staff members are certified as experts in billing and reimbursement for pharmacy as well as Durable Medical Equipment, Prosthetic, Orthotic, and Supplies (DMEPOS). Further, staff use their experience in both retail pharmacy and as auditing specialists to select claims, review prescription documents and records, issue audit findings, and educate pharmacies through the audit process. All auditing staff are licensed in Georgia as either pharmacists or certified pharmacy technicians and complete the required Continuing Pharmacy Education (CPE). By virtue of our combined experience in the field of retail pharmacy and pharmacy auditing, we understand how claims are and should be billed, how claims data is captured, and how to look for outliers and anomalies.

3.	Bookmark Title: MSQ3 – Desk Audits Bookmark Title for Supporting Material: <u>MSQ3.1 - Desk Audit Flowchart</u> Narrative description is limited to two (2) pages, not including the required supporting material. Describe in detail your process for selecting claims and conducting desk audits. Include in your response the procedure you will follow when a desk audit has been completed including, but not limited to, the requirements stated Attachment H - Fraud, Waste, and Abuse (FWA) Audit Services Scope of Work, Section 2.2 Desk Audits.
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The processes outlined below addressing Desk Audits will be submitted by NorthStar HealthCare Consulting (NHC) to the State for its review, amendment(s), and approval.

Initiation and Selection

Desk audits are claims-driven and include a focus on unusual or aberrant billing practices. All participating pharmacies have an opportunity for inclusion in desk audits. Although NHC commits to random claim selection, we offer an alternative approach utilizing algorithm-based claims selection from a set of random claims. This approach seeks to avoid unnecessary burdens in the provider community and promote the efficient use of resources. However, at the direction of the State, NHC can utilize state-approved algorithms against a random sample of claims. Our Audit Management System, *CompassRxSM*, can track and prevent overlapping audits in compliance with client policy and state law. Further, the system also tracks the aggregate number of claims for each pharmacy across audits. Finally, the program keeps a running total of the number of claims audited over a specified time frame, specific to a pharmacy.

In our desk audits, inclusion of claims is based upon multiple factors, and all claims billed during the review period are evaluated for inclusion using proprietary methodology. Claims may be flagged for selection based on one or more of several different algorithms. Methodological concerns as well as manual auditor review are leveraged when reviewing claims for audit selection. This includes, but is not limited to, identifying claims appearing to possess potential errors in billing or those that are outliers with regards to factors such as quantity, days' supply, and the frequency with which they are billed. The algorithms can vary from audit to audit as they can be customized, depending on observed patterns or the State's interests and focus. Regardless of the approach selected by the State, NHC commits to providing excellent desk audit services.



Conducting a Desk Audit

Once selected for an audit, claims are tracked through our system to ensure compliance with required timelines, whether set by policy or legislation, for initial and final audit findings. We have the capability to deliver audit correspondence in multiple formats, including electronic mail, facsimile, and post (including certified when necessary). Audit letters typically include claims information, response guidelines, and auditor contact information for any questions a pharmacy may have or to request an audit extension. We have considerable experience operating within the bounds of states' pharmacy auditing bills of rights, where applicable. Pharmacies are afforded a reasonable and prespecified amount of time, typically 30 calendar days, to respond to the audit notification letters. After providers have submitted their responses to the audit notification, our auditors conduct a comprehensive review of prescription records. This involves analyzing the entire prescription record for: validity of each prescription (i.e., the presence of all necessary information to validate the submission of the claim), compliance with federal and state laws, and compliance with the State's policy. We seek the client's approval and involvement through the entirety of the process, including the initial findings stage.

Discrepancies identified during review may be considered either correctable or uncorrectable, with determinations made at the State's discretion. Correctable discrepancies consist of those for which pharmacies may submit additional documentation during the audit process to resolve the discrepancy(s) discovered during initial review. Conversely, uncorrectable discrepancies consist of those the State determines shall not be resolved with additional documentation, usually due to the nature of the discrepancy.

Examples of acceptable documentation for correctable discrepancies may include:

- a statement from the prescriber or a new prescription order for those discrepancies wherein a prescription is filled based on an incomplete or missing prescription order, and/or
- a member attestation for those discrepancies wherein proofs of receipt are missing or incomplete.

Although verbal or "call-in" clarifications are usually not acceptable as corrective documentation, the State may stipulate the manner, nature, and requirements of corrective documentation and NHC will audit accordingly.

Once the review of the pharmacies' first submissions has been completed, letters with initial results are issued. Pharmacy providers are typically given 30 calendar days from the date of the letter to respond, address, and/or correct any identified discrepancy(s). After receiving and reviewing pharmacies' responses to the initial results, findings are updated in our Audit Management System and letters with final results are issued.



Pharmacy providers are typically given 30 calendar days to respond, either by correcting any remaining discrepancy(s) or by submitting a grievance.

Responses to final results that are received by the listed deadline and that resolve correctable discrepancies are processed by the auditors and pharmacies are subsequently issued updated findings letters reflecting the adjustment(s). Grievances received by the listed deadline, which either address uncorrectable discrepancies or are insufficient to resolve correctable discrepancies, are forwarded to a separate grievance committee for review.

Closing Out an Audit

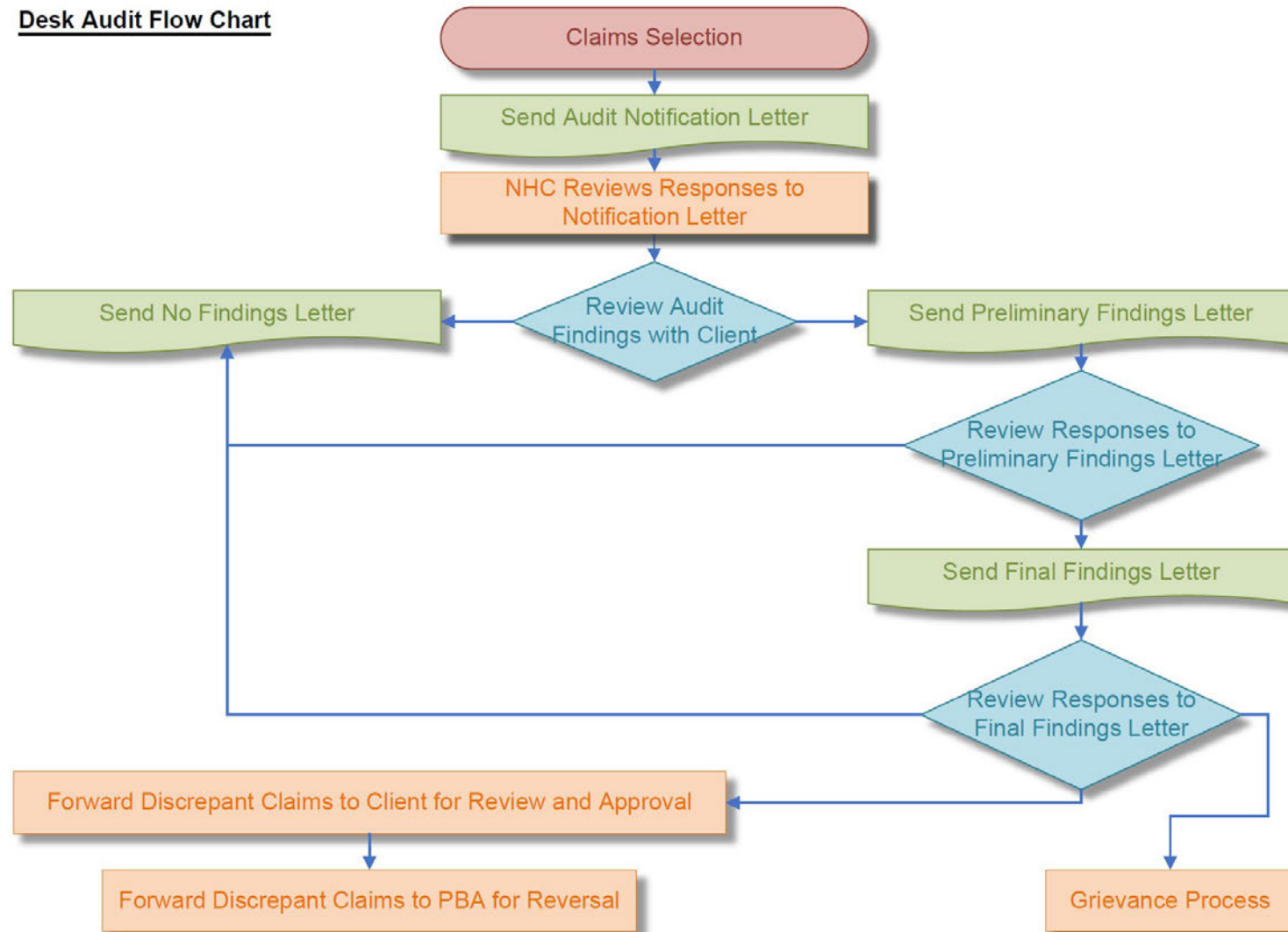
At the conclusion of the audit process, any remaining discrepant claims not included in a pharmacy's grievance request are sent to the State for review and reversal approval. Once approved by the State, we forward these claims to the Pharmacy Benefits Administrator (PBA) Vendor for reversal completion. Provider-submitted grievances are forwarded to a State-approved independent grievance committee for review. Discrepancies involved in the grievance process are separated and not included in the first set of claims sent for reversal approval.

MSQ3.1 – Desk Audit Flow Chart

Desk Audit Executive Flow Diagram



Desk Audit Flow Chart





4.	Bookmark Title: MSQ4 – Field Audits
	Bookmark Title for Supporting Material: <u>MSQ4.1 – Field Audit Flowchart</u>
	Narrative description is limited to two (2) pages, not including the required supporting material.
	Describe in detail your process for selecting claims and conducting desk audits. Include in your response the procedure you will follow when a desk audit has been completed including, but not limited to, the requirements stated Attachment H - Fraud, Waste, and Abuse (FWA) Audit Services Scope of Work, Section 2.2 Desk Audits.

The processes outlined below addressing Field Audits will be submitted by NorthStar HealthCare Consulting (NHC) to the State for its review, amendment(s), and approval.

Initiation and Selection

In contrast to claims-driven desk audits, field audits conducted by NHC are pharmacy-driven. Like desk audits, all participating pharmacy providers have the opportunity for inclusion. Pharmacies are grouped by region or type, and their dispensing patterns are analyzed by our auditors for inconsistencies or unusual activity. NHC's Audit Management System, *CompassRx*SM, tracks and prevents overlapping audits in compliance with client policy and state law. Further, the system also tracks the aggregate number of claims for each pharmacy across audits. Reviews are typically performed monthly with select criteria analyzed on a year-over-year basis to detect potentially significant changes in dispensing tendencies. Pharmacy selection takes into consideration:

- Risk Scoring – based in part on billing patterns of concern, indicated by being an outlier in the network in certain metrics including, but not limited to:
 - Prescription volume
 - Percentage of total prescriptions that are for controlled substances
 - Client-specific high dollar thresholds
 - Drug-specific measures:
 - Unusual quantities
 - Number of prescriptions per member
 - Package size mismatches
- Results of prior desk audits



Additionally, pharmacies may be selected for field audits based upon requests by the State or similar referral.

Quarterly, or at an interval determined by the State, NHC will submit a list of proposed pharmacies to include in field audits for the State's approval. Once approved, claims are tracked through our system to ensure compliance with required timelines for initial and final audit findings.

Fourteen days prior to a scheduled field audit, pharmacies are notified, via email or fax, of the date of the field audit with an approximate arrival time. Included in this notification is a masked list of claims that will be audited—wherein the last two digits of prescription numbers are omitted. Audit notifications also include auditor contact information for any questions a pharmacy may have.

Conducting a Field Audit

While on-site, NHC auditors allow assistance from the pharmacy's staff with pulling the prescriptions. Auditors conduct a comprehensive review of each prescription record, assessing the validity of each hardcopy, its compliance with federal and state laws, and its adherence to State policy. Additionally, field auditors:

- verify current licenses
- review staffing against the federal and state exclusions lists
- observe activity in the facility or pharmacy for:
 - evidence of adherence to pharmacy regulations
 - patient interaction consistent with claims volume
 - compliance with staffing regulations

Before concluding the on-site portion of field audits, our auditors conduct exit interviews with the pharmacist on duty. These interviews provide both a summary of our findings while on-site as well as a description of the remaining stages of the audit. Pharmacies are advised that all signature logs for the audited claims are due within two weeks. Copies of exit interviews as well as the auditor's contact information are left with the pharmacy should the providers have further questions or need to request an extension.

As with desk audits, discrepancies identified in field audits are either correctable or uncorrectable - with determinations made at the State's discretion. We seek the State's approval and involvement through the entirety of the process, including the initial findings stage. Once patients' proof of receipt have been submitted by the pharmacy and reviewed by auditors, letters with initial results are issued. Pharmacy providers are generally given 30 calendar days from the date of the letter to respond, address, and/or correct any identified discrepancy(s). After receiving and reviewing submissions from



pharmacies responding to the initial results, findings are updated in our Audit Management System and letters with final results are issued. Pharmacy providers typically have 30 calendar days to respond, either by correcting any remaining discrepancy(s) or by submitting a grievance.

Responses to final results received by the listed deadline and that resolve correctable discrepancies are processed by the auditors and pharmacies are issued updated findings letters reflecting the adjustment(s), if any. Grievances received by the listed deadline, which either address uncorrectable discrepancies or are insufficient to resolve correctable discrepancies, are forwarded to a separate grievance committee for review.

Closing Out an Audit

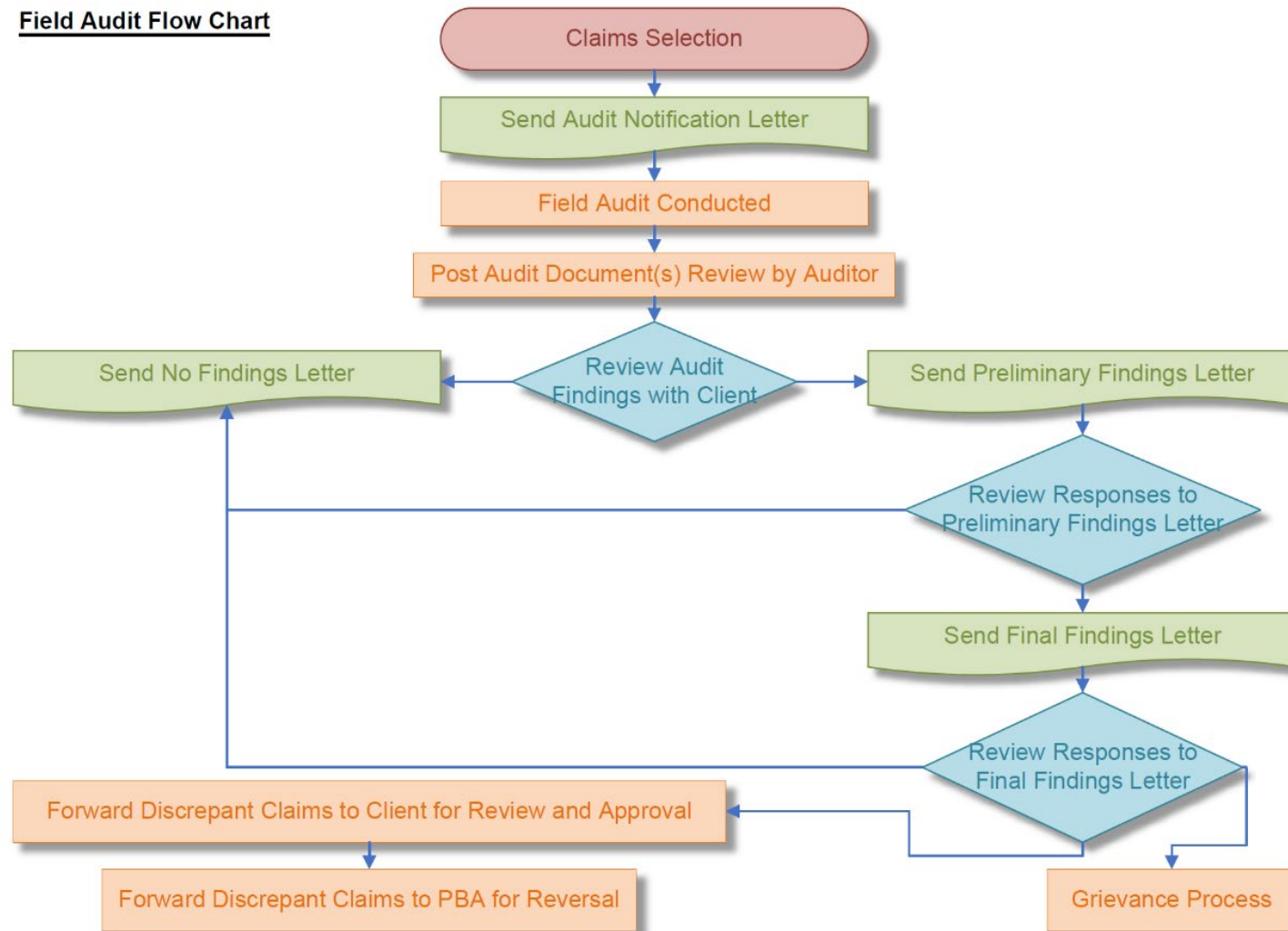
At the conclusion of the audit process, any remaining discrepant claims not included in a pharmacy's grievance request are sent to the State for review and reversal approval. Once approved by the State, we forward these claims to the Pharmacy Benefit Administrator (PBA) Vendor for reversal completion. Provider-submitted grievances are forwarded to a State-approved independent grievance committee for review. Discrepancies involved in the grievance process are separated and not included in the first set of claims sent for reversal approval.

MSQ4.1 – Field Audit Flow Chart

Field Audit Executive Flow Diagram



Field Audit Flow Chart





5. **Bookmark Title: MSQ5 – Grievances**

Bookmark Title for Supporting Material: MSQ5.1 – Grievances Flowchart

Narrative description is limited to two (2) pages, not including the required supporting material

Describe in detail your procedure for addressing grievances and processing State approved settlements utilizing, but not limited to, the requirements as stated in Attachment H - Fraud, Waste, and Abuse (FWA) Audit Services Scope of Work, Section 2.4a Grievances.

Pharmacy audits, by their very nature, seek to identify (and subsequently resolve and/or recover) aberrant billing practices. Inherent in the event of an adverse determination (e.g., recovery) is the opportunity for reconsideration and due process through an independent review.

The processes outlined below, addressing the handling of grievances and administrative review requests, along with their associated letters, will be submitted by NorthStar HealthCare Consulting (NHC) to the State for review, amendment(s), and approval.

The Grievance Committee

Completed grievance request forms, received by the deadlines listed in the pharmacy providers' final findings letters, will be forwarded to members of an independent grievance committee. Grievances may include those submissions which address uncorrectable discrepancies and those which are insufficient to resolve correctable discrepancies. The grievance committee, comprised of pharmacy professionals, will be approved by the State but will be independent and separate from NHC auditors. Each member of this committee will review grievance documents submitted by pharmacy providers in isolation and make determinations to either uphold or to overturn the original findings. Committee members will have authority to make decisions based on their professional judgment and discretion. The committee is typically allotted 30 calendar days to review and return their determinations to NHC.

Upon receipt of the grievance committee's determinations, the auditors will abide by the consensus for each grievance reviewed. The findings of the grievance committee will be saved and updated in NHC's *CompassRx*SM Audit Management System. Letters with the committee's findings will be issued to pharmacy providers by NHC. For grievances wherein the committee rules to overturn the original auditor's findings, pharmacy providers will be notified of the decision and no adverse financial findings or recoupments will be taken on the affected claim(s). For grievances where the committee determines to uphold the original auditor's findings, pharmacy providers will be notified



of the decision as well as their right to request an administrative review. In these circumstances, the letters will typically give the pharmacies 30 calendar days to submit a request, along with all relevant appeal documentation, for an administrative review.

Discrepancies upheld by the grievance committee, and for which pharmacy providers do **not** submit administrative review requests by listed deadlines, will be sent to the State for review and reversal approval. Once approved by the State, NHC will forward these claims to the Pharmacy Benefits Administrator (PBA) Vendor for reversal.

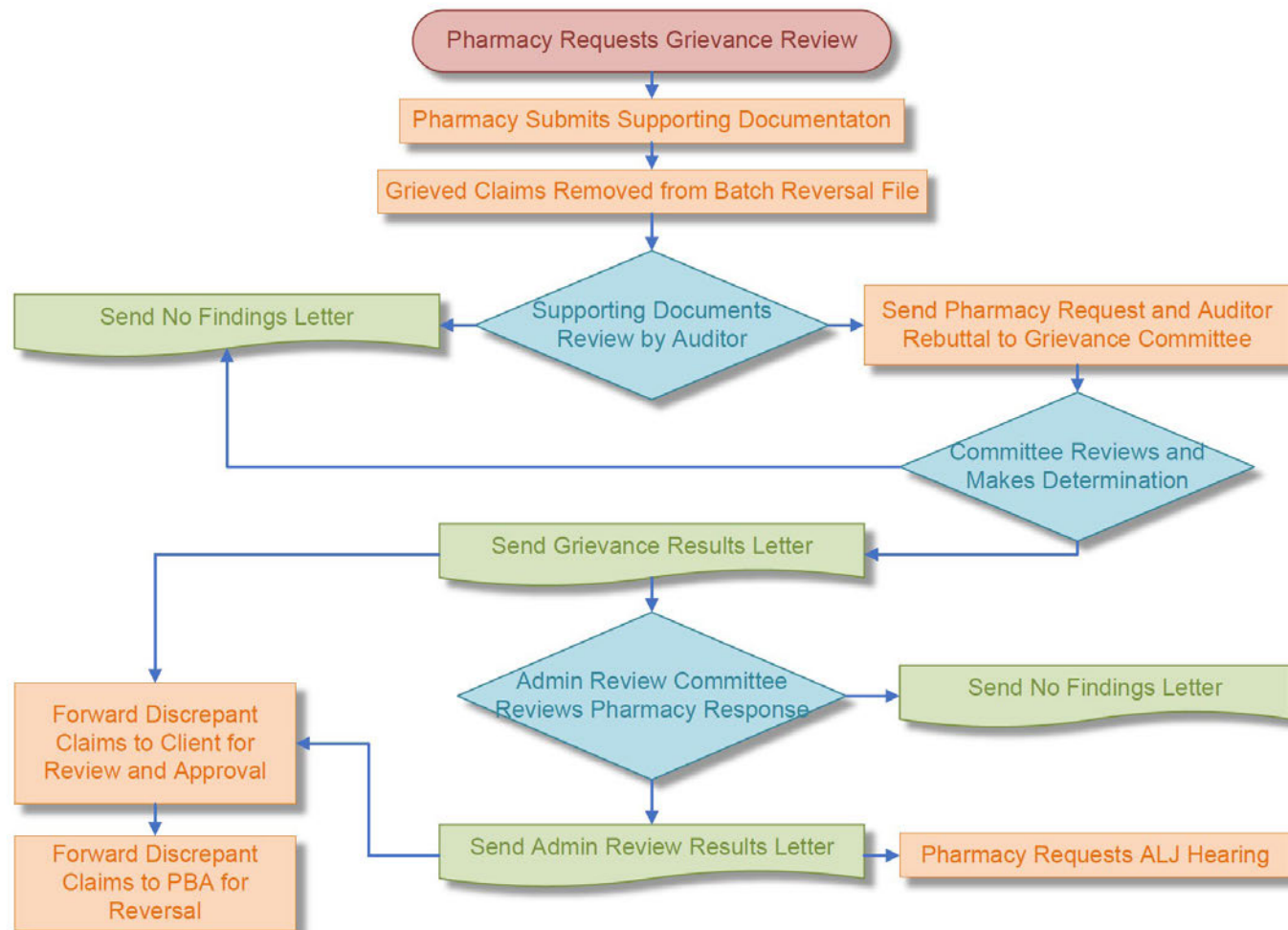
Administrative Review and Administrative Law Judge

Administrative review requests that are completed and submitted by pharmacy providers by the listed deadline will be forwarded by NHC to the Administrative Review Committee who will conduct a second-level appeal review. This body will have complete authority to overturn or uphold previous findings at its discretion. Once the Administrative Review is completed, the determinations will be forwarded to NHC. Our auditors will save these findings, update our Audit Management System accordingly, and issue findings letters to pharmacy providers. For those appeals wherein the Administrative Review Committee rules to overturn the previous findings, pharmacy providers will be notified of the decision and no adverse financial findings or recoupments will be taken on the affected claim(s). For appeals wherein the State's Administrative Review Committee rules to uphold previous findings, pharmacy providers will be notified of the decision as well as their right to request a review by an Administrative Law Judge (ALJ). In these circumstances, the letters will typically give the pharmacies 15 business days to submit a hearing request directly to the State's legal department in a delivery manner determined by the State, along with all relevant appeal documentation.

If NHC has not already been notified by the State's legal department of a hearing request, we will contact the State-designated legal department representative via email 45 calendar days after the date of letters informing pharmacy providers of their right to an ALJ hearing. If no hearing has been requested by a provider by that time, NHC will send the associated discrepant claim(s) to the State for review and reversal approval. Once approved by the State, NHC will forward these claims to the PBA Vendor for reversal completion.

For ALJ hearing requests received by the State's legal department, NHC can serve in a supportive capacity to the State's legal counsel when requested. Audit documents and case summaries will be provided by NHC, as well as testimony regarding the review process, when necessary. Claims associated with ALJ hearing requests will be flagged in our Audit Management System as such and any subsequent reversal will be managed by the State pursuant to the outcome of the hearing.

MSQ5.1 – Grievances Flow Chart





6.	Bookmark Title: MSQ6 - Review Process Narrative description is limited to four (4) pages.
	Describe in detail your process to review pharmacy and medical utilization of Members to identify areas of concern for both Members and Providers utilizing, but not limited to, the requirements stated in Attachment H - Fraud, Waste, and Abuse (FWA) Audit Services Scope of Work, Section 5 Pharmacy Lock-In (PLI) Program.

Overview

Problematic behaviors are not only limited to providers but can include members as well. When there is a suspicion of member fraud, waste, abuse, or misuse, a robust Pharmacy Lock-In (PLI) program, combined with an educational intervention, can assist with deterring problematic behavior.

The overarching goal of any PLI program is to ensure the appropriate therapy and judicious use of services for Medicaid recipients. Secondary goals include identification of providers, both prescribers and pharmacies, whose behavior may indicate further review is necessary by the State's Program Integrity Department.

One of the cornerstones of NorthStar HealthCare Consulting's (NHC) PLI solution is the utilization of pharmacist reviewers for program inclusion. Additionally, as part of our continuous quality assurance program, cases are randomly selected for secondary confirmatory review to ensure 95% fidelity across reviewers.

The processes outlined below addressing the PLI Program will be submitted by NHC to the State for its review, amendment(s), and approval.

Initiation and Selection

Based upon the available claims data, a statistical-based methodology is employed via *CompassRx*SM to identify patients with behavior indicative of misuse or abuse for educational intervention or referral to the PLI program. Ideally, both medical and pharmacy claims data will be reviewed to identify members for further review against predetermined criteria for next steps. Prior to enrollment in the PLI Program, the State may wish to employ an educational approach, including provider outreach outlining concerning behavior on the part of the member and requesting feedback and input of any clinically significant factors. Additionally, the member may also receive a letter to provide them with the opportunity to modify their behavior and actively participate in the PLI Program.



Currently, Georgia Department of Community Health (DCH) will lock-in enrollees who meet the predetermined conditions for inclusion. Those criteria focus primarily on opiates and are outlined in section 604.1 of the Pharmacy Provider Manual which includes abbreviated criteria with the following parameters:

- Drug therapy is not supported by primary or secondary diagnosis.
- Member is suspected of drug abuse or fraudulent activities (e.g., forged prescriptions, borrowed identification (ID) cards, etc.).
- The member has filled prescriptions at more than two (2) pharmacies per month or more than 5 pharmacies per year.
- The member has received more than three (3) controlled substances per month.
- The number of prescriptions for controlled substances filled by the member (this includes all drugs with abuse potential) exceeds 10% of the total number of prescriptions filled by the member.
- The member was seen in the hospital emergency room more than twice per year. If so, the recorded diagnosis should be consistent with an emergency medical condition.
- The member received duplicate therapy from multiple prescribers.
- The member received prescriptions from pharmacies or visited prescribers located outside the member's county of residence.
- The member purchased drugs of abuse without utilizing their Medicaid prescription benefits.
- The member has a diagnosis of narcotic poisoning or drug dependency.

In addition to the PLI program, DCH has been successful at combating abuse and misuse with opiates through quantity level limits based on Morphine Milligram Equivalents (MME), prior authorization criteria, and retrospective drug utilization interventions. NHC suggests additional criteria for inclusion for other agents of abuse such as tramadol, carisoprodol, and gabapentin. Additional parameters that may be considered for other initiatives include:

- Multiple prescribers of controlled drugs
- Early refills of controlled drugs
- High dose of controlled drugs
- Excessive use of controlled drugs
- Chronic use of controlled drugs with no diagnosis
- Duplication of therapy



- Number of pharmacies
- Diagnoses
- Financial impact

Provider Identification

Once candidates who are eligible for intervention have been identified, a member notification letter will be issued. The member will be afforded the opportunity to identify a pharmacy and a prescriber of their choosing as potential sole providers. If the system allows, we also recommend that members be limited to one hospital. NHC will then contact the identified providers to gauge their willingness to service the member. If necessary, telephonic outreach will be initiated with providers for participation in the PLI Program. If there is no response or a declination to accept the member is received, NHC will initiate outreach to other providers within a mutually agreed upon geographical radius of the member. If no willing providers can be identified, the State will be notified of the difficulties in identifying a suitable provider. If a willing provider is subsequently identified, members will typically be provided with a 30-day advance notification via letter that their enrollment in the PLI Program will commence on the first day of the month (after the 30-day notification period has expired). To summarize, the member notification letter will achieve the following:

- Identify concerns related to the member's utilization of the Medicaid program;
- Explain the PLI Program and the member's appeal rights;
- Provide rationale for the PLI determination; and,
- Request the member identify potential PLI providers of their choosing for program outreach.

Member Progress

While enrolled, patient data will be reviewed for improvement in the predetermined inclusion criteria and tracked on a quarterly basis. Candidates will be eligible for annual reviews for release from the program after one year of inclusion. Once this review has been completed, members who maintain program eligibility will be enrolled for another year. Those members whose patterns of behavior no longer qualify them for program inclusion will be eligible for disenrollment. If a provider requests member reassignment or if the provider is no longer able to service the member, NHC will reinitiate the provider identification process.

Program Termination

Upon disenrollment, the member and their providers will receive a notification letter. If a



member is released from the program, they will continue to be followed for at least six months to track for recidivism and, ostensibly, program reenrollment.

Reporting

Through NHC's *CompassRx* Audit Management System, we can track program efficacy and respond to state requests for case-specific information. All PLI Program activities, including member and provider inquiries, are logged and date-stamped within our Audit Management System. The State will be provided with monthly updates of the current number of members enrolled as well as those members in the process of being enrolled or under consideration for inclusion in the PLI Program. All patients will be reviewed quarterly to assess progress towards program termination. In addition to the monthly (and quarterly) reporting, NHC will meet at an agreed-upon frequency or as needed with the State to discuss program performance and to review restricted members, problems, and changes in the review process. The monthly reporting will be provided to the State five (5) days prior to the end of each month. Additional reporting will include lists of providers who engage in problematic behavior based on predetermined state-approved algorithms. NHC will also provide the State with any requested information or support applicable to any hearings or proceedings that occur in relation to member enrollment in the program.



7. Bookmark Title: MSQ7 – Cost Avoidance Strategy

Narrative description is limited to four (4) pages.

Describe in detail the effectiveness of your cost avoidance strategy for selecting claims in your concurrent review program.

Refer to Attachment H - Fraud, Waste, and Abuse (FWA) Audit Services Scope of Work, Section 3 Concurrent Reviews.

NorthStar HealthCare Consulting's (NHC) Concurrent Review Program offers the State and their providers the opportunity to identify and correct select claims (essentially in real-time) that may indicate data entry errors, billing discrepancies, or a conflict with program policies, prior to payment. This enhanced service allows the State to employ programs designed to reduce provider administrative burdens and seek to minimize the recurrence of aberrant billing practices and reduce the number of claims in audit.

At its most basic level, the Concurrent Review Program alerts the provider of a potential billing error prior to payment and potentially before receipt of the prescription by the patient. If successful, the provider is no longer at risk for recovery from a future audit and the State also avoids the associated costs from

said audit. The notification is delivered via facsimile within 24 hours of claim submission when possible, providing the busy pharmacist the opportunity to review the claim as workload allows. In our experience, concurrent review is a low-cost high-impact program that is well received from providers. Although it can vary depending on the size and scale of the program, the cost avoidance compared to program cost typically exceeds 5:1. In other words, for every dollar spent on concurrent review interventions, a program can expect to avoid cost of at least five (5) dollars on average in return.

Based on outcomes from a single Concurrent Review Program, there was nearly \$5 million dollars in estimated cost avoidance for one quarter alone

The Concurrent Review Program has been successful for multiple plans. By way of example, over 15 million dollars in cost avoidance was attributed to the Concurrent Review Program for just one client. With respect to the state of Georgia, in years past nearly 35,000 claims were touched by the program to avert the need for desk or field audit inclusion. Moreover, the program is typically received positively by providers in acknowledgment that pharmacy audit programs should not be considered revenue streams because pharmacists are provided the opportunity to correct a claim and avoid a potential recovery via audit. Finally, prescription claims that are routinely misbilled despite educational efforts are forwarded to the clinical management department for potential utilization management intervention in the form of systematic edits. If



appropriate and implemented, the edits such as Quantity Level Limits (QLLs) will also serve as a cost avoidance mechanism although the claims and associated cost avoidance will no longer be attributed to the Concurrent Review Program.

The processes outlined below addressing Concurrent Review will be submitted by NHC to the State for its review, amendment(s), and approval.

CompassRxSM Concurrent Review

Concurrent Review approximates a real-time review when claims data is provided and audited on a daily or weekly basis. Additionally, Concurrent Review can function similarly to prepayment review and seeks to eliminate the need for recoupment post-payment. All claims are analyzed utilizing dynamic logic that has been developed based on our experience as a leading pharmacy audit company and on our extensive experience as practitioners. Claims that appear to have been billed outside of normal patterns are selected for further review and intervention.

In the interest of time, Concurrent Review notifications are delivered via facsimile where possible, requiring no response by the pharmacy. Pharmacies are encouraged to review the flagged claims to ensure they have been billed properly, in accordance with Plan requirements, and prescription directions. In addition to reducing errors on a prepayment basis, a primary goal of Concurrent Review is to eliminate “unnecessary noise” to the pharmacy provider by allowing an opportunity for claims correction before the claim is selected for more intensive auditor review. An additional benefit is avoidance of incorrectly billed claims in the rebate program, reducing manufacturer disputes and prior quarter adjustments. Finally, it provides a sentinel effect secondary to continuous, active claims surveillance.

Claims that are not modified after Concurrent Review intervention may be flagged for further investigation through the desk audit program. Monthly reports are provided to the client to document the positive impact of the Concurrent Review Program. Additionally, selected medications that are frequently misbilled may be referred to the NHC clinical management department for QLL development consideration.

Concurrent Review Process

Ideally, 100% of paid, denied, reversed, and adjusted claims information are made available to NHC each night. Proprietary algorithms are then used to identify the aberrant claims and pharmacies are notified with specific information about these claims. This notification takes place within one business day via facsimile. Pharmacies then have an opportunity to review and, if necessary, correct and resubmit the claim per the provider agreement. If a pharmacy does not make corrections or if the claim still appears to be aberrant upon rereview, the claim may be included in the normal quarterly desk audit.

Counterintuitively, one of the primary benefits in conducting Concurrent Review is provider relations. Pharmacy owners often assert that the sole purpose of an audit is to serve as a revenue stream. Concurrent Review at the most basic level reduces administrative burden on both pharmacies and states if an aberrant claim can be corrected before a field or desk audit is initiated and a resulting recovery is indicated. As a result, good will is cultivated between the State and the pharmacy network by demonstrating pharmacy reviews and audits can be educational processes and not a revenue stream for payors.

Selection Criteria

While all pharmacy claim submissions are eligible for inclusion in the Concurrent Review Program, claims with a high degree of likelihood for having been billed incorrectly are the primary focus. Nevertheless, NHC offers a standard suite of claims selection criteria that is fully customizable to meet client needs including:

- Products that are billed with inconsistent package size or in large amounts
 - Quantities should be billed in whole multiples of the available package size (i.e., a 17-gram inhaler should be billed as 17 grams, 34 grams, 51 grams, etc.) This edit includes oral inhalers, nasal inhalers, insulin, ophthalmic preparations, oral contraceptives, medications packaged as kits, etc.
- Excessive Quantity and/or High Dollar claims
 - Any quantities exceeding a certain threshold based on specific program network averages. For example, 1,000 individual oral solid dosage forms (i.e., tablets) and any liquids exceeding 1,000 milliliters.
 - All medications with a pharmacy due amount above a defined threshold compared to the network average. For example, claims over \$3,500.
 - All topical preparations in excess of 60 grams.
- High Dosage Alert
 - Claims that exceed the recommended maximum daily dose.
- Age
 - Primarily includes medications that fall outside the normal age range (e.g., antihypertensive medications, Type 2 Diabetes Mellitus (DM) medications, or anti-hypercholesterolemia medications in pediatric patients).

Periodically, NHC will assess the efficacy of our algorithms by comparing the number of claims which are modified post-intervention against the total number of claims identified for the specific algorithms. Generally, a minimum percentage of claims identified by an algorithm must be reversed or rebilled for continued claim inclusion in the Concurrent Review Program.



Reporting

Reports will be provided monthly, quarterly, and annually detailing the results of the Concurrent Review Program. The reports will provide a high-level overview of claims, as well as summary details grouped by intervention reason code and pharmacy provider. The reporting details will include the total number of providers contacted, the total number of claims flagged for review, the number of unresolved discrepant claims, and the State's estimated cost avoidance. The cost avoidance calculation compares the pre- and post-claim status and final paid amount after Concurrent Review has been initiated.

8.	Bookmark Title: MSQ8 – Proposed Reports Bookmark Title for Supporting Material: <u>MSQ8.1 – FWA Reporting Samples</u> Narrative description is limited to five (5) pages including the outline(s) of the sample reports, not including the required supporting material. Provide a listing of all proposed reports including the frequency of each report, purpose and synopsis that will be provided to the State. Include with your response an outline of a quarterly utilization and performance report that will be developed and customized to meet the needs of the State and are readily accessible to authorized users along with any limitations with accessing each report. Refer to Attachment H - Fraud, Waste, and Abuse (FWA) Audit Services Scope of Work, Section 4.1 Reporting.
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Routine reporting is a supplier's opportunity to provide their clients with a summary, often in graphical representation, of performance and program effectiveness. Accordingly, NorthStar HealthCare Consulting (NHC) offers a robust suite of reports compiled using our *CompassRxSM* Audit Management System. Our system is a comprehensive cradle-to-grave case-tracking system. As such, we can produce in-depth reports of audit activity including at the claim level detail, by pharmacy, based on audit stage, for specific medications and by total number of dollars recovered. Due to the potentially sensitive nature of the contents, our preference would be to deliver all reports via secure web protocols, ensuring necessary State employees are authorized and possess credentials needed to retrieve them. However, we are willing to collaborate with the State to determine an otherwise secure method of delivery.

Proposed Monthly Reports

On a monthly basis, NHC will submit an audit activity reporting package to the State to demonstrate a high-level summary of the state of their program. The included reports will serve to provide the State with a snapshot in time of the status of ongoing audits. The reporting package, which is customizable to meet the needs of the Client, may include, but not be limited to:

- Audit Summary
 - Audit ID
 - Audit Method
 - Total Number of Audited Claims
 - Total Number of Claims Found Not Discrepant
 - Total Number of Discrepant Claims



- Total Dollar Amount of Discrepant Claims
- Total Dollar Amount of Reversed Claims
- Total Dollar Amount of Appealed Claims
 - Total Dollar Amount Under Review
 - Total Dollar Amount Upheld
- Top Ten Pharmacies by Recoupment
 - Pharmacy Name
 - Total Number of Discrepant Claims
 - Total Dollar Amount of Reversed Claims
- Top 25 Drugs by Recoupment
 - Drug Name
 - Product National Drug Code (NDC)
 - Total Number of Discrepant Claims
 - Total Dollar Amount of Reversed Claims
- Monthly Executive Summary (*see pages 1-2 of MSQ8.1 Supporting Document*)
 - Audit Summary by Type
 - Number of Audits
 - Number of Pharmacies
 - Recoupments/Cost Avoidance
 - Appeals Summary by Type
 - Number of Administrative Reviews Requested
 - Number of Administrative Reviews in Process
 - Number of Administrative Law Judge (ALJ) Hearings Requested
 - Number of ALJ Hearings in Process
 - Concurrent Review Summary
 - Number of Claims
 - Estimated Cost Avoidance
 - Top Five Drugs by Provider-Adjusted Claims
 - Top Five Drugs by Cost Avoidance
 - Details of Updated Claims
 - Drugs Updated by NDC
 - Number Claims, grouped by Type of Update (e.g., reversed versus modified)
 - Provider Education
 - Pharmacy Names
 - Type of Education or Corrective Action Plan

Proposed Quarterly Reports

A quarterly reporting package serves to provide the State with an enhanced overview of all audit activity that occurred during the three-month timespan. Also provided in the quarterly reporting package is a dashboard summarizing all audit activity that occurred over an extended time period, in the case of MSQ8.1 Supporting Document, the time period is 18 months. The quarterly reporting provides the State with a more comprehensive status of their audit programs given the expanded time period compared to the monthly reporting. Because most audits progress through stages with guaranteed provider minimum response times, some audits may not reach the final stage for over one year. The ebb and flow of the entirety of the audit program is better captured in a dashboard format with an 18-month review period to account for the completion of an audit cycle. Finally, pharmacy scorecards upon which inclusion in field audits is often based are made available in the quarterly package. This reporting package, also customizable to the State's needs, typically includes, but is not limited to:

- Quarterly Audit Executive Summary (*see pages 3-7 of MSQ8.1 Supporting Document*)
 - Summary of Audit Activity
 - Number of Audits: Current Quarter, Fiscal Year, 12 Months, Year to Date
 - Number of Pharmacies Audited: Current Quarter, Fiscal Year, 12 Months, Year to Date
 - Number of Claims Audited: Current Quarter, Fiscal Year, 12 Months, Year to Date
 - Total Dollar Amount Recovered: Current Quarter, Fiscal Year, 12 Months, Year to Date
 - Number of Claims Selected for Concurrent Review: Current Quarter, Fiscal Year, 12 Months, Year to Date
 - Estimated Cost Avoidance: Current Quarter, Fiscal Year, 12 Months, Year to Date
 - Status of Current Quarter's Audits
 - Key Findings
 - Number of Discrepant Claims by Type
 - Total Dollar Amount by Discrepancy Type
 - Items Pending Decisions by the State
 - Status of Open Audits from State's Prior Fiscal Year
- Audit Dashboard: Rolling 18-Month Report, Listed by Month (*see page 8 of MSQ8.1 Supporting Document*)
 - Number of Desk Audits in Progress
 - Number of Desk Audits Closed



- Number of Field Audits in Progress
 - Number of Field Audits Closed
 - Number of Daily Concurrent Review Claims
 - Estimated Cost Avoidance from Concurrent Review
 - Total Dollar Amount Recovered from Closed Audits
 - Summation of Estimated Cost Avoidance from Concurrent Review and Total Dollar Amount Recovered from Closed Audits
 - Top Ten Discrepancies by Occurrence on Closed Audits
 - In-Process vs. Completed Recoveries by Quarter on Closed Audits
- Pharmacy Scorecard: Pharmacy-specific Risk Scoring Summary (*see page 9 of MSQ8.1 Supporting Document*)
 - Overall Risk Score
 - Network Risk Score Percentile
 - Top Five Categories by Percent Variance from Network Average
 - Top Five Categories by Weighted Risk Score



MSQ8.1 – FWA Reporting Samples

Samples of the reports outlined above begin on the following page.



Monthly Executive Summary

Audit Summary

Audit Type	Number of Audits	Number of Pharmacies	Recoupment/Cost Avoidance
Desk	32	729	\$5,179,922.79
Field	42	42	\$393,3299.86
Totals	65	1,004	\$5,462,322.55 Still under review

Appeals Summary

Appeal Type	Number	Status
Admin Review Requested	1	Admin reviews sent to Committee this month
Admin Review In Process	225	Currently open
ALJ Reviews Requested	1	ALJ reviews requested this month
ALJ Reviews In Process	1	Currently under review
Total in Process	228	

Concurrent Review Summary

Audit Type	Number of Claims	Estimated Cost Avoidance
Concurrent	4,395	\$2,699,573.96
Totals		\$2,699,573.96

Top 5 Drugs by Claims Adjusted (Updates and Reversals)	
Drug	Claims Adjusted
Suboxone 8-2MG	52
Proair HFA	31
Sucralfate 1GM/10ML	14
Enbrel Sureclick 50MG/ML	13
Diclofenac Gel 1%	10



Concurrent Review Summary (Cont.)

Top 5 Drugs by Cost Avoidance	
Drug	Cost Avoidance
Epclusa Tab 400-100	\$276,899.92
Novoseven 5MG	\$231,123.67
Stelara 90MG/ML	\$218,488.91
Idelvion Sol 2000 Unit	\$93,254.38
Afinitor Tab 5MG	\$73,978.97

Types of Adjustments Made (Updates Only)		
Drug	Claims Updated	Top Adjustment Type
Proair HFA	6	Change from 2 inhalers to 1 in patients over 18; Corrected day supply
Suboxone 8-2MG	3	Corrected quantity and day supply

Provider Education

Pharmacy Provider	Education
Example Pharmacy	Corrective action plan offered for: NRS
Example Pharmacy	Corrective action plan offered for: NRS
Example Pharmacy	Corrective action plan offered for: NRS
Example Pharmacy	Corrective action plan offered for: NSL/ISL
Example Pharmacy	Corrective action plan offered for: NSL/ISL
Example Pharmacy	Corrective action plan offered for: NRS
Example Pharmacy	Corrective action plan offered for: NSL/ISL
Example Pharmacy	Corrective action plan offered for: NSL/ISL
Example Pharmacy	Corrective action plan offered for: NRS
Example Pharmacy	Corrective action plan offered for: NRS

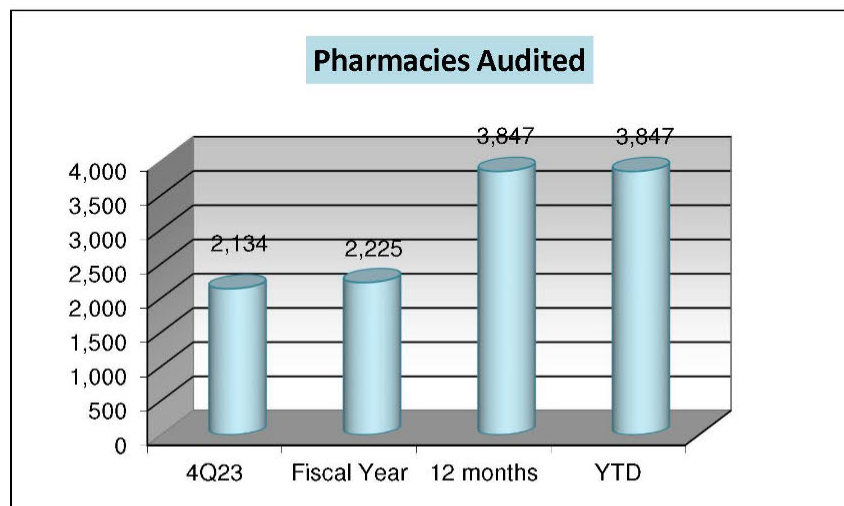
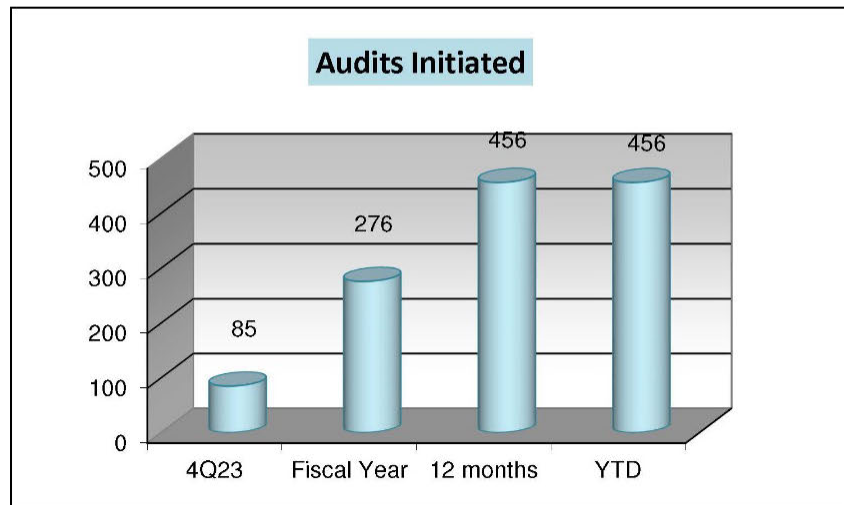


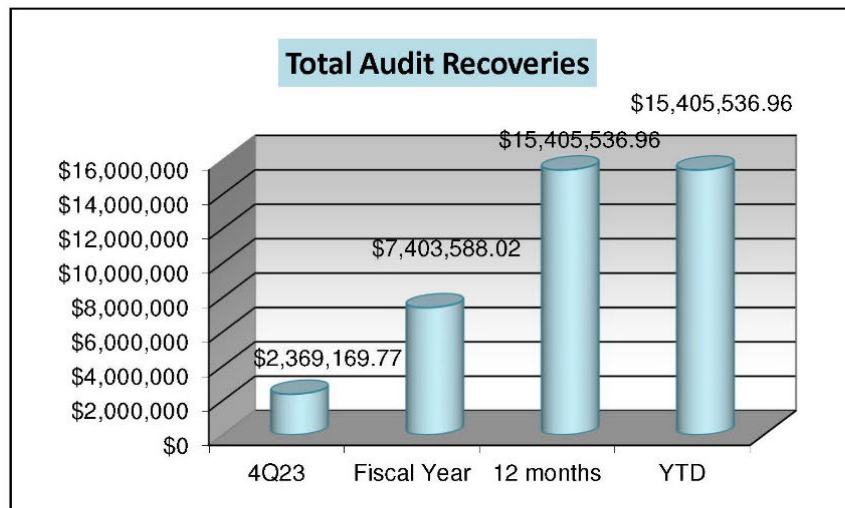
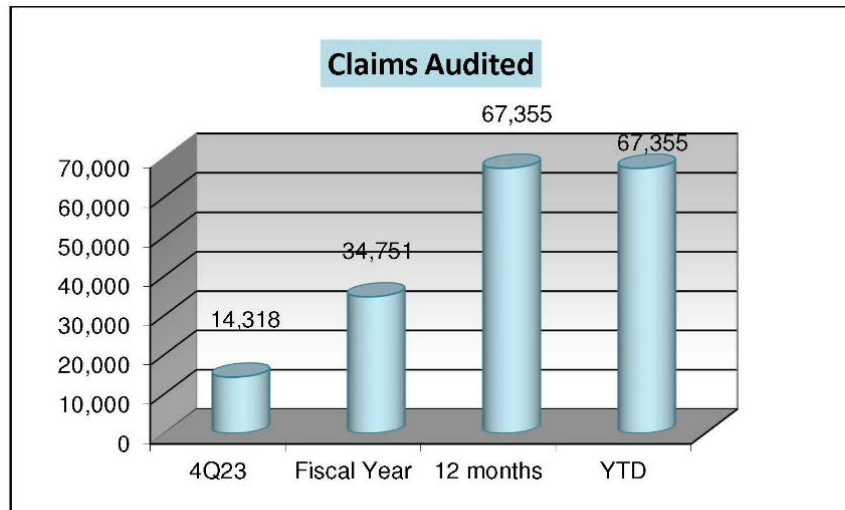
Quarterly Audit Executive Summary

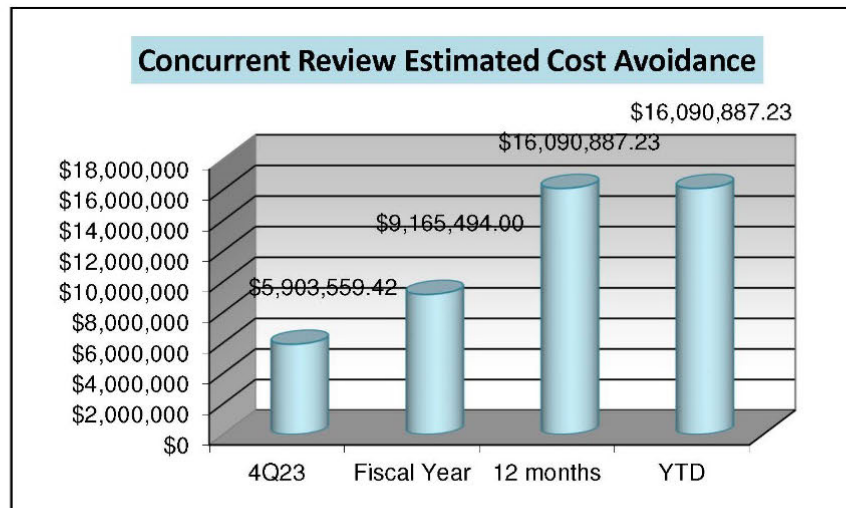
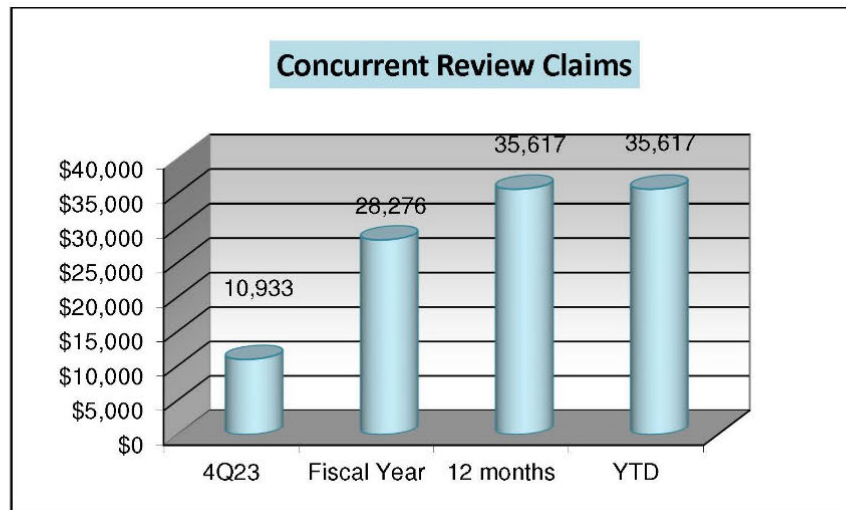


Summary of Audit Activity

As of January 1st, there are 351 audits in progress. The following charts summarize all audit activity. Please note: 4Q23 is defined as October through December 2023; fiscal year is defined as July 2023 – June 2024; 12 months is the most recent 12 months; year to date is January 2023 through the date of this report; prior SFY is defined as July 2022 – June 2023.







Status of 4Q23 Audits

- October – 44 field audits initiated, Preliminary results sent in December, Final Findings must be sent by July 2024 per Audit Bill of Rights
- November – 21 field audits initiated, Preliminary results sent in January, Final Findings must be sent by August 2024 per Audit Bill of Rights; 34 desk audits initiated, Preliminary results sent in February, Final Findings must be sent by September 2024 per Audit Bill of Rights
- December – 10 field audits initiated, Preliminary results sent in January, Final Findings must be sent by August 2024 per Audit Bill of Rights

Key Findings



Discrepancy	Claim Count	Dollar Amount
	29	\$26,313.51
	54	\$73,123.85
	43	\$37,922.71
	5	\$2,733.54
	24	\$6,314.41
	21	\$8,429.58
	22	\$10,176.42
	9	\$7,139.49
	27	\$18,414.82
	2	\$454.14
	531	\$505,926.99
	678	\$887,103.12
	8	\$3,334.47
	2	\$2,168.46
	763	\$2,298,772.62
	27	\$22,600.76
	5	\$3,576.72
	10	\$2,386.44
	231	\$32,465.78
	96	\$67,272.67
	54	\$51,282.53
	1146	\$1,076,174.10
	58	\$37,564.84
	694	\$240,220.87
	4	\$24,880.64
	329	\$712,574.90
	104	\$50,149.54
	384	\$381,272.90
	23	\$32,650.36
	102	\$49,833.36
	67	\$57,699.97

Pending Decisions from Program Integrity

- Main Street Pharmacy 1 – Audit on hold; pharmacy under review in connection with federal case.
 - Notification Letter Date – 4/28/23
 - Preliminary Results Date – 6/15/23



- Final Findings Date – 9/28/23
- Main Street Pharmacy 2 – NHC submitted referral; Attestation form missing date of receipt. NHC awaiting client discussion with pharmacy attorneys.

Status of Open Audits from prior SFY

- 85 Audits are currently open that were initiated in prior SFY
 - 35 audits have received administrative review results. NHC to follow up with PI on which pharmacies, if any, have requested an ALJ hearing.
 - 29 audits have requested an administrative review. These reviews have been completed at the time of this report and results letters will be sent.
 - 7 audit have received final results. NHC is reviewing responses for potential administrative review requests.
 - 33 audits are ready for batch.



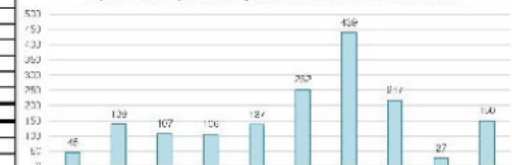
All data amounts correspond to the month in which each audit was initiated. "Total Payment to NorthStar" may include amounts not yet invoiced.

Year	Month	Desk Audits in Progress	Desk Audits Closed	Field Audits in Progress	Field Audits Closed	Daily Review Claims	Estimated Cost Avoidance from Daily Review	Identified Recoupment \$ on Closed Audits	Client Approved Recoupment \$ on Closed Audits	Actual \$ Recouped on Closed Audits	Estimated Cost Avoidance Plus Actual \$ Recouped	Client Approved and Actual Recoupment Variance Explanation
2021 Totals		0	200	0	20	0	\$ -	\$ 300,073.70	\$ 226,107.50	\$ 226,107.50	\$ 226,107.50	
2022	February	0	0	0	0	13629	\$ 75,341.76	\$ -	\$ -	\$ -	\$ 75,341.76	
	March	0	100	0	0	24171	\$ 18,437.70	\$ 79,755.40	\$ 79,755.40	\$ 79,755.40	\$ 79,755.40	
	April	100	0	0	10	48002	\$ 44,461.23	\$ 10,302.90	\$ 10,302.90	\$ 10,302.90	\$ 16,302.99	
	May	0	0	0	0	42974	\$ 27,141.44	\$ -	\$ -	\$ -	\$ 27,141.44	
	June	0	3	0	10	38045	\$ 18,437.70	\$ 07,745.04	\$ 07,745.04	\$ 07,007.04	\$ 67,007.04	
	July	0	1	0	0	40608	\$ 75,341.76	\$ -	\$ -	\$ -	\$ 75,341.76	
	August	0	0	0	0	24171	\$ 18,437.70	\$ -	\$ -	\$ -	\$ 18,437.70	
	September	111	5	19	0	48002	\$ 44,461.23	\$ 53,549.00	\$ -	\$ -	\$ 44,461.23	
	October	0	0	0	0	42974	\$ 27,141.44	\$ -	\$ -	\$ -	\$ 27,141.44	
	November	271	7	0	25	38045	\$ 22,573.66	\$ 60,446.26	\$ 2,469.51	\$ -	\$ 22,670.55	
	December	100	0	37	0	40608	\$ 71,115.73	\$ -	\$ -	\$ -	\$ 71,115.73	
2022 Totals		582	115	55	50	404240	\$ 442,969.35	\$ 280,537.69	\$ 166,222.94	\$ 166,166.03	\$ 524,818.75	
2023	January	0	6	0	0	154794	\$ 400,975.02	\$ 12,329.83	\$ -	\$ -	\$ 400,678.92	
	February	0	0	0	0	145305	\$ 607,700.81	\$ -	\$ -	\$ -	\$ 607,700.81	
	March	100	0	10	13	162747	\$ 366,058.80	\$ 5,671.43	\$ -	\$ -	\$ 355,058.80	
	April	4	1	0	0	156260	\$ 271,795.99	\$ -	\$ -	\$ -	\$ 271,795.99	
	May	0	0	10	0	157553	\$ 292,002.31	\$ -	\$ -	\$ -	\$ 292,002.31	
	June	100	0	0	0	171805	\$ 207,204.58	\$ -	\$ -	\$ -	\$ 207,204.58	
2023 Totals		204	7	20	13	642464	\$ 2,204,744.41	\$ 18,301.26	\$ -	\$ -	\$ 2,204,744.41	

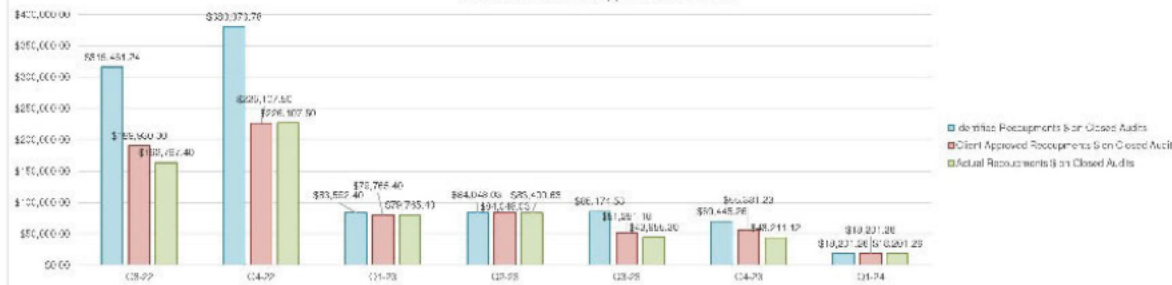
Top Reasons Claims are Selected from Daily Review:

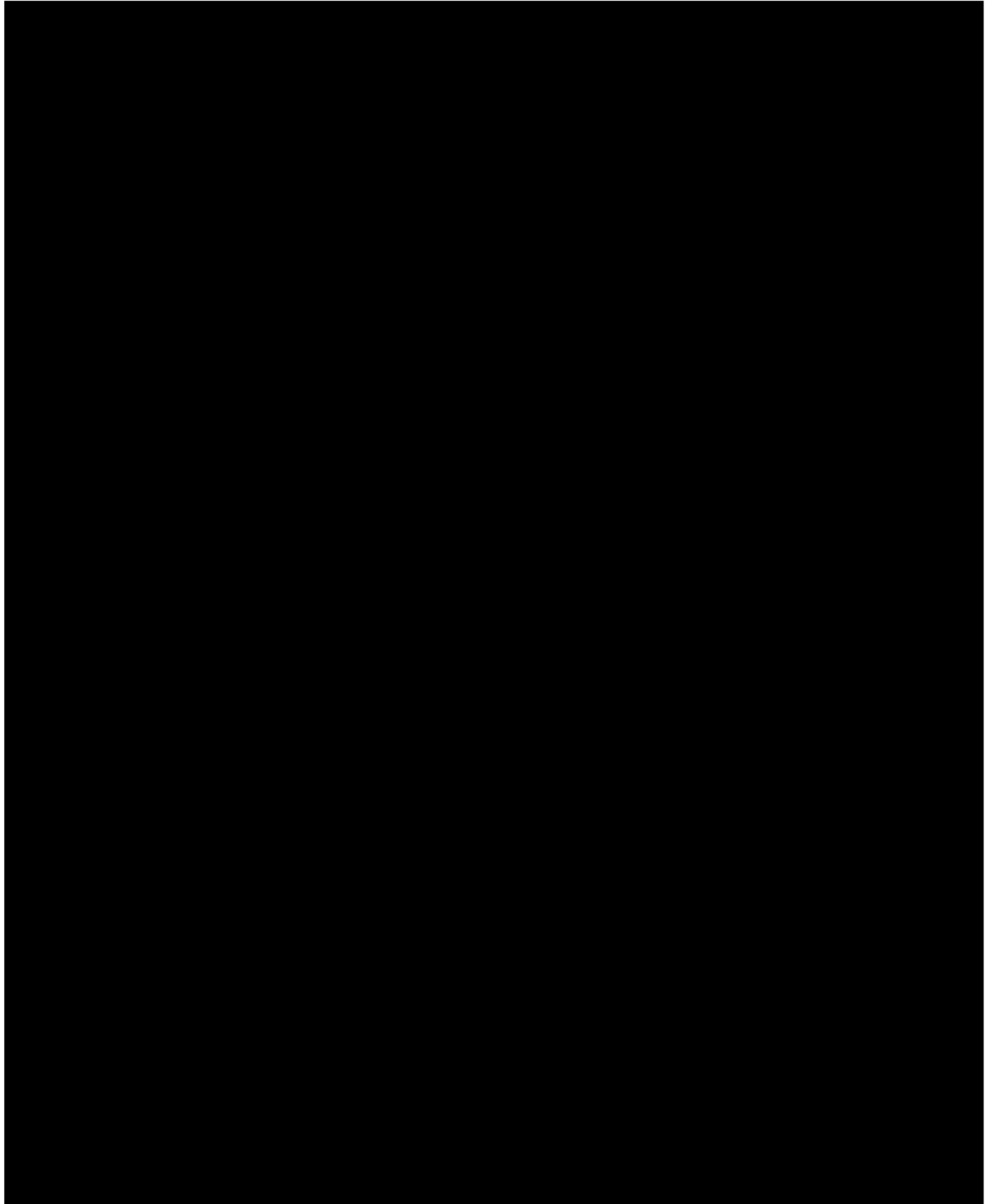
Show All Clients	Show Client 1	Show Client 2	Show Client 3
Show Client 4	Show Client 5	Show Client 6	Show Client 7

Top 10 Discrepancies by Occurrence on Closed Audits



Recoupment Amounts by Quarter on Closed Audits Identified vs. Client Approved vs. Actual





9.	Bookmark Title: MSQ9 – Security Controls Narrative description is limited to five (5) pages.
	Describe in detail how your administrative, technical, and physical security controls demonstrate compliance with HIPAA Security Laws and Regulations to meet the requirements stated in Attachment C - Common Scope Requirements and Security Standards Section 6: Medicaid Enterprise System Security Standards.

Overview

NorthStar HealthCare Consulting (NHC) is committed to ensuring we meet all required security controls to lessen and mitigate cyber risks and increase information security. In healthcare, as with many industries, protecting data is a critical component of data security. The security, privacy, and handling of Protected Health Information (PHI) are core elements of compliance with the Health Insurance Portability and Accountability Act (HIPAA), and necessary to ensure that PHI is protected to the extent possible from potential cyber threats. While HIPAA sets national standards for data protection, there is more than one framework available to ensure compliance with those standards.

Frameworks

The National Institute of Standards and Technology (NIST) released Special Publication 800-53 (SP 800-53) as a catalog of security and privacy controls to increase protection for governmental agencies and other entities from a variety of threats. Although not specific to healthcare, NIST 800-53 adherence provides a foundation for compliance with HIPAA as there are many overlapping controls. In fact, the Department of Health, and Human Services (DHHS) provides a crosswalk mapping the applicable sections of the HIPAA Security Act to NIST. Further, NIST compliance is also essential for meeting the requirements of the Federal Information Security Modernization Act (FISMA) and the Federal Information Processing Standards Publication 200 (FIPS 200).

An additional framework that is commonly employed in the Healthcare Sector is one set forth by the Health Information Trust Alliance (HITRUST) a non-profit comprised of representatives from the healthcare, technology, and information security industries. Known as the HITRUST Common Security Framework (CSF), this framework seeks to simplify HIPAA compliance through a single, streamlined approach that harmonizes over 40 other security standards, frameworks, and regulations for organizations. Further, an additional benefit of HITRUST certification is that it also confers evidence of compliance with NIST 800-53.



Security Protocols

Adopting the security controls specified in NIST SP 800-53 not only ensures compliance with federal regulations but also significantly bolsters an organization's security infrastructure. NIST SP 800-53 compliance requires adherence to an applicable set of standards with specific requirements that vary across frameworks based on organizational needs and the categorized level of risk. Within each framework there are specified security controls across multiple families (e.g., access controls, awareness, and training, etc.) for cyber risk and information security, 20 in all.

AC: Access Control

AT: Awareness and Training

AU: Audit and Accountability

CA: Assessment Authorization and Accounting

CM: Configuration Management

CP: Contingency Planning

IA: Identification and Authentication

IR: Incident Response

MA: Maintenance

MP: Media Protection

PE: Physical and Environmental Protection

PL: Planning

PM: Program Management

PS: Personnel Security

PT: Personally Identifiable Information Processing and Transparency

RA: Risk Assessment

SA: System and Services Acquisition

SC: System and Communications Protection

SI: System and Information Integrity

SR: Supply Chain Risk Management

With respect to healthcare data, entities (covered entities and business associates) regulated by HIPAA must comply with the HIPAA Security Rule to ensure the confidentiality, integrity, and availability of PHI that they create, receive, maintain, or transmit. While there is significant overlap between HIPAA and NIST, some of the HIPAA Security Rule requirements may map to multiple NIST controls and subcategories. Regardless, dual compliance with both the HIPAA Security Rule and



NIST 800-53 provides agencies and their vendors with enhanced protections against security threats.

In addition to adopting the security controls specified in NIST SP 800-53, NHC has reviewed the requirements outlined in Attachment C Section 6.2.40 regarding HITRUST. NHC will maintain administrative, technical, physical, and procedural information security controls compliant with HITRUST standards for all information technology (IT) systems that will be used to perform the Services as listed in the Pharmacy Fraud, Waste, and Abuse (PFWA) scope of work in this eRFP. NHC also acknowledges the requirements to maintain HITRUST Risk-based, 1-year (i1) certification, notify the State of any changes made to our compliance, and provide the State with our HITRUST i1 Validated Assessment Report within 180 days of the effective date of the contract. Currently, NHC has in place a large number of safeguards to ensure the proper handling of PHI. Additionally, we also have planned security enhancements that are either in the process of being implemented or are scheduled to be implemented in the near future.

With a nod to HITRUST i1 certification and NIST compliance, NHC utilizes Microsoft Azure for the infrastructure that hosts our data systems, relevant engagement data, and databases used for our PFWA program. Microsoft Azure is HITRUST-certified and leveraging their infrastructure ensures that all data stored and maintained by NHC is hosted in a HITRUST-certified facility. Further, Azure cloud services conform to the NIST CSF risk management practices, as defined in the NIST CSF version 1.1. Additionally, NHC utilizes security protocols to limit access to all client data housed in our databases to only authorized personnel.

Cybersecurity Controls

NHC has multiple controls across a variety of domains in place to mitigate security risks. Administrative controls are security measures that are in place to manage people. All NHC employees are required to complete multiple training modules including HIPAA Compliance which is administered by industry professionals, Fraud, Waste, and Abuse training which is required by the Center for Medicare and Medicaid Services (CMS), and internal Code of Conduct training. These modules are required at hire and on an annual basis. Additionally, all employees are required to sign business associate agreements.

Technical controls use technology to reduce vulnerabilities and attacks on hardware and software and include access and audit controls as well as encryption. NHC has implemented strong authentication mechanisms, such as multifactor authentication (MFA) and Internet Protocol (IP) whitelisting leveraging Huntress and ConnectWise Automate, for accessing systems containing Electronic Protected Health Information (ePHI). Further, we use role-based access controls to ensure that users have the minimum necessary access. Additionally, audit trails are active and audit logs are reviewed regularly to detect and respond to security incidents. The system has been configured to capture relevant information on system activities. Lastly, we use



encryption mechanisms, including Zix mail and BitLocker, to protect ePHI during transmission and storage. Taking a step further, NHC has implemented secure communication protocols, such as transport layer security (TLS), to safeguard data in transit.

NHC is required to safeguard PHI in accordance with the HIPAA Security Rule Regulations. Our Physical Security Policy reflects NHC's commitment to complying with such regulations.

Physical controls include an organization's effort to protect their physical assets and our Physical Security Policy addresses the physical security of NHC's office. All our employees must comply with this policy.

NHC has active physical access controls to restrict unauthorized individuals from accessing data centers or areas where systems containing ePHI are housed.

Building: There are four access levels all requiring a different key with respect to the storage of physical PHI. Different keys are required to enter the office building, NHC's office suite, each employee's office within the suite, and for document storage within an office.

Office Building: The exterior doors of the building are unlocked by the first person that arrives each morning. Thereafter, those doors are unlocked for the day until 5:00pm when they are locked again regardless as to whether employees are still working.

Office Suite: Within the office suite, there is an alarm system that is professionally monitored. The alarm for the office is disarmed by the first person that arrives each morning, and it is armed again when the last person leaves for the day. Security cameras placed at the door of the office suite and in each hallway can be monitored remotely. Within each office there are motion detectors. In addition to professional monitoring, alarm and security alerts are sent to key staff if any of the above detect motion while the alarm is armed. Only staff with keys can unlock the doors to the office suites. Access to the suite for anyone other than staff is only allowed by present staff as necessary.

Offices: The doors to employees' inner offices remain locked unless the employee is present, or a manager needs access to the office.

Documentation Storage: Any document containing sensitive information is kept in a locked file cabinet within the office of the staff member maintaining said document. Documentation is maintained within the locked file cabinet only as long as needed for job functions, after which the documents are placed in a secure off-site storage facility until such time as destruction has been authorized.

Workstation and Device Security: It is NHC's policy to secure workstations and devices that access ePHI to prevent unauthorized access. Thus, we require all



passwords be changed every 30 calendar days. Password character length must be at least 12 characters. Workstations have had USB drives disabled. It is against company policy to store ePHI on local machines. However, as an added security measure, encryption is still applied to local machines. Both workstations and cellular phones have controls such as automatic logoff and screen locks to protect against unauthorized access.

Further, we are committed to a collaborative effort with the State to establish and maintain security controls designed to protect sensitive data.

10. Bookmark Title: MSQ10 – Encryption

Narrative description is limited to five (5) pages.

Describe in detail your method(s) for ensuring encryption of all stored and transmitted State data containing Protected Health Information (PHI) including email and data that is stored in databases, file systems, desktop and mobile devices, removable media, disaster recovery platforms or other structured storage methods using NIST approved encryption protocols to meet the requirements stated in Attachment C - Common Scope Requirements and Security Standards Section 6: Medicaid Enterprise System Security Standards.

NorthStar HealthCare Consulting (NHC) is committed to ensuring that all data containing Protected Health Information (PHI), both in-transit and at-rest, is encrypted applying advanced encryption methods used across the industry.

In healthcare, as with many industries, encrypting data is a critical component of data security. Further, encryption is an integral component of Health Insurance Portability and Accountability Act (HIPAA) compliance and necessary to ensure that PHI is protected to the extent possible from potential cyber threats.

Encrypting data renders the information unreadable by anyone but those authorized to read it. This is accomplished through various programming methods, obfuscating the original data. NHC currently leverages multiple encryption standards to ensure the data for which we are responsible is encrypted in-transit and at-rest.

NHC email is encrypted via protocols implemented by Zix and Office 365. Zix is an email encryption solution that provides a high level of security for in-transit emails and uses The National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) as a benchmark for its security and compliance program. Both Zix and Office 365 use Secure Multipurpose Internet Mail Extensions (S/MIME) encryption and transmit Transport Layer Security (TLS) 1.2 and Advanced Encryption Standard (AES)-256.

All data containing PHI that is stored on NHC servers is encrypted using the AES-256 encryption protocol. This includes our *CompassRxSM* Audit Management System (the database from which all our audits are managed and conducted), our primary file system, and our disaster recovery platform. NHC utilizes Microsoft Azure for the infrastructure that hosts our data systems, relevant engagement data, and databases used for our Pharmacy Fraud, Waste, and Abuse (PFWA) Program. Microsoft Azure is HITRUST-certified, and leveraging their infrastructure ensures that all data stored and maintained by NHC is hosted in a HITRUST-certified facility.



As with our email and file server, our end point devices are also encrypted using the AES-256 encryption protocol. For these devices, Bitlocker is the program used to implement the encryption protocol. The use of removal storage media, including universal serial bus (USB), is disabled by Group Policy Object (GPO) on every device in our ecosystem.

S/MIME is a protocol that allows for sending encrypted and digitally signed email messages. The security services offered by S/MIME include authentication, non-repudiation of origin, message integrity, and message privacy.

AES encryption uses a “symmetric block cipher” algorithm that was developed by NIST in 1997 to better protect sensitive data from “brute-force” attacks. Messages encrypted using AES are first encrypted in smaller blocks, and then additional rounds of encryption are applied to further protect the data contained within. NHC leverages the 256-bit key (AES-256) protocol which implements the highest number of additional rounds of encryption at 14 rounds (compared to 128-bit key and 192-bit key which use 10 and 12 additional rounds, respectively). NHC utilizes this technology for our servers and email to ensure that data is encrypted both during transmission and at rest.

Transport Layer Security (TLS) 1.2 is an encryption protocol specifically designed to encrypt in-transit data between two endpoint devices and applications. The protocol authenticates and encrypts data securely when the data is being transferred over a network. TLS protocol is an industry standard used by computers, phones, Internet of Things (IoT), meters, and sensors. It is also used in applications when users access information using a web client such as a browser, email, and network routing. These protocols are in place to encrypt data when being transferred via the internet to defend against “man-in-the-middle” attacks that seek to intercept or modify the content.

NHC seeks to leverage Microsoft Intune for mobile device (phone) management. Within Intune is the capability to set rules and configure settings on how mobile devices are allowed to access data and networks. This conditional access ensures that only mobile devices that meet compliance policies can access sensitive data.

In addition to encryption, NHC uses other methods to ensure all data containing PHI is adequately protected and HIPAA compliant. Examples of such methods include industry standard best practices for acceptable use of technology and domain GPO for password requirements and management including length, complexity, and maximum password age requirements.

11. Bookmark Title: MSQ11 – Data Mining

Narrative description is limited to five (5) pages, not including the required supporting material.

Describe in detail the Data Mining tool(s) and strategy that will be used to identify patterns of fraud, waste and abuse for field and desk audits as stated in Attachment H - Fraud, Waste, and Abuse (FWA) Audit Services Scope of Work, Section 4.6 Data Mining.

NorthStar HealthCare Consulting (NHC) understands that fiscal prudence is crucial to any program subject to fiduciary responsibility and oversight. Identifying and addressing patterns of fraud, waste, and abuse is a vital part of our approach, and serves to foster a network wherein misallocation or waste of funds needed for patient care is kept to a minimum. Pharmacy audits, and the associated program-specific analytics and data mining, play critical roles in the identification of these patterns, especially within Medicaid populations. With that understanding, NHC offers a customizable approach to conducting audits, including, but not limited to, the frequency in which audits are conducted, the focus of the audits, the providers to be audited, and the size and scope of the audits, all of which are in part dependent on data mining efforts.

Data Sets

Claims access and review are critical to any program seeking to identify and combat fraud, waste, and abuse. NHC will work with the State's Pharmacy Benefit Administrator (PBA) and Medicaid Management Information System (MMIS) Vendors as outlined in Attachment EE of this eRFP to access and integrate pharmacy and medical claims to perform analytics with the goal of identifying aberrant claims and detecting patterns of potential fraud, waste, and abuse. Working collaboratively with the State and their vendors, NHC will seek to ensure the transmission of the claims data is secure and can be completed as often as once daily.

Large data sets, such as medical and pharmacy claims data as well as eligibility and provider files, are typically transmitted as delimited files. NHC will receive data in a mutually agreed upon format based on collaboration with the State. A thorough Quality Assurance (QA) process will commence to ensure data integrity prior to being ingested into our *CompassRxSM* system. Key components of the QA process include data cleansing and validation; data mapping and transformation; and data integrity and consistency. Data sets that are relational have pre-defined relationships between them and can be linked for further analysis in relational databases.

Databases

NHC uses a relational database through which we employ both predefined and ad hoc algorithms programmed in a combination of Structured Query Language (SQL) and Visual Basic for Applications (VBA) running on a Microsoft Azure Server. A relational database is an efficient (and thus common) method for housing various data sets. The information set contained within the database is logically stored in pre-defined rows and columns with at least one unique identifier (i.e. key) that “relates” between data sets. Once the data is confirmed to have been successfully ingested into our database, NHC will apply our suite of proprietary analytics to begin the process of identifying patterns of fraud, waste, and abuse. While we offer a standard set of algorithms, our suite of analytics can also be tailored to suit the needs of the State. The following list identifies some of the tools that NHC leverages when conducting analysis.

- Microsoft SQL Server – While employees at NHC have extensive experience in a variety of relational database types, we largely utilize a Microsoft SQL Server for our databases. Microsoft SQL is an industry-leading relational database language. In our environment, we leverage the language to load, transform, and query the data that we analyze. Additionally, we develop and deploy reporting using Microsoft SQL.
- Visual Basic for Applications – VBA is another programming language that we leverage in our databases and associated applications. VBA is used within Microsoft Office applications. NHC uses this language to automate outputs from our databases such as provider letters, member letters, and reports.
- *CompassRx*SM Audit Management System – Our *CompassRx* Audit Management System is our proprietary comprehensive audit database. We designed this system to be the central database for all audit-related activities conducted by NHC. Within this system, our auditing staff maintains and conducts our audit activities from beginning to end. The system goes beyond case management and is the fundamental system in delivering our Pharmacy Fraud, Waste, and Abuse (PFWA) Program. Data analysis, claim selection, conducting the audit, generating audit communications, correspondence tracking, monitoring timelines, cataloging responses, generating reversal files, recording appeals and results, reporting, and more are completed within our *CompassRx* Audit Management System.

Our Approach to Data Mining

Our standard set of algorithms is dynamic and extensive, having evolved over our nearly twenty years of experience in detecting claim submission patterns indicative of fraud. At a higher level, our approach is multifaceted with various techniques to identify member and provider activity, both prescriber and pharmacy, which warrant further review and consideration. The ability to scan and identify patterns in suspicious billing

practices is enhanced by integration of data sets from a variety of sources including medical, pharmacy, and Durable Medical Equipment, Prosthetic, Orthotic, and Supplies (DMEPOS).

The availability of medical data enhances the specificity of claim detection algorithms and assists with identification of aberrant prescribing and dispensing practices as well as irregular member behavior. Indeed, the review and comparison of pharmacy data (both point-of-sale and provider-administered) and medical claims data is often instrumental in the detection of provider fraud. However, to harness the full potential of an integrated relational database one must also possess clinical knowledge necessary to evaluate appropriate utilization of certain medications. Additional areas of consideration include the provider specialty, if any, and location of administration. This knowledge, coupled with selected algorithms, are a powerful combination in the arena of provider-driven fraud detection. Regardless of the source, NHC will also leverage publicly available provider and member information to supplement our efforts.

One such algorithm compares individual medication history to the diagnosis code on file (or inferred diagnosis from medication history) to identify billing practices that are unsubstantiated by claims data and/or indicative of troublesome member behavior. For instance, a prescription for epoetin alfa (e.g., Procrit and its biosimilars) in the *outpatient* setting should be supported by a diagnosis indicative of cancer or zidovudine-induced anemia which can be inferred by prior claims for zidovudine in the outpatient pharmacy claims data. The use of other formulations of epoetin alfa (e.g., Epogen and its biosimilars) is typically limited to provider-administered drugs as this formulation is administered during or adjacent to dialysis. The utilization of either of these products is often limited to specialists such as hematologists/oncologists, infectious disease providers, or nephrologists, which is an additional check to ensure claim integrity. Because these products can be billed through both the point-of-sale system and the Provider Administered Drug List (PADL) (depending on diagnosis and location of administration), it is critical the Pharmacy Fraud, Waste, and Abuse (PFWA) Vendor not only have knowledge of claims data, but also the clinical knowledge behind the appropriate utilization of these products. Further, when products can be billed through multiple systems, claims should be continuously monitored for duplicate billing by comparing the dates of service across data sets.

Even when limited to point-of-sale pharmacy claims, our algorithms have been extraordinarily successful at identifying claims worthy of further investigation. Looking at claim level detail at any given point in time, NHC reviews claims based on several metrics that have been proven across multiple clients and settings. Selected metrics for claims review include the following:

- Package size inaccuracies;
- Quantity discrepancies;
- Number of refills to drug mismatch;

- Excessively high dose per day;
- Total number of prescriptions;
- Duplication of therapies;
- Mismatch between prescriber, pharmacy, and member zip codes.

Leveraging these systematic analytics is only the first step in identifying aberrant claims. After the application of these algorithms, the identified claims are subsequently reviewed by a pharmacy professional who will leverage their expertise to ensure that the claims and associated pharmacies identified by the algorithm are substantive, thereby reducing extraneous “noise” and minimizing unnecessary administrative burdens for network providers. The resulting collection of pharmacies and claims are marked for inclusion in desk or field audits.

Taking a step back and looking at the totality of provider (and member) practices over a selected period, while perhaps not appropriate for individual claim selection, has proven valuable at identifying problematic trends and patterns that warrant further review and consideration. To that end, we utilize scheduled, preprogrammed queries and reporting to identify providers and members of interest. These reports identify patterns in pharmacy billing that may indicate fraud, waste, and abuse including, but not limited to, the rate at which a provider reverses and resubmits claims, the percentage of a providers claims that are denied, out-of-network providers with an abnormally high number of claims, claims billed at unusual frequencies, or at times inconsistent with normal business hours. In fact, a successful referral to the Georgia Medicaid Fraud Control Unit (MFCU) was partially based on these standard reports. Like the majority of NHC’s offerings, this set of reports can also be tailored to suit the State’s needs.

Prescribers who are consistently identified via our algorithms are referred to the Pharmacy Department and Program Integrity (PI) for further review. Pharmacies that are frequently identified may be selected for field audits and/or have individual claims included in desk audits. Members identified through claims surveillance may be eligible for referral to the Pharmacy Lock-In (PLI) Program.

The higher-level review of providers is rooted in performance compared across network averages, considering specialties and geographic concentration whenever possible. Providers who consistently rank outside of acceptable deviations from the average network performance may be referred to PI for further analysis or to the clinical pharmacy department for a possible educational intervention including Retrospective Drug Utilization Review (RetroDUR).

With respect to pharmacy risk scoring, NHC uses higher-level analytical tools to assist in the identification of fraud, waste, and abuse. One such tool is the Pharmacy Network Scorecard, which compares the billing patterns of similarly situated pharmacies within the network across several metrics. It is used to identify providers that differ greatly from their peers in areas that have been shown to indicate aberrant and potentially fraudulent



billing patterns. Our Pharmacy Network Scorecard has been meticulously designed and refined to incorporate the considerable experience of our staff. The standard set of metrics included are a compilation of those that are most indicative of high-risk billing patterns, such as the percentage of the pharmacy's claims that are billed for a dollar amount just under the client's high dollar limit. Each pharmacy receives a risk score for every metric based on how they compare to similarly situated pharmacies within the same metric as well as a weighted overall risk score. As with all our PFWA solutions, the metrics included are customizable to suit the State's needs.

Finally, members who are identified through our standard reporting package are eligible for referral to the PLI Program. NHC's PLI Program is pre-programmed to monitor several aspects of beneficiary behaviors to identify patterns including medication over-utilization (such as multiple opiates), indications of visiting multiple prescribers, hospitals, or pharmacies, and medications inconsistent with their diagnosis. Once identified, beneficiaries exhibiting these behaviors and their prescribers are contacted to ensure the prescriber's awareness of the tendencies and to afford them the opportunity to evaluate or document the medical necessity of the habits identified. Generally, the initial contact results in an educational discussion between the beneficiary and the prescriber regarding any inappropriate patterns. If the concerning behaviors persist, the PLI Program will insist that the beneficiary select a single prescriber to ensure appropriate coordination of care. Additionally, a member may also be restricted to one pharmacy after they have been deemed eligible for the PLI program and if the system allows, one hospital.

While much has been written about the technical aspects of data mining, NHC would be remiss if we did not acknowledge that behind all the technology are seasoned professionals. Indeed, these professionals not only know pharmacy data but are experienced in how and when medications are (or should be) used and the process that occurs (or should occur) during data entry, claims submission and then adjudication. In the world of pharmacy audits and data mining, the judicious employment of resources and personnel who understand pharmacy and data can mean the difference between effective interventions that prevent FWA and those that merely generate provider "noise" and pushback.



12.

Bookmark Title: MSQ12 – Staffing

Narrative description is limited to five (5) pages, exclusive of organizational chart(s) and Subcontractor contract(s) or letter(s) of agreement, if applicable.

Narrative description is limited to five (5) pages, exclusive of organizational chart(s) and Subcontractor contract(s) or letter(s) of agreement, if applicable.

Provide a narrative description of the proposed staffing plan that details policies, plans, and staffing strategies. The proposed plan must include the following:

- a. Organizational charts that provide a complete and detailed description of the proposed organizational structure the Supplier will use, including Subcontractors and how they fit into the Supplier's overall organizational structure.
- b. Roles and responsibilities of staff.
- c. Job titles and the requisite qualifications, skills, and credentials, including clinical licensures relevant to this Contract.

Refer to Attachment H - Fraud, Waste, and Abuse (FWA) Audit Services Scope of Work and Attachment C - Common Scope Requirements and Security Standards, Sections 2.15 Staff Management and 3 Staffing.

NorthStar HealthCare Consulting (NHC) is pleased to present a staffing plan that assures the same highly skilled management of Georgia Medicaid's Pharmacy Fraud, Waste, and Abuse (PFWA) Program that the Department has relied on for the last 18 years. While robust audit tools and technologies are paramount to a successful PFWA program, nothing is more critical than employing a team with first-hand experience in Medicaid pharmacy programs, as well as in the field as pharmacy practitioners.

NHC prides itself on having a flat organization structure with a reduced business hierarchy. As such, NHC employees are empowered to address our clients' needs in a nimble and flexible manner. Further, this flatter organization allows information and requests to be communicated to decision makers more promptly and increases collaboration among employees resulting in a better overall program to the State. Indeed, our employees enjoy partnering with states to develop creative solutions quickly and efficiently.

Organizational Chart

What is even better than a very experienced team is one comprised of individuals with an intimate understanding of the Georgia Medicaid program because they are already doing the work with documented success. The NHC team includes the same pharmacy



fraud, waste, and abuse professionals serving the program today – as depicted in the organizational chart (Figure MSQ12) at the end of this response.

Roles and Responsibilities

Because NHC is currently managing the State's PFWA Program, we can highlight the actual individuals who are and will continue to fill each role needed for the Program and shoulder the associated responsibilities.

Emily Baker, PharmD, BCPS, MBA, MHA – President and CEO: Emily Baker founded NorthStar HealthCare Consulting in 2003 and currently serves as the company's President and CEO. She maintains hands-on oversight of all functions relative to the Georgia PFWA contract. Emily has over 25 years of experience working with Medicaid programs in both the Fee-for-Service (FFS) and Managed Care spaces. Her pharmacy experience is wide ranging from prior authorization management; to fraud, waste, and abuse; to formulary and preferred drug list development. Emily has done significant work in pharmacy benefits management from a clinical as well as analytical perspective. Her experience is so wide-ranging that she served as the Interim Pharmacy Director for Georgia Medicaid for a period in 2011. Emily is a graduate of the University of Georgia College of Pharmacy, licensed by the Georgia State Board of Pharmacy, and is also a Board-Certified Pharmacotherapy Specialist.

Matt Reed, CPhT – Operations Manager, Program Compliance: Matt Reed joined NHC in 2014 as an audit specialist responsible for routine desk and field audits of pharmacy claims. In 2016 he was promoted to Operations Manager of Program Compliance where he is responsible for account management as well as reporting and analytics. Matt also oversees our comprehensive audit tool that provides data transformation, warehousing, organization, and querying – while tracking all aspects of an audit such as results, audit documentation, disposition, and notification letters. Prior to NHC, Matt had over eight years of hands-on experience in the pharmacy setting of a large grocery chain where he ultimately served as a District Pharmacy Technician responsible for loss prevention, internal and standard operating procedure audits, as well as assisting with on-site, third-party audits for 21 pharmacies.

Sarah Hill, PharmD, CFE – Pharmacist Auditor Specialist: Sarah Hill joined our organization in 2015 and is a licensed Georgia pharmacist with experience in compliance consulting and retail pharmacy. As the Pharmacist Auditor for the Georgia contract, Sarah is ACFE-certified (Association of Certified Fraud Examiners) and brings strong analytical and investigative skills to the audit process. She is well versed in pharmacy laws and regulations at the state and federal levels. Prior to joining NHC, Sarah was a dispensing pharmacist for 12 years. She is a graduate of the University of Georgia College of Pharmacy. The Pharmacist Auditor Specialist is a key staff position.

Jeremiah Reed, CPhT – Field Auditor: Jeremiah Reed is an NHC Field Audit Specialist currently serving the State's PFWA contract. He is a Certified Pharmacy



Technician (CPhT) with expertise in claims auditing and HIPAA compliance. Jeremiah worked for just under 10 years with a major grocery chain beginning as a pharmacy technician and progressing to a district oversight position where he was responsible for delivering clinical services training for pharmacy technicians in 21 pharmacies. He was ultimately promoted to a regulatory role in which he was responsible for monitoring HIPAA breaches and the division's accuracy incidents across 181 stores. The Field Auditor is a key staff position.

Nekia L. Austin, PharmD, JD, CFE – Advisory Consultant: Nekia Austin serves in an advisory capacity and provides valuable insight to the intersection of pharmacy law and pharmacy practice. Dr. Austin has been continuously employed with NHC for over 15 years. She received her Doctor of Pharmacy from Florida Agricultural and Mechanical University, College of Pharmacy in Tallahassee, Florida and then furthered her clinical pharmacy training by completing a general practice residency at Shands Jackson University in Jacksonville, Florida. If that wasn't enough, she then received her Doctor of Jurisprudence from Indiana University School of Law-Indianapolis with a concentration in Health Law.

With over 50 years of combined experience in PFWA/claims auditing, the NHC team stands ready to continue its service to the Georgia Medicaid program.

Job Titles/Descriptions

The following table lists our proposed positions and the required qualifications, skills, and credentials. The adequacy of our staffing plan is evidenced by the quality of our historical FWA oversight – meeting and exceeding contract requirements.

Staff Member/Title	FTEs	Responsibilities	Qualifications/Skills/Credentials
Executive Program Oversight and consultation	.20	Serves as a resource regarding the intersection between health care law, pharmacy practice and fraud detection.	• PharmD • Georgia License
Operations Manager	.5	Managing and improving operational systems, data analytics and reporting, account management, client invoicing, and audit tool maintenance.	• Bachelor's degree in a quantitative-based field (e.g., Accounting, Computer Science, Finance, Math, Statistics) or equivalent audit experience • Certified Expert in Claims Billing and Reimbursement • Familiarity with writing SQL database queries



			• Experience with Business Objects, Cognos, Crystal Reports, SPSS, SAS • Relevant work experience in pharmacy and/or healthcare analysis and reporting
Pharmacist Auditor Specialist	1	Conducting desk and field audits by reviewing pharmacy claims following audit procedures within the medical benefit to identify potential errors/ discrepancies. Confirming provider retention of proper records. Corroborating audit findings per payer processing principles, rules, regulations, and policies. Communicating with pharmacy management and client on audit findings and aids with issue resolution. Recommending modification to meet client requirements.	• PharmD • Georgia License • ACFE-Certified
Field Auditor	1	Conducting desk and field audits by reviewing pharmacy claims following audit procedures within the medical benefit to identify potential errors and discrepancies. Confirming provider retention of proper records. Corroborating audit findings per payer processing principles, rules, regulations, and policies. Communicating with pharmacy management and client on audit findings and aids with issue resolution. Recommending modification to meet client requirements.	• CPhT • Certified Expert in Claims Billing and Reimbursement
Desk Audit Specialist	1	Conducting desk and field audits by reviewing pharmacy claims following audit procedures within the medical benefit to identify	• CPhT • Certified Expert in Claims Billing and Reimbursement



		potential errors and discrepancies. Confirming provider retention of proper records. Corroborating audit findings per payer processing principles, rules, regulations, and policies. Communicating with pharmacy management and client on audit findings and aids with issue resolution. Recommending modification to meet client requirements.	
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Cross Training and Retention

All staff members at NHC receive functional cross training. The majority of pharmacists are trained to conduct audits as well as administer prior authorization determinations. Further, NHC enjoys a high rate of employee retention and longevity. At project go live, five of the 9 employees working on this account (including clinical services) will have a minimum of 10 years of service. Collectively, the **staff at NHC will have served DCH for over 100 years.**

Our retention strategies include a focus on a positive work life balance including a requirement to take annual paid time off. Because all workers enjoy access to paid parental leave, all employees are willing to fill in the gaps whenever necessary. NHC also has a carefully curated group of on-demand professionals that we can rely upon to enhance our staffing and response times when needed.

NHC has a plan for cross-training staff and conducting knowledge transfer to ensure that all functions can be adequately performed during the planned or unplanned absence of staff. Judicious use of processes and procedures and our internal training processes assist with knowledge transfer and help mitigate the loss of institutional knowledge.

Key Staff

Per eRFP Section 3.2 Contractor Key Staff, we acknowledge that team members designated as key staff will be committed to the project one hundred percent of the time or as agreed upon by the State. We are dedicated to working in partnership with the Department to assure that staffing levels and time commitments meet the needs of the program throughout the contract term.

All Key Staff positions, including the Pharmacist Audit Specialist and Field Auditor are currently filled. Therefore, our team will be ready to continue their work on day one of



the contract and throughout all project phases. NHC is truly fortunate to retain team members long-term. However, should a situation arise when a resource is no longer right for the contract, we will work with the Department to make the necessary modifications. We understand that the State must approve any changes to personnel serving the contract including terminations, the level of staff expertise, or reassignment.

For Key Staff, we understand that NHC must:

- notify the State within two business days of the date a Key Staff position resigns.
- obtain the State's written consent before Key Staff and other proposed project staff can be reassigned or replaced.
- name a temporary replacement acceptable to the State when Key staff resigns or is reassigned and must do so within five business days of the position's vacancy.
- name a temporary replacement acceptable to the State prior to periods of planned leave for Key Staff positions.
- ensure a permanent replacement is working on the project within sixty (60) Calendar Days of the date a Key Staff position becomes vacant.

We acknowledge that the State may request reassignment/replacement of Key Staff at any point throughout the life of the contract.

Meeting Federal and State Requirements

NHC is fully compliant with all federal and state requirements relative to our workforce.

- NHC has EEOC policies and procedures in place to assure fair employment and treatment of all employees without regard for race, color, religion, national origin, or physical disability.
- NHC adheres to all federal and state laws regarding Social Security registration and legal work status of all its employed or contracted staff.
- NHC completes criminal background checks for all employed or contracted staff prior to project participation. We will use State-accepted background check criteria and submit results to the State for review.
- NHC is located within the United States and will not offshore any work related to this Contract for its duration.

Employees are also subject to the guidelines stipulated in the Employee Handbook, which include the requirement to disclose any potential areas of conflict and to avoid even the appearance of potential conflict. Employees are not allowed to audit pharmacies for which they or an immediate family member have had previous or current employment or financial interests. Once approved by the Department, we understand it is our responsibility to maintain compliance with the Staff Management Plan during implementation and for the duration of the contract.

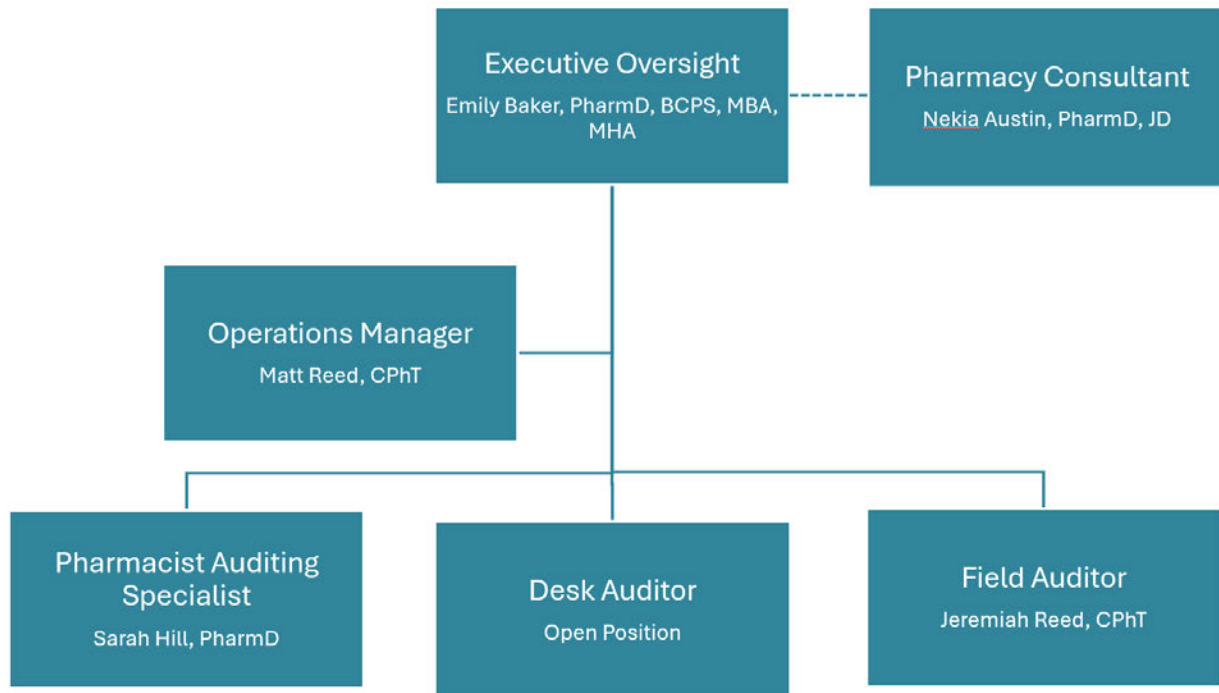


Figure MSQ12: NorthStar HealthCare Consulting's Organizational Chart supporting Georgia's PFWA contract.

13.	Bookmark Title: MSQ13 Project Stages and Phases Narrative description is limited to five (5) pages.
	Demonstrate your understanding of the Project Stages, Project Phases, timeline, expectations, and responsibilities as outlined in the Attachment C - Common Scope Requirements and Security Standards, Section 2.2 Project Stages and Project Phases. If your plans for the proposed services differ from the suggested outline, please explain the differences and how the proposed plan is a better fit for the State's needs. Include any best practices and lessons learned that may be applied in the execution of these services and identify any additional proposed Milestones for the project.

NorthStar HealthCare Consulting (NHC) recognizes the importance of following an agreed upon project timeline and achieving its various milestones throughout the life of the contract. As the incumbent Pharmacy Fraud, Waste, and Abuse (PFWA) Vendor for the lead State, NHC does not plan to deviate from the outline which recognizes two project stages: Design, Development, and Implementation (DDI); and Operations and Maintenance (O&M).

DDI Stage

As described in the Communications Management Plan, the DDI stage will begin with a joint project planning kick-off meeting with the State. The Project Manager will disseminate a meeting agenda to identified stakeholders and participants to facilitate the kick-off meeting. During the meeting, we will review our plans and processes for Project Schedule/Project Work, Communications Management, Risk and Issue Management, Project Change Management, and Quality Assurance (QA) and Control. These plans will have been drafted based on our existing knowledge of the State's programs combined with any new functionality described herein. Further, we will collaborate with the State to agree on a conflict resolution process and escalation procedure. The expectations for the Project Core Team (PCT) will be clarified. The team's ground rules (i.e., those for: communication via electronic mail, meetings, phone; production of meeting minutes; availability; etc.) will also be established. Towards the end of the kick-off meeting, time will be allowed for questions and answers as well as any other business. Finally, a summary of the discussion will be provided, including any decisions, actionable items, and risks.

Following the kick-off meeting's planning phase will be a Design, Development, and Testing (DDT) phase. During this time NHC will:

- Seek and receive approval of audit phases, audit timelines, audit letters and the audit process;
- Collaborate with the State to determine a claims file format and transmission method; and
- Conduct QA and data cleansing of claims file for ingestion.

Immediately after DDT, NHC will enter the Operational Readiness and Production Cutover phase. Our *CompassRxSM* Audit Management System will be tested to confirm the successful ingestion of claims data and generation of audit letters. NHC will submit and receive approval of the implementation letter. Once approval is secured, the operations as outlined in the implementation letter will be deployed.

Stage Summary

Project Stage:	Design, Development, and Implementation Project Stage (DDI)		
Project Phase:	Project Phase I Project Planning and Startup	Project Phase II Design, Development, and Testing	Project Phase III Operational Readiness and Production Cutover
Purpose:	• Project planning kick-off meeting • Presentation of NHC's plans and processes for Project Schedule, Communications, Risk/Issue Management, Change Management, and QA/Control • Define conflict resolution process/escalation procedure	• State approval of audit phases, timelines, letters • NHC/State determine claims file format/transmission method • Conduct QA and data cleansing of claims file for ingestion	• <i>CompassRxSM</i> Audit Management System tested to confirm successful ingestion of claims data/generation of audit letters • State approval of implementation letter. • Operations as outlined in implementation letter deployed



	- Clarify expectations for the Project Core Team (PCT) - Establish ground rules for communications		
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O&M Stage

The project's Operations Maintenance (O&M) stage will be next to launch with its first phase of Initial Operations. Herein a Go-Live milestone will be achieved with initiation of the first set of audits, Concurrent Review, and the Pharmacy Lock-In (PLI) program. As audits, Concurrent Review, and PLI processes are continued through the operations phase, O&M will incorporate the execution of reporting tasks and management of State-approved change orders as needed.

During O&M's final phase, NHC will commence tasks involving the project's turnover and contract close-out. Turnover readiness will be demonstrated with the closing out of all open audits, the cessation of Concurrent Reviews, the changeover of the PLI program to the incoming vendor, and the performance of other tasks as needed to transition to the incoming vendor.

Stage Summary

Project Stage:	Operations and Maintenance (O&M) Project Stage		
Project Phase:	Project Phase IV Initial Operations and CMS Certification	Project Phase V Operations Project	Phase VI Turnover and Contract Closeout
Purpose:	Initiation of first set of audits, Concurrent Review, Pharmacy Lock-In	- Incorporate execution of reporting tasks - Manage change orders	- Closeout of open audits - Cessation of Concurrent Reviews



			• Changeover of PLI program to incoming vendor • Other tasks as needed for transition
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14. Bookmark Title: MSQ14 – Transition & Integration

Narrative description is limited to three (3) pages.

Describe how you will handle the transition activities from the incumbent Fraud, Waste, and Abuse vendor. Include the value-add of your approach and techniques in terms of cost savings, quality improvement, and/or savings to the project schedule for the State.

Describe your integration approach with the Pharmacy Benefit Administrator vendor and its system.

As NorthStar HealthCare Consulting (NHC) is the incumbent Pharmacy Fraud, Waste, and Abuse (PFWA) Vendor for the Georgia Medicaid Fee-For-Service (FFS) program, transition activities from another PFWA vendor will not be necessary, resulting in significant time and cost savings for the lead State. However, NHC acknowledges the potential for transition and the need for integration in the event of a change in the Pharmacy Benefits Administrator (PBA) Vendor. NHC has experience working with several claims processors, ingesting data files as well as creating batch files for claims reversal. To that end, NHC will ensure all efforts are taken to avoid any disruption of service for PFWA. Further, any changes to the state of our integration with the current PBA Vendor would occur during Design, Development, and Implementation (DDI) and would be overseen by the same experienced team that serves the State today. These factors result in minimal impact, cost, and risk to the lead state.

Transition

NHC is familiar with establishing a transition plan and collaborating with the State and its partners to ensure a seamless transition. Thus, for states other than Georgia, the transition will include working with both the outgoing PFWA Vendor and/or the State to take over PFWA services and the PBA Vendor for the integration of the claims data feed into our repository. Upon commencement of transition efforts, NHC will ingest historical audit results, any in-process audit details, and other data related to the PFWA scope of work from the outgoing PFWA Vendor, either directly or indirectly via communication with the State. NHC takes data security very seriously and is positioned to receive this data in a secure manner agreed to by the State. Any data received by NHC will be cleansed to detect and address any discovered inconsistencies. After cleansing, the data will undergo a thorough quality assurance process and then be mapped for ingestion into our database. Prior to initiating any PFWA services, NHC will review any applicable State laws, Board of Pharmacy Rules and Regulations, and program Policy and Procedures manuals to deliver a comprehensive approach to compliance initiatives. Once this has been completed, NHC will propose a compliance program tailored to the needs of the State. Regarding costs, while audits should not be



viewed as a source of revenue, NHC's *CompassRx* audit program is often budget neutral due to our years of experience implementing post-payment compliance initiatives as well as cost avoidance from prepayment compliance reviews. The culmination of NHC's exhaustive approach to PFWA services is minimal disruption and limited effort and cost to the State and its stakeholders.

Integration

NHC acknowledges and understands the necessity of integrating with the PBA Vendor when implementing a successful PFWA program. Such integration is crucial for claims access and adjustments surrounding audit activities, provider relations, member communications, and other ancillary PFWA functions. To ensure this integration is completed in a timely manner, NHC will leverage a detailed Integration Plan, outlining the coalescence of multiple factors into a cohesive, functional program. Scope, cost, time, quality, and communications must all be expertly assessed, addressed, and monitored for a successful integration.

Scope

NHC works with the State and any other designated vendors to define and refine the functions and features of the PFWA Program as well as Medicaid program objectives. A clearly defined scope of work that satisfies the needs of the State is key to successful integration. Any changes to the scope will be identified and implemented in accordance with NHC's Change Management Plan, ensuring stakeholder satisfaction.

Cost

Because a Medicaid FFS program has a significant economic impact on the State, the cost of a project of such importance must be carefully managed to avoid wasting resources while serving the States most vulnerable population. NHC has a Cost Management Plan in place to keep misallocation or waste of funds to a minimum during the process of integration with the PBA Vendor and throughout the life of the contract. Please be assured that NHC is cost conscious and fiscally prudent.

Time

Confusion and delay in the implementation of the program only serves to decrease the confidence of providers and stakeholders in the PFWA Program. Time goes hand-in-hand with cost on a task with high-level consequence. In accordance with our Communications Management Plan, NHC will coordinate with the PBA and Pharmacy Drug Rebate Services (PDRS) Vendors, along with the State, to link functionality and provide efficient PFWA services, ensuring integration is completed in a timely manner.



Quality

NHC has had the privilege of providing quality PFWA and Pharmacy Clinical Management Services (PCMS) to the state of Georgia's Medicaid program for 18 years. We are committed to maintaining the highest standards not only in our services but also in our professionalism when interacting with providers, stakeholders, and clients. To ensure quality of integration with the PBA Vendor, any integrated data will undergo a thorough Quality Assurance process prior to ingestion into our database.

Communications

Good communication is the foundation of any successful endeavor. It is crucial to ensure that all involved share the same understanding of the PFWA Program's form and functions, that any proposed changes are accepted and integrated, and are prepared for implementation. NHC leverages a detailed Communications Management Plan to make certain that all project stakeholders have the information they need to perform their roles throughout the project. This plan includes an outline for a kick-off meeting to facilitate a successful integration process. Historically, NHC has enjoyed positive working relationships with PBA vendors working collaboratively to ensure prudent fiscal management of the State's available resources.

15. Bookmark Title: MSQ15 - Project Management

Bookmark Title for Supporting Material:

- [MSQ15.1 - Project Schedule/Project Work Plan \(Sample\)](#)
- [MSQ15.2 - WBS tasks and Project Outputs \(Sample\)](#)
- [MSQ15.3 - Implementation Plan \(Sample\)](#)
- [MSQ15.4 - Quality Management Plan \(Sample\)](#)
- [MSQ15.5 - Requirements Management Plan \(Sample\)](#)
- [MSQ15.6 - Change Management Plan \(Sample\)](#)
- [MSQ15.7 - Risk Management Plan \(Sample\)](#)
- [MSQ15.8 - Communications Management Plan \(Sample\)](#)
- [MSQ15.9 - Integration Plan \(Sample\)](#)
- [MSQ15.10 - Operations & Maintenance Plan \(Sample\)](#)
- [MSQ15.11 - Training Plan \(Sample\)](#)
- [MSQ15.12 - Cost Management Plan \(Sample\)](#)
- [MSQ15.13 - Stakeholder Management Plan \(Sample\)](#)

Narrative description is limited to five (5) Pages, not including the required supporting material.

Provide a description of the project management approach, including, but not limited to, the methodology and implementation of the system to be used for monitoring and control of scope, schedule, and cost. Additionally, describe any previous experience managing similar projects using the Project Management Lifecycle (PMLC) and Project Management Book of Knowledge (PMBOK) throughout the life of the contract.

Refer to Attachment C - Common Scope Requirements and Security Standards, Section 2 Project Organization and Management.

In the Supporting Material, include a draft or sample project management plan representative of this project. In your narrative response, explicitly identify any differences between the State's project management approach from your proposed approach, including all responsibilities.

As the incumbent Pharmacy Fraud, Waste, and Abuse (PFWA) Vendor for Georgia Department of Community Health (DCH), NorthStar HealthCare Consulting (NHC) takes a flexible project management approach that emphasizes feedback from and collaboration with the State. In this way, NHC provides custom solutions for each state

or client's particular needs. Further, the principles of project management are incorporated throughout the initiatives we provide our clients. Using adaptive methodology for project management, NHC can guide the State to the course of action best suited to curb and contain costs arising from fraud, waste, and abuse of pharmacy resources.

NHC acknowledges that not all the project stages and phases for project management as outlined in Attachment C will be applicable for service-related scopes of work. Still, many of the product offerings contained within a robust PFWA program are largely process driven, thus benefiting from a standardized project management approach. Nevertheless, to the extent that the project phases and stages do apply, NHC is committed to following the project management path as outlined in Attachment C for both the design, development and implementation stages plus the operations and maintained stages.

The Project Management Book of Knowledge (PMBOK) is, at its basic level, an approach to effective project management. Contained therein is a standardized collection of best policies, project management processes, and guidelines. Having a standardized approach to project management facilitates successful implementation. The PMBOK's standardized approach is useful on most projects, such as clinical pharmacy services or a PFWA program, and to the extent the approach provides value to individual state Medicaid programs, NHC incorporates these processes.

At a high level, the pathway of a successful implementation can be divided into five distinct domains. The first step involves defining the project, project goals, identifying stakeholders, and aligning expectations early. This is known as Initiation. The Planning stage maps out activities required for project completion and identifies requisite resources, including people. The following two stages, Execution and Monitoring/Controlling can, and often do, run concurrently. Finally, the Closure stage is an opportunity to discern Best Practices and Lessons Learned for future implementation.



Previous Experience

The principals at NHC have been a party to many implementations; both large and small across several Medicaid clients. Projects with the size and scope of a pharmacy audit program would follow project management best practices for design, development, and implementation especially given that NHC's approach to pharmacy auditing is customized and state specific. Indeed, other PFWA vendors typically include

commercial claims from payors other than the Medicaid client within their audits even if the program requirements among payors vary. This one size fits all approach to pharmacy audits may lead to indefensible recoveries, and by extension provider complaints, which are not justified by Medicaid client-specific policies. Alternatively, the State's programmatic policies may not be communicated to their providers since the audit vendor is also representing commercial clients during the audit. Continuing into the operations and maintenance phase, many of the core processes of project management are found in our daily PFWA efforts. In fact, every audit that is initiated can be a project that is guided by a standardized approach.

Generally, NHC undertakes the development of a PFWA program by first collaborating with the State in a comprehensive planning effort to size up the Scope of Work (SOW) and institute, initialize, and anticipate the administration and management of the Project. NHC will assess and make proposals for a successful program that complies with all state and federal laws and regulations, as well as State policy. Components of a successful PFWA program are Audits, Concurrent Reviews, Reporting, and a Pharmacy Lock-In (PLI) program.

The implementation of a PFWA program is generally applicable to the PMBOK approach. The various components of a PFWA program are similar in that aberrancies in the data lead to provider outreach, often via letter. NHC utilizes Concurrent Review, Audits, and PLI Programs to identify and intervene upon inappropriate utilization by prescribers, enrollees, and pharmacies.

Phase 1 – Project Initiation: While there are numerous similarities among and across the audit process, the expectations for providers and enrollees can and do vary significantly based on each Medicaid program's unique benefit design. Thus, while project goals and objectives may be gleaned from the request for proposal and during the kickoff meeting, our experience suggests that a thorough and comprehensive review of each state's policy manual and the wording contained therein is critical. For an implementation with the size and scale of a Pharmacy Audit program, a project charter would be created which details:

- Project Constraints
- Goals including high level scope of work
- Budget
- Expected Timeline
- Stakeholder Identification.

Phase 2 – Project Planning: Inherent in Phase 2 is the development and adherence to a project plan which provides a detailed roadmap to guide implementation efforts and monitor compliance with the scope of work post go-live. The scope of work is defined through a requirements analysis document involving comprehensive planning efforts between the client and vendor. Prior to meeting with the client, NHC pledges to review the policy manual and provider agreement to have a pharmacy audit program that is



reflective of the requirements for providers. Focusing on pharmacy audits, primary tasks are then defined via a work breakdown schedule and would likely include the source, frequency, method of transfer, file layout, and ingestion of claims data feeds utilized in interventions. Additional primary tasks would include audit letter creation with references to state-specific policies, a state-specific audit documentation policy, and a processes and procedures document for audit appeals. Technical requirements would include the standardization of file formats and methods and systems used to access the data transfers and audit letter generation and delivery. A detailed project schedule will then be formulated with incremental steps and milestones identified. The completion of the project schedule assists in developing the communication plan and identifying stakeholders so that project status information can be communicated.

Phase 3 – Execution: The project will commence implementation of the provision of services. Claims data files will be created and provided to the receiving vendor for data ingestions. The *CompassRxSM* system will be queried for test interventions once the data has been scrubbed and ingested. Letter generation often serves as one of the final milestones in the implementation of an audit program. While the work is being done, project progress will be monitored and communication with stakeholders becomes critical. Often, weekly, if not daily, meetings occur as go-live approaches. User Acceptance Testing, if applicable, should occur as the implementation reaches selected milestones and deliverables. Phase 3 often occurs simultaneously to Phase 4, project monitoring and controlling.

Phase 4 – Monitoring and Controlling: Previously identified critical success factors and key performance indicators are consistently monitored (and controlled) as they can serve as early signals of potential issues. The identified indices should be tied to a successful project implementation to provide value towards the attainment of goal completion. Falling short on any of these indices may be an early signal of project delay and derailment. For instance, timely file transfer via the appropriate medium is a critical success factor for all data driven programs. The ability to scrub and ingest the data serves as a key performance indicator of a successful implementation. Internally, efforts and expenditures will also be tracked in a nod to any budgetary concerns.

Phase 5 – Project Closure: Lessons learned, and best practices are documented for future implementations. The project monitoring and controlling that occurred in Phase 4 are reviewed and documented in the project closure report which may serve as a historical record of how the implementation was guided. Finally, participating staff are thanked for their efforts and any records with potential historical value are archived.

PMBOK Application to Smaller Projects – Concurrent Review

Phase 1 – Project Initiation: A concurrent review initiative begins with the identification of a clear goal of the intervention, in this case to address suspected billing mistakes before proceeding to an audit. The detailed initiative information, including the medications targeted for intervention, will be found in Phase 2. For instance, the client may wish to address claims for insulin in which a large number of vials are billed (e.g., 6

or more vials). This is the goal of the project. The scope of work would include the estimated number of pharmacy providers (Stakeholder identification) based on prior claim submission to be targeted and the method of contact. Any project constraints, such as missing or unavailable fax numbers from the provider file will be identified. Finally, a timeline for intervention and outcomes will be determined.

Phase 2 – Project Planning: Here, we drill down in the process to define the scope of work. While the goal of the project is to prevent the over dispensation of insulin when not supported by the prescriptive order, the scope of work, however, provides further details of the initiative. The population for intervention is generally estimated based on previous claims history for forecasting purposes. For an intervention of this nature, NHC has typically found that large quantities of insulin are either a prescriber education issue (e.g., always writes for 6 vials when 2 vials would suffice) or patient-specific (e.g. stockpiling). The primary tasks are outlined in this phase and, in this case, would include initiation and selection from claims data, forecasting the potential number of pharmacies and patients for intervention, collateral development, and client approval. A detailed project schedule is formulated which facilitates the development of a communication plan for identified stakeholders.

Phase 3 – Execution: Upon receiving client approval, NHC commences work towards project completion. In this case, a facsimile specific to this intervention detailing that any vials of insulin submitted in excess of what the prescription directions support could be subject to a recovery in a future audit. Since the stepwise process has been previously defined, NHC will monitor project progress and maintain collaboration and communication with stakeholders.

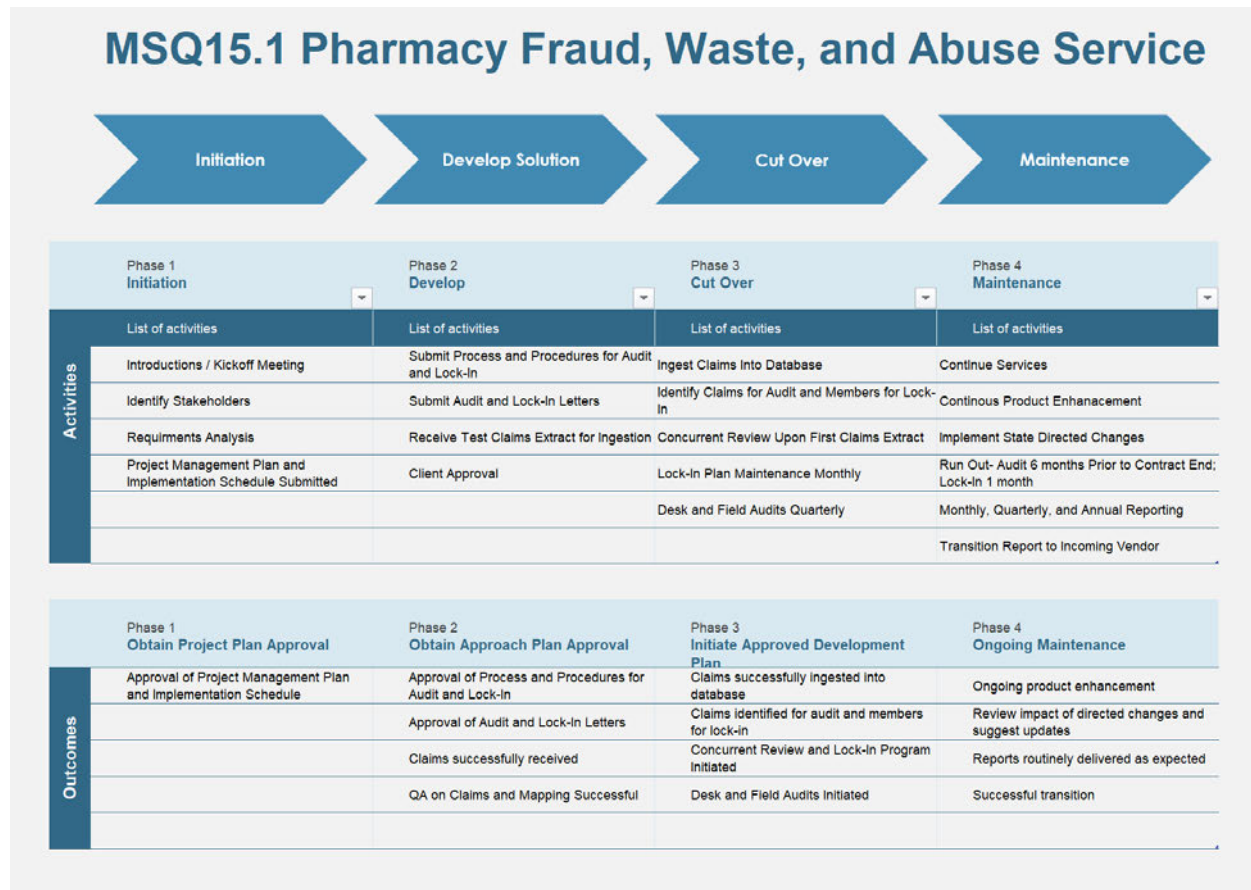
Phase 4 – Monitoring and Controlling: Project monitoring and controlling runs concurrently with Phase 3. Critical success factors (e.g., client approval of intervention collateral) and key performance indicators (e.g., number of cases intervened upon) are identified and tracked to ensure the ultimate goal of the project is achieved. Because Concurrent Review interventions are so time sensitive, deliverables and milestones (e.g., fax transmission records) will also be monitored. The goal of monitoring and controlling is to prevent small problems from developing into larger problems that derail the project entirely.

Phase 5 – Project Closure: The team meets to discuss successes and failures. The intervention's final outcomes will be provided in a pre- and post-intervention report. If the results of the intervention are generally positive, the concurrent review will continue. Interventions with less than expected outcomes will undergo further analyses to determine if it is reasonable to continue the intervention or perhaps refer specific providers and patients to the clinical department for alternative approaches or enhancements that can be made to improve outcomes for both prescribers and patients.



MSQ15.1 - Project Schedule/Project Work Plan

NHC's Project Work Plan will be used to assure the project progression is meeting the established timeline. It has been designed to memorialize all projects initiatives required to meet the State's requirements and will include the schedule, staff effort, additional resources, and all associated costs.





MSQ15.2 - WBS tasks and Project Outputs

MSQ15.2 includes all tasks and deliverables required pursuant to the eRFP and NHC's implementation and ongoing operational processes. Within the tasks and deliverables, certain dependencies do exist and have been considered. To interpret this deliverable, each task, and associated subtasks are numbered in a hierarchical fashion relative to the timeline.

This supporting item begins on the following page.

► **Work Breakdown Schedule w/ Outputs**
Fraud, Waste, and Abuse Services

1. Pharmacy Fraud, Waste, and Abuse Services
 - 1.1. Initiation
 - 1.1.1. Project Kickoff Meeting
 - 1.1.2. Requirements Analysis
 - 1.1.3. Develop Project Plan
 - 1.1.4. Submit Project Plan
 - 1.1.5. *Milestone: Project Plan Approval*
 - 1.2. Planning
 - 1.2.1. Create Approach Plan
 - 1.2.1.1. Policy and Procedures
 - 1.2.1.1.1. Concurrent Review
 - 1.2.1.1.2. Desk and Field Audits
 - 1.2.1.1.3. Pharmacy Lock-in Program
 - 1.2.1.1.4. Grievance Committee
 - 1.2.1.1.5. Batch Files
 - 1.2.1.1.6. Reporting
 - 1.2.1.2. Communications
 - 1.2.1.2.1. Develop Provider Notification Letters
 - 1.2.1.2.2. Develop Member Notification Letters
 - 1.2.1.2.3. Banner Messages
 - 1.2.1.2.4. External Stakeholder Introductions
 - 1.2.2. Submit Approach Document
 - 1.2.3. *Milestone: Approach Plan Approval*
 - 1.3. Execution
 - 1.3.1. Receive Test Claim File
 - 1.3.1.1. Scrub Data
 - 1.3.1.2. Data Mapping and Ingestion
 - 1.3.2. Testing Phase
 - 1.3.2.1. Analytics
 - 1.3.2.2. Letter Generation
 - 1.3.2.3. Batch File Creation
 - 1.3.3. Install Live System
 - 1.3.4. User Training
 - 1.3.5. Go Live
 - 1.4. Control
 - 1.4.1. Project Management
 - 1.4.2. Project Status Meetings
 - 1.4.3. Risk Management
 - 1.4.4. Update Project Management Plan
 - 1.5. Closeout



- 1.5.1. Audit Procurement
- 1.5.2. Document Lessons Learned
- 1.5.3. Update Files/Records
- 1.5.4. Gain Formal Acceptance
- 1.5.5. Transfer Archive Files/Documents



MSQ15.3 - Implementation Plan

On the following page, we present for consideration a draft Implementation Plan that includes tasks, assignments, contingencies, and timelines for all phases of implementation. We look forward to collaborating with the State to expand upon this initial draft to assure that all aspects of implementation important to NHC and the State are thoroughly considered and that the plan fully meets expectations.



Implementation Plan - Fraud, Waste, and Abuse Services

NorthStar HealthCare Consulting

TASK	ASSIGNED TO	PROGRESS	START	END
Gather Requirements				
Identify Key Stakeholders	Project Lead, Project Manager	0%	7/1/24	7/1/24
Kickoff Meeting with Stakeholders		0%	7/2/24	7/2/24
Requirements Analysis	Project Lead, Project Manager	0%	7/3/24	7/18/24
Develop the Schedule				
List Tasks	Project Lead, Project Manager	0%	7/18/24	7/18/24
Set Task Priorities	Project Lead, Project Manager	0%	7/19/24	7/19/24
Determine Timeline	Project Lead, Project Manager	0%	7/19/24	7/19/24
Assign Resources	Project Lead, Project Manager	0%	7/22/24	7/22/24
Plan for Communication (DCH, PBA)	Project Lead, Project Manager	0%	7/23/24	7/23/24
Identify Customer Security Requirements	System Support Lead, Project Manager, MSP	0%	7/24/24	7/25/24
Implement Identified Security Measures	System Support Lead, Project Manager, MSP	0%	7/26/24	8/9/24
Design the Solution				
Develop Approach Document	Project Lead, System Support Lead, Project Manager	0%	8/9/24	8/12/24
Create Solution Design Document	Project Lead, System Support Lead, Database Admin, Project Manager	0%	8/13/24	8/26/24
Define Product Specifications	Project Lead, System Support Lead, Database Admin, Project Manager, MSP	0%	8/27/24	9/5/24
Update the Schedule	Project Lead, Project Manager	0%	9/6/24	9/6/24
Build the Solution				
Configure Features	System Support Lead, Database Admin, Project Manager, MSP	0%	9/6/24	9/13/24
Customize Audit Management System	System Support Lead, Project Manager	0%	9/16/24	9/20/24
Perform System Testing	Database Admin, Project Manager	0%	9/23/24	9/24/24
Document Issues Found	System Support Lead, Database Admin, Project Manager	0%	9/25/24	9/25/24
Correct Issues Found	System Support Lead, Database Admin, Project Manager	0%	9/26/24	10/14/24
Test Corrections	System Support Lead, Database Admin, Project Manager	0%	10/15/24	10/15/24
Integrate the Solution				
Receive Claim File	System Support Lead, Database Admin, Project Manager	0%	10/15/24	10/15/24
Set up the Customer Database	System Support Lead, Database Admin, Project Manager	0%	10/16/24	10/17/24
Migrate Data	System Support Lead, Project Manager, MSP	0%	10/18/24	10/21/24
Integrate the Desktop (Internal)	System Support Lead, Database Admin, Project Manager	0%	10/22/24	10/25/24
Monitor the Solution				
Define Success Metrics	Project Lead, Project Manager	0%	10/28/24	10/28/24
Review Business Performance	Project Lead, Project Manager	0%	10/29/24	10/31/24
Provide Training				
Schedule Training	System Support Lead, Project Manager	0%	10/28/24	10/28/24
Train End Users	System Support Lead, Project Manager	0%	10/29/24	10/31/24
Create User Documentation	System Support Lead, Project Manager	0%	11/1/24	11/4/24



MSQ15.4 - Quality Management Plan

The pages that follow include a draft of NHC's quality assurance plan specifically for this engagement. It provides quality standards and protocols relative to timeliness, audit communications, change management, data stability, educational auditing, reporting and HIPAA compliance. We look forward to working with the State to further develop this plan to assure our full compliance with the State's requirements and expectations.

NorthStar HealthCare Consulting (NHC)

Quality Management Plan

Quality Standards

The Fraud, Waste, and Abuse program offered by NorthStar HealthCare Consulting (NHC) focuses on meeting numerous service-related quality standards. Regarding auditing, NHC will concentrate on initiating desk and field audits and conducting concurrent reviews at frequencies determined and agreed upon by the State. Similarly, NHC will commit to performing the required tasks of the Pharmacy Lock-In (PLI) program in alignment with intervals and timelines agreed upon by the State. Audit letters generated by NHC will be preapproved by the State. Audits will be based on assessing and monitoring compliance with up-to-date federal and state pharmacy laws, rules, regulations, and the State's policy. NHC will review only those claims with a final status of "paid." In reviewing claims for audit inclusion, we will design claim selection algorithms that are relevant to the State being guided by their policies and regulations. Reviewing claims that are unlikely to change and using claim selection algorithms tailored to the needs of the State ensures that the State can maintain a reasonable expectation of positive impact to their program from audits. An educational approach to auditing will be employed where appropriate, not only to invest in compliance of future claims but to foster goodwill between the State and pharmacy providers. Reports will be provided by NHC at intervals determined by the State. NHC will operate in compliance with HIPAA requirements.

Quality Assurance and Control

Various measures will be taken to ensure that NHC continuously meets the quality standards listed above.

Timeliness and Frequencies

For objectives related to timelines and frequencies, NHC will:

- collaborate with the State to determine intervals and frequencies at which audits, and concurrent reviews will be initiated as well as the timeline requirements associated with PLI;
- employ internal controls to achieve the determined frequencies by communicating with each auditor, integrating the requirements into our *CompassRx*SM Audit Management System, and conducting regular internal meetings to assess adherence to timelines by leveraging reports generated by *CompassRx*;
- meet with the State at regular intervals to discuss changes to frequency(s) if needed;

- monitor internally generated reports to assess compliance with the agreed upon frequencies; and
- conduct regular internal meetings to assess adherence to timelines, leveraging reports generated by our *CompassRx* Audit Management System.

State Approved Audit Letters

To ensure use of State-approved audit letters, NHC will collaborate with the State to gain approval of drafted letters. We will maintain a central repository, containing only State-approved letters. Our *CompassRx* Audit Management System will be programmed to exclusively use the State-dedicated central repository to generate audit letters. NHC will meet with the State to discuss desired changes when needed. And we will implement changes by obtaining approval of an updated draft letter and replacing the outgoing template in our central repository with the updated approved letter.

Change Management

NHC will employ an internal Regulatory Change Management Policy to base audit review on up-to-date federal and state pharmacy laws, rules, regulations, and the State's policy. This internal policy dictates that NHC's staff attorney will review state and federal laws and regulations at least annually and with each legislative session, as well as monitor States' boards of pharmacy for updates to changes in rules and regulations. Additionally, NHC will monitor the States' policies quarterly for any amendments and/or changes. As changes are identified, NHC's staff attorney will communicate the changes to affected members of the workforce via email. Once communicated, the staff will review and confirm their understanding of the affected job functions.

Data Stability

Stability of used data will be assured by NHC employing best practices and lessons learned when selecting claims data for audits. NHC will leverage our experienced staff experience to develop and update claim selection algorithms as well as implement updates as needed resulting from regulatory review enforced by our Regulatory Change Management Policy. These efforts will result in relevancy of algorithms and a reasonable expectation of impact.

Educational Auditing

In our effort to utilize an educational auditing approach where appropriate, NHC will collaborate with the State to identify correctable discrepancies and associated methods or documentation for correction. In this same effort, NHC will leverage our ever-increasing staff experience to identify and address provider knowledge gaps leading to noncompliant behaviors.



Reporting

NHC will collaborate with the State to determine the frequency and types of reporting required. Internal controls will be used by NHC to achieve these goals, namely by using our *CompassRx* Audit Management System to schedule automatic generation and exportation of reports. NHC will meet with the State at regular intervals. If changes or additions to reporting are necessary, NHC will implement them by updating the schedule and generation of automatic reporting and its exportation.

HIPAA Compliance

To ensure NHC operates in compliance with HIPAA requirements, we will:

- systematically enforce the industry-standard encryption of all sensitive data, in-transit and at rest;
- employ administrative, physical, and technical security controls;
- conduct annual risk assessments to identify opportunities for enhancement of security protocols;
- implement identified enhancements; and
- require every employee to complete HIPAA training during onboarding and annually thereafter.



MSQ15.5 - Requirements Management Plan

We have designed the following Requirements Management Plan to easily chronical how NHC will receive, analyze, document, and manage the service we will provide, while meeting and delivering all associated requirements and tasks – throughout the life of the project. The plan specifically shows a prioritized flow of needs, responsible entities, timeframes, and processes for modifications – assuring that all needs have been met.

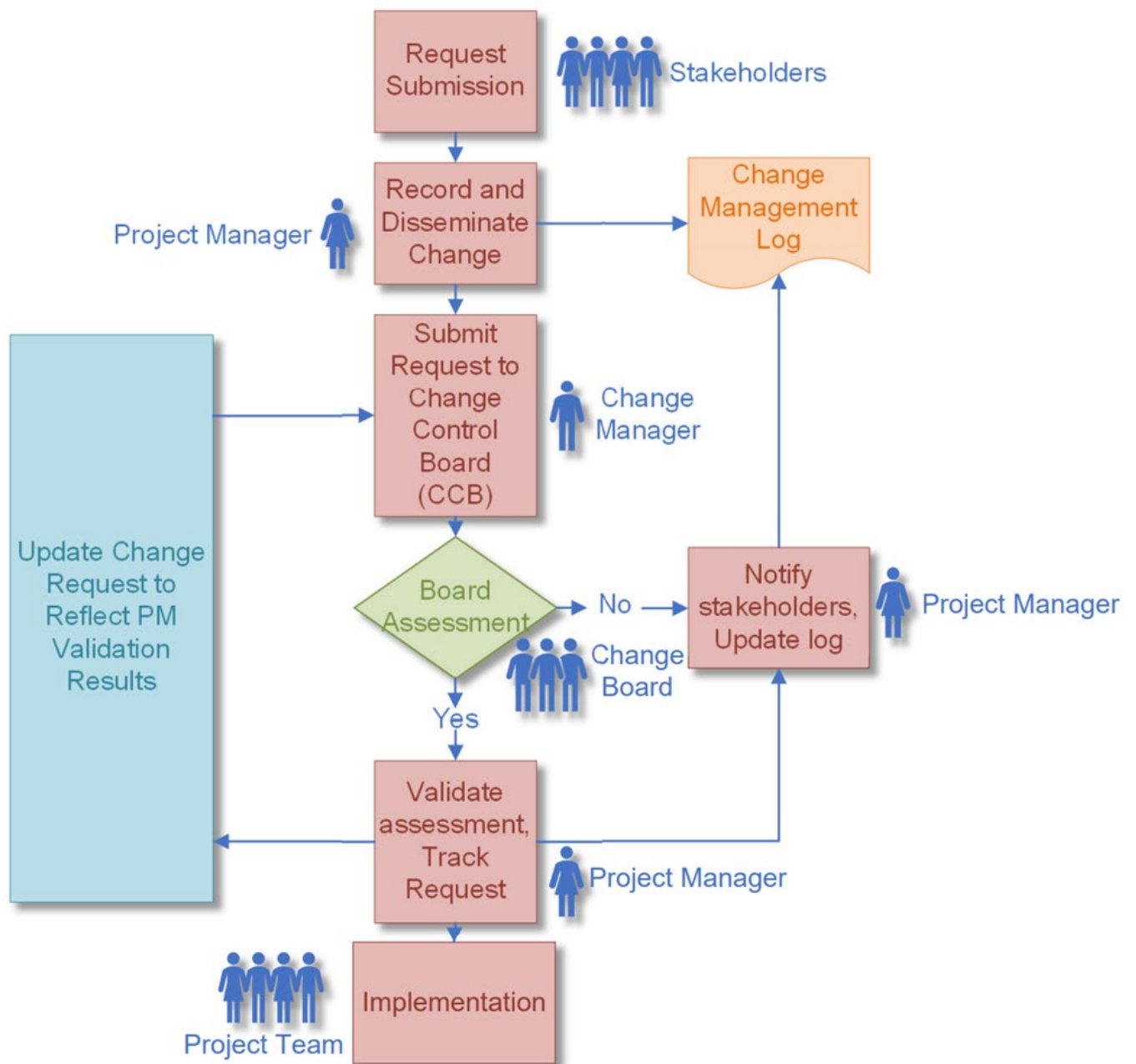
MSQ15.5 - Requirements Management Plan

Requirement	Stakeholders	Priority-based on Resource Intensity	Responsible Party(s)	Traceability	Changes		
					Reason for Changes	Who Authorizes Changes	How to Make Changes
Desk and Field Audits	The State, NHC	1	Auditor, Operations Manager	Reports	Reports identify opportunity(s) for program enhancements; regulatory changes	The State and NHC in collaboration	NHC system enhancements and process updates
Concurrent Review	The State, NHC	3	Auditor, Operations Manager	Reports	Reports identify opportunity(s) for program enhancements; regulatory changes	The State and NHC in collaboration	NHC system enhancements and process updates
Pharmacy Lock-In Program (PLI)	The State, NHC	2	Auditor, Operations Manager	Reports	Reports identify opportunity(s) for program enhancements; regulatory changes	The State and NHC in collaboration	NHC system enhancements and process updates
Reporting and Data-Related Requirements	The State, NHC	5	Operations Manager	Reports	The need to remain current with industry standards; State-requested changes	The State and NHC in collaboration	Update report contents and/or generation schedule in our <i>Compass RxSM</i> Audit Management System
Common Requirements	The State, NHC	4	Operations Manager	Assessments	The need to remain current with industry standards; State-requested changes	The State and NHC in collaboration	Conduct annual risk assessments to identify opportunities for enhancement of security protocols and implement identified enhancements; Implement letter changes by obtaining approval of updated draft letters and replacing outgoing template in our central repository with updated and approved letters



MSQ15.6 - Change Management Plan

Our change management plan included below has been designed as a simple roadmap for executing a project change in a controlled way. The plan sets the course by which a project change can be executed and how workflows and relationships might be affected. It shows the steps required from identification of need, to submitting a change request, to approval, and delivery. All approved project changes will be memorialized in the Project Plan - documenting the impact on resources (time, people, and budget).





MSQ15.7 - Risk Management Plan

Because NHC is currently working within the PFWA Program, we have a keen understanding of the risks that are intrinsic to it. Should NHC continue in our role, we submit that such risks will be greatly minimized because of this knowledge. Nonetheless, our Risk Management Plan will help identify, evaluate, and plan for possible risks that may arise. It is a blueprint that guides us through the process of identifying, assessing, responding to, and monitoring risk within our purview of the program.

Our sample Risk Management Plan begins on the following page.



NorthStar HealthCare Consulting (NHC) Risk Management Plan

As the Pharmacy Fraud, Waste, and Abuse (FWA) Supplier, NorthStar HealthCare Consulting (NHC) will assist the State in identifying and responding to fraud, waste, and abuse within its system, committed by both Members and Providers. NHC understands that risks are inherent in a project of this nature, both positive and negative. Project risks, defined as any uncertainty that may occur and have an impact on project objectives, must be addressed. As the incumbent vendor, these uncertainties will be minimized because of our extensive experience servicing the contract. Even still, NHC understands the importance of guarding against risks, especially when onboarding new clients. As such, the following Risk Management Plan entails how NHC will identify, assess, and respond to risks throughout the life of the project.

Define Risks

To ensure risk management remains relevant, NHC will conduct internal weekly status meetings to identify new risks and changes to existing risks. During these meetings, we will work to define identified risks through illustrating their impact on the cost, time, quality, and scope of the project. This includes reviewing constraints, assumptions, critical success factors, and SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis.

Identify Risks

- Highlight and document all predictable risks to project objectives
 - Cause
 - Risk
 - Impact
 - Cost
 - Time
 - Quality
 - Scope
- Maintain a Risk Register

Assess Risks

- Qualitative
 - Risk Occurrence Probability
 - Impact
 - Cost
 - Time
 - Quality
 - Scope

- Quantitative
 - Statistical analysis used to identify impact
 - Probability-Impact Matrix
 - SWOT analysis

Risk Response Identification

- Completed during internal weekly status meetings
- Address Risks
 - Avoid / Exploit
 - Eliminate risk cause via process change
 - Exploit risk by eliminating barriers and facilitating the opportunity
 - Mitigate / Enhance
 - Preventative measures to minimize probability
 - Refine processes to optimize outcomes
 - Acceptance
 - Passive
 - Account for impact in projected outcomes
 - Active
 - Create contingency plans for projected outcomes

Monitor and Review Risks

- Determine changes to project risks if any
- Analyze impact of risk response measures
- Communicate outcomes of risk management process to stakeholders



MSQ15.8 - Communications Management Plan

Effective collaboration with the State, program stakeholders, and the project team can only occur with clearly defined communication conventions. Following, we have included a draft Communications Management Plan that will be the framework for communicating the right information to the right project stakeholders at the right time. As a living document, it can be modified – and improved – repeatedly throughout the contract term.



NorthStar HealthCare Consulting

Communications Management Plan

Fraud, Waste, and Abuse Services

Date : 3/14/2024
Doc. Version : 1.0



Fraud, Waste, and Abuse Services

Communications Management Plan

Document Control Information

Settings	Value
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Project Title:	Fraud, Waste, and Abuse Services
Document Author:	Emily Baker, MBA. MHA
Project Owner (PO):	Matt Reed, CPhT
Project Manager (PM):	DCH TBA
Project Manager (PM):	NHC TBA
Doc. Version:	1.0
Sensitivity:	High
Date:	3/14/2024

Document Approver(s) and Reviewer(s):

NOTE: All Approvers are required. Records of each approver must be maintained. All Reviewers in the list are considered required unless explicitly listed as Optional.

Name	Role	Action	Date
State (PM)	Authoritative Approval	Approve/Review	
PI Designee	Authoritative Approval	Approve/Review	
NHC (PM)	Oversight and Implementation	Approve	

Document History:

The Document Author is authorized to make the following types of changes to the document without requiring that the document be re-approved:

- Editorial, formatting, and spelling
- Clarification

To request a change to this document, contact the Document Author or Owner.

Changes to this document are summarized in the following table in reverse chronological order (latest version first).

Revision	Date	Created by	Short Description of Changes

Configuration Management: Document Location

The latest version of this controlled document is stored in MS SharePoint™.



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1. INTRODUCTION

The following Communications Management Plan ensures all stakeholders involved in the project remain informed of their responsibilities and of project progress throughout the lifecycle of the project. Thorough communication between all interested parties is critical to the success of any project.

The Communications Management Plan outlines the proposed methods of communication that will occur as the project progresses. It lists the meetings that will occur, their frequency, attendees, agendas, and associated documentation. It also gives each stakeholder clear guidance on their involvement and responsibilities regarding communication.

2. COMMUNICATIONS OBJECTIVES

All projects benefit from proactive communication. Communication needs to be:

- **Appropriate:** in the correct form with correct content.
- **Individualized:** for the intended audience.
- **Thorough:** providing all the pertinent information.
- **Succinct:** brief, avoiding redundancies and non-critical information.
- **Prompt:** addressing issues at the proper time.

Communication is an important step in managing stakeholder expectations:

- Follows progress and execution. Reports on the quality of the project.
- Assigns responsibilities.

2.1. Inputs

A significant input of communication planning is the *Stakeholder Matrix*, to identify stakeholders' groupings. To identify the information that should be provided to each specific group, the following list should be utilized:

- *Request For Proposal*
- *Request For Proposal Response*
- *Contract Scope of Work*
- *Project Work Plan*

2.2. Media

Various media forms can be used in the execution of a communication plan. The following are examples of the types of media that will be used in the execution of this plan:

- Email(s)
- Document(s) Word, Excel, PDF, PowerPoint
- Phone call(s)
- Meeting(s)
- Teams Chat
- Banner Messages

The media listed above include, or will be reinforced by:



Fraud, Waste, and Abuse Services

Communications Management Plan

- Minutes of Meeting (MoM)
- Project Work Plan
- Project Logs
- Project Repository
- Provider Notifications



3. PROJECT MEETINGS

MEETING	Planning Kick-off Meeting
Purpose	NorthStar HealthCare Consulting (NHC) will work closely with the State Pharmacy team members to design, develop, and implement a comprehensive communication plan based upon the RFP response and contractual requirements. Post go-live, all involved parties will work to create an effective communication plan for operations and maintenance.
Location	Defined by the Project Manager (PM) in time.
Frequency	Done once at project level. Date of the meeting to be defined.
Chairperson	Project Manager (PM)
Minutes by	To be defined by the Project Manager (PM).
Attendees	Project Owner (PO) Matt Reed Solution Provider (SP) NorthStar HealthCare Consulting Business Manager (BM)(s) Project Manager (PM) (State) Project Manager (PM) (NHC) Pharmacy Benefit Administrator Representative (if applicable) Project Manager Assistant (PMA)(s) (if applicable) Project Support Officer (if applicable) Project Quality Assurance (if applicable - optional) (Functional) Team Leader (optional) Local Information Security Officer (optional) Data Protection Coordinator (optional)
Agenda Items	• Introduce the agenda. • Introduce participants. • Outline the goals, expectations, and activities of the Planning Phase, and discuss the planning timeline. • Introduce the project scope statement. • Invite the Project Owner (PO) to explain the importance of the project for the organization and other beneficiaries. • Discuss the overall project timeline. • Discuss the overall approach of the project. • Discuss the project plans needed for the project. • Discuss risks, constraints, and assumptions. • Discuss or present any project supporting tools. • Allow time for any other business (questions and answers). • Summarize the discussion (decisions, actions, risk). • Communicate next steps.
Distribution list	All participants involved
Media	Meeting minutes written in MS Word or by email.



MEETING	Executing Kick-off Meeting
Purpose	Official kick-off of the executing phase of the project. After this meeting, the Project Core Team (PCT) is aware of the scope of the project, the project governance structure, the roles, and responsibilities of the team members as well as the project rules.
Location	Defined by the Project Manager (PM) during onboarding.
Frequency	Done once at project level or for each major project phase. Date of the meeting to be defined.
Chairperson	Project Manager (PM)
Minutes by	To be defined by the Project Manager (PM).
Attendees	Project Owner (PO) Chad Nicholson Solution Provider (SP) NorthStar HealthCare Consulting Business Manager (BM)(s) Project Manager (PM) (State) Project Manager (PM) (NHC) Pharmacy Benefit Administrator Representative (if applicable) Pharmacy Drug Rebate Services Representative (if applicable) Project Core Team (PCT) Project Manager Assistant (PMA) (if applicable) Project Support Office (PSO) (if applicable) Other project roles or stakeholders (optional).
Agenda Items	• Introduce the agenda. • Introduce participants. • Present the Project Schedule/Project Work Plan. • Present the Communications Management Plan. • Agree on the conflict resolution process and present the escalation procedure. • Present the Risk Management, Issue Management, Project Change Management processes, and the Quality Assurance and Control activities. • Clarify the expectations for the Project Core Team (PCT). • Agree on the team's ground rules (communication via email, meetings, phone, meeting minutes to be produced, availability, etc.). • Allow time for any other business (questions and answers). • Summarize the discussion (decisions, actions, and risk).
Distribution list	All participants invited.
Media	Meeting minutes written in MS Word or by email.



MEETING	Project Status Meeting
Purpose	• Discuss project status. • Discuss open actions and check progress. • Discuss new risks or/and issues and define action points. • Discuss and resolve conflicts. • Discuss and review change requests and possibly approve/reject.
Location	Office of Project Manager (PM) (or meeting room to be defined in time).
Frequency	Done once at project level or for each major project phase. Date of the meeting to be defined.
Chairperson	Project Manager (PM) (or delegated person if Project Manager (PM) cannot attend) or Project Manager Assistant (PMA)(s).
Minutes by	Project Manager
Attendees	Project Owner (PO) Matt Reed Solution Provider (SP) NorthStar HealthCare Consulting Business Manager (BM)(s) Project Manager (PM) (State) Project Manager (PM) (NHC) Pharmacy Benefit Administrator Representative (if applicable) Project Core Team (PCT) (Functional) Team Leader (optional) Project Manager Assistant (PMA)(s) (If applicable - optional) Project Support Officer (optional) Project Quality Assurance (optional) Business Implementation Group (BIG) (If applicable - optional)
Agenda Items	Progress status review (presentation of periodic Project Status report). • Accomplishments (Current and Planned actions). • Work Completed vs Work Planned. • Milestones status. • Current deliverables status: ○ Indicators. ○ Existing change requests (current progress). ○ New change requests • Next deliverables status: ○ Existing change requests (Current progress). ○ New change requests • Risks and Issues: ○ Major risks, issues and actions monitoring.
Distribution list	All participants invited.
Media	• Project Status Report will be written in MS Word document, and sent by e-mail; and/or • Meeting minutes written in e-mail.



MEETING	Project Core Team (PCT) Meeting
Purpose	- Obtain commitment on the execution tasks. - Review the accomplished work and estimate time to complete + schedule. - Review risk and issues. - Assess new change requests.
Location	State Offices
Frequency	To be Determined
Chairperson	(Functional) Team Leader
Minutes by	Minutes will be made by the (Functional) Team Leader (or delegated person). Include: Estimated Time to Completion / Schedule updated in Project Work Plan. Other plans / outputs will be updated when needed
Attendees	All Project Core Team (PCT) members working on the project under concern.
Agenda Items	Project status: - Current and next milestones. - Done. - To do. - Estimate Time to Completion review. - Plan reviews. - Indicators review. Process status: - Debriefing on quality assurance aspects. Risk and Issues: - Risks, issues, and actions monitoring. Change management: - Assess new change requests.
Distribution list	(Functional) Team Leader Project Manager (PM) State Project Manager (PM) NHC Project Core Team (PCT) members working on the project under concern
Media	- Updated project plans. - Estimate Time to Complete updated for every task in Project Work Plan. - Updated Change Log with assessment results. - Meeting minutes (if used): written in an email or MS Word document.



Fraud, Waste, and Abuse Services

Communications Management Plan

MEETING	Project Review Meeting
Purpose	• Management Review meeting. • Meeting discussing about project progress. • Topics to be discussed: major scope changes, major re-baselining of the Project Work Plan (PWP), confirming alignment to portfolio goals and objectives, and business strategies.
Location	NorthStar HealthCare Consulting Offices
Frequency	Weekly (or more frequently, depending on project duration)
Chairperson	Project Manager (PM)
Minutes by	Project Support Officer (or delegated person)
Attendees	Project Manager (PM) NHC Solution Provider (SP) (Functional) Team Leader Project Support Officer Project Manager Assistant (PMA)(s) (if applicable) Project Quality Assurance (optional)
Agenda Items	• Follow-up of mandatory documents. • Major milestones review. • Testing progress. • Risks (budget, resources, others), issues, and actions monitoring. • Project Manager (PM) feedback. • Others: people / resources / contracts.
Distribution list	All participants invited
Media	• Project Progress Report • Meeting minutes in MS Word and sent by e-mail.



MEETING	Stakeholder Meetings
Purpose	- Meeting with Stakeholder(s) about the implementation of the project. - This meeting must also be held when there are: - Approval of RetroDUR Letters. - Program Launch Imminent
Location	No specific location. Defined by Project Owner (PO) in time.
Frequency	At the moment there is an important project milestone reached (collateral approved), that needs approval(s) from the State.
Chairperson	Project Owner (PO) Project Owner (PO) may delegate their responsibility to Project Manager
Minutes by	Business Manager (BM) or to delegated person.
Attendees	Stakeholder Meeting Attendees - NorthStar HealthCare Consulting - State Representative - Pharmacy Department - Pharmacy Benefits Administrator Representative (if applicable) - Pharmacy Drug Rebate Services Representative (if applicable) - Project Manager (PM) - State Pharmacy Association Representative - Medical Association Representative - MMIS Vendor (optional) Project Support Officer (PSO) (optional) Contractor's Project Manager (CPM) (optional)
Agenda Items	Project debriefing: - Implementation of Pharmacy Clinical Management Services Program - DUR Services - Utilization Management - State Advisory Board Administration
Distribution list	All participants invited
Media	- Meeting minutes written in MS Word and sent by e-mail. - Project Progress Report updated



MEETING	Change Control Meeting
Purpose	- Discuss and prioritize change requests or client's inquiries. - Discuss and prioritize maintenance requests. - Prepare for decisions to be made by the Project Steering Committee (PSC) or the Change Control Board (CCB) or Change Advisory Board (CAB).
Location	NorthStar HealthCare Consulting Offices
Frequency	Weekly
Chairperson	Project Manager (PM) NHC
Minutes by	PM
Attendees	Business Manager (BM)(s) Project Manager (PM)(s) Project Manager Assistant (PMA)(s) (If applicable - optional) Project Support Officer (PSO) (optional) Project Quality Manager (PQA) (optional) Business Implementation Group (BIG) (optional)
Agenda	<u>Change request status:</u> 1- Progress update on open changes <u>Current deliverables status:</u> 2- Existing change requests (current progress) 3- New change requests (commitment on prioritization, on budget, on milestones, ...) <u>Next deliverables status:</u> 4- Existing change requests (current progress) 5- New change requests (commitment on prioritization, on budget, on milestones, ...)
Distribution list	All participants invited
Media	- Meeting minutes written in MS Word and sent by e-mail(s). - Change log to be updated.

MEETING	Project-End Review Meeting
Purpose	The objectives for the Project-End Review meeting are: - Review the main project performance and achievements. - Discuss the overall project experience. - Discuss if the objectives have been reached and if not, why. - Discuss problems and challenges faced during project and the way they were addressed. - Discuss Lessons Learned and Best Practices that might be useful for future project.
Location	No specific location. Defined by the Project Manager (PM) in time.
Frequency	No frequency. The meeting is realized once.
Chairperson	Project Manager (PM)
Minutes by	To be defined by Project Manager (PM) in time.
Attendees	Solution Provider (SP) Project Owner (PO) Matt Reed Business Manager (BM)(s) Project Manager (PM) User Representatives (Functional) Team Leader Project Core Team (PCT) Project Support Officer (PSO) (if applicable) Project Quality Assurance (PQA) (if applicable) Project Manager Assistant (PMA)(s)
Agenda Items	- Remind the project performance and achievements. - Enumerate project relevant facts (budget and work history, milestones and timing history, technical and methodological approaches used). - Indicate the Lessons learned. - Business continuity plan (operational organization, budgets, and procedures)
Distribution list	All participants invited
Media	Project-End Review MoM, Project-End Report MS Word Document; sent by e-mail.



4. SUMMARY TABLE

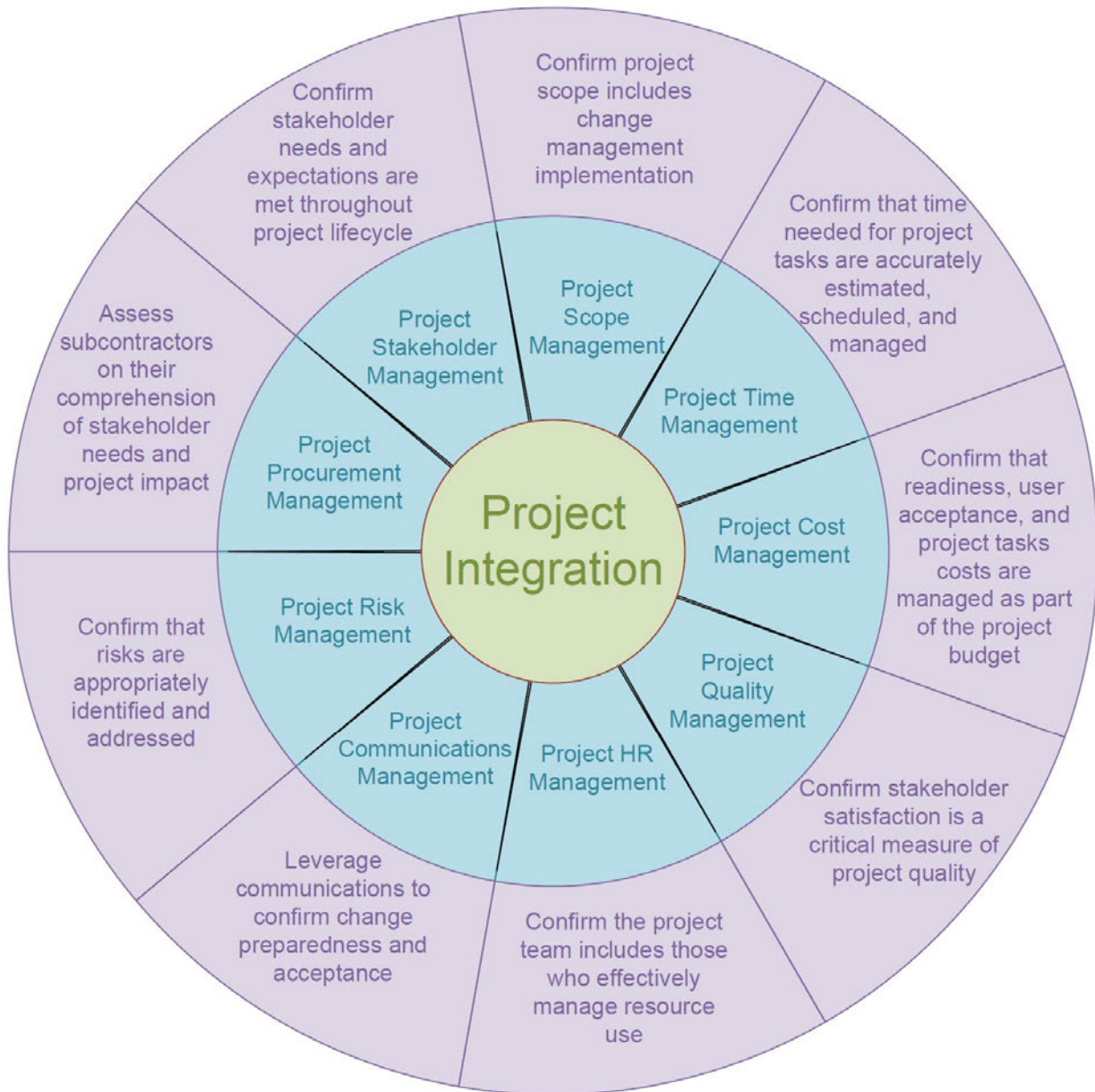
Item Name	Audience (summary)	Responsible person	Frequency	Media of Communication
Planning Kick-off Meeting	Project Owner (PO) Business Manager (BM) Solution Provider (SP) Project Manager (PM) Project Core Team (PCT) Business Implementation Group (BIG) User Representatives (URs) Other project roles or stakeholders (optional)	Project Manager (PM)	Once at Project Level.	Meeting and Meeting Minutes
Executing Kick-off Meeting	Project Owner (PO) Business Manager (BM) Project Manager (PM) Project Core Team (PCT) Other project roles or stakeholders (optional).	Project Manager (PM)	Once at Project Level or for each major project phase.	Meeting and Meeting Minutes
Project Status Meeting	Project Owner (PO) Business Manager (BM) Project Manager (PM) (Functional) Team Leader (optional) Other project roles or stakeholders (optional).	Project Manager (PM) or Project Manager (PMA)(s)	Once at Project Level or for each major project phase.	Meeting Minutes and Project Status Report.
Project Core Team (PCT) Meeting	All Project Core Team (PCT) members working on the project.	(Functional) Team Leader	To be determined	Meeting Minutes Updated Change log Updated project plans with actuals Estimate Time to Complete updated.



Item Name	Audience (summary)	Responsible person	Frequency	Media of Communication
Project Review Meeting	Project Manager (PM) Solution Provider (SP) (optional) (Functional) Team Leader Project Support Officer Project Manager Assistant (PMA) (if applicable) Project Quality Assurance (optional)	Project Manager (PM)	Quarterly (or more frequently, depending on project duration).	Meeting Minutes Project Progress Report
Project Steering Committee (PSC) Meeting	Solution Provider (SP) Project Steering Committee (PSC) members	Project Owner (PO) Project Owner (PO)	Monthly or at the moment there is an important project milestone reached, that needs approval(s) from Sponsor(s).	Meeting Minutes Decision log updated
Change Control Meeting	Business Manager (BM) Project Manager (PM) Other project roles or stakeholders (optional).	Project Manager (PM)	Weekly	Meeting Meeting Minutes Change log (updated)
Project-End Review Meeting	Project Owner (PO) Business Manager (BM) Solution Provider (SP) Project Manager (PM) User Representatives (URs) (Functional) Team Leader Project Core Team (PCT) Other project roles or stakeholders (optional).	Project Manager (PM)	Once per project or major project phase.	Meeting Minutes Project-End Report

MSQ15.9 - Integration Plan

Project complications can occur when working with many moving parts that must eventually align. Without proper alignment of these parts, the project can slow down, become less productive, and possibly cease to function. The following Integration Plan was developed to help with identifying, defining, combining, unifying, and coordinating the many processes and activities within the PFWA Audit Scope.

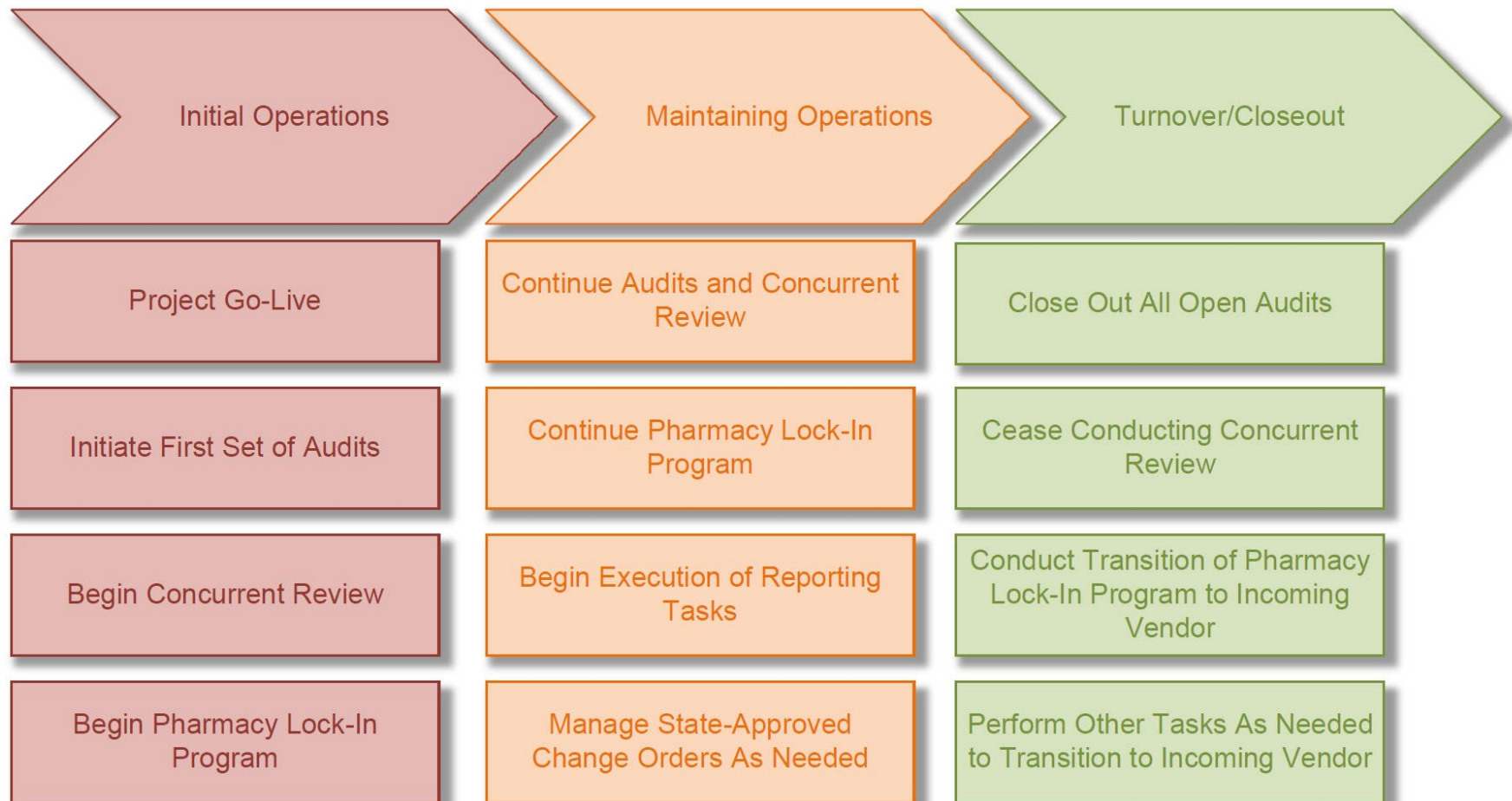




MSQ15.10 - Operations & Maintenance Plan

We have developed the following graphic to represent the composition of our Operations and Maintenance Plan. It is comprised of an interconnected ecosystem of activities that span initial operations, to operations maintenance, to the turnover/closeout period of the contract. Our final plan will include all day-to-day operational activities necessary for the program to function and for the professionals inside it to perform their tasks.

MSQ15.10 - Operations & Maintenance Plan





MSQ15.11 - Training Plan

As the current PFWA Vendor, with an experienced team currently serving the State, our professionals are well trained in their field(s) and State program specifics. However, we have developed a training plan to assure that new team members or key stakeholders who may not have the necessary knowledge to support the program will have a defined training path to follow.

This plan is provided below.



MSQ15.11 NorthStar HealthCare Consulting Training Plan

TRAINING PLAN

PHARMACY FRAUD, WASTE, AND ABUSE PROGRAM

**NORTHSTAR HEALTHCARE CONSULTING
4080 MCGINNIS FERRY ROAD, SUITE 1001
ALPHARETTA, GA 30005**

APRIL 19, 2024



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INTRODUCTION

This training plan, developed by NorthStar HealthCare Consulting (NHC), is designed to outline the objectives, methodology, and reporting of and for the Pharmacy Fraud, Waste, and Abuse (PFWA) Program including concurrent reviews, pharmacy audits, the Pharmacy Lock-In (PLI) Program and the grievance/appeals process.

POINTS OF CONTACT

The point of contact for NHC is listed in the table below. For any questions concerning training development, coordination, or facilitation, please contact the point of contact below.

Role	Name	Contact Number
Training Developer	Matt Reed, CPhT	(678)-672-4200

NEEDS AND SKILLS ANALYSIS

The State has requested that NHC provide a comprehensive overview of the pharmacy audit process including concurrent review as well as the PLI Program. In order to meet the State's need, NHC has developed a training plan with the assistance of front-line employees who are involved in these processes each day.

The learning objective for this training are:

- Knowledge initiation and selection for claims, pharmacy providers, and enrollees;
- Understanding of the letter generation process;
- Familiarity with the *CompassRx*SM Audit Management System; and
- Interpretation of PFWA reporting

REQUIREMENTS TRACEABILITY

NHC's Training Program is necessary to provide the state with the understanding of the PFWA Program as the State may receive inquiries from stakeholders as well as having direct involvement in the later stages of the audit process.

TRAINING METHODOLOGY

In order to accomplish the learning objectives of the NHC Training Program, a thorough training methodology was developed for the appropriate target audience and skill sets. Training will consist of four modules conducted over an instruction time of two hours each and will include various training materials and scenarios focusing on initiation and selection; program inclusion; and reporting across all PFWA domains including concurrent reviews, pharmacy audits, the PLI Program and the grievance/appeals process.



TRAINING ENVIRONMENT

Training will be conducted onsite at the State's office or virtually via Microsoft Teams.

TRAINING REFERENCES

There are several references which will be used throughout the four modules of training. All of these materials will be provided to the attendees on the day of training; however, these materials will also be available should attendees wish to reference them later. The table below provides a list of reference materials, the document and version numbers, formats, and location where the materials will be available.

Reference	Document/Version #	Format	Storage Location
Slide Presentation	Concurrent Review 1.0	PowerPoint Slides	Shared Drive "PFWA" Folder
Slide Presentation	Audits 1.0	PowerPoint Slides	Shared Drive "PFWA" Folder
Slide Presentation	Grievances/Appeals	PowerPoint Slides	Shared Drive "PFWA" Folder
Slide Presentation	PLI Program 1.0	PowerPoint Slides	Shared Drive "PFWA" Folder

TRAINING SCHEDULE

NHC's Training Program will span two hours for 4 modules with the following training schedule:

Module 1: Concurrent Review

Time	Subject	Location	Materials Required
1:00-1:05	Introductions, distribute references	TBD	N/A
1:05-1:30	Preparation	TBD	N/A
1:30-1:55	Transmission	TBD	N/A
1:55-2:05	Break	TBD	N/A
2:05-2:30	Outcomes	TBD	N/A
2:30-3:00	Reporting	TBD	N/A



Module 2: Audits

Time	Subject	Location	Materials Required
1:00-1:05	Introductions, distribute references	TBD	N/A
1:05-2:00	Preparations	TBD	N/A
2:00-2:05	Break	TBD	N/A
2:05-2:30	Conducting	TBD	N/A
2:30-3:00	Findings	TBD	N/A

Module 3: Grievance/Appeals Process

Time	Subject	Location	Materials Required
1:00-1:05	Introductions, distribute references	TBD	N/A
1:05-1:35	Committee Formation and Operations	TBD	N/A
1:35-2:05	Committee Findings and Notification	TBD	N/A
2:05-2:15	Break	TBD	N/A
2:15-3:00	Reporting and Coordination	TBD	N/A

Module 4: PLI Program

Time	Subject	Location	Materials Required
1:00-1:05	Introductions, distribute references	TBD	N/A
1:05-1:30	Criteria Selection	TBD	N/A
1:30-1:50	Member Selection	TBD	N/A
1:50-2:00	Break	TBD	N/A



2:00-2:30	Provider Selection	TBD	N/A
2:30-3:00	Monitoring, Reporting	TBD	N/A

CLIENT ACCEPTANCE

Approved by the Project Sponsor:

<Project Sponsor>

<Project Sponsor Title>

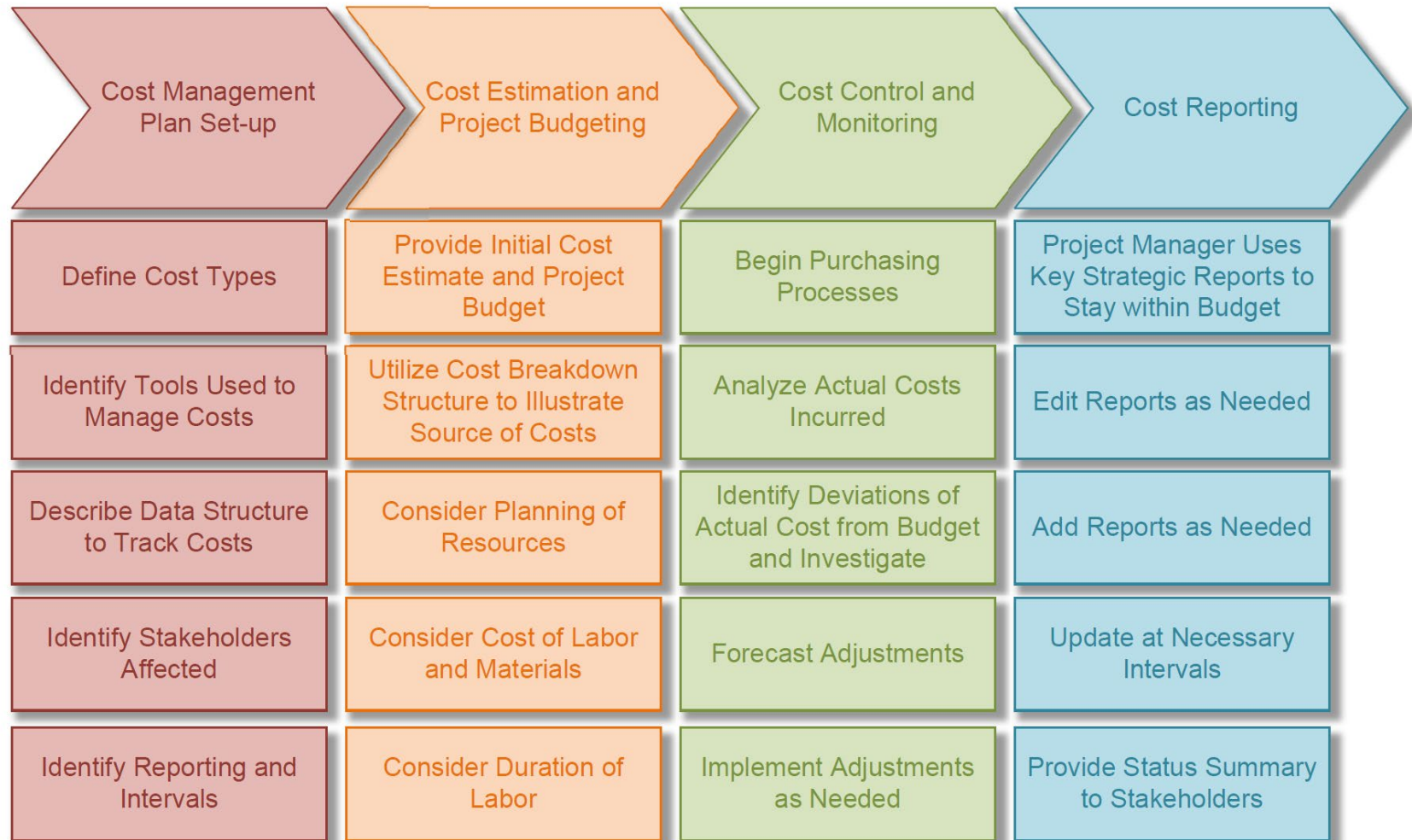
Date: _____



MSQ15.12 - Cost Management Plan

NHC takes our fiduciary responsibilities very seriously and has developed a framework for a program Cost Management Plan that encompasses cost management set-up, estimation and project budgeting, control, and monitoring, as well as reporting to the State. We hope to work with the State to develop a comprehensive plan that meets all state requirements for tracking, monitoring, and controlling costs.

MSQ15.12 - Cost Management Plan



MSQ15.13 - Stakeholder Management Plan

All projects have stakeholders and at the very least, they expect to receive the Vendor's deliverables at a certain time, cost, and level of quality. As the current PFWA Vendor, NHC is intimately aware of who the program stakeholders are, as well as their expectations. We will work to document a comprehensive Stakeholder Management Plan, pursuant to the State's requirements, that specifically identifies all stakeholders, and plans for and manages stakeholder engagement



16.	Bookmark Title: MSQ16 – Role Understanding Narrative description is limited to five (5) pages.
	Describe your understanding of your role and responsibilities in the project, your relationship to the other resources and stakeholders involved, including the State's Project Management Office (PMO), or equivalent unit, Pharmacy Benefit Administrator (PBA) vendor, and Pharmacy Drug Rebate vendor. Describe how you will collaborate and provide leadership among the various resources and stakeholders and provide examples of past successes in a similar environment. Refer to Attachment C - Common Scope Requirements and Security Standards

As the incumbent, NorthStar HealthCare Consulting (NHC) is intimately familiar with the current roles and responsibilities of the Pharmacy Fraud, Waste, and Abuse (PFWA) Vendor, having performed this work since 2006. Our considerable experience makes us uniquely positioned to fulfill the responsibilities outlined in this eRFP's PFWA Scope of Work. During the course of our engagement with the Lead State, we have collaborated with internal and external stakeholders to support the State in achieving program goals. Hence, in our role we seek to leverage our intimate familiarity of the current program combined with our considerable experience and our willingness to collaborate with all involved parties to service the State's best interests.

NHC acknowledges that when we are auditing on behalf of a Medicaid program we are acting as a representative of the State, often serving as a point of contact for the Medicaid program for pharmacies. As such, we recognize the importance of positive provider relationships. We take our role very seriously and seek to represent the State in the best possible light while accomplishing the task at hand. In Georgia, NHC has worked to establish a relationship and open lines of communication with provider associations to minimize pushback and "noise" around the audit program.

Additionally, as the PFWA Vendor, NHC utilizes a customizable and comprehensive audit program to minimize the diversion of funds, thereby maximizing the State's ability to appropriately direct funds needed for patient care. The granularity of customization available in our *CompassRx*SM Audit Management Program provides significant added value as it facilitates the flexibility required to accommodate the inherent differences across state Medicaid programs. NHC's multi-faceted approach to identifying and addressing fraud, waste, and abuse incorporates data mining, Concurrent Claims Review, Desk Audits, Field Audits, and our Pharmacy Lock-In (PLI) program.

It should be highlighted that NHC's approach with our clients is based on a collaborative service model. We are not ones to stand on titles or rigid, narrow interpretations of scopes of work. Indeed, NHC very much enjoys assisting states in developing



responsive, creative solutions quickly without the delay seen in larger organizations. NHC executes with precision and effectiveness.

Data Mining

Claims access and review are critical to any program seeking to identify and combat fraud, waste, and abuse. NHC will work with the State's Pharmacy Benefits Administrator (PBA) and Medicaid Management Information Systems (MMIS) Vendors as outlined in Attachment EE of this eRFP to gain access to pharmacy and medical claims, enabling us to conduct reviews. Partnering with the PBA and MMIS Vendors, we will confirm that the transmission of the claims data is secure and can be completed as often as once daily. The data will undergo a thorough quality assurance process to ensure its integrity prior to being ingested into our claims database. Upon ingestion, the application of our suite of proprietary analytics begins the process of identifying patterns of fraud, waste, and abuse. Our standard set of algorithms is dynamic and extensive yet can be tailored to suit the needs of the State. An important component of the analysis is a review and comparison of outpatient pharmacy and medical (hospital, provider administered, and prescription) claims data, such as drug and diagnosis/disease state comparison. After the application of these algorithms, the identified claims are subsequently reviewed by a pharmacy professional who will leverage their expertise to ensure that the claims and pharmacies identified by the algorithm are substantive, thereby reducing extraneous "noise" and minimizing unnecessary administrative burdens for network providers. The resulting collection of pharmacies and claims are marked for inclusion in Concurrent Reviews and Desk or Field Audits.

CompassRxSM Concurrent Review

Concurrent Review approximates a 'real-time' analysis approach when claims data is provided and reviewed on a daily or weekly basis. It can function similarly to prepayment review, eliminating the need for recoupment post-payment and mitigating additional costs associated with desk and field audits. All claims are analyzed using dynamic logic that has been developed based on our experience as a leading pharmacy audit company and on our substantial experience as practitioners. Concurrent Review notifications are delivered via facsimile when possible, requiring no response by the pharmacy. Pharmacies are encouraged to review the identified claims to ensure proper billing in accordance with Plan requirements and prescription directions.

Claims that are not modified may be included in a subsequent desk audit. Reports are provided monthly, illustrating the positive impact and estimated cost avoidance resulting from the Concurrent Review Program.

CompassRx Desk and Field Audits

Initiated through individual claims analysis, pharmacy report cards, plus external referrals, and tips (including referrals from state and investigative agencies), NHC's second level of pharmacy audits, Desk and Field Audits, offer a robust review of

outpatient pharmacy, hospital, provider administered, prescription, and Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) claims data.

Pharmacies may be grouped into regions or by type and dispensing patterns are analyzed by our team of pharmacy technicians and pharmacists for inconsistencies or unusual activity and patterns. Typically performed monthly to quarterly, with select criteria analyzed on a year over year basis, these audits are used to detect potentially significant changes in dispensing patterns. Statistical analysis is utilized to create pharmacy scores based on standard deviations across various criteria. Specific prescriptions are selected for review based upon the anomalies noted in the report card. In these audits, pharmacies are assessed through comparative analysis within and across the provider network based upon criteria which may include:

- Total claims volume
- Average dollar amount per claim
- Average number of claims per member
- Dispense as written (DAW) percentages
- Generic dispensing rates
- Opiate and controlled substance dispensing
- Percentage of claims reversed
- Date and time stamp of claims when available
- Client-specific high dollar thresholds
- Compounded Rx activity if allowed by policy
- Drug-specific measures: unusual quantities; package size mismatches

Additionally, NHC has experience auditing DME claims, having previously done so for the Lead State in this eRFP. Multiple staff members at NHC are certified experts in billing and reimbursement, having an in-depth knowledge of the manner in which DMEPOS claims should be submitted for reimbursement. When auditing DMEPOS claims, NHC also leverages our staff experience to implement several fraud, waste, and abuse detection methods gained from our years conducting various types PFWA audits. These methods may include identifying claims for DMEPOS products during an inpatient stay, multiple DMEPOS rentals in a single month, the lack of a supporting diagnosis on file, and abnormally high rates of denied claims. As such, an integral part of this process is a comparison of medical claims data and pharmacy claims data to identify potential aberrant billing practices in either setting. Common recovery reasons include the lack of a signature from a certified physician and submitted documentation not meeting medical necessity requirements. Further, NHC proposes the identification and review of duplicative claims submitted through the pharmacy point-of-sale system



as well as through the DMEPOS or PADL benefits system. As with all our CompassRx auditing solutions, DMEPOS reviews are customizable to meet the needs of the State.

All *CompassRx* audit programs return claims-level findings to the pharmacy and offer a grievance and appeal process including an opportunity to appeal to the State. After appeal opportunities are exhausted or declined, claim adjustments resulting from audit findings will commence.

Claim Adjustment Process

At the conclusion of the audit process and after any appeals, any remaining discrepant claims are submitted to the State for review and adjustment approval. Once approved by the State, claims will be forwarded to the PBA Vendor for reversal completion. For those claims involving rebate-eligible products, the State's Pharmacy Drug Rebate Services (PDRS) Vendor will collaborate with the State's PBA Vendor to perform the appropriate adjustments at the National Drug Code (NDC) and provider (claim) level to comply with findings from audits.

Pharmacy Lock-In Program

The overarching goal of any lock-in program is to ensure the appropriate therapy and judicious use of services for Medicaid recipients. Secondary goals include identification of providers, both prescribers and pharmacies, whose behavior may indicate further review is necessary by Program Integrity (PI). Problematic behaviors are not only limited to providers but can include members as well. When there is a suspicion of member fraud, waste, abuse, or misuse, a robust PLI program combined with an educational intervention can assist with deterring problematic behavior.

Project Collaboration

NHC utilizes a comprehensive and collaborative approach to project organization and management, understanding that such an approach is critical to the success of a project of this size and scope. NHC will leverage its Communications Plan to facilitate a kick-off meeting in which project schedule, risks, quality, and change management will be discussed. In attendance will be NHC's Project Owner, a PBA representative, other relevant stakeholders, and a Project Management representative from the State's Project Management Office (PMO) or equivalent – if applicable. Additionally, we will incorporate our Requirements Management Plan to ensure all related deliverables are reliably met. NHC will also make available relevant training to State employees and other stakeholders as needed at the direction of the client. Throughout the life of the project, NHC will work with the State's Independent Verification and Validation (IV&V) vendor, responding to their requests for project information and providing project management deliverables as requested.



Past Successes

NHC has served as the PFWA Vendor for the Georgia Department of Community Health (DCH) since 2006. Over that period, **NHC has been successful in meeting contract requirements and exceeding performance expectations and service level guarantees, outpacing contract minimums year after year.** We have also implemented successful fraud, waste, and abuse programs serving Medicaid agencies in many other states. In addition to successes in servicing contracts, NHC has also fostered positive professional relationships with network providers through an educational approach to auditing with much success. Such accomplishments result in improved program compliance and a positive provider perception of the Medicaid program. While no one likes an audit, NHC points to recent feedback related to two audits conducted on behalf of the lead state as evidence of our collaborative nature and leadership with the provider community.

"I wanted to take a moment and share an interaction with you from today. I was blessed to sit down and converse with Russell Carlson, Commissioner of the Georgia Department of Community Health. I told the Commissioner I appreciate you and NHC's fairness in dealing with us. I expressed that you treat us professionally and courteously while maintaining the objectivity necessary for your mission. It was an honor for me to speak with him, and I wanted him to know that this firm has treated us better than any other auditing organization we have interacted with. Thank you for all that you do!"

Georgia Pharmacy Provider feedback from a recent desk audit

"I really appreciate how professional you were and how easy you were to work around our short staff and unpreparedness."

Georgia Pharmacy provider feedback from a recent field audit