FDR Compliance Newsletter

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Code of Conduct

Mercy Care Advantage is committed to maintaining the highest standards of ethics, integrity, and compliance. Our Code of Conduct outlines the principles and expectations that guide how we conduct business and comply with applicable laws, regulations, and Medicare program requirements. It serves as a valuable resource for identifying and addressing ethical and compliance concerns and provides information on available reporting channels. We encourage all First Tier, Downstream, and Related Entities (FDRs) to review the Code of Conduct and incorporate its principles into their daily operations.

Annual MCA FDR Compliance Attestation

Contracted FDRs are expected to have a Compliance Program and compliance policies implemented and must conduct applicable training for employees at time of hire and annually thereafter. The annual MCA FDR Compliance Packet is provided to contracted FDRs via electronic delivery at the time of contracting and annually thereafter. FDRs contracted for the Mercy Care Advantage (MCA) line of business are required to complete and return a signed attestation confirming their organizations compliance with the provisions outlined in the FDR Compliance Packet. **The MCA 2027 attestation packet will be issued early Spring 2027**.

Audit Readiness: What FDRs Need to Know

CMS and health plans may request documentation from First Tier, Downstream, and Related Entities (FDRs) to validate compliance with Medicare requirements. Maintaining organized records and supporting documentation throughout the year can help ensure a smooth and timely response to audit and monitoring requests.

Key areas for FDR audit readiness include:

- Maintaining documentation of annual Medicare Compliance and Fraud, Waste, and Abuse (FWA) training.
- Completing and documenting required exclusion screenings.
- Retaining records in accordance with contractual and regulatory requirements.
- Ensuring policies and procedures are current and readily available.
- Timely reporting of compliance concerns, potential FWA, and privacy incidents.
- Maintaining documentation of corrective actions and monitoring activities, when applicable.

Being audit-ready is an ongoing process, not a one-time event. Strong documentation practices and a commitment to compliance help demonstrate adherence to Medicare requirements and support high-quality service to members.

Exclusion Screening: A Critical Medicare Compliance Requirement

As a First Tier, Downstream, or Related Entity (FDR), maintaining an effective exclusion screening process is an important component of Medicare compliance. Federal regulations prohibit Medicare program funds from being used to pay for items or services furnished, ordered, or prescribed by individuals or entities that have been excluded from participation in federal health care programs. The CVS Health Code of Conduct also emphasizes the importance of identifying and reporting exclusion-related issues.

FDRs should ensure they:

- Conduct regular screening of employees, temporary staff, contractors, and downstream entities against applicable exclusion databases.
- Maintain documentation of completed screenings and any follow-up investigations.
- Promptly address and report potential matches identified during the screening process.
- Notify the health plan if an excluded individual or entity is identified.

Maintaining a robust exclusion screening process helps protect members, supports compliance with Medicare requirements, and reduces organizational risk.

Important CMS Updates for Medicare FDRs

CMS continues to emphasize Medicare compliance oversight, making it important for FDRs to maintain strong compliance practices and audit readiness.

Key updates and focus areas include:

- Increased emphasis on maintaining complete, accurate, and readily available documentation to support compliance activities.
- Continued focus on data accuracy, with incomplete or inaccurate submissions potentially resulting in an Invalid Data Submission (IDS) finding.
- Greater attention to how organizations identify, prevent, and correct compliance issues through effective oversight and monitoring activities.
- Ongoing expectations for timely completion and documentation of annual Medicare Compliance and Fraud, Waste, and Abuse (FWA) training.
- Continued emphasis on exclusion screening, reporting compliance concerns, and protecting member information.

FDRs should review their compliance processes regularly and ensure supporting documentation is maintained and readily accessible in the event of a health plan review, monitoring activity, or CMS audit.

Did You Know?

Individuals and entities excluded from federal health care programs may not participate in services paid for by Medicare or Medicaid. Organizations should maintain documentation of screening activities and be prepared to provide evidence of compliance during audits, oversight activities, or monitoring reviews. The CVS Health Code of Conduct also requires reporting of certain exclusion-related events through established compliance channels.

Compliance Tip: Establish a consistent process for documenting monthly exclusion screenings and retaining records in a centralized location for easy retrieval.