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MNsure Compliance Program Strategic Plan FY2018

July 26, 2017



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Introduction

The purpose of the Compliance Program Strategic Plan (the “Plan”) is to define MNSure’s overall mission for Compliance as well as to define the formal Compliance Department mission and vision. The Plan will provide overall guidance on the direction and efforts of MNSure’s Compliance Department to align activities with MNSure’s organizational goals.

Throughout the Plan there are references to the “Compliance Program” and the “Compliance Department.” The use of these different phrases is intended to differentiate between the Compliance Program describing the sum of all efforts and activities related to compliance throughout the organization, regardless of what business unit is directly involved and the Compliance Department describing the particular business unit led by the Chief Compliance Officer charged with advising, supporting, guiding the organizations overall efforts and activities related to compliance.

In June 2016, the MNSure board approved the Plan for fiscal 2017. The Plan, which is presented annually to the MNSure board for approval, contains compliance-related activities aimed at implementing a comprehensive compliance program at MNSure. MNSure plans to present the FY2018 Plan for the Compliance Work Group’s review and approval in June 2017 and for full board approval in July 2017.

The Plan’s compliance activities are organized into the following 10 key focus areas, consistent with best-in-class compliance programs across the United States:

- Tone at the Top
- Risk Assessment
- Lines of Communication
- Oversight and Responsibility
- Policies and Procedures
- Training
- Monitoring
- Auditing
- Response and Prevention
- Enforcement and Discipline

The Compliance Department is one of several business functions that report to MNSure’s General Counsel (“General Counsel”). Other business areas reporting to the General Counsel include Appeals and Accessibility, Administrative Support Services, Human Resources, Procurement, and Privacy and Security. These business areas (and others within the agency) have compliance-related missions. The Compliance Department works closely with these business areas in implementing a culture of compliance across the agency.

Compliance Program Mission

The Compliance Program is owned by the organization as a whole and includes compliance activities and efforts performed by all MNsure employees, board members and associated third parties. Below is the Compliance Program mission:

MNsure views compliance as a responsibility of all employees throughout the organization and will implement the appropriate systems and structures to provide all employees and business units support, advice and guidance to assure ethical and regulatory requirements are identified and met.

MNsure shall operate as an ethical, compliant and transparent organization by fostering a culture of honesty and accountability, while adhering to the regulatory requirements governing our organization. Additionally, MNsure views compliance as the responsibility of all employees in order to help us achieve our mission to ensure all Minnesotans have the security of health insurance.

Compliance Department Mission

The Compliance Department is responsible for guiding and driving the Compliance Program on behalf of MNsure, and for working as a collaborative partner and trusted advisor to the Board of Directors and MNsure employees. Below is the Compliance Department mission:

The MNsure Compliance Department shall be a strategic and collaborative business partner to the Board of Directors, employees and business units by providing advice, support, and guidance on ethical and regulatory requirements as these groups make decisions and implement operations at MNsure.

The MNsure Compliance Department will foster trust, honesty, ethics and integrity with all MNsure employees and third parties by providing guidance and counsel on compliance risks and their potential impact to MNsure, advice and support on implementing compliance best practices into operations, and the ability to report any potential compliance concerns confidentially and without fear of retaliation.

Regulatory Profile

The regulatory profile defines the laws and regulations that govern MNsure's operations as an Exchange. It is this profile that the MNsure Compliance Program is responsible for overseeing and managing.

MNsure is subject to numerous federal and state laws, rules, and regulations and is governed by multiple federal and state bodies. Keeping pace with increasingly complex and changing marketplace regulations and guidance is critical to MNsure's future success.

MNsure is a Minnesota state agency established under Minnesota Statutes, Chapter 62V and is subject to the operational requirements that enabled states to establish the exchanges through

the Affordable Care Act. It is responsible for Qualified Health Plan (QHP)-related eligibility determinations and enrollments, and for appeals on QHP-related determinations.

The Minnesota Eligibility Technology System (“METS”) is also used by the Minnesota Department of Human Services to determine eligibility for Medicaid (Medical Assistance) and the state Basic Health Plan (Minnesota Care). Under Minnesota Statutes Chapters 256B and 256L, the Minnesota Department of Human Services is responsible for making eligibility determinations and enrollments into the Medical Assistance and Minnesota Care programs, including appeals on determinations made in those programs. Although MNsure and DHS share the METS platform, MNsure has no authority under federal or state law over Medical Assistance or Minnesota Care.

For completeness, this document includes references to both Medical Assistance and Minnesota Care related laws. However, the intent of this document is to focus on requirements that apply to MNsure, the state agency.

MNsure’s regulatory requirements are organized by the following primary categories:

- General Standards for Operations and Functions
- Individual Insurance
- Small Business Health Options Program (SHOP)
- Consumer Assistance
- Financial Management
- Program Integrity and Oversight
- Plan Management
- Additional Requirements (e.g. multi state plans, handling of false claims, etc.)

Key Strategic Goals of the Compliance Department

The following key strategic goals of the Compliance Department are high-level operating goals that will guide the Compliance Department beyond its day-to-day activities and functions. The goals are segmented between short term and long term and seek to weave a culture of compliance into MNsure’s operations.

Short-Term Goals

By June 30, 2018 implement, operationalize and optimize the remaining assessment recommendations Identified in the Compliance Program Roadmap

Description of the goal: Implement, operationalize, and optimize tasks assigned to the following key focus areas (Target completion date: 6/30/18):

Tone at the Top

- Operationalize the FY2018 Executive Compliance Communication Work Plan
- Update job descriptions to include compliance responsibilities.

Risk Assessment

- Conduct annual risk assessment

Lines of Communication

- Process consumer complaints received through the various reporting mechanisms including the anonymous telephone line, contact center calls, compliance email account, and United States Postal Service,
- Implement the FY2018 Compliance Department communication strategy.

Oversight and Responsibility

- Update Compliance Program Plan
- Operationalize and expand Board of Directors reports and dashboards

Policies and Procedures

- Obtain 100% employees Code of Conduct certification
- Update enterprise-wide policy and procedure structure and process
- Inventory, review, and update policies and procedures

Training

- Conduct annual code of conduct training
- Embed compliance-focused training into functional area training

Monitoring

- Implement Compliance monitoring methodology and program
- Complete the design and implementation of a third-party oversight and monitoring program

Auditing

- Execute FY2018 Internal Audit plan.
- Assess the need for a third-party audit program.
- Coordinate external audits.

Response and Prevention

- Operationalize the process to track, trend, and follow-up on reported compliance issues.

Objective: Strengthen the crucial infrastructure needed for MNsure's compliance program.

Strategy: To achieve this goal, for the roadmap recommendations listed above, the Compliance Department will develop a detailed action or work plan outlining the steps for implementing the recommendation.

Measurement: Progress against the developed work plan will be tracked to help ensure timelines are met. Success will be defined by having the associated deliverables and or processes developed by this date 06/30/18.

Accountability: David Rowley, General Counsel/Chief Compliance Officer

Reporting: Monthly or quarterly progress and status reporting will be made to Senior Leadership and the MNsure Board Compliance Workgroup. A status update will be made to the full MNsure Board of Directors at least twice a year

Long-Term Goals

1. MNsure's Compliance Department will have established processes and procedures that are recurring, consistent and measurable. Much of this infrastructure is in place but requires optimization to operate effectively. Accountability: David Rowley, General Counsel/Chief Compliance Officer will own this long-term goal.
2. Create compliance and ethics competence throughout MNsure through continuous education and in conversations with Senior Leadership. Accountability: David Rowley, General Counsel/Chief Compliance Officer will own this long-term goal.

Compliance Department Operations

This section focuses on the day-to-day operations of the Compliance Department. It outlines the key focus areas and activities of the Compliance Department, performance metrics used to measure the effectiveness of the Compliance Department, the Compliance Department's overall budget, the staff resources within the Compliance department and the organizational structure of the Compliance Department.

Key Focus Areas

The Compliance Department's core focus areas are essential to supporting MNsure's goal of honesty and transparency by driving results with efficient and effective compliance tools and processes. The key focus areas are the day-to-day activities performed by the Compliance Department as described in detail in the Compliance Program Document. Key focus areas include:

1. Tone at the Top
2. Risk Assessment
3. Lines of Communication
4. Oversight and Responsibility
5. Policies and Procedures
6. Training
7. Monitoring
8. Auditing
9. Response and Prevention
10. Enforcement and Discipline

Compliance Department Performance Metrics

These metrics are intended to drive the Compliance Department towards meeting its mission. Progress on the metrics should be reported to Senior Leadership and the Board of Directors on a monthly/quarterly basis. The performance metrics should be re-visited annually and adjusted as necessary.

The FY2018 performance metrics are as follows:

- Provide one compliance specific training session to the MNsure Board of Directors by June 30, 2018.
- Receive Code of Conduct attestations for 100% of all employees, appropriate third parties and Board of Directors by October 31, 2017.
- Compliance risk assessment completed and reported to the Board of Directors Compliance Workgroup and small group by July 31, 2018.

- Compliance Audit and Monitoring plan based off of the risk assessment is developed and approved by the MNsure CEO by July 31, 2017.
- Provide each new employee with general compliance training within one month of the employee's appointment.
- At least four audits will be completed based on risk areas as identified by the Compliance Risk Assessment.
- 95% of hotline inquires will be resolved within 30 days of initial receipt.
- The Chief Compliance Officer will conduct, at a minimum, three one-on-one meetings with the MNsure CEO and direct reports to discuss compliance trends, risks, emerging risks, audit results, etc., throughout FY2018.
- The Chief Compliance Officer will provide 2 board presentations regarding compliance annually.
- 100% of all reports / data required to be provided to regulators are sent timely.

Compliance Department Budget

The current fiscal year budget, as well as proposed budgets for future fiscal years, are based upon the annual budget and three-year financial plans approved by the MNsure board. The total budget amounts identified below are currently subsumed within several different expenditure categories in those documents, specifically, Management, Admin Services, and Legal & Security. Thus, the below budget offers greater detail from those documents, but does not increase the amounts identified therein.

Item	FY2016 Budget	FY2017 Budget	FY2018 Budget (Proposed)
Compliance Budget Total:	\$361,000	\$358,000	\$349,000

Compliance Department Resources

Appropriate staffing of the Compliance Department assures that the Compliance Department will be able to achieve its mission. The functions identified here are not necessarily intended to be a correlate to full-time equivalent positions. Rather, these may be full-time equivalent positions or these functions may be included within an existing position or spread across several positions. However, the below descriptions of experience and skillsets outline the resource needs for the Compliance Department:

Chief Compliance Officer (CCO)

The CCO is responsible for the compliance functions executed across the enterprise with accountability and direct reporting relationship to the CEO with a dotted line to the board (or designated board work group).

Compliance and Program Integrity Manager

The Compliance Program and Integrity Manager is responsible for supporting the CCO and for the management of internal and external financial / compliance audits, investigations and program evaluations. Additionally, they are responsible for the day-to-day operations of the Compliance Department.

Compliance Coordinator

The Compliance Coordinator is responsible for supporting the Compliance and Program Integrity Manager and CCO in ongoing development and execution of the day-to-day operations of the program.

Internal Audit Officer

The Internal Audit Officer is responsible for supporting the Compliance and Program Integrity Manager and CCO by executing the internal audit plan, coordinating external audits, documenting internal controls, and conducting investigations.

Compliance Department Organizational Structure

The organization structure of the Compliance Department is intended to include clear reporting lines and support MNsure's operational stakeholders with sufficient, skilled staff. The reporting structure promotes open, transparent communication between management, senior leadership and the Board of Directors. As identified in the Compliance Program Roadmap, further identification of the specific organizational structure, position supervision and position reporting is still necessary, but, from a strategic perspective, there are several key concepts that must be included in the final structure. First, that a specific individual is identified as the Chief Compliance Officer for MNsure. Second, that this individual, regardless the day-to-day reporting structure implemented, has direct, unfettered access to the Board of Directors and the CEO when carrying out their identified compliance obligations and responsibilities.

Annual Approval Process

The strategic plan should be reviewed, updated and approved yearly.

High-Level Annual Approval Procedures:

- a. Annually, the CCO must review, update and submit the Compliance Department's Strategic Plan to Senior Leadership
- b. Once approved by Senior Leadership the plan will be submitted by the CCO to the Board of Directors for approval
- c. The strategic plan should be tracked with:
 1. Dates of revision
 2. Revision/editor information
 3. Electronic signatures of the CCO, Senior Leadership and Board of Directors upon approval


Approved by

Date: July 26, 2017

Name: Phil Norrgard

Title: Chair, MNsure Board of Directors (signing on behalf of the MNsure Board of Directors)

Signature:



Revision History

Revised by:	Revised Date
Original	12/17/14
Revision 1	06/15/16
Revision 2	07/26/17