



**MNsure**<sup>®</sup>

Where you choose health coverage

**MNsure Compliance Program  
Strategic Plan**

December 17, 2014



## TABLE OF CONTENTS

Introduction.....	3
Compliance Program Mission.....	3
Compliance Department Mission.....	3
Regulatory Profile.....	4
Key Strategic Goals of the Compliance Department.....	4
Compliance Department Operations.....	6
Key Focus Areas.....	6
Compliance Department Performance Metrics.....	7
Annual Approval Process.....	11
Revision History.....	11
Index of Supporting Documents.....	12

## 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.

Through 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.

## 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 MNsure software platform 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. 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. These goals are intended to help enhance the overall Compliance Program. The goals are segmented between short term and long term. Given that the Compliance Program and Compliance Department are in their infancy at MNsure, these goals, especially the short term goals, will focus on assessing the needs of the Compliance Program and Compliance Department and implementing the appropriate infrastructure to allow the Compliance Program

and Compliance Department to fulfill their missions.

## SHORT TERM GOALS

### 1. *Implement Initial Assessment Recommendations Identified in the Compliance Program Roadmap*

**Description of the goal:** Implement recommendations assigned to the first 90 days of the assessment roadmap. Targeted project start date: 12/17/14. Targeted completion date: 3/31/15.

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

**Strategy:** To achieve this goal, for each recommendation on the roadmap, the Compliance Department will develop a detailed action or workplan outlining the steps for implementing the recommendation. The action plan will be finalized by 1/16/15. The action plan will include: completion dates/timelines, owners, dependencies, etc. The workplan will act as a guide for the Compliance Department to complete the first 90 day activities. Detailed workplans may be developed for each individual activity to help provide more granular step-by-step guidance on completing tasks.

**Measurement:** Progress against the developed workplan 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 4/3/15.

**Accountability:** Michael Turpin, General Counsel

**Reporting:** Monthly progress and status reporting will be made to Senior Leadership and the Board of Directors. Status will be provided in each Board Compliance Workgroup meeting as well

### 2. *Implement Remaining Recommendations Identified in the Compliance Program Roadmap.*

**Description of the goal:** Implement the recommendations as defined in the Months 4-12 of the roadmap.

**Objective:** Continue to develop and enhance MNsure's Compliance Department with the intent of developing recurring and repeatable processes and infrastructure.

**Strategy:** To achieve this goal, for each recommendation on the roadmap, the Compliance Department will develop a detailed action or workplan outlining the steps for achieving implementing the recommendation. The workplan will be developed by 4/17/15 and will be revisited quarterly. The action plan will include: completion dates/timelines, owners, dependencies, etc. The workplan will act as a guide for the Compliance Department on the 9 month project. Detailed workplans may be developed for each individual activity to help provide more granular step-by-step guidance on completing tasks.

**Measurement:** Progress against the developed workplan will be tracked to help ensure timelines are met. Key milestones will be identified over the 9 month period to help provide targeted completion steps. Ultimate success will be defined by developing the underlying compliance infrastructure and processes within the timelines defined in the roadmap with an intended completion goal of 12/31/15.

**Accountability:** Michael Turpin, General Counsel

**Reporting:** Monthly progress and status reporting will be made to Senior Leadership and the Board of Directors

### 3. *Develop and Execute Internal Auditing and Monitoring Plans*

**Description of the goal:** Implement internal audits as defined in the pre-kick-off months of the assessment road map. Target project start date: 12/15/14. Target project completion date: 1/31/15

**Objective:** Execute internal audits to (a) supplement internal controls and (b) identify areas for improvement.

**Strategy:** To achieve this goal, the Compliance Department, working with DHS Internal Audits will develop an audit schedule of areas to be audited over the next fiscal year. The initial audit schedule will be based on known risk areas e.g. lack of separation of duties in finance but will be revised based on the entity-wide risk assessment. Each audit will result in a report to the (Senior Leadership) detailing audit steps conducted and findings and recommendations. The initial internal audits will include a review of payments from July 1, 2014 to date, and a review of on-boarding of staff.

**Measurement:** Monthly, a status report on internal audits will be presented to the Senior Leadership, detailing progress on each engagement. Ultimate success will be defined by the development of a functional, risk-driven internal audit operation within the timelines defined in the road map with an intended completion date of 12/31/15.

**Accountability:** Michael Turpin, General Counsel

**Reporting:** Each audit will result in a report that will detail the audits steps executed, and the resulting findings and recommendations. Monthly, a status report on the audit schedule will be provided to the Senior Leadership. Quarterly, a summary of audits completed, and findings and recommendations will be provided to the Board of Directors.

## LONG TERM GOALS

1. MNsure's Compliance Department will have established processes and procedures that are recurring, consistent and measurable. This infrastructure will be developed as part of the FY15 short term goals, however the long term goal is that this infrastructure will be operating effectively. *Accountability:* Michael Turpin, General Counsel will own this long term goal.
2. Create compliance and ethics competence throughout MNsure through continuous education and in conversations with Senior Leadership. *Accountability:* Michael Turpin, General Counsel 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**

The Compliance Department has developed the following performance metrics for 2015. 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 2015 performance metrics are as follows:

- Receive Code of Conduct attestations for 100% of all employees, appropriate third parties and Board of Directors by April 1, 2015
- Compliance risk assessment completed and reported to the Board of Directors by April, 1, 2015
- Compliance Audit and Monitoring plan based off of the risk assessment is developed and approved by the Board of Directors by May, 1, 2015
- Provide general compliance training for all employees, appropriate third parties and Board of Directors by October 1, 2015
- Develop and implement a mechanism to identify and track compliance issues.
- At least five audits will be completed based on risk areas as identified by the Compliance Risk Assessment
- 95% of hotline inquiries 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 2015.
- Operational compliance monitoring thresholds will be developed for all operational units by October 1, 2015.
- 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

specific line item 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	FY 15 Budget	FY 16 Budget (Proposed)	FY 17 Budget (Proposed)
<b>Employee total compensation</b>			
Chief Compliance Officer	\$65,000 (50% of GC comp.)	\$65,000 (50% of GC comp.)	\$65,000 (50% of GC comp.)
Compliance & Program Integrity Manager	\$100,000	\$100,000	\$100,000
Compliance Coordinator	\$65,000	\$65,000	\$65,000
<b>Contracts</b>			
Internal Audit Services (DHS)	\$100,000	\$100,000	\$100,000
Compliance Program Assessment and Implementation Planning	\$240,000	\$0	\$0
Risk Assessment and PM/BA resources	\$50,000	\$0	\$0
<b>Compliance employee training/annual certification/conference/</b>	\$5,000	\$5,000	\$5,000
<b>TOTAL:</b>	<b>\$625,000</b>	<b>\$335,000</b>	<b>\$335,000</b>

## 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 Committee)

The CCO should have the skills and experience to:

- Develop and articulate a clear strategic vision of compliance across the enterprise
- Collaborate with senior leadership to build and drive a culture of compliance and ethics throughout the organization
- Establish effective working relationships and build credibility within the organization to support a culture of ethics and compliance
- Identify potential areas of compliance vulnerability and risk and work with senior leadership to develop and implement corrective action plans
- Monitor and report results of the compliance and ethics efforts to Senior Leadership and the Board of Directors

- Provide guidance to the CEO, Board and senior leadership team on matters relating to reporting and compliance
- Implement all necessary actions to ensure achievement of the objectives of an effective compliance program
- Sponsor the Code of Conduct to ensure relevance in providing guidance to management and employees
- Collaborate with stakeholders to direct compliance issues to appropriate existing channels for investigation and resolution
- Consult with the General Counsel as needed to resolve legal compliance issues, as appropriate
- Ensure proper reporting of violations or potential violations to duly authorized enforcement agencies as appropriate or required
- Institute and maintain an effective compliance communication program for the organization, including promoting: (a) use of the compliance hotline; (b) heightened awareness of Code of Conduct, and (c) understanding of new and existing compliance issues and related policies and procedures
- Review and update the strategic vision and plan for an effective compliance training program
- Monitor the performance of the Compliance Program and related activities on a continuing basis, taking appropriate steps to improve its effectiveness

### ***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.

The Compliance Program and Integrity Manager should have the skills and experience to:

- Be responsible for and support day to day compliance functions executed throughout the organization with accountability and direct reporting relationship to the CCO
- Understand and implement the regulatory requirements governing MNsure
- Oversee and conduct risk assessments
- Develop auditing and monitoring plans consistent with risk assessment and audit findings to report and respond to identified risks
- Conduct and oversee audits
- Communicate effectively with management at all levels on compliance issues, audit findings and corrective actions
- Direct the audit, compliance and program integrity function and ensure that financial, compliance, and operating audits are carried out in a coordinated uniform, professional manner and meet generally accepted government auditing standards.
- Develop comprehensive, flexible, long range plan of program audit coverage for the MNsure so that audit resources are used efficiently. The goal would be that major functional areas are afforded audit coverage at least every three years with smaller areas having audit coverage every five years.

- Conduct or assign program integrity and compliance projects as direct by the MNsure's senior management
- Conduct investigations of alleged improprieties at the request of the MNsure staff or management and inform senior management and, if required, the Office of the Legislative Auditor and other necessary regulatory agencies as to whether there is a basis for the allegation
- Manage the compliance hotline and associated triage, reporting, investigating, and follow-up processes
- Oversee the compliance training program including developing, tracking, executing various compliance trainings
- Act as a coordinator between the department and outside audit agencies
- Direct the MNsure's responsibilities for compliance with CMS' PERM regulations or other applicable laws and regulations

### ***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.

The Compliance Coordinator should have the skills and experience to:

- Be responsible for and support day to day compliance functions executed throughout the organization with accountability and direct reporting relationship to the CCO
- Communicate and drive the strategic vision of compliance to the business units and direct reports, in alignment with MNsure's strategic plan and the vision set forth by the CCO
- Collaborate with stakeholders to build and drive a culture of compliance and ethics throughout MNsure and to drive consistency in the approach, processes and tools used across the compliance enterprise
- Establish effective working relationships with operational stakeholders
- Identify potential areas of compliance vulnerability and risk and work with senior leadership to develop and implement corrective action plans
- Oversee, monitor, and as necessary, coordinate compliance activities across business units to remain abreast of the status of all compliance activities and to identify trends
- Coordinate with Legal on an as-needed basis
- Deliver compliance training / education as necessary
- Assist with the performance of the annual risk assessment in coordination with necessary stakeholders

### **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: December 17, 2014

Name: Brian Beutner

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

Signature: 

### REVISION HISTORY

Revised by:	Revised Date
Original	12/17/14

## INDEX OF SUPPORTING DOCUMENTS

MNsured's Compliance Department is responsible for developing and updating various workplans and documents that support the strategic plan. This Index provides a list of all Compliance Department documents supporting the strategic plan.

<b>Annual Compliance Documents</b>	<b>Last Updated</b>	<b>Document Location</b>
Compliance Program Document		
Code of Conduct		
Annual Compliance Communication Workplan		
Annual Compliance Risk Assessment		
Annual Compliance Audit Workplan		
Annual Compliance Training Workplan		

<b>Project Specific Compliance Documents</b>	<b>Last Updated</b>	<b>Document Location</b>
Recommendation Roadmap		
Prioritization Grid		
Detailed Implementation Plan		