

C-700 Compliance Auditing & Monitoring Policy

<i>Department(s)</i>	<i>Compliance</i>
<i>Effective Date</i>	June 15, 2015
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<i>Last Review</i>	4/1/2023

Scope

NSM will conduct regular monitoring and audits to ensure that its employees and business practices are in compliance with all applicable laws and regulations. The results from these reviews will be incorporated in regular reporting to senior management and corporate officers.

Purpose/Policy Introduction

NSM is committed to ensuring that all operations are in compliance with applicable laws, regulations, policies, procedures and our Code of Conduct. The purpose of this policy is to provide a means to ensure that we are maintaining compliance, and to provide guidance related to ongoing auditing and monitoring. An ongoing evaluation process is critical to a successful and effective compliance program.

Policy

The Compliance Department will work with NSM's management to develop an annual auditing and monitoring plan to address identified risk areas related to compliance with laws and regulations, as well as organizational policies, procedures and NSM's Code of Conduct.

The Compliance Department is responsible for ensuring that regular, periodic compliance audits and reviews of identified "high-risk" areas are being conducted and reported at least annually to the Compliance Committee and to the Board. At a minimum, NSM's audit activities may include a review of:

- NSM's compliance with fraud and abuse and kickback laws;
- Contracts and pricing;
- Claims preparation and submission;
- Reimbursement;
- Marketing; and
- Any areas of concern identified by any internal processes, including the hotline and issues reported directly to the Compliance Department

The Compliance Department is responsible for ensuring the independence of ongoing auditing and monitoring reviewers. Managers may be directly involved in reviews of their respective areas of responsibility only when The Compliance Department is able to provide oversight to

ensure no impairment to objectivity of results. Auditing and monitoring evaluations can also be conducted by internal or external auditors.

Reviewers must have access to existing audit and health care resources, relevant NSM personnel and all relevant areas of operation.

Ongoing auditing and monitoring efforts should include on-site visits and interviews with management responsible for each respective operation (e.g. coding, claims development and submission, client care, and other related activities). The Compliance Department may also use questionnaires to solicit impressions of a broad cross-section of NSM's employees and staff about compliance issues.

Results of ongoing auditing and monitoring will help identify areas where corrective actions are needed to prevent errors from occurring or reoccurring. Corrective actions will be developed and conducted by appropriate representatives of the affected departments and/or members of Senior Management in conjunction with the Compliance Department.

The Compliance Department will verify completion of compliance program reviews and any corrective action measures arising from them. The Compliance Department will also be required to validate corrective measures that address any weaknesses identified by the process.

Records of ongoing auditing and monitoring results must be maintained in the files of The Compliance Department.

Managers and Supervisors are responsible for monitoring the on-going compliance of the employees under their supervision.

Procedure

Coding and Documentation Monitoring

The Quality Assurance team ("QA Team") will conduct ongoing reviews of claims documentation and coding to help ensure payer requirements are met and claims accuracy is maintained. Any errors or opportunities for process improvement will be promptly communicated to the appropriate staff member(s) and responsible supervisor(s) who will ensure errors are corrected in a timely manner. If reimbursement related documentation or coding error rates above 5% are noted by the QA Team for state or federal government associated payers, the Compliance Department will be notified and will collaborate with the QA Team and appropriate members of leadership to ensure claims are corrected and appropriate individuals educated.

High Utilization Reviews

The Compliance Department will identify a sample of Assistive Technology Professionals (ATPs) that are in the top ten percent of utilization across the company and review their claims documentation for accuracy on a quarterly basis. When errors are identified, the appropriate ATPs or other NSM employees will be re-educated, and claims corrected in a timely manner when

appropriate. If errors are identified resulting in greater than a 5% error rate, the ATP will be re-audited during the next quarterly cycle to ensure the re-education was effective.

New ATP Reviews

Documentation will be reviewed for all new ATPs monthly to help establish sound documentation process in accordance with NSM policy. When errors are identified, the ATP will be re-educated, and claims corrected.

Annual Coding and Documentation Audits

An independent third-party audit will be conducted on an annual basis, at a minimum to assess documentation, coding, and claims submission accuracy. This annual audit will include a broad review across the company of at least 100 paid claims. In addition, the independent auditor will review sampling of other identified risk areas (ex. Miscellaneous Codes, Cost Plus payers, etc.).

Whenever Compliance related audits are conducted, the Compliance Department and appropriate members of leadership will ensure claims with reimbursement related errors for state or federal government associated payers are corrected and overpayments returned within a maximum 30 days of the overpayment being quantified and confirmed. Appropriate staff members will also receive education to help avoid future errors.

Policy History

Creation/Revision/Review Date	Author/Reviewer	Approved by	Description
6/15/2015	Karen Shell	Karen Shell	
04/01/2023	Matt Pierce	Matt Pierce	Formatting and language updates