## Get Ready for a Successful Health Plan Audit

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The word “audit” can bring up uneasy feelings and sighs among those who work in health care. As this article highlights, with the right preparation, audits can become routine.

Depending on which types of patients you serve, your health plan may be audited by many regulatory entities. These can include the Centers for Medicare and Medicaid Services (CMS), your state’s Medicaid department, managed care agencies and more. Your compliance department should be notified when an audit will be conducted. If you do not have a compliance department, your point of contact will typically be in your C-Suite, such as your CEO or CFO.

Your preparation for your audit can be broken into three distinct areas:

1. Pre-Onsite Visit
2. On-site Visit
3. Post-On-site Visit

**Pre-On-site Visit: Organize Your Documents**

Most audit notifications include a request for any documentation that regulators wish to review prior to any on-site visit. The documentation may be in such categories as policies and procedures (e.g., how you manage out of authorizations and denials, quality, etc.), member files (e.g., actual authorizations and denials), and other supporting documentation (e.g., organizational charts, contractual relationships, etc.).

You should have these materials organized and readily available to ensure completeness and accuracy and help auditors understand how you are complying against regulations. For organization, develop a tracking document, such as a spreadsheet, listing areas of compliance, documentation required and resources for documentation. Consider these categories:

- Quality management
- Utilization management
- Continuity of care
- Access to emergency services and payment
- Access and availability
- Language assistance
- Prescription drugs

This work may require reaching out to your organization's partners and associates. For example, if you outsource credentialing, you will need to obtain required documentation from this resource. Determine which documents you have internally, which you will need to obtain externally, and determine a response plan for any documents you do not have.

To assist in collecting and organizing documents, use an online document management system such as SharePoint or Box. As you receive documents, do a quality review to check for accuracy, completeness and date, to ensure they match the audit's defined specifications and timeline.

After you have completed your document quality review, carve out uninterrupted time to provide these documents to the requesting agency. Some agencies allow you to upload documentation to a portal; others want you to send them via secure email or snail mail. Include a corresponding table of contents as well as a written explanation and next-step timing for any temporarily missing materials.

**On-site Visit: Prepare Staff Members**

Your audit notification letter should state if and when you will receive an on-site audit visit. On-site visits typically include both file reviews and interviews with key staff, such as your clinical, financial and operations leaders (e.g. CEO, CMO, COO, CFO) and your compliance team. The auditing agency may bring corresponding experts to match yours (e.g. a medical audit expert, a claims audit expert, etc.).

Plan for an introductory meeting with your auditors to gain an overview of the audit visit and their completion timeline. Use this time to provide an overview of your organization, including how your departments are organized and any clarifying information you believe will support the audit.

When preparing for your on-site visit, focus on:

- Interview preparation
- Logistics
- File preparation

Once you determine who will be interviewed, work with your interviewees to review all pertinent regulations to ensure they understand them, know the documents that were submitted before the pre-onsite visit, and have any materials that will be required during their interviews.

For logistics, work with staff to prepare enough working space for the auditors. Depending on the audit type and depth, your auditors may be on-site from one day to several months. Have a separate interview room ready to accommodate staff member interviews.

Lastly, because auditors spend so much time reviewing files, make sure these materials are in a preferred form. Some auditors like online copies while others want hard copies in binders. If any files contain PHI, ensure there is a locked area to store these records.

Before your auditors depart, request an exit interview to understand if any gaps were found so that you can potentially address them prior to the official audit summary being issued. Depending on the agency, some will provide this information while others will not. If your regulatory agency will not do an exit interview, ask your in-house interviewees to take notes on the auditor’s questions, as these may give an indication of the final audit report.

**Post On-site Visit: Pursue Improvement Opportunities**

After the onsite visit, your auditors may have additional questions or request additional documentation. Some agencies provide a preliminary report prior to the final report. Your audit report will identify any deficiencies or gaps in compliance.

Although it may seem disheartening to receive a list of deficiencies, view them as opportunities for improvement. Some deficiencies may be updates to policies, procedures and operations. Others may be as small as specific recommendations, like updating your claims letter format. Treat each as an opportunity to get the right people on your staff to assess and resolve.

Work with key stakeholders to develop a plan to respond to the audit report, including how each item will be resolved, its owner and planned completion date. If you do not have a compliance department, name a central source to ensure all post-audit responsibilities and communications are streamlined. If your organization has a board, they may want an early report of any deficiencies found. Work to get this information in advance, before any audit report is publicly distributed.

Lastly, have a lessons learned meeting with all relevant staff to discuss areas for improvement in ongoing operations and your plans to prepare for future audits.

**In Closing**

While audits may initially seem daunting, through proper preparation, you can breeze through them and use any lessons gained to improve your operations.