

# FDR compliance newsletter

July 2019 – Issue 22

## CVS acquisition of Aetna

As previously shared, CVS Health acquired Aetna in 2018. Aetna is now a CVS Health company and abides by the CVS Health Code of Conduct. As a combined company, you may notice future changes as we begin to integrate our FDR programs. These changes can include a consolidated FDR newsletter and consolidated auditing and monitoring activities. We'll keep you informed of changes that may impact FDRs as they occur.

## Conflicts of interest

A conflict of interest (COI) may arise when an individual allows the prospect of personal gain to improperly influence the manner in which he or she conducts business. Situations involving a COI may not always be obvious or easy to resolve. Some circumstances that may present an actual or potential COI include, but are not limited to:

- Outside employment
- Participation in outside organizations including board positions
- A financial interest in a competitor
- Employment of relatives

A written policy/process that describes COI, how to report a potential or actual COI, and the actions your organization takes when a potential

or actual COI is reported is essential for FDRs.

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## Quick links

- **[Archived Newsletters](#)**
- **[Aetna's FDR guide \(updated 06/2019\)](#)**
- **[Medicare managed care manual](#)**
- **[Medicare prescription drug benefit manual](#)**
- **[CVS Health Code of Conduct \(updated 12/2018\)](#)**

Exclusion list links:

- **[OIG's list of excluded individuals and entities \(LEIE\)](#)**
- **[GSA's System for Award Management \(SAM\)](#)**
  - *If the link does not work due to internet browser issues, please access the site directly at <https://www.sam.gov/SAM/>*

Aetna maintains a comprehensive Medicare compliance program. It includes communication with Aetna Medicare FDRs. Dedicated to Aetna's Medicare compliance program is Patrick Jeswald, Medicare Compliance officer. You can send questions or concerns to Patrick at **[MedicareFDR@aetna.com](mailto:MedicareFDR@aetna.com)**.

Don't forget to distribute this policy/process to anyone that works on or oversees the Aetna account. This includes employees, temporary employees, volunteers, consultants, governing body members, officers, directors, and managing employees.

How your organization distributes COI information to these individuals may vary, but some examples of acceptable distribution include:

- Electronic training that contains COI information
- Distribution of a COI policy
- Inclusion of COI in the Code of Conduct.

An industry best practice is to collect a signed attestation from these individuals in which they each attest to being free from COI in administering or delivering Medicare benefits. Just be sure your organization can document that you ensured these individuals were free from COI at the time of hire or

## Telemedicine and durable medical equipment fraud scheme

In an overall effort to combat fraud waste and abuse (FWA), FDRs should be aware of current FWA schemes impacting our Medicare members. Recently, the Department of Justice (DOJ) and the Medicare Fraud Strike Force announced law enforcement actions for one of the largest health care fraud schemes involving telemedicine and durable medical equipment (DME) companies. This was identified by Medicare beneficiaries contacting the Medicare fraud hotline and raising concerns about telemarketing practices.

According to the DOJ, an international telemarketing network used their call centers to contact Medicare beneficiaries and offer them "free or low-cost" medical equipment. The type of equipment included back, shoulder, wrist and knee braces regardless of whether the items were medically necessary. Medicare coverage was verified over the phone and then the beneficiaries were transferred to telemedicine companies for consultations with physicians.

beginning work on the Aetna account, as well as annually.



## What is an FDR?

### FDR = First tier, downstream and related entities

A **first tier** entity is any party that enters into a written arrangement with our organization to provide administrative or health care services for our Medicare business.

A **downstream** entity is any party that enters into a written arrangement with persons or entities below the level of the first tier's arrangement with our organization. These arrangements continue down to the level of the ultimate provider of both health and administrative services.

A **related** entity is an entity that is linked to our organization by common ownership or control, and provides functions to support our Medicare business.

These physicians had never met, seen or interacted with the beneficiaries. They were being paid by the telemedicine companies to prescribe medical equipment. Orders for the equipment were obtained by the call centers and then sold to DME companies who fraudulently billed Medicare and received kickback payments for these items. More information on this scheme can be found at the [Department of Justice website](#).

We are looking into the impact of this scheme for our members, but we also want our FDRs to be aware since you may interact with or receive questions from our Medicare members. Please remember that if you suspect or identify potential fraud, waste or abuse that affects our Medicare members, you are obligated to inform us right away.

If you have a compliance, fraud, waste or abuse concern you would like to report, please feel free to reach out to our Ethics Line at **(877) CVS-2040**. The Ethics Line is available 24 hours per day, seven days per week, 365 days per year. All calls will be treated confidentially. You do not have to identify yourself. **CVS Health prohibits retaliation against anyone for raising a legal or ethical concern in good faith or for cooperating with an investigation.**

## Updates to Medicare Compliance Policies and Procedures

We recently updated our [Medicare Compliance Policies and Procedures](#). These policies describe our process for ensuring an effective Medicare Compliance Program. Our FDRs routinely receive these through the initial and annual FDR training communications and are available online. FDRs should implement similar policies, or you can adopt ours. Use the link above to access these policies.

## FDR Guide has been updated

We recently made updates to our First Tier, Downstream and Related Entities (FDR) Medicare Compliance Program Guide. This guide summarizes the Medicare compliance program requirements. Be sure to review it and comply with these requirements each calendar year.

## Toolbox of tips for FDRs updates

We recently made updates to our toolbox that is available for our FDRs to help ensure they are meeting compliance requirements.

- **Reporting mechanisms:** Our [poster](#) provides ways for directly reporting issues that impact Aetna. Feel free to share this throughout your organization so that your employees

know how to report concerns. Remember, you must report suspected or detected noncompliance or potential FWA that impacts Aetna.

- **Downstream entity oversight:** You must conduct oversight of your Downstream Entities. We have updated our [Downstream Attestation template](#); it may help your Downstream Entities self-monitor and report the status of their compliance to you.
- **Check yourself:** Our updated [Self-Assessment Tool](#) can be used to assess your compliance with the Medicare compliance program requirements. Your organization can also modify the tool to assess compliance of your Downstream Entities.
- **Which subcontractors are Downstreams?** Not every subcontractor is a Downstream Entity. This [grid](#) has examples of Downstream Entities

## Compliance fun — word search

### Conflict of Interest

D W N O I T U B I R T S I D F  
I D E H E M T Y L L A U N N A  
Q E C N E U L F N I E V J I P  
R E M Q R H A F G R S V K D O  
R R X E R I H F O E M I T O T  
F A T T E S T A T I O N D T E  
I L A U T C A T J N G W C M N  
N A P W C U R D S I R I X T T  
A N M E D I C A R E L O G I I  
N O I D W J C R X F R A Q J A  
C S H W B U C R N P I E S Y L  
I R T K G A B O T N F F T M D  
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G C C O M P E T I T O R H A A

CONFLICT INTEREST PERSONAL GAIN ACTUAL POTENTIAL  
INFLUENCE FINANCIAL COMPETITOR EMPLOYMENT DISTRIBUTION  
ATTESTATION MEDICARE TIMEOFHIRE ANNUALLY

This newsletter is provided solely for your information and is not intended as legal advice. If you have any questions concerning the application or interpretation of any law mentioned in this newsletter, please contact your attorney.

"Aetna" refers to a subsidiary company of CVS Health, including but not limited to Aetna Health companies, Aetna Better Health companies, Aetna Life Insurance Company, Coventry Health and Life Insurance Company, Coventry Health Care companies, First Health Life & Health Insurance Company, SilverScript Insurance Company, and those joint venture entities in which a CVS Health subsidiary company has ownership interests who offer or administer, under contract with CMS, Medicare Advantage, Medicare-Medicaid Plans (MMPs), Dual Special Needs Plans (DSNPS), and Medicare prescription drug plans (PDP) ("Aetna Medicare business")



