



**BOARD OF DIRECTORS
VIRTUAL MEETING AGENDA**

**October 14,
2021**

Board of Directors Members present:

North Sound Behavioral Health Administrative Services Organization (ASO) staff present:

Guests present:

- 1. Call to Order and Introductions – Chair Johnson**
- 2. Revisions to the Agenda – Chair**
- 3. Approval of the September 9th, 2021, Minutes, Motion #21-44 – Chair Johnson.....Attachment**
- 4. Comments & Announcements from the Chair**
- 5. Reports from Members**
- 6. Comments from the Public**
- 7. Report from the Advisory Board.....Attachment**
- 8. Report from the Executive DirectorAttachments**
 - Consejo Presentation: Mario Paredes
 - Annual Compliance Training: Charles DeElena
- 9. Report from the Finance OfficerAttachment**
- 10. Report from the Governance Operations Committee**

All matters listed with the Consent Agenda have been distributed to each Member for reading and study, are considered to be routine, and will be enacted by one action of the Executive Committee with no separate discussion. If separate discussion is desired, the item may be removed from the Consent Agenda and placed on the Regular Agenda by request of a Member.

Consent Agenda.....Attachment

Motion #21-45

- To review and approve the North Sound Behavioral Health Administrative Services Organization claims paid from September 1st, through September 30th in the amount of **\$3,189,872.98**. Payroll for the month of September in the amount of **\$152,352.29** and associated employer benefits in the amount of **\$56,748.02**.

11. Action Items

For Board Approval

Health Care Authority

Summary:

An off-cycle amendment is adding the following funding streams to our contract.

- SB 5092 Added Crisis Teams/including child crisis teams **\$2,496,794** (annual one-time payment)
- SB 5073 ASO monitoring of CR/LRA **\$40,000** (annual one-time payment)
- Whatcom County Crisis Stabilization Diversion Project **\$300,000** (annual one-time payment) and Trauma Informed School Counseling **\$200,000** (annual one-time payment)
- SB 5071 funding for the monitoring of Western State Hospital discharges CR/LRA **\$69,000** (annual one-time payment)
- Addition of Certified Peer Counselors to ASO mobile crisis teams **\$190,900** (annual one-time payment)
- Peer Bridger Participant Service Funds **\$11,109** (annual one-time payment)
- Additional **\$75,000** in ongoing Mental Health Block Grant Funds for co-responder programs
- Additional **\$25,000** in ongoing Substance Use Block Grant Funds for co-responder programs

Motion #21-46

- Health Care Authority-North Sound BH-ASO-K4949 Amendment 3 provides for July – December 2021 funding for legislative provisos and July 1, 2021, through June 30, 2022, of Federal Block Grant funds. The contract term is January 1, 2021, through December 2022.

12. Introduction Items Attachment

- Proposed Draft Plan for Allocation of the Community Behavioral Health Rental Assistance (CBRA) Dollars
- Proposed 2022 North Sound BH-ASO Operating Budget
 - *The budget will be available on the NS-BHASO’s website as of October 15th, 2021*

13. Adjourn

Next meeting: November 4th, 2021 (the November meeting is taking place earlier than usual due to Veterans Day)



**BOARD OF DIRECTORS
VIRTUAL MEETING MINUTES**

September 9,
2021

Board of Directors Members present:

- Peter Browning, County Commissioner; Skagit County
- Sarah Hinman, Skagit County Public Health; designated alternate for Peter Browning
- George Kosovich, Skagit County Public Health; additional designated alternate for Peter Browning
- Cammy Hart-Anderson, Snohomish County Human Services; designated alternate for Dave Somers, Snohomish County Executive
- Darcy Cheesman, Legislative Aid, Snohomish County; designated alternate for Sam Low, Snohomish County Council Member
- Heidi Beazizo, Sr. Legislative Analyst, Snohomish County; designated alternate for Jared Mead, Snohomish County Council
- Nicole Gorle, Legislative Analyst, Snohomish County; designated alternate for Nate Nehring, Snohomish County Council
- Jackie Mitchell, Behavioral Health Program Specialist, Whatcom County; designated alternate for Satpal Sidhu
- Cindy Wolf, County Council Member; San Juan County

- Duncan West, North Sound BH-ASO Advisory Board Chair
- Arlene Feld, North Sound BH-ASO Advisory Board Vice-Chair

North Sound Behavioral Health Administrative Services Organization (ASO) staff present:

- Joe Valentine, Executive Director; North Sound BH-ASO
- Darrell Heiner, Accounting Specialist; North Sound BH-ASO
- Margaret Rojas, Assistant Director, North Sound BH-ASO
- Joanie Wenzl, Clerk of the Board; North Sound BH-ASO

Guests present:

Lizeth Vizcaino-Sandoval (Ombuds)

Call to Order and Introductions – Chair (Browning)

Peter Browning sat in as Chair for Jill Johnson, who was unable to attend. The Vice-Chair, Rud Browne was unable to attend as well.

Chair Browning called the meeting to order. The Clerk of the Board read the names of the attendees who were present via MS Teams.

Revisions to the Agenda – Chair

The Chair asked if there were any revisions to the agenda. None were mentioned

Approval of the August 12th, 2021, Minutes, Motion #21-40 – Chair

Cindy Wolf moved the motion for approval, Cammy Hart-Anderson seconded, none opposed, no abstentions, all in favor, motion #21-40 carried.

Comments & Announcements from the Chair

No comments

Reports from Members:

Members gave updates from their respective counties.

Comments from the Public: Chair

There were no comments from the public

Report from the Advisory Board - Advisory Board Chair

Duncan West gave the report from the Advisory Board

Report from the Executive Director- Joe Valentine

- Ombuds Presentation: Lizeth Vizcaino-Sandoval

The report from the Ombuds was given, it included the data from the 1st and 2nd quarter of 2021.

There were no questions from Board Members.

Joe Valentine gave the Report from the Executive Director which included the following topics:

- COVID BLOCK GRANT PLAN
- WORKFORCE SHORTAGES UPDATE
- CRISIS SERVICES
- CONTINUING IMPACT OF HB 1310 ON LAW ENFORCEMENT RESPONSE
- RECOVERY NAVIGATOR PROGRAM
- SUBSTANCE USE RECOVERY SERVICES ADVISORY COMMITTEE
- COMMUNITY BEHAVIORAL RESIDENTIAL ASSISTANCE PROGRAM [CBRA]
- FY 2021-2022 GF-S/PROVISO SPENDING PLAN

Joe answered questions from Board Members

Report from the Finance Officer-Joe Valentine and Darrell Heiner

Joe and Darrell gave the Report from the Finance Officer

Report from the Governance Operations Committee-Chair

All matters listed with the Consent Agenda have been distributed to each Member for reading and study, are considered to be routine, and will be enacted by one action of the Executive Committee with no separate discussion. If separate discussion is desired, the item may be removed from the Consent Agenda and placed on the Regular Agenda by request of a Member.

Consent Agenda.....Attachment

Motion #21-41

- To review and approve the North Sound Behavioral Health Administrative Services Organization claims paid from August 1st, 2021, through August 31st, 2021, in the amount of \$861,362.87. Payroll for the month of August in the amount of \$152,667.28 and associated employer benefits in the amount of \$56,011.19.

Motion moved by Cindy Wolf, seconded by Heidi Beazizo, none opposed, none abstained, all in favor, motion #21-41 carried

Action Items

For Board Approval

Summary:

Lifeline Connection is the provider for Peer Pathfinder services in Skagit and Whatcom counties. This amendment is passing through the funding of \$12,727 and requirement for a new deliverable due August 1, 2022. This contract includes the HARPS program as a companion to the Peer Pathfinder program.

Motion #21-42

- NS BH-ASO-Lifeline Connections-MHBG-20 Amendment 2 for the provision of additional funding and the requirement of a new deliverable due August 1, 2022. The contract term is November 1, 2020, through June 30, 2022, with an automatic one-year renewal on July 1, 2022, based on continued compliance with the terms of the contract.

Cindy Wolf moved the motion for approval, Nicole Gorle seconded, all in favor, none opposed, none abstained, all in favor, motion #21-42 carried

For Ratification

Summary:

Health Care Authority (HCA) is amending the Peer Pathfinder Contract with the ASO to include funding of \$12,727 for a new deliverable in the payment and performance chart, the deliverable is due on August 1, 2022. The amendment extends the contract for a new end date of August 1, 2022.

Motion #21-43

- HCA-NS BH-ASO-K4864-Amendment 1 for the provision of funding for a new deliverable and extending the end date from September 30, 2021, to August 1, 2022.

Cindy Wolf moved the motion for approval, Nicole seconded, all in favor, none opposed, none abstained, all in favor, motion #21-43 carried

Discussion Item

- COVID Block Grant Plan- Joe Valentine

Joe Valentine spoke about the COVID Block Grant Plan and answered questions from the Board Members

Adjourn: 2:53 p.m.

Next meeting: October 14th, 2021

DRAFT



Advisory Board Brief

October 6th, 2021

The Advisory Board met on October 5, and the following items were discussed:

— Advisory Board

- **Pre-Meeting:** JR Bigelow, North Sound BH-ASO, Western State Hospital Liaison spoke to the Board regarding:
 - Duties
 - Caseloads
 - COVID Impacts
 - Challenges
 - Shift to Forensic Center of Excellence
 - 90/180 Day Community Beds
- **Substance Use Disorder Regional Navigator Program:** James Dixon, North Sound BH-ASO; Regional Recovery Navigator Coordinator provided an update to the Board. Program is waiting for approval of the submitted plan. Upon approval, the program will begin the operational phases.
- Discussion of holding the Winter Celebration in person with strict safety precautions or held during the pre-meeting training time before the December meeting. Determination will be made during the November meeting.
- Nomination for 2022 Chair and Vice Chair are open. Nominating Committee was formed. Nominees will be announced during the November meeting.
- 2022 Pre-Meeting training topics were discussed. It was suggested if restrictions permit during the 2022 year to have site visits at the new facilities across the North Sound region. Finalization of the topics will be made during the November meeting.
- Members were asked to form an Ad Hoc Committee to discuss ways of recruiting and sustaining Peers in the North Sound region. Feedback from the Ad Hoc Committee will be given to the ASO to help the Peer workforce shortage.

— Executive Director

- Margaret Rojas provided the Executive Director report
 - October Supplemental Budget Allocations
 - Update on Workforce Development Activities
 - COVID Federal Block Grant
 - Crisis Services
 - Continuing Impact of HB 1310 on Law Enforcement Assistance with Behavioral Health Crisis Services
 - Recovery Navigator Program
 - Community Behavioral Residential Assistance Program
 - Annual HCA TeaMonitor Review

- The Action Items were passed and recommended to the Board of Directors

— Finance/Executive Committee

- The September Expenditures were passed and recommended to the Board of Directors for approval.

— Advisory Board Resignation and Membership

- **Resignation:** Patti Bannister has resigned from the Board. Patti was acknowledged for her bravery and compassionate work for the homeless population in Skagit county.
- Island
 - 2 Vacancies
- San Juan
 - 2 Vacancies
- Skagit
 - 1 Vacancy
- Snohomish
 - 2 Vacancies
- Whatcom
 - 2 Vacancies



North Sound BH-ASO

2021 E. College Way, Suite 101, Mt. Vernon, WA 98273

Phone: (360) 416-7013 Fax: (360) 899-4754

www.nsbhaso.org

10/1/2021

Re: Required Centers for Medicare & Medicaid Services (CMS) Trainings

Dear North Sound Behavioral Health Administrative Services Organization (North Sound BH-ASO) Board of Directors,

As stipulated in North Sound BH-ASO contracts with the five (5) managed care organizations (MCOs), all members of the North Sound BH-ASO Board of Directors and their alternates are required to complete the following Medicaid Fraud, Waste and Abuse training:

- Combatting Medicare Parts C and D Fraud, Waste and Abuse Training

North Sound BH-ASO will provide information on how to access the approved web-based training provided by Centers for Medicare & Medicaid Services (CMS). A pdf of the training will also be provided to all board members and their alternates as an alternative format. The deadline for completion is December 1, 2021.

Each individual will need to complete an attestation form attesting to the fact they completed the required training. Completed attestations may be submitted via email to compliance_officer@nsbhaso.org.

We thank you in advance for your attention to this matter. If you have any questions about the request, please contact me at compliance_officer@nsbhaso.org or by calling 360-416-7013.

Sincerely,

Charles DeElena MBA, MHA, CHC, PMP, CPHQ
North Sound BH-ASO Business Improvement Manager/Compliance Officer

Introduction



Combating Medicare Parts C and D Fraud, Waste, and Abuse

Reference Help Course Menu

Introduction

The Combating Medicare Parts C and D Fraud, Waste, and Abuse course is brought to you by the Medicare Learning Network®

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Combating Medicare Parts C and D Fraud, Waste, and Abuse

Reference Help Course Menu

Introduction

The Medicare Learning Network® (MLN) offers free educational materials for health care professionals on the Centers for Medicare & Medicaid Services (CMS) programs, policies, and initiatives. Get quick access to the information you need.

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Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Introduction

This training assists Medicare Parts C and D plan Sponsors' employees, governing body members, and their first-tier, downstream, and related entities (FDRs) to satisfy their annual fraud, waste, and abuse (FWA) training requirements in the regulations and sub-regulatory guidance at:

- [42 Code of Federal Regulations \(CFR\) Section 422.503\(b\)\(4\)\(vi\)\(C\)](#)
- [42 CFR Section 423.504 \(b\)\(4\)\(vi\)\(C\)](#)
- [CMS-4182-F, Medicare Program; Contract Year 2019 Policy and Technical Changes to the Medicare Advantage and the Medicare Prescription Drug Benefit Programs](#)
- [Section 50.3.2 of the Compliance Program Guidelines \(Chapter 9 of the Medicare Prescription Drug Benefit Manual and Chapter 21 of the Medicare Managed Care Manual\)](#)

Sponsors and their [FDRs](#) are responsible for providing additional specialized or refresher training on issues posing FWA risks based on the employee's job function or business setting.

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Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Introduction

Why Do I Need Training?

Every year **billions** of dollars are improperly spent because of FWA. It affects everyone—**including you**. This training will help you detect, correct, and prevent FWA. You are part of the solution.

Combating FWA is **everyone's** responsibility! As an individual who provides health or administrative services for Medicare enrollees, every action **you** take potentially affects Medicare enrollees, the Medicare Program, or the Medicare Trust Fund.

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Training Requirements: Plan Employees, Governing Body Members, and First-Tier, Downstream, or Related Entity (FDR) Employees

Certain training requirements apply to people involved in Medicare Parts C and D. All employees of Medicare Advantage Organizations (MAOs) and Prescription Drug Plans (PDPs) (collectively referred to in this course as “Sponsors”) must receive training for preventing, detecting, and correcting FWA.

FWA training must occur within 90 days of initial hire and at least annually thereafter.

Learn More About Medicare Part C

Medicare Part C, or Medicare Advantage (MA), is a health insurance option available to Medicare beneficiaries. Private, Medicare-approved insurance companies run MA programs. These companies arrange for, or directly provide, health care services to the beneficiaries who enroll in an MA plan.

MA plans must cover all services that Medicare covers with the exception of hospice care. They provide Part A and Part B benefits and may also include prescription drug coverage and other supplemental benefits.

Learn More About Medicare Part D

Medicare Part D, the Prescription Drug Benefit, provides prescription drug coverage to Medicare beneficiaries enrolled in Part A and/or Part B who enroll in a Medicare Prescription Drug Plan (PDP) or an MA Prescription Drug (MA-PD) plan. Medicare-approved insurance and other companies provide prescription drug coverage to individuals living in a plan’s service area.



Navigating and Completing This Course

This WBT has course content, reference documents, review questions, and an assessment. Successfully completing this course requires an assessment score of 70% or higher.

This course uses cues at various times to give additional information. The cues are hyperlinks, buttons, rollovers, and pop-up windows. For more information on these cues, select [Help](#) in the top right corner. The [Reference](#) button includes resource documents and a glossary of defined terms within it. You may print these materials at any time.

After you successfully complete the course, you'll get instructions on how to get your certificate.

The screenshot shows the 'Introduction' page of a course titled 'Combating Medicare Parts C and D Fraud, Waste, and Abuse'. The page includes a 'Course Objectives' section with a list of goals and a 'Print This Introduction' button. Navigation buttons for 'Previous' and 'Continue' are visible at the bottom.

Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Introduction

Course Objectives

When you complete this course, you should correctly:

- Recognize FWA in the Medicare Program
- Identify the major laws and regulations pertaining to FWA
- Recognize potential consequences and penalties associated with violations
- Identify methods of preventing FWA
- Identify how to report FWA
- Recognize how to correct FWA

Select Continue to return to the Course Menu. Then, select Lesson 1: What is FWA?

Print This Introduction

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Previous Continue

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Select the Continue button to return to the Course Menu. Then, select Lesson 1: What Is FWA?

Lesson 1

The screenshot shows the 'Lesson 1: What is FWA?' page. It includes an 'Introduction and Learning Objectives' section with a brief description of the lesson and a list of objectives. A 'Print This Lesson' button is present. Navigation buttons for 'Next' are visible at the bottom.

Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 1: What is FWA?

Lesson 1: Introduction and Learning Objectives

This lesson describes fraud, waste, and abuse (FWA) and the laws that prohibit it. It should take about 15 minutes to complete. Upon completing the lesson, you should be able to correctly:

- Recognize FWA in the Medicare Program
- Identify the major laws and regulations pertaining to FWA
- Recognize potential consequences and penalties associated with violations

Print This Lesson

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Next

Lesson 1: Introduction and Learning Objectives

This lesson describes fraud, waste, and abuse (FWA) and the laws that prohibit it. It should take about 10 minutes to complete. Upon completing the lesson, you should be able to correctly:

- Recognize FWA in the Medicare Program
- Identify the major laws and regulations pertaining to FWA
- Recognize potential consequences and penalties associated with violations

Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 1: What Is FWA?

Fraud

Fraud is knowingly and willfully executing, or attempting to execute, a scheme or artifice to defraud any health care benefit program or to obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any health care benefit program.

The Health Care Fraud Statute makes it a criminal offense to knowingly and willfully execute a scheme to defraud a health care benefit program. Health care fraud is punishable by imprisonment up to 10 years. It is also subject to criminal fines up to \$250,000.

In other words, fraud is intentionally submitting false information to the Government or a Government contractor to get money or a benefit.

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Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 1: What Is FWA?

Waste and Abuse

Waste includes practices that directly or indirectly result in unnecessary costs to the Medicare Program, such as overusing services. Waste is generally not considered to be caused by criminally negligent actions but rather by the misuse of resources.

Abuse includes actions that may, directly or indirectly, result in unnecessary costs to the Medicare Program. Abuse involves paying for items or services when there is no legal entitlement to that payment, and the provider has not knowingly or intentionally misrepresented facts to obtain payment.

For the definitions of fraud, waste, and abuse, refer to Section 20, Chapter 20 of the Medicare Managed Care Manual and Chapter 9 of the Prescription Drug Benefit Manual on the Centers for Medicare & Medicaid Services (CMS) website.

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For the definitions of fraud, waste, and abuse, refer to Section 20, Chapter 21 of the Medicare Managed Care Manual and Chapter 9 of the Prescription Drug Benefit Manual on the Centers for Medicare & Medicaid Services (CMS) website.

Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 1: What is FWA?

Examples of FWA

Examples of actions that may constitute Medicare **fraud** include:

- Knowingly billing for services not furnished or supplies not provided, including billing Medicare for appointments the patient failed to keep
- Billing for nonexistent prescriptions
- Knowingly altering claim forms, medical records, or receipts to receive a higher payment

Examples of actions that may constitute Medicare **waste** include:

- Conducting excessive office visits or writing excessive prescriptions
- Prescribing more medications than necessary for treating a specific condition
- Ordering excessive laboratory tests

Examples of actions that may constitute Medicare **abuse** include:

- Unknowingly billing for unnecessary medical services
- Unknowingly billing for brand name drugs when generics are dispensed
- Unknowingly excessively charging for services or supplies
- Unknowingly misusing codes on a claim, such as upcoding or unbundling codes

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Examples of FWA

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Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 1: What Is FWA?

Differences Among Fraud, Waste, and Abuse

There are differences among fraud, waste, and abuse. One of the primary differences is intent and knowledge. Fraud requires intent to obtain payment and the knowledge the actions are wrong. Waste and abuse may involve obtaining an improper payment or creating an unnecessary cost to the Medicare Program but do not require the same intent and knowledge.

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Differences Among Fraud, Waste, and Abuse

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Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 1: What Is FWA?

Understanding FWA

To detect FWA, you need to know the law. The following pages provide high-level information about the following laws:

- Civil False Claims Act, Health Care Fraud Statute, and Criminal Fraud
- Anti-Kickback Statute
- Stark Statute (Physician Self-Referral Law)
- Exclusion from all Federal health care programs
- Health Insurance Portability and Accountability Act (HIPAA)

For details about specific laws, such as safe harbor provisions, consult the applicable statute and regulations.

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Understanding FWA

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Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 1: What is FWA?

Civil False Claims Act (FCA)

The civil provisions of the FCA make a person liable to pay damages to the Government if he or she knowingly:

- Conspires to violate the FCA
- Carries out other acts to obtain property from the Government by misrepresentation
- Conceals or improperly avoids or decreases an obligation to pay the Government
- Makes or uses a false record or statement supporting a false claim
- Presents a false claim for payment or approval

For more information, refer to [31 United States Code \(USC\) Sections 3729-3733](#).

Examples

Damages and Penalties

Any person who knowingly submits false claims to the Government is liable for three times the Government's damages caused by the violator plus a penalty.

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Damages and Penalties

Any person who knowingly submits false claims to the Government is liable for three times the Government's damages caused by the violator plus a penalty.

Examples

A Medicare Part C plan in Florida:

- Hired an outside company to review medical records to find additional diagnosis codes it could submit to increase risk capitation payments from CMS
- Was informed by the outside company that certain diagnosis codes previously submitted to Medicare were undocumented or unsupported
- Failed to report the unsupported diagnosis codes to Medicare
- Agreed to pay \$22.6 million to settle FCA allegations

The owner-operator of a medical clinic in California:

- Used marketers to recruit individuals for medically unnecessary office visits
- Promised free, medically unnecessary equipment or free food to entice individuals
- Charged Medicare more than \$1.7 million for the scheme
- Was sentenced to 37 months in prison

Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 1: What Is FWA?

Civil FCA (continued)

Whistleblowers
A whistleblower is a person who exposes information or activity that is deemed illegal, dishonest, or violates professional or clinical standards.

Protected: Persons who report false claims or bring legal actions to recover money paid on false claims are protected from retaliation.

Rewarded: Persons who bring a successful whistleblower lawsuit receive at least 15 percent, but not more than 30 percent, of the money collected.

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Civil FCA (continued)

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Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 1: What Is FWA?

Health Care Fraud Statute

The Health Care Fraud Statute states, "Whoever knowingly and willfully executes, or attempts to execute, a scheme or artifice to defraud any health care benefit program ... shall be fined under this title or imprisoned not more than 10 years, or both."

Conviction under the statute does not require proof the violator had knowledge of the law or specific intent to violate the law. For more information, refer to [18 USC Sections 1346-1347](#).

Examples

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Health Care Fraud Statute

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Conviction under the statute does not require proof the violator had knowledge of the law or specific intent to violate the law. For more information, refer to [18 USC Sections 1346-1347](#).

Examples

A Pennsylvania pharmacist:

- Submitted claims to a Medicare Part D plan for non-existent prescriptions and drugs not dispensed
- Pleaded guilty to health care fraud

- Received a 15-month prison sentence and was ordered to pay more than \$166,000 in restitution to the plan

The owner of multiple Durable Medical Equipment (DME) companies in New York:

- Falsely represented themselves as one of a nonprofit health maintenance organization's (that administered a Medicare Advantage plan) authorized vendors
- Provided no DME to any beneficiaries as claimed
- Submitted almost \$1 million in false claims to the nonprofit; \$300,000 was paid
- Pleaded guilty to one count of conspiracy to commit health care fraud

Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 1: What Is FWA?

Criminal Health Care Fraud

Persons who knowingly make a false claim may be subject to:

- Criminal fines up to \$250,000
- Imprisonment for up to 20 years

If the violations resulted in death, the individual may be imprisoned for any term of years or for life.

For more information, refer to [18 USC Section 1347](#).

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Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 1: What Is FWA?

Anti-Kickback Statute

The Anti-Kickback Statute prohibits knowingly and willfully soliciting, receiving, offering, or paying remuneration (including any kickback, bribe, or rebate) for referrals for services that are paid, in whole or in part, under a Federal health care program (including the Medicare Program).

For more information, refer to [42 USC Section 1320a-7\(b\)\(1\)](#).

Example

Damages and Penalties

Violations are punishable by:

- A fine up to \$25,000
- Imprisonment up to 5 years

For more information, refer to the [Social Security Act \(the Act, Section 1320a-7\)](#).

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Damages and Penalties

Violations are punishable by:

- A fine up to \$25,000
- Imprisonment up to 5 years

For more information, refer to the [Social Security Act \(the Act\), Section 1128B\(b\)](#).

Example

From 2012 through 2015, a physician operating a pain management practice in Rhode Island:

- Conspired to solicit and receive kickbacks for prescribing a highly addictive version of the opioid Fentanyl
- Reported patients had breakthrough cancer pain to secure insurance payments
- Received \$188,000 in speaker fee kickbacks from the drug manufacturer
- Admitted the kickback scheme cost Medicare and other payers more than \$750,000
- The physician must pay more than \$750,000 restitution and is awaiting sentencing.

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Stark Statute (Physician Self-Referral Law)

The Stark Statute prohibits a physician from making referrals for certain designated health services to an entity when the physician (or a member of his or her family) has:

- An ownership/investment interest or
- A compensation arrangement

Exceptions may apply. For more information, refer to [42 USC Section 1395nn](#).

Damages and Penalties

Medicare claims tainted by an arrangement that does not comply with the Stark Statute are not payable. A penalty of around **\$24,250** can be imposed for each service provided. There may also be around a **\$161,000** fine for entering into an unlawful arrangement or scheme.

For more information, visit the [Physician Self-Referral webpage](#) and refer to [the Act, Section 1877](#).

Example

A California hospital was ordered to pay more than \$3.2 million to settle Stark Law violations for maintaining 97 financial relationships with physicians and physician groups outside the fair market value standards or that were improperly documented as exceptions.

Combating Medicare Parts C and D Fraud, Waste, and Abuse

Reference Help Course Menu

Lesson 1: What Is FWA?

Civil Monetary Penalties (CMP) Law

The Office of Inspector General (OIG) may impose civil penalties for several reasons, including:

- Arranging for services or items from an excluded individual or entity
- Providing services or items while excluded
- Failing to grant OIG timely access to records
- Knowing of and failing to report and return an overpayment
- Making false claims
- Paying to influence referrals

For more information, refer to [42 USC 1320a-7a](#) and [the Act, Section 1128A\(a\)](#).

Example

Damages and Penalties

The penalties can be around **\$15,000 to \$70,000** depending on the specific violation. Violators are also subject to three times the amount.

- Claimed for each service or item or
- Of remuneration offered, paid, solicited, or received

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The penalties can be around **\$15,000 to \$70,000** depending on the specific violation. Violators are also subject to three times the amount:

- Claimed for each service or item or
- Of remuneration offered, paid, solicited, or received

Example

A California pharmacy and its owner agreed to pay over \$1.3 million to settle allegations they submitted unsubstantiated claims to Medicare Part D for brand name prescription drugs the pharmacy could not have dispensed based on inventory records.

Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 1: What is FWA?

Exclusion

No Federal health care program payment may be made for any item or service furnished, ordered, or prescribed by an individual or entity excluded by the OIG. The OIG has authority to exclude individuals and entities from federally funded health care programs and maintains the List of Excluded Individuals and Entities (LEIE).

The U.S. General Services Administration (GSA) administers the Excluded Parties List System (EPLS), which contains debarment actions taken by various Federal agencies, including the OIG. You may access the [EPLS](#) on the System for Award Management (SAM) website.

When looking for excluded individuals or entities, check both the [LEIE](#) and the [EPLS](#) since the lists are not the same. For more information, refer to [42 USC Section 1320a-7](#) and [42 Code of Federal Regulations \(CFR\) Section 1001.1901](#).

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Example

A pharmaceutical company pleaded guilty to two felony counts of criminal fraud related to failure to file required reports with the U.S. Food and Drug Administration concerning oversized morphine sulfate tablets. The pharmaceutical firm executive was excluded based on the company's guilty plea. At the time the unconvicted executive was excluded, there was evidence he was involved in misconduct leading to the company's conviction.

Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 1: What is FWA?

Health Insurance Portability and Accountability Act (HIPAA)

[HIPAA](#) created greater access to health care insurance, strengthened the protection of privacy of health care data, and promoted standardization and efficiency in the health care industry.

HIPAA safeguards deter unauthorized access to protected health care information. As an individual with access to protected health care information, you must comply with HIPAA.

For more information, visit the [HIPAA website](#).

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For more information, visit the [HIPAA webpage](#).

Damages and Penalties

Violations may result in Civil Monetary Penalties. In some cases, criminal penalties may apply.

Example

A former hospital employee pleaded guilty to criminal HIPAA charges after obtaining protected health information with the intent to use it for personal gain. He was sentenced to 12 months and 1 day in prison.

Combating Medicare Parts C and D Fraud, Waste, and Abuse

Lesson 1: What is FWA?

Lesson 1 Summary

There are differences among fraud, waste, and abuse (FWA). One of the primary differences is **intent** and **knowledge**. Fraud requires the person have intent to obtain payment and the knowledge his or her actions are wrong. Waste and Abuse may involve obtaining an improper payment but not the same intent and knowledge.

Laws and regulations exist that prohibit FWA. Penalties for violating these laws may include:

- Civil Monetary Penalties
- Civil prosecution
- Criminal conviction, fines, or both
- Exclusion from all Federal health care program participation
- Imprisonment
- Loss of professional license

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Lesson 1 Summary

There are differences among fraud, waste, and abuse (FWA). One of the primary differences is **intent** and **knowledge**. Fraud requires the person have intent to obtain payment and the knowledge his or her actions are wrong. Waste and abuse may involve obtaining an improper payment but not the same intent and knowledge.

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Combating Medicare Parts C and D Fraud, Waste, and Abuse

Lesson 1: What Is FWA?

Lesson 1 Review

Now that you completed Lesson 1, let's do a quick knowledge check. Your assessment score isn't affected by these questions.

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Lesson 1 Review

Now that you completed Lesson 1, let's do a quick knowledge check. Your assessment score isn't affected by these questions.

Combating Medicare Parts C and D Fraud, Waste, and Abuse

Lesson 1: What Is FWA?

Review Question

Select the correct answer.

Which of the following requires intent to obtain payment and the knowledge the actions are wrong?

A. Fraud

B. Abuse

C. Waste

Submit

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Review Question

Select the correct answer.

Which of the following requires intent to obtain payment and the knowledge the actions are wrong?

- A. Fraud
- B. Abuse
- C. Waste

The screenshot shows a course interface with a blue header. The title is 'Combating Medicare Parts C and D Fraud, Waste, and Abuse'. Below the header, it says 'Lesson 1: What Is FWA?'. The main content area is titled 'Review Question' and asks the user to 'Select the correct answer.' The question is: 'Which of the following is NOT potentially a penalty for violation of a law or regulation prohibiting fraud, waste, and abuse (FWA)?'. There are three radio button options: 'A. Civil Monetary Penalties', 'B. Deportation', and 'C. Exclusion from participation in all federal health care programs'. A 'Submit' button is located below the options. At the bottom of the page, there are 'Previous' and 'Next' navigation buttons and a page indicator 'Page 19 of 20'.

Review Question

Select the correct answer.

Which of the following is NOT potentially a penalty for violation of a law or regulation prohibiting fraud, waste, and abuse (FWA)?

- A. Civil Monetary Penalties
- B. Deportation
- C. Exclusion from participation in all federal health care programs

The screenshot shows the same course interface. The title is 'Combating Medicare Parts C and D Fraud, Waste, and Abuse'. Below the header, it says 'Lesson 1: What Is FWA?'. The main content area is titled 'You completed Lesson 1: What Is FWA?'. Below this, there is a message: 'Now that you've learned about FWA and the laws and regulations prohibiting it, let's look closer at your role in the fight against FWA. Select Continue to return to the course menu. Then, select Lesson 2: Your Role in the Fight Against FWA.' There is a 'Print This Lesson' button. At the bottom of the page, there are 'Previous' and 'Continue' navigation buttons and a page indicator 'Page 20 of 20'.

You completed Lesson 1: What Is FWA?

Now that you've learned about FWA and the laws and regulations prohibiting it, let's look closer at your role in the fight against FWA.

Select Continue to return to the course menu. Then, select Lesson 2: Your Role in the Fight Against FWA.

Lesson 2

Lesson 2: Introduction and Learning Objectives

This lesson explains the role you can play in fighting against fraud, waste, and abuse (FWA), including your responsibilities for preventing, reporting, and correcting FWA. It should take about 10 minutes to complete. Upon completing the lesson, you should correctly:

- Identify methods of preventing FWA
- Identify how to report FWA
- Recognize how to correct FWA

Where Do I Fit In?

As a person providing health or administrative services to a Medicare Part C or Part D enrollee, you are likely an employee of a:

- Sponsor (Medicare Advantage Organization [MAO] or a Prescription Drug Plan [PDP])
- First-tier entity (Examples: Pharmacy Benefit Management [PBM]; hospital or health care facility; provider group; doctor's office; clinical laboratory; customer service provider; claims processing and adjudication company; a company that handles enrollment, disenrollment, and membership functions; and contracted sales agents)
- Downstream entity (Examples: pharmacies, doctor's office, firms providing agent/broker services, marketing firms, and call centers)
- Related entity (Examples: Entity with common ownership or control of a Sponsor, health promotion provider, or SilverSneakers®)

Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 2: Your Role in the Fight Against FWA

Where Do I Fit In? (continued)

I am an employee of a Part C Plan Sponsor or an employee of a Part C Plan Sponsor's first-tier or downstream entity

I am an employee of a Part D Plan Sponsor or an employee of a Part D Plan Sponsor's first-tier or downstream entity

Page 3 of 23

Where Do I Fit In? (continued)

The Part C Plan Sponsor is a CMS Contractor. Part C Plan Sponsors may enter into contracts with FDRs. This stakeholder relationship flow chart shows examples of functions relating to the Sponsor's Medicare Part C contracts. First-tier and related entities of the Medicare Part C Plan Sponsor may contract with downstream entities to fulfill their contractual obligations to the Sponsor.

Examples of first-tier entities may be independent practices, call centers, health services/hospital groups, fulfillment vendors, field marketing organizations, and credentialing organizations. If the first-tier entity is an independent practice, then a provider could be a downstream entity. If the first-tier entity is a health service/hospital group, then radiology, hospital, or mental health facilities may be the downstream entity. If the first-tier entity is a field marketing organization, then agents may be the downstream entity. Downstream entities may contract with other downstream entities. Hospitals and mental health facilities may contract with providers.

The Part D Plan Sponsor is a CMS Contractor. Part D Plan Sponsors may enter into contracts with FDRs. This stakeholder relationship flow chart shows examples of functions that relate to the Sponsor's Medicare Part D contracts. First-tier and related entities of the Part D Plan Sponsor may contract with downstream entities to fulfill their contractual obligations to the Sponsor.

Examples of first-tier entities include call centers, PBMs, and field marketing organizations. If the first-tier entity is a PBM, then the pharmacy, marketing firm, quality assurance firm, and claims processing firm could be downstream entities. If the first-tier entity is a field marketing organization, then agents could be a downstream entity.

Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 2: Your Role in the Fight Against FWA

What Are Your Responsibilities?

You play a vital part in preventing, detecting, and reporting potential FWA, as well as Medicare noncompliance.

- FIRST**, you must comply with all applicable statutory, regulatory, and other Medicare Part C or Part D requirements, including adopting and using an effective compliance program.
- SECOND**, you have a duty to the Medicare Program to report any compliance concerns and suspected or actual violations of which you may be aware.
- THIRD**, you have a duty to follow your organization's Code of Conduct that articulates your and your organization's commitment to standards of conduct and ethical rules of behavior.

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Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 2: Your Role in the Fight Against FWA

How Do You Prevent FWA?

- Look for suspicious activity
- Conduct yourself in an ethical manner
- Ensure accurate and timely data and billing
- Ensure coordination with other payers
- Know FWA policies and procedures, standards of conduct, laws, regulations, and **CMS** guidance
- Verify all received information

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How Do You Prevent FWA?

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Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 2: Your Role in the Fight Against FWA

Stay Informed About Policies and Procedures

Know your entity's policies and procedures.

Every Sponsor and First-Tier, Downstream, and Related Entity (FDRE) must have policies and procedures that address FWA. These procedures should help you detect, prevent, report, and correct FWA.

Standards of Conduct should describe the Sponsor's expectations that:

- All employees conduct themselves in an ethical manner
- Appropriate mechanisms are in place for anyone to report noncompliance and potential FWA
- Reported issues will be addressed and corrected

Standards of Conduct communicate to employees and **CMS** compliance is everyone's responsibility, from the top of the organization to the bottom.

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Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 2: Your Role in the Fight Against FWA

Report FWA

Everyone must report suspected instances of FWA. Your Sponsor's Code of Conduct should clearly state this obligation. Sponsors may not retaliate against you for making a good faith effort in reporting.

Report any potential FWA concerns you have to your compliance department or your Sponsor's compliance department. Your Sponsor's compliance department will investigate and make the proper determination. Often, Sponsors have a Special Investigations Unit (SIU) dedicated to investigating FWA. They may also maintain an FWA Hotline.

Every Sponsor must have a mechanism for reporting potential FWA by employees and FDRs. Each Sponsor must accept anonymous reports and cannot retaliate against you for reporting. Review your organization's materials for the ways to report FWA.

When in doubt, call your Compliance Department or FWA Hotline.

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Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 2: Your Role in the Fight Against FWA

Reporting FWA Outside Your Organization

If warranted, Sponsors and FDRs must report potentially fraudulent conduct to Government authorities, such as the Office of Inspector General (OIG), the U.S. Department of Justice (DOJ), or CMS.

Individuals or entities who wish to voluntarily disclose self-discovered potential fraud to OIG may do so under the Self-Disclosure Protocol (SDP). Self-disclosure gives providers the opportunity to avoid the costs and disruptions associated with a Government-directed investigation and civil or administrative litigation.

Details to Include When Reporting FWA

When reporting suspected FWA, include:

- Contact information for the information source, suspects, and witnesses
- Alleged FWA details
- Alleged Medicare rules violated
- The suspect's history of compliance, education, training, and communication with your organization or other entities

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Where to Report FWA

- HHS Office of Inspector General:
Phone: 1-800-HHS-TIPS (1-800-447-8477) or TTY 1-800-377-4950
Fax: 1-800-223-8164
Email: HHSTips@oig.hhs.gov
Online:
Forms.OIG.hhs.gov/hotlineoperations/index.aspx
- For Medicare Parts C and D:
Investigations Medicare Drug Integrity Contractor (I MEDIC) at 1-877-7SafeRx (1-877-772-3379)
- For all other Federal health care programs:
CMS Hotline at 1-800-MEDICARE (1-800-633-4227) or TTY 1-877-486-2048
- Medicare beneficiary website: [Medicare.gov/forms-help-and-resources/report-fraud-and-abuse/fraud-and-abuse.html](https://www.medicare.gov/forms-help-and-resources/report-fraud-and-abuse/fraud-and-abuse.html)

Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 2: Your Role in the Fight Against FWA

Correction

Once fraud, waste, or abuse is detected, promptly correct it. Correcting the problem saves the Government money and ensures your compliance with CMS requirements.

Develop a plan to correct the issue. Ask your organization's compliance officer about the development process for the corrective action plan. The actual plan is going to vary, depending on the specific circumstances, in general:

- Design the corrective action to correct the underlying problem that results in FWA program violations and to prevent future noncompliance.
- Tailor the corrective action to address the particular FWA, problem, or deficiency identified. Include timeframes for specific actions.
- Document corrective actions addressing noncompliance or FWA committed by a Sponsor's employee or FDR's employee, and include consequences for failure to satisfactorily complete the corrective action.
- Monitor corrective actions continuously to ensure effectiveness.

Corrective Actions

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Correction

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- Monitor corrective actions continuously to ensure effectiveness.

Corrective Actions

Corrective actions may include:

- Adopting new prepayment edits or document review requirements
- Conducting mandated training
- Providing educational materials
- Revising policies or procedures
- Sending warning letters
- Taking disciplinary action, such as suspension of marketing, enrollment, or payment
- Terminating an employee or provider

Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 2: Your Role in the Fight Against FWA

Indicators of Potential FWA

Now that you know about your role in preventing, reporting, and correcting FWA, let's review some key indicators to help you recognize the signs of someone committing FWA.

The following pages present potential FWA issues. Each page provides questions to ask yourself about different areas, depending on your role as an employee of a Sponsor, pharmacy, or other entity involved in delivering Medicare Parts C and D benefits to enrollees.

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Indicators of Potential FWA

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Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 2: Your Role in the Fight Against FWA

Key Indicators: Potential Beneficiary Issues

- Does the prescription, medical record, or laboratory test look altered or possibly forged?
- Does the beneficiary's medical history support the services requested?
- Have you filled numerous identical prescriptions for this beneficiary, possibly from different doctors?
- Is the person receiving the medical service the beneficiary (identity theft)?
- Is the prescription appropriate based on the beneficiary's other prescriptions?

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Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 2: Your Role in the Fight Against FWA

Key Indicators: Potential Provider Issues

- Are the provider's prescriptions appropriate for the member's health condition (medically necessary)?
- Does the provider bill the Sponsor for services not provided?
- Does the provider write prescriptions for diverse drugs or primarily for controlled substances?
- Is the provider performing medically unnecessary services for the member?
- Is the provider prescribing a higher quantity than medically necessary for the condition?
- Does the provider's prescription have their active and valid National Provider Identifier on it?
- Is the provider's diagnosis for the member supported in the medical record?

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Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 2: Your Role in the Fight Against FWA

Key Indicators: Potential Pharmacy Issues

- Are drugs being diverted (drugs meant for nursing homes, hospice, and other entities being sent elsewhere)?
- Are the dispensed drugs expired, fake, diluted, or illegal?
- Are generic drugs provided when the prescription requires dispensing brand drugs?
- Are PBMs billed for unfilled or never picked up prescriptions?
- Are proper provisions made if the entire prescription is not filled (no additional dispensing fees for split prescriptions)?
- Do you see prescriptions being altered (changing quantities or Dispense As Written)?
- Are Eligibility facilitator services (EFS) and the information they provide being used for purposes other than for determining patient eligibility?

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Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 2: Your Role in the Fight Against FWA

Key Indicators: Potential Wholesaler Issues

- Is the wholesaler distributing fake, diluted, expired, or illegally imported drugs?
- Is the wholesaler diverting drugs meant for nursing homes, hospices, and Acquired Immune Deficiency Syndrome (AIDS) clinics, marking up the prices, and sending to other smaller wholesalers or pharmacies?

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Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 2: Your Role in the Fight Against FWA

Key Indicators: Potential Manufacturer Issues

- Does the manufacturer promote off-label drug usage?
- Does the manufacturer knowingly provide samples to entities that bill Federal health care programs for them?

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Key Indicators: Potential Manufacturer Issues

- Does the manufacturer promote off-label drug usage?
- Does the manufacturer knowingly provide samples to entities that bill Federal health care programs for them?

Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 2: Your Role in the Fight Against FWA

Key Indicators: Potential Sponsor Issues

- Does the Sponsor encourage or support inappropriate risk adjustment submissions?
- Does the Sponsor lead the beneficiary to believe the cost of benefits is one price, when the actual cost is higher?
- Does the Sponsor offer beneficiaries cash inducements to join the plan?
- Does the Sponsor use unlicensed agents?

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Key Indicators: Potential Sponsor Issues

- Does the Sponsor encourage or support inappropriate risk adjustment submissions?
- Does the Sponsor lead the beneficiary to believe the cost of benefits is one price, when the actual cost is higher?
- Does the Sponsor offer beneficiaries cash inducements to join the plan?
- Does the Sponsor use unlicensed agents?

Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 2: Your Role in the Fight Against FWA

Lesson 2 Summary

- As a person providing health or administrative services to a Medicare Part C or D enrollee, you play a vital role in preventing fraud, waste, and abuse (FWA). Conduct yourself ethically, stay informed of your organization's policies and procedures, and keep an eye out for key indicators of potential FWA.
- Report potential FWA. Every Sponsor must have a mechanism for reporting potential FWA. Each Sponsor must accept anonymous reports and cannot retaliate against you for reporting.
- Promptly correct identified FWA with an effective corrective action plan.

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Lesson 2 Summary

- As a person providing health or administrative services to a Medicare Part C or D enrollee, you play a vital role in preventing fraud, waste, and abuse (FWA). Conduct yourself ethically, stay informed of your organization's policies and procedures, and keep an eye out for key indicators of potential FWA.
- Report potential FWA. Every Sponsor must have a mechanism for reporting potential FWA. Each Sponsor must accept anonymous reports and cannot retaliate against you for reporting.
- Promptly correct identified FWA with an effective corrective action plan.



Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help Course Menu

Lesson 2: Your Role in the Fight Against FWA

Lesson 2 Review

Now that you completed Lesson 2, let's do a quick knowledge check. Your assessment score isn't affected by these questions.

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Lesson 2 Review

Now that you completed Lesson 2, let's do a quick knowledge check. Your assessment score isn't affected by these questions.



Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help

Lesson 2: Your Role in the Fight Against FWA

Review Question

Select the correct answer.

A person drops off a prescription for a beneficiary who is a "regular" customer. The prescription is for a controlled substance with a quantity of 160. This beneficiary normally receives a quantity of 60, not 160. You review the prescription and have concerns about possible forgery. What is your next step?

A. Fill the prescription for 160

B. Fill the prescription for 60

C. Call the prescriber to verify the quantity

D. Call the Sponsor's compliance department

E. Call law enforcement

Submit

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Previous Next

Review Question

Select the correct answer.

A person drops off a prescription for a beneficiary who is a "regular" customer. The prescription is for a controlled substance with a quantity of 160. This beneficiary normally receives a quantity of 60, not 160. You review the prescription and have concerns about possible forgery. What is your next step?

- A. Fill the prescription for 160
- B. Fill the prescription for 60
- C. Call the prescriber to verify the quantity
- D. Call the Sponsor's compliance department
- E. Call law enforcement

Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help

Lesson 2: Your Role in the Fight Against FWA

Review Question

Select the correct answer.

Your job is to submit a risk diagnosis to the Centers for Medicare & Medicaid Services (CMS) for the purpose of payment. As part of this job, you use a process to verify the data is accurate. Your immediate supervisor tells you to ignore the Sponsor's process and to adjust or add risk diagnosis codes for certain individuals. What should you do?

A. Do what your immediate supervisor asked and adjust or add risk diagnosis codes

B. Report the incident to the compliance department (via compliance hotline or other mechanism)

C. Discuss your concerns with your immediate supervisor

D. Call law enforcement

Submit

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Previous Next

Review Question
Select the correct answer.

Your job is to submit a risk diagnosis to the Centers for Medicare & Medicaid Services (CMS) for the purpose of payment. As part of this job, you use a process to verify the data is accurate. Your immediate supervisor tells you to ignore the Sponsor's process and to adjust or add risk diagnosis codes for certain individuals. What should you do?

- A. Do what your immediate supervisor asked and adjust or add risk diagnosis codes
- B. Report the incident to the compliance department (via compliance hotline or other mechanism)
- C. Discuss your concerns with your immediate supervisor
- D. Call law enforcement

Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help

Lesson 2: Your Role in the Fight Against FWA

Review Question

Select the correct answer.

You are in charge of paying claims submitted by providers. You notice a certain diagnostic provider ("Doe Diagnostics") requested a substantial payment for a large number of members. Many of these claims are for a certain procedure. You review the same type of procedure for other diagnostic providers and realize Doe Diagnostics' claims far exceed any other provider you reviewed. What should you do?

A. Call Doe Diagnostics and request additional information for the claims

B. Consult your immediate supervisor for next steps or contact the compliance department (via compliance hotline, Special Investigations Unit (SIU), or other mechanism)

C. Reject the claims

D. Pay the claims

Submit

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Previous Next

Review Question
Select the correct answer.

You are in charge of paying claims submitted by providers. You notice a certain diagnostic provider ("Doe Diagnostics") requested a substantial payment for a large number of members. Many of these claims are for a certain procedure. You review the same type of procedure for other diagnostic providers and realize Doe Diagnostics' claims far exceed any other provider you reviewed. What should you do?

- A. Call Doe Diagnostics and request additional information for the claims

- B. Consult your immediate supervisor for next steps or contact the compliance department (via compliance hotline, Special Investigations Unit [SIU], or other mechanism)
- C. Reject the claims
- D. Pay the claims

The screenshot shows a course interface with a blue header. The title is 'Combating Medicare Parts C and D Fraud, Waste, and Abuse'. Below the header, it says 'Lesson 2: Your Role in the Fight Against FWA'. The main content area is titled 'Review Question' and asks the user to 'Select the correct answer.' The question is: 'You are performing a regular inventory of the controlled substances in the pharmacy. You discover a minor inventory discrepancy. What should you do?' There are five radio button options: A. Call local law enforcement, B. Perform another review, C. Contact your compliance department (via compliance hotline or other mechanism), D. Discuss your concerns with your supervisor, and E. Follow your pharmacy's procedures. A 'Submit' button is at the bottom left. At the bottom right, there are 'Previous' and 'Next' navigation buttons. The page number 'Page 22 of 21' is visible at the bottom left.

Review Question

Select the correct answer.

You are performing a regular inventory of the controlled substances in the pharmacy. You discover a minor inventory discrepancy. What should you do?

- A. Call local law enforcement
- B. Perform another review
- C. Contact your compliance department (via compliance hotline or other mechanism)
- D. Discuss your concerns with your supervisor
- E. Follow your pharmacy procedures

The screenshot shows a course interface with a blue header. The title is 'Combating Medicare Parts C and D Fraud, Waste, and Abuse'. Below the header, it says 'Lesson 2: Your Role in the Fight Against FWA'. The main content area says 'You completed Lesson 2: Your Role in the Fight Against FWA.' and 'Now that you've learned how to fight FWA, it's time to assess your knowledge. Select Continue to return to the Course Menu. Then, select Assessment.' There is a 'View This Lesson' button. At the bottom right, there are 'Previous' and 'Continue' navigation buttons. The page number 'Page 23 of 21' is visible at the bottom left.

You completed Lesson 2: Your Role in the Fight Against FWA

Now that you've learned how to fight FWA, it's time to assess your knowledge.

Select Continue to return to the course menu. Then, select Assessment.

Assessment



Post-Assessment

This brief Post-Assessment asks 10 questions and should take about 10 minutes.

Choose an answer for each question by selecting the button next to your answer. You must select an answer before advancing to the next question. You can only move forward in the Post-Assessment, and try each question once. You may change your answer to a question until you select the “SUBMIT ANSWER” button. After you submit your answer, feedback from the question and the “NEXT” button appears. Select the “NEXT” button to continue. Do not select the “X” button in the right-hand corner of the window as this causes you to exit the course without recording your progress.

You may print your score when you finish the Post-Assessment. After successfully completing the course, you can print a certificate. Successfully completing the course includes finishing all lessons and scoring 70 percent or higher on the Post-Assessment. Instructions on printing your certificate are available after you pass the Post-Assessment.

Select the “NEXT” button to begin the Post-Assessment.



Question 1 of 10

Select the correct answer.

Once a corrective action plan is started, the corrective actions must be monitored annually to ensure they are effective.

- A. True
- B. False



The screenshot shows a web-based assessment interface. At the top, there is a blue header with the text "Combating Medicare Parts C and D Fraud, Waste, and Abuse" and links for "Reference" and "Help". Below the header, the page is titled "Assessment". The current question is "Question 2 of 10". The instruction says "Select the best answer." The question text is "Ways to report potential fraud, waste, and abuse (FWA) include:". There are five radio button options: A. Phone hotlines, B. Mail drops, C. In-person reporting to your compliance department or supervisor, D. Reporting to a Special Investigations Unit (SIU), and E. All of the above. Option E is selected. A blue "Submit" button is located below the options. At the bottom left, there is a decorative graphic of three overlapping circles in blue, green, and yellow, and the text "Page 3 of 12". At the bottom right, there is a grey "Next" button with a right-pointing arrow.

Question 2 of 10

Select the correct answer.

Ways to report potential Fraud, Waste, & Abuse (FWA) include:

- A. Phone hotlines
- B. Mail drops
- C. In-person reporting to your compliance department or supervisor
- D. Reporting to a Special Investigations Unit (SIU)
- E. All the above



The screenshot shows a web-based assessment interface. At the top, there is a blue header with the text "Combating Medicare Parts C and D Fraud, Waste, and Abuse" and links for "Reference" and "Help". Below the header, the page is titled "Assessment". The current question is "Question 3 of 10". The instruction says "Select the correct answer." The question text is "Any person who knowingly submits false claims to the Government is liable for five times the Government's damages caused by the violator plus a penalty." There are two radio button options: A. True and B. False. Option B is selected. A blue "Submit" button is located below the options. At the bottom left, there is a decorative graphic of three overlapping circles in blue, green, and yellow, and the text "Page 4 of 12". At the bottom right, there is a grey "Next" button with a right-pointing arrow.

Question 3 of 10

Select the correct answer.

Any person who knowingly submits false claims to the Government is liable for five times the Government's damages caused by the violator plus a penalty.

- A. True
- B. False



Question 4 of 10

Select the correct answer.

These are examples of issues that should be reported to a Compliance Department: suspected fraud, waste, and abuse (FWA); potential health privacy violation; unethical behavior; and employee misconduct.

- A. True
- B. False



Question 5 of 10

Select the correct answer.

Bribes or kickbacks of any kind for services that are paid under a Federal health care program (which includes Medicare) constitute fraud by the person making as well as the person receiving them.

- A. True
- B. False



The screenshot shows a web-based assessment interface. At the top, there is a blue header with the text "Combating Medicare Parts C and D Fraud, Waste, and Abuse" and links for "Reference" and "Help". Below the header, the page is titled "Assessment". The current question is "Question 6 of 10". The instruction is "Select the correct answer." The question text is "Waste includes any misuse of resources, such as the overuse of services or other practices that, directly or indirectly, result in unnecessary costs to the Medicare Program." There are two radio button options: "A. True" (which is selected) and "B. False". A blue "Submit" button is located below the options. At the bottom left, there is a decorative graphic of three overlapping circles in blue, green, and yellow, and the text "Page 7 of 12". At the bottom right, there is a grey "Next" button with a right-pointing arrow.

Question 6 of 10
Select the correct answer.

Waste includes any misuse of resources, such as the overuse of services or other practices that, directly or indirectly, result in unnecessary costs to the Medicare Program.

- A. True
- B. False



The screenshot shows a web-based assessment interface. At the top, there is a blue header with the text "Combating Medicare Parts C and D Fraud, Waste, and Abuse" and links for "Reference" and "Help". Below the header, the page is titled "Assessment". The current question is "Question 7 of 10". The instruction is "Select the correct answer." The question text is "Abuse involves payment for items or services when there is no legal entitlement to that payment and the provider has not knowingly or intentionally misrepresented facts to obtain payment." There are two radio button options: "A. True" (which is selected) and "B. False". A blue "Submit" button is located below the options. At the bottom left, there is a decorative graphic of three overlapping circles in blue, green, and yellow, and the text "Page 8 of 12". At the bottom right, there is a grey "Next" button with a right-pointing arrow.

Question 7 of 10
Select the correct answer.

Abuse involves payment for items or services when there is no legal entitlement to that payment and the provider has not knowingly or intentionally misrepresented facts to obtain payment.

- A. True
- B. False



Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help

Assessment

Question 8 of 10

Select the correct answer.

Some of the laws governing Medicare Parts C and D fraud, waste, and abuse (FWA) include the Health Insurance Portability and Accountability Act (HIPAA), the False Claims Act, the Anti-Kickback Statute, and the Health Care Fraud Statute.

A. True

B. False

Submit

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Next

Question 8 of 10

Select the correct answer.

Some of the laws governing Medicare Parts C and D fraud, waste, and abuse (FWA) include the Health Insurance Portability and Accountability Act (HIPAA), the False Claims Act, the Anti-Kickback Statute, and the Health Care Fraud Statute.

A. True

B. False



Combating Medicare Parts C and D Fraud, Waste, and Abuse Reference Help

Assessment

Question 9 of 10

Select the correct answer.

You can help prevent fraud, waste, and abuse (FWA) by doing all of the following:

- Look for suspicious activity
- Conduct yourself in an ethical manner
- Ensure accurate and timely data and billing
- Ensure you coordinate with other payers
- Keep up to date with FWA policies and procedures, standards of conduct, laws, regulations, and the Centers for Medicare & Medicaid Services (CMS) guidance
- Verify all information provided to you

A. True

B. False

Submit

Page 10 of 12

Next

Question 9 of 10

Select the correct answer.

You can help prevent fraud, waste, and abuse (FWA) by doing all of the following:

- Look for suspicious activity
- Conduct yourself in an ethical manner
- Ensure accurate and timely data and billing
- Ensure you coordinate with other payers
- Keep up to date with FWA policies and procedures, standards of conduct, laws, regulations, and the Centers for Medicare & Medicaid Services (CMS) guidance
- Verify all information provided to you

A. True

B. False



The screenshot shows a web-based assessment interface. At the top, there is a blue header with the text "Combating Medicare Parts C and D Fraud, Waste, and Abuse" and links for "Reference" and "Help". Below the header, the word "Assessment" is displayed. The main content area shows "Question 10 of 10" and the instruction "Select the best answer." The question text is "What are some of the penalties for violating fraud, waste, and abuse (FWA) laws?". There are four radio button options: A. Civil Monetary Penalties, B. Imprisonment, C. Exclusion from participation in all Federal health care programs, and D. All of the above. Option D is selected, indicated by a green checkmark in the radio button. A blue "Submit" button is located below the options. At the bottom left, there are three colored circles (blue, green, yellow) and the text "Page 11 of 12". At the bottom right, there is a grey "Next" button with a right-pointing arrow.

Question 10 of 10

Select the correct answer.

What are some of the penalties for violating fraud, waste, and abuse (FWA) laws?

- A. Civil Monetary Penalties
- B. Imprisonment
- C. Exclusion from participation in all Federal health care programs
- D. All of the above



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COMPLIANCE TRAINING ATTESTATION STATEMENT

2021 Centers for Medicare & Medicaid Services Annual Attestation

I, _____, attest that I have read, acknowledge, and attest to
 (printed name)

understanding and abiding by the following North Sound Behavioral Health Administrative Service Organization (BH-ASO) and Centers for Medicare & Medicaid Services policies, procedures, and training:

Centers for Medicare & Medicaid Services (CMS)		
Initials	Training	Date Completed
	Combatting Medicare Parts C and D Fraud, Waste, and Abuse https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/WebBasedTraining	

 Signature

 Date

Once completed, please:

1. Sign, date, and Scan this attestation
2. Name scanned attestation: "Last name, first name – 2021 CMS Attestation"
3. Email attestation to Compliance_Officer@nsbhaso.org

Submit Completed Forms to Compliance_Officer@nsbhaso.org

1. OCTOBER SUPPLEMENTAL BUDGET ALLOCATIONS

- We've received an "off-cycle" amendment from HCA that adds in some of the additional new allocations that were authorized this year. These include:
 - **Recovery Navigator Program:** \$2,619,377
 - **Additional Crisis Teams, including Child Crisis Teams:** \$ 2,496,794
 - **Additional monetary requirements for persons on Less Restrictive Orders:** \$40,000
 - **Whatcom County Crisis Stabilization Pilot:** \$300,000
 - **Whatcom County Trauma Informed School Counseling Pilot:** \$200,000
 - **MHBG COVID Co-Responder Funds:** \$100,000
 - **MHBG COVID Peer Bridger Participant Service Funds** \$11,109
 - **MHBG COVID Addition of Certified Peer Counselor to BHASO Mobile Crisis Teams:** \$190,900
- Although these allocations are to cover the July 2021-June 2022 Fiscal Year, HCA recognizes that realistically we may not be able to contract out and spend down all of these funds by the end of June 2022. They will allow us to submit proposals to carry over unspent funds to the next fiscal year.
- We've received from HCA the reporting templates for the two Whatcom County Provisos. We'll be meeting with Whatcom County and the provider organizations that will be involved in providing the proviso funded services to negotiate the scopes of work.
- **Attachment #1** lists all of our non-Medicaid allocations and brief definitions.

2. UPDATE ON WORKFORCE DEVELOPMENT ACTIVITIES

- We've distributed a survey to Behavioral Health Agencies, asking them to prioritize a list of **specific** areas where ASO or MCO contributions could assist the state-wide efforts. HCA has formed a "Sprint Team" to roll out a set of state-wide strategies aimed at workforce recruitment and retention.
- The MCO/ASO Clinical Coordination Workgroup has formed a sub-group to work on the same question, i.e., where we as funders can assist. I have agreed to facilitate this group.

3. COVID FEDERAL BLOCK GRANT

- HCA has approved our COVID Block Grant plan.
- Our next step is to identify where proposed funding can be added to existing contracts or where we will need to solicit proposals where new programs would be required.

4. CRISIS SERVICES

- a. **Weekly Crisis Capacity Indicator Report** – through October 2 [attachment #2]
 - Both the number of calls to the Crisis Line and the number of dispatches of mobile crisis outreach teams remain at historically high levels but have leveled off in the last few weeks.

5. CONTINUING IMPACT OF HB 1310 ON LAW ENFORCEMENT ASSISTANCE WITH BEHAVIORAL HEALTH CRISIS SERVICES

- Law Enforcement agencies continue to be concerned about how to interpret the restrictions on use of force in responding to a behavioral health crisis established by HB 1310.
- Our DCR teams have been documenting situations in which law enforcement either declined to assist or to actively engage and/or transport a person in crisis. However, HCA has asked that we use a different form that they have provided so our DCR teams will have to adjust their reporting processes.
- HCA is providing this information to the Governor's Office and Attorney General's office.
- Both Crisis Service and Law Enforcement agencies are hoping that there can be clearer guidance from the Attorney General's office as well as additional legislative clarification.
- We have heard that several legislators are considering proposing some amendments or clarifying language.

6. RECOVERY NAVIGATOR PROGRAM

- The North Sound BH-ASO has submitted its initial plan to HCA on how we propose to implement the Recovery Navigator program.
- The allocation for the North Sound region is **\$2,619,377**. This allocation is intended to cover the cost of 2 outreach recovery navigators per county, project managers, supervisors, and some support costs such as transportation.
- Our proposed plan would build on the existing LEAD programs in Snohomish and Whatcom counties but would also ensure that outreach navigator services are available in all 5 counties.
- James Dixon, the North Sound Recovery Program Regional Coordinator, will provide an update at the Board of Directors meeting.

7. COMMUNITY BEHAVIORAL RESIDENTIAL ASSISTANCE PROGRAM [CBRA]

- We've received 6 responses to our Request for Letters of Interest to provide long term rental assistance services using the new funding available through the Department of Commerce [DOC] Community Behavioral Residential Assistance Program.
- The Department of Commerce [DOC] has allocated **\$1,308,750** to the North Sound region for long term housing assistance.
- We have interviewed all 6 respondents and are in the final stages of developing a plan that will allow all interested organization to access the rental assistance funds in some way. Our first priority is to support behavioral health agencies and housing service providers who already have current control of housing units.
- An update will be provided at the October 14 Board Meeting.

8. NEW NORTH SOUND EVALUATION & TREATMENT FACILITY

- Skagit County has announced that Telecare has been awarded the contract to operate the new North Sound Evaluation & Treatment Facility in Sedro Wooley. This facility will replace the current facility Telecare is operating on the grounds of the North Cascades Gateway Center [old Northern State Hospital].
- Telecare anticipates that they will be able to move in by March of 2022 and are seeking assistance with move in and start-up costs, including furniture, fixtures, and equipment which were not funded by the Commerce capital funds.

9. ANNUAL HCA [TEAMONITOR] REVIEW

- HCA conducted its annual “TeaMonitor” review of the North Sound BH-ASO on September 28.
- This review was probably our most successful one yet. Of the 86 areas assessed, only 5 were considered as “Partially Met” and 3 as “Not Met”. However, the findings were mostly technical: either some of our documents contained the wrong contract section reference or did not provide as much explanation as HCA would like.
- All of these findings can be easily addressed. Our “corrective action” responses are due to HCA by November 17.

10. CONTINUATION OF THE NORTH SOUND INTERLOCAL LEADERSHIP STRUCTURE

- At the October 8 meeting of the North Sound Interlocal Leadership Structure, there was discussion as to whether the participants wanted to continue with the ILS structure going into 2022.
- According to RCW 71.24.880 (6), *The interlocal leadership structure group expires December 1, 2021, unless the interlocal leadership group decides to extend it.*
- The initial consensus was that ILS members would like to continue meeting but on a less frequent basis, e.g., bi-monthly or quarterly. The members would also like to see the meetings devoted primarily to problem solving discussion rather than updates. Addressing capacity issues was identified as one of the key goals to continue focusing on.
- I will be working with the current co-chairs, Sarah Hinman from Skagit County and Nicole Jones from UHC, to develop a revised charter to present at the November 12 ILS meeting.

11. NORTH SOUND BH-ASO 2022 PROPOSED OPERATING BUDGET

- The BH-ASO proposed 2022 operating budget will be posted on our website following the October 14 Board of Directors meeting and a link will be sent to the Board of Directors and Advisory Board.

- The dates for budget review and approval are:

October 14	Posted on BH-ASO website following the October 14 BOD meeting. Link sent to Advisory Board
November 2	Budget Presentation for Advisory Board
November 4	Budget Presentation for Board of Directors – Public Hearing
December 7	Review and recommended approval by Advisory Board
December 9	Review and approval by Board of Directors

12. STATE AUDITOR ENTRANCE DOCUMENTS [Attachments #3-5]

- Attached are the entrance documents from the State Auditor’s staff who are conducting their annual audit of the North Sound BH-ASO. The audit process has actually begun already, and Darrell has had to provide them with a considerable number of documents.

**Exhibit A-3: Non-Medicaid Funding Allocation
North Sound BH-ASO**

This Exhibit addresses non-Medicaid funds in the North Sound RSA for the provision of crisis services and non-crisis behavioral health services for July 1, 2021 through December 31, 2021, of state fiscal year (SFY) 2022. Amounts can be utilized during SFY ending June 30, 2022, unless otherwise noted.

MHBG and SABG funds will be administered by the BH-ASO in accordance with the plans developed locally for each grant. Bock grant funding is shown for the full SFY 2022, and spending in July-December 2021 is also counted out of these totals.

Table 1: North Sound RSA July-December 2021 (SFY22) GF-S Funding

Fund Source	Monthly	Total 6 Months
Flexible GF-S	\$1,117,711.00	\$6,706,266.00
PACT	\$23,166.00	\$138,996.00
Assisted Outpatient Tx	\$19,737.00	\$118,422.00
1109 PACT	\$19,477.00	\$116,862.00
Flexible GF-S (ASO)- Begin FY2021- Proviso (7B)	\$55,385.00	\$332,310.00
Jail Services	\$30,628.00	\$183,768.00
ITA - Non-Medicaid funding	\$22,865.00	\$137,190.00
Detention Decision Review	\$8,958.00	\$53,748.00
Long-Term Civil Commitment Court Costs	\$402.00	\$2,412.00
Trueblood Misdemeanor Diversion	\$18,662.00	\$111,972.00
Island County Crisis Stabilization	\$0.00	\$0.00
Juvenile Drug Court	\$11,650.00	\$69,900.00
DMA	\$48,441.00	\$290,646.00
Secure Detox	\$28,913.00	\$173,478.00
Behavioral Health Advisory Board	\$3,333.00	\$19,998.00
Ombuds	\$3,750.00	\$22,500.00
Discharge Planners	One-Time payment (Six months)	\$53,647.00
BH Service Enhancements	One-Time payment (Six months)	\$389,594.00
SB 5092(65) Added Crisis Teams/including child crisis teams	One-Time payment (Annual)	\$2,496,794.00
SB 5073-ASO monitoring CR/LRA	One-Time payment (Annual)	\$40,000.00
Blake Navigator Program	One-Time payment (Annual)	\$2,619,377.00
Whatcom County Crisis Stabilization Diversion Pilot (\$300K)and Trauma Informed School Counselling (\$200K)	One-Time payment (Annual)	\$500,000.00
SB 5476 Blake decision Lead Admin	One-Time payment (Annual)	\$140,000.00
Total	\$1,413,078.00	\$14,717,880.00

Table 2: North Sound RSA FY 2022 Grant Funding (12 months)

Fund Source	Total FY2022
MHBG (Full Year SFY2022)	\$1,186,032
Peer Bridger (Full Year SFY2022)	\$240,000
FYSPRT (Full Year SFY2022)	\$75,000
SABG (Full Year SFY2022)	\$3,314,438
Total	\$4,815,470

Table 3: North Sound RSA Covid Grant Funding (Utilization until March 2023)

Fund Source	Total FY2022
MHBG Covid (BH-ASO) Peer Pathfinders Transition from Incarceration Pilot	\$71,000
MHBG Covid (BH-ASO) Treatment -Crisis Services	\$227,109
MHBH Covid MH Services non-Medicaid services & individuals	\$1,037,744
MHBG Covid - Peer Bridger Participant Service Funds	\$11,109
MHBG Covid - Addition of Certified Peer Counselor to BHASO Mobile Crisis Response Teams	\$190,900
SABG Covid BH-ASO Treatment Funding	\$2,186,014
SABG Covid Peer Pathfinders Transition from Incarceration Pilot	\$71,000
Total	\$3,794,876

Table 4: North Sound RSA - Funds available Statewide to bill up to - Full FY 2022 amount

Fund Source	Total FY2022
SB 5071 - Full FY amount is available to Providers for the cost of monitoring CR/LRA State Hospital discharged Individuals.	\$69,000

Explanations

All proviso dollars are GF-S funds. Outlined below, are explanations of the provisos and dedicated accounts applicable **to all regions that receive the specific proviso:**

- **Juvenile Drug Court:** Funding to provide alcohol and drug treatment services to juvenile offenders who are under the supervision of a juvenile drug court.
- **State Drug Court:** Funding to provide alcohol and drug treatment services to offenders who are under the supervision of a drug court.
- **Jail Services:** Funding to provide mental health services for mentally ill offenders while confined in a county or city jail. These services are intended to facilitate access to programs that offer mental health service upon mentally ill offenders' release from confinement. This includes efforts to expedite applications for new or re- instated Medicaid benefits.
- **WA - Program for Assertive Community Treatment (WA - PACT)/Additional PACT:** Funds received per the budget proviso for development and initial operation of high-intensity programs for active community treatment WA- PACT teams.
- **1109 PACT Startup:** Funding to ensure the productive startup of services while maintaining fidelity to the PACT model. These funds are provided for provider startup expenses.
- **Detention Decision Review:** Funds that support the cost of reviewing a DCR's decision whether to detain or not detain an individual under the State's involuntary commitment statutes.
- **Criminal Justice Treatment Account (CJTA):** Funds received, through a designated account in the State treasury, for expenditure on: a) SUD treatment and treatment support services for offenders with an addition of a SUD that, if not treated, would result in addiction, against whom charges are filed by a prosecuting attorney in Washington State; b) the provision of drug and alcohol treatment services and treatment support services for nonviolent offenders within a drug court program.
- **CJTA Therapeutic Drug Court:** Funding to set up of new therapeutic courts for cities or counties or for the expansion of services being provided to an already existing therapeutic court that engages in evidence-based practices, to include medication assisted treatment in jail settings pursuant to RCW 71.24.580.
- **Assisted Outpatient Treatment:** Funds received to support Assisted Outpatient Treatment (AOT). AOT is an order for Less Restrictive Alternative Treatment for up to ninety days from the date of judgment and does not include inpatient treatment.
- **Dedicated Marijuana Account (DMA):** Funding to provide a) outpatient and residential SUD treatment for youth and children; b) PPW case management, housing supports and residential treatment program; c) contracts for specialized fetal alcohol services; d) youth drug courts; and e) programs that support intervention, treatment, and recovery support services for middle school and high school aged students. All new program services must direct at least eighty-five percent of funding to evidence-based on research-based programs and practices.
- **ITA Non-Medicaid – Mobile Crisis (5480 Proviso):** Funding that began in 2013, to provide additional local mental health services to reduce the need for hospitalization under the Involuntary Treatment Act in accordance with regional plans approved by DBHR.

- **Secure Detoxification:** Funding for implementation of new requirements of RCW 71.05, RCW 71.34 and RCW 71.24 effective April 1, 2018, such as evaluation and treatment by a SUDP, acute and subacute detoxification services, and discharge assistance provided by a SUDP in accordance with this Contract.
- **Crisis Triage/Stabilization and Step-Down Transitional Residential:** Funding originally allocated under SSB 5883 2017, Section 204(e) and Section 204(r) for operational costs and services provided within these facilities.
- **Behavioral Health Enhancements (one-time payment):** Funding for the implementation of regional enhancement plans originally funded under ESSB 6032 and continued in ESHB 1109.SL Section 215(23).
- **Discharge Planners (one-time payment):** These are funds received for a position solely responsible for discharge planning.
- **Trueblood Misdemeanor Diversion Funds:** These are funds for non-Medicaid costs associated with serving individuals in crisis triage, outpatient restoration, Forensic PATH, Forensic HARPS, or other programs that divert individuals with behavioral health disorders from the criminal justice system.
- **Ombuds:** Specific General Fund allocation to support a regional ombuds.
- **Behavioral Health Advisory Board (BHAB):** Specific General Fund allocation to support a regional BHAB.
- **SB 5092(65) Added Crisis Teams/including Child Crisis Teams:** Funds to support the purchase of new mobile crisis team capacity or enhancing existing mobile crisis staffing and to add or enhance youth/child Mobile crisis teams.
- **SB 5476 Blake decision – SUD Regional Administrator:** Funds to support the regional administrator position responsible for assuring compliance with the recovery navigator program standards, including staffing standards.
- **SB 5476 Blake decision Navigator Program –** Funds available to implement the recovery navigator plan that meets program requirements including demonstrating the ability to fully comply with statewide program standards.
- **SB 5073 - ASO monitoring Conditional Release/Less Restrictive Alternative –** Funds to support resources needed to coordinate and manage Non-Medicaid Conditional Release Individuals in transitional status who will transfer back to the region they resided in prior to entering the state hospital upon completion of transitional care.
- **SB 5071 - Full FY amount available - Provider cost of monitoring CR/LRA State Hospital discharged individual –** Funds to support the treatment services for individuals released from a state hospital in accordance with RCW 10.77.086(4), competency restoration. BH-ASOs may submit an A-19, not to exceed \$9,000 per Individual. Amounts are statewide pooled funds and are limited to funds available.
- **MHBG Covid (BH-ASO) Peer Pathfinders Transition from Incarceration Pilot –** Funds to support the Peer Pathfinders Transition from Incarceration Pilot Program intended to serve Individuals exiting correctional facilities in Washington state who have either a serious mental illness or co-occurring conditions.

- **MHBG Covid Enhancement Treatment - Crisis Services** – Funds to supplement non-Medicaid individuals and non-Medicaid crisis services and systems.
- **MHBG Covid Enhancement Mental Health Services non - Medicaid services and individuals** - Funds to supplement non-Medicaid individuals and non-Medicaid mental health services that meet MHBG requirements.
- **MHBG Co-Responder funds** - Funds to support grants to law enforcement and other first responders to include a mental health professional on the team of personnel responding to emergencies within regions.
- **SABG Co-Responder funds** - Funds to support grants to law enforcement and other first responders to include a mental health professional on the team of personnel responding to emergencies within regions.
- **MHBG Covid Enhancement - Peer Bridger Participant Service Funds** – Peer Bridger Participants Relief Funds to assist Individual's with engaging, re-engaging, and supporting service retention aligned/associated with continuing in treatment for mental health and/or SUD.
- **MHBG Covid Enhancement - Addition of Certified Peer Counselor to BHASO Mobile Crisis Response Teams** – FBG stimulus funds for Contractor to enhance mobile crisis services by adding certified peer counselors.
- **SABG Covid Enhancement BH-ASO Treatment Funding** - Funds to supplement non-Medicaid individuals and non-Medicaid Substance Use Disorder services that meet federal block grant requirements.
- **SABG Covid Enhancement Peer Pathfinders Transition from Incarceration Pilot** - Funds to support Funds to support the Peer Pathfinders Transition from Incarceration Pilot Program intended to serve Individuals who are exiting correctional facilities in Washington state who have a substance use disorder or co-occurring condition.

Outlined below are explanation for provisos applicable to specific regions:

- **ITA 180 Day Commitment Hearings:** Funding to conduct 180 day commitment hearings.
- **Assisted Outpatient Treatment (AOT) Pilot:** Funding for pilot programs in Pierce and Yakima counties to implement AOT.
- **Spokane: Acute Care Diversion:** Funding to implement services to reduce the utilization and census at Eastern State Hospital.
- **MH Enhancement – Mt Carmel (Alliance):** Funding for the Alliance E&T in Stevens County.
- **MH Enhancement-Telecare:** Funding for the Telecare E&T in King County.
- **Long-Term Civil Commitment Beds:** This funding is for court costs and transportation costs related to the provision of long-term inpatient care beds as defined in RCW 71.24.025 through community hospitals or freestanding evaluation and treatment centers.
- **Enhanced Mobile Crisis Response Funding – Spokane, Beacon** - Trueblood funding – to enhance crisis services for identified Trueblood population to provide expedited crisis services and other enhancements.

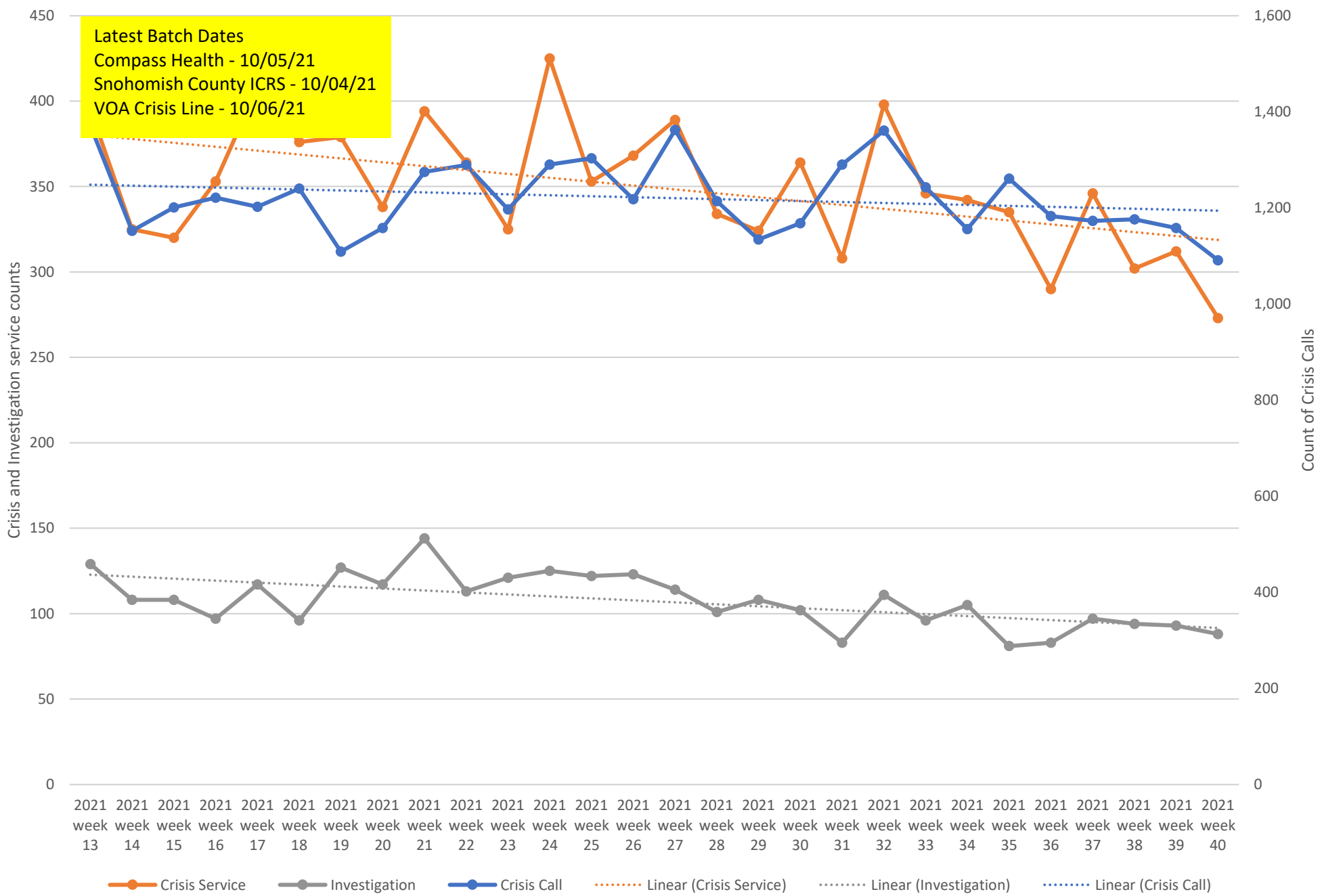
- **Enhanced Crisis Stabilization/Crisis Triage Spokane, Beacon, and King** - Trueblood funding – Amounts are for enhancing services in Stabilization/Crisis Triage facility for identified Trueblood population.
- **Trauma Informed Counseling services to children and youth in Whatcom County schools, North Sound** – Coordinate the provision of trauma informed counselling services to children and youth in Whatcom County schools.
- **Whatcom County Crisis Stabilization Center – Diversion Pilot, North Sound** - Coordinate the establishment of a Whatcom County Crisis Stabilization Center Pilot Project for diversion from the criminal justice system to appropriate community-based treatment.
- **King County ASO - CCORS** -Funding to maintain children’s crisis outreach response system services previously funded through DCYF.



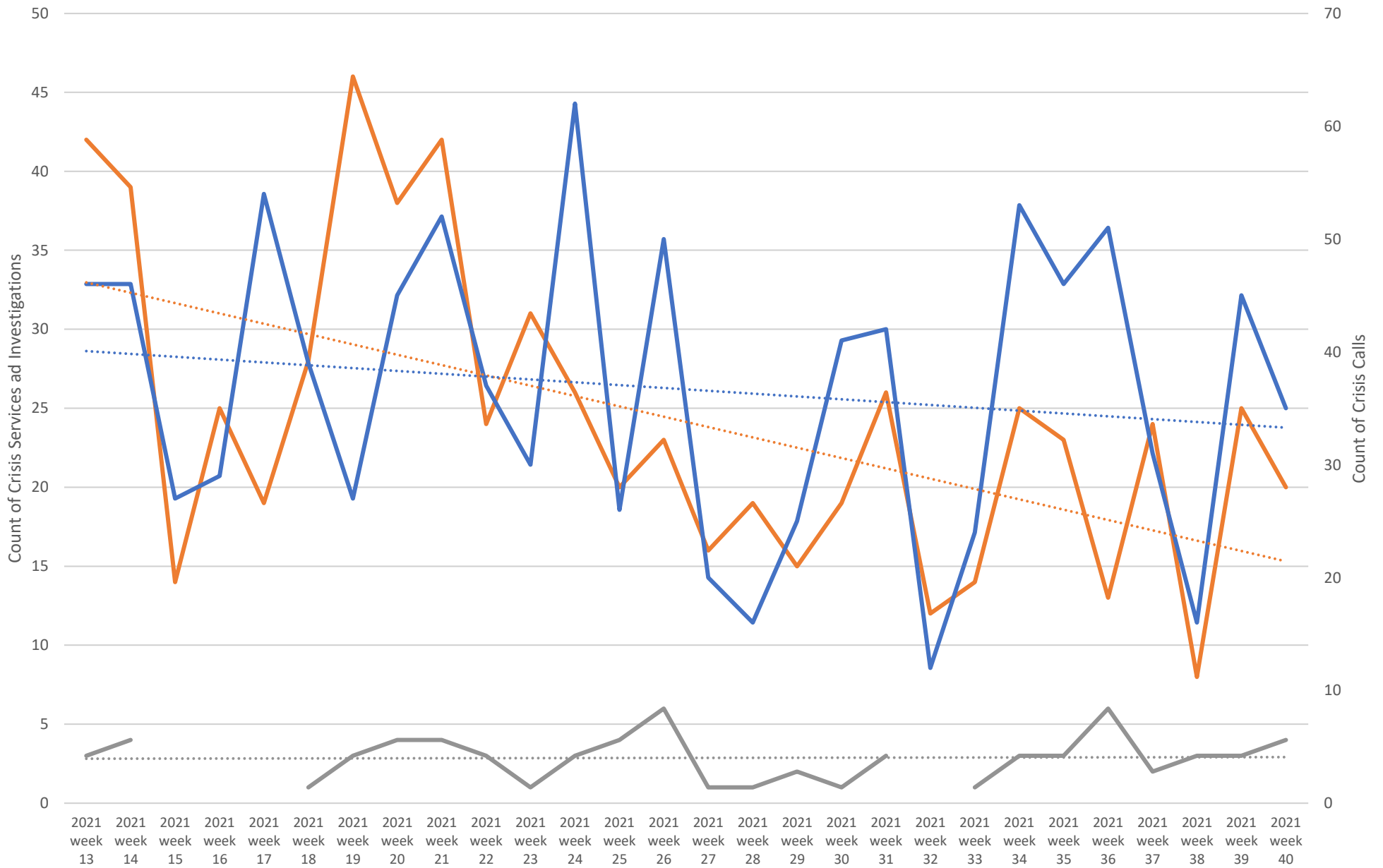
Weekly Crisis Capacity Indicator Snapshot

Page 2	Crisis Data - dates 03/21/21 to 10/02/21
Page 3	Crisis Data: Ages 0-17 - dates 03/21/21 to 10/02/21
Page 4	All DCR Dispatches - dates 03/21/21 to 10/02/21
Page 5	Weekly Staff Count - Staff providing Crisis or Investigation services 03/21/21 to 10/02/21
Page 6	Average dispatch time for Emergent investigations from 03/21/21 to 10/02/21
Page 7	Hospital placement locations (Invol and Vol) - No adjustment has been made for timely data - recent weeks likely low
Page 8	Telehealth only, crisis and investigation services from 03/21/21 to 10/02/21
Page 9	Crisis Service Unit Percent - Crisis Service units divided by Crisis units + Investigation units
Page 10	Washington State Indicators of Anxiety or Depression Based on Reported Frequency of Symptoms During Last 7 Days
Page 11	Place of Service -Crisis Services, percent of total by week
Page 12	Place of Service -Investigations, percent of total by week
Page 13	New COVID-19 Cases Reported Weekly per 100,000 population - 12/22/20 to 10/06/21
Page 14	Total Hospitalized Adults - COVID-19 (confirmed or suspected) 7 day average

Crisis Data - dates 03/21/21 to 10/02/21

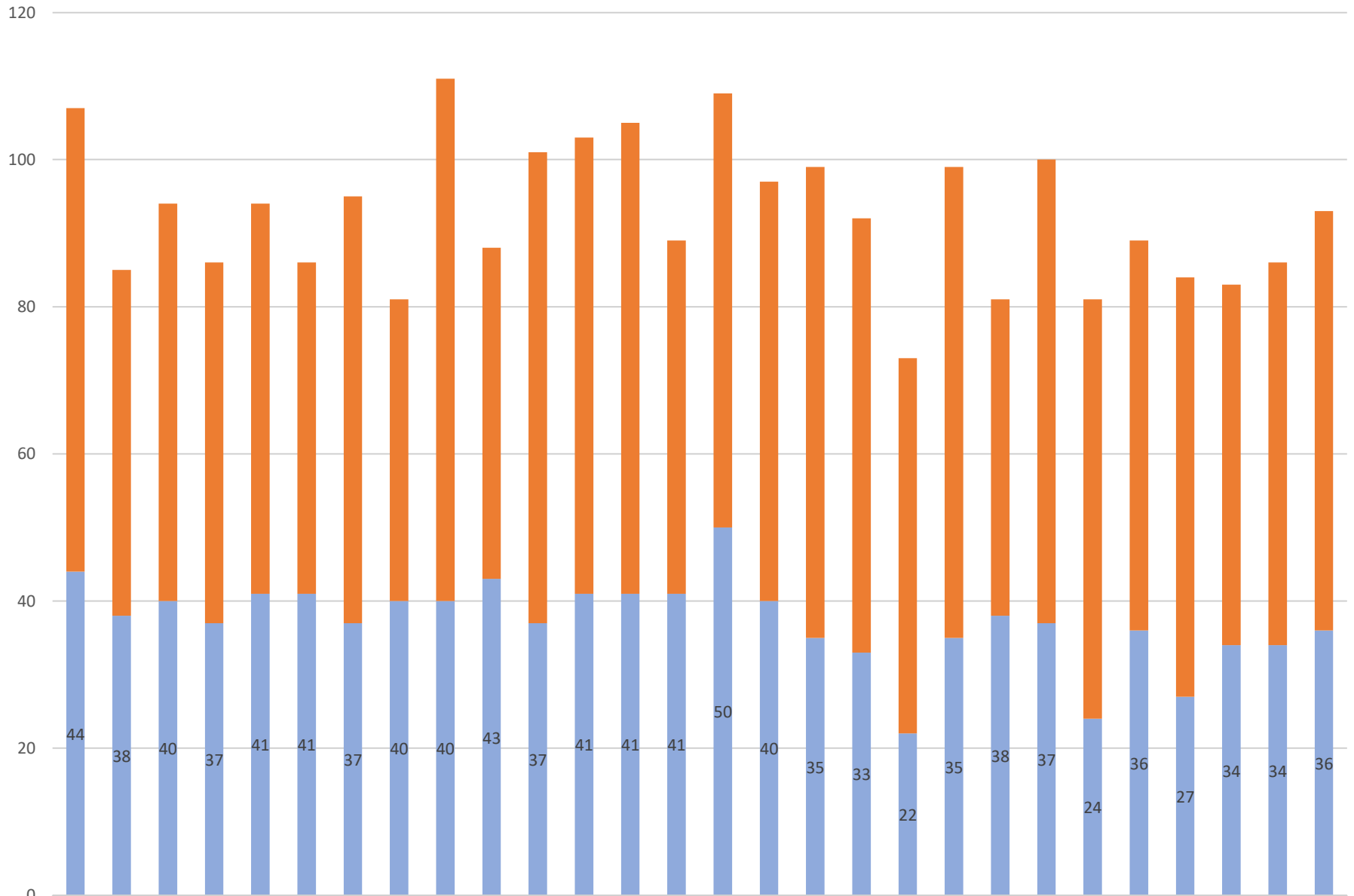


Crisis Data: Ages 0-17 - dates 03/21/21 to 10/02/21



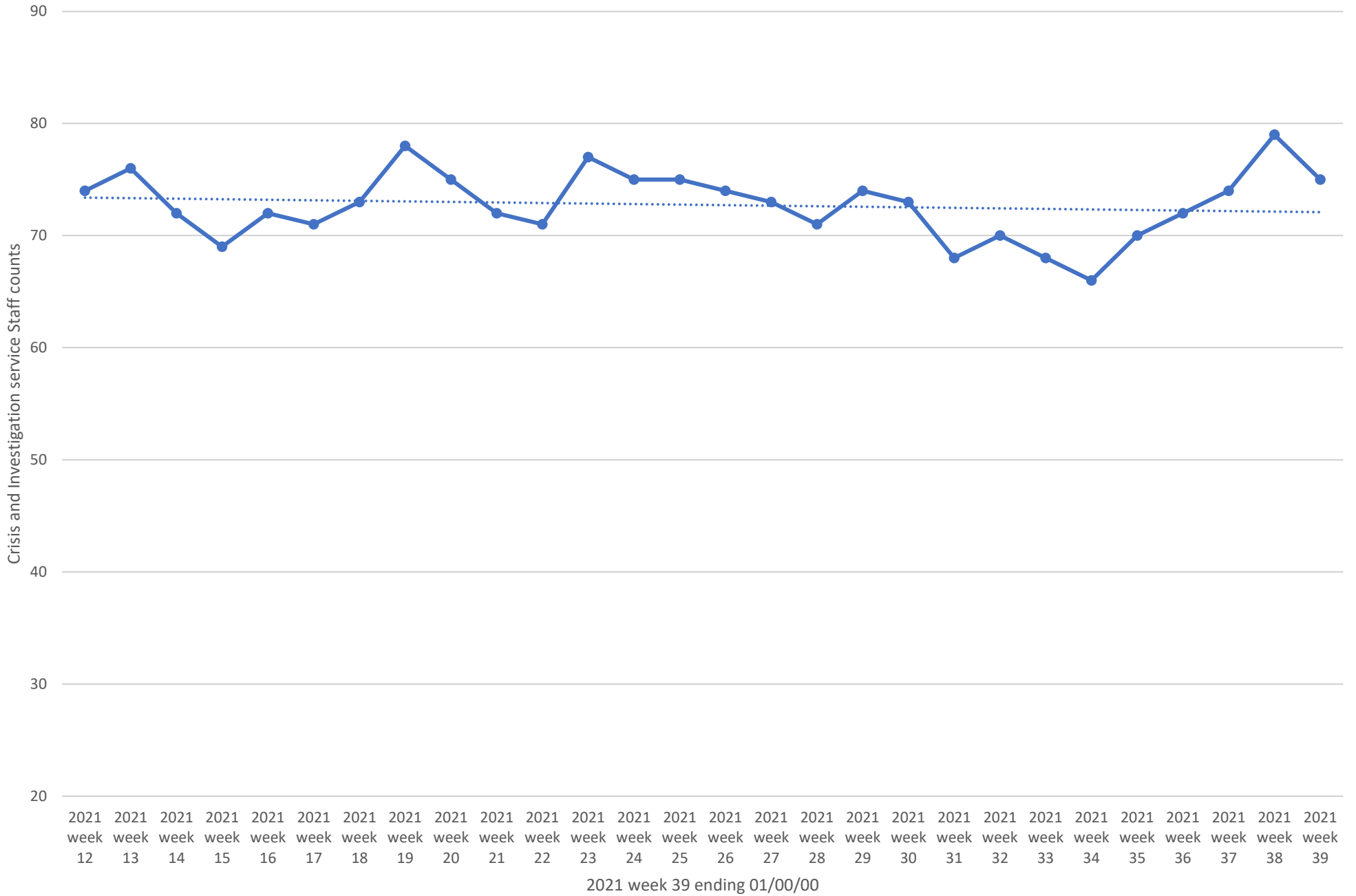
— Crisis Service
 — Investigation
 — Crisis Call
 ⋯ Linear (Crisis Service)
 ⋯ Linear (Investigation)
 ⋯ Linear (Crisis Call)

All DCR Dispatches - dates 03/21/21 to 10/02/21

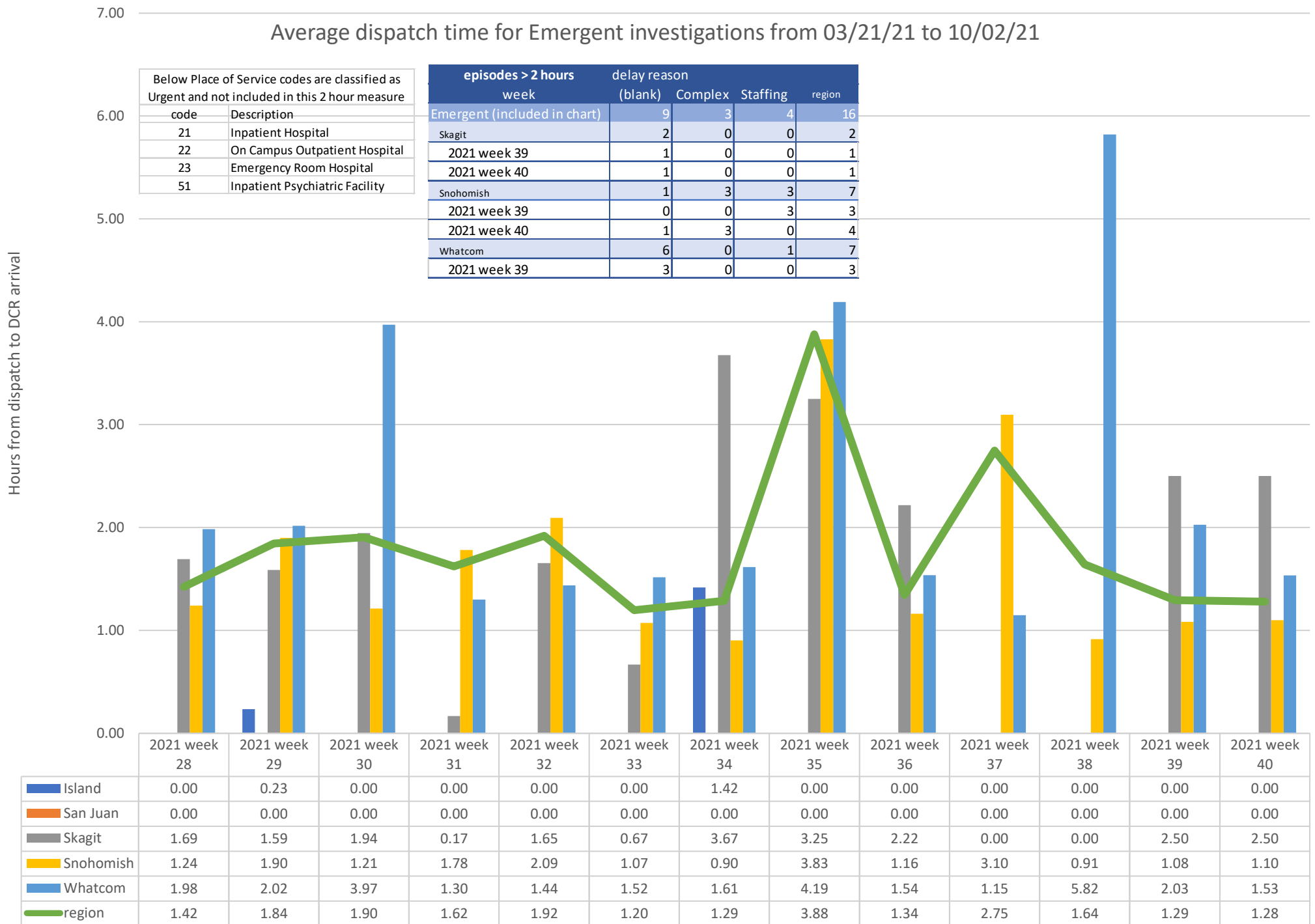


	2021 week 13	2021 week 14	2021 week 15	2021 week 16	2021 week 17	2021 week 18	2021 week 19	2021 week 20	2021 week 21	2021 week 22	2021 week 23	2021 week 24	2021 week 25	2021 week 26	2021 week 27	2021 week 28	2021 week 29	2021 week 30	2021 week 31	2021 week 32	2021 week 33	2021 week 34	2021 week 35	2021 week 36	2021 week 37	2021 week 38	2021 week 39	2021 week 40
dispatch resulting in other outcome	63	47	54	49	53	45	58	41	71	45	64	62	64	48	59	57	64	59	51	64	43	63	57	53	57	49	52	57
dispatch resulting in detention	44	38	40	37	41	41	37	40	40	43	37	41	41	41	50	40	35	33	22	35	38	37	24	36	27	34	34	36

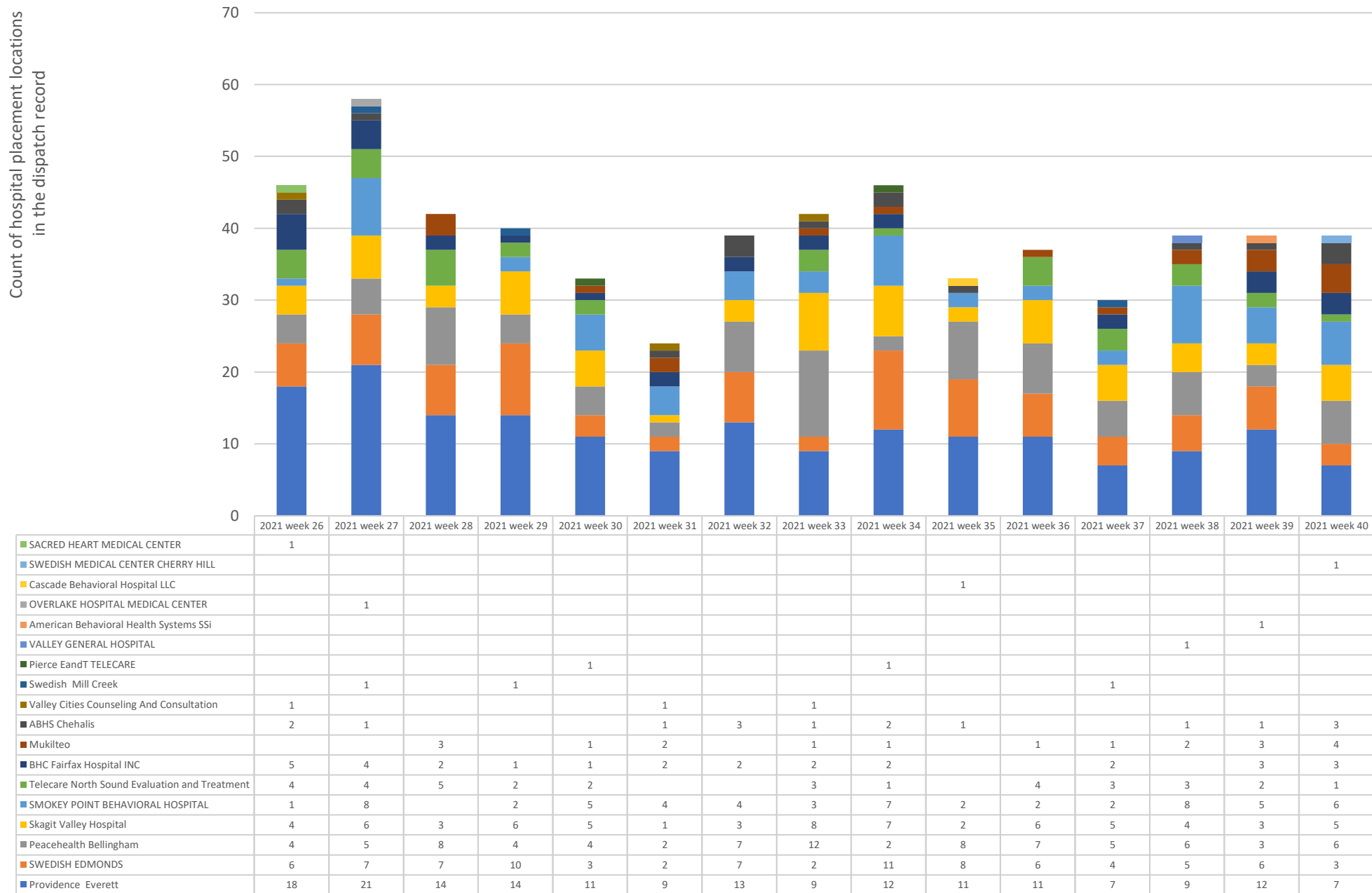
Weekly Staff Count - Staff providing Crisis or Investigation services 03/21/21 to 10/02/21



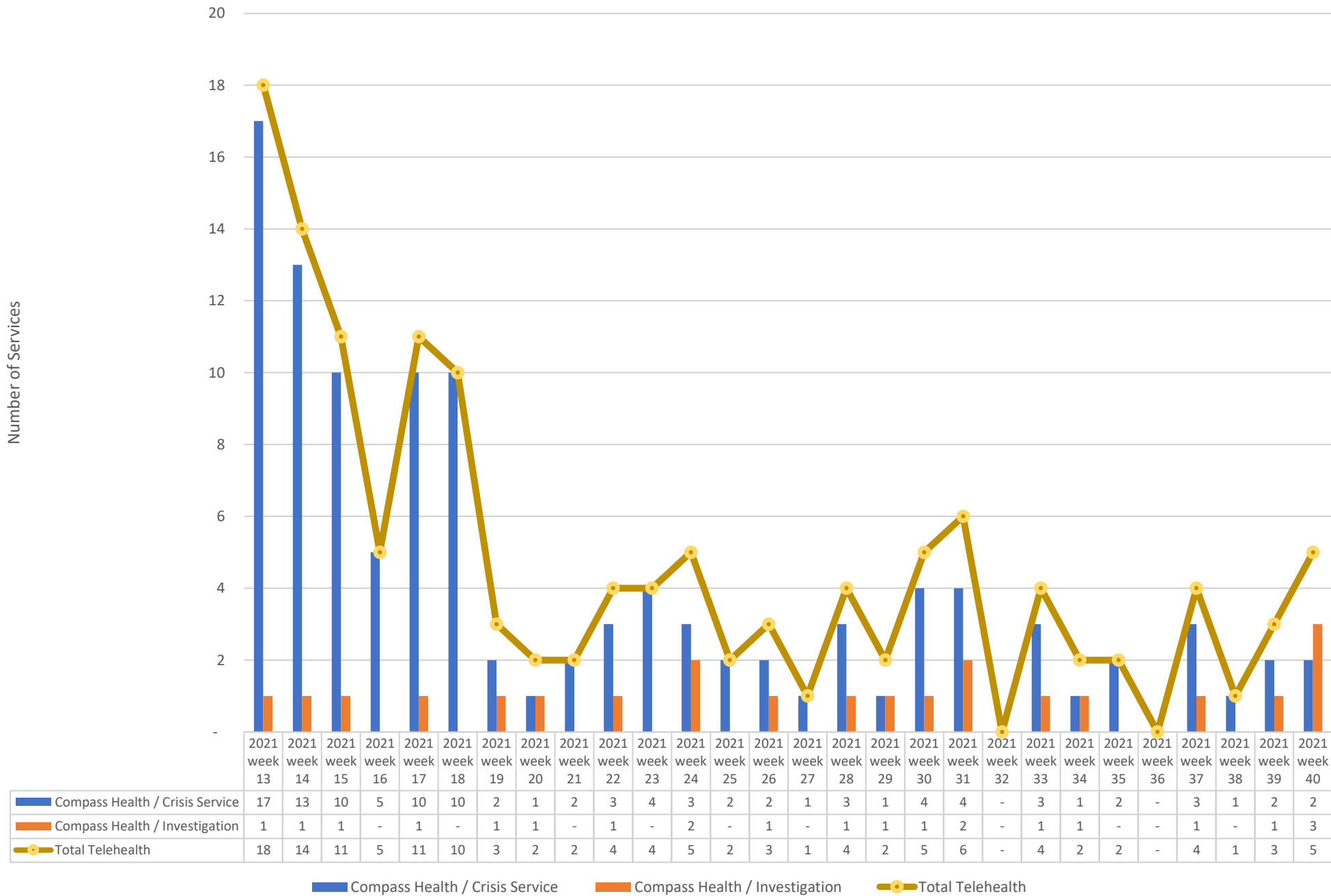
Average dispatch time for Emergent investigations from 03/21/21 to 10/02/21



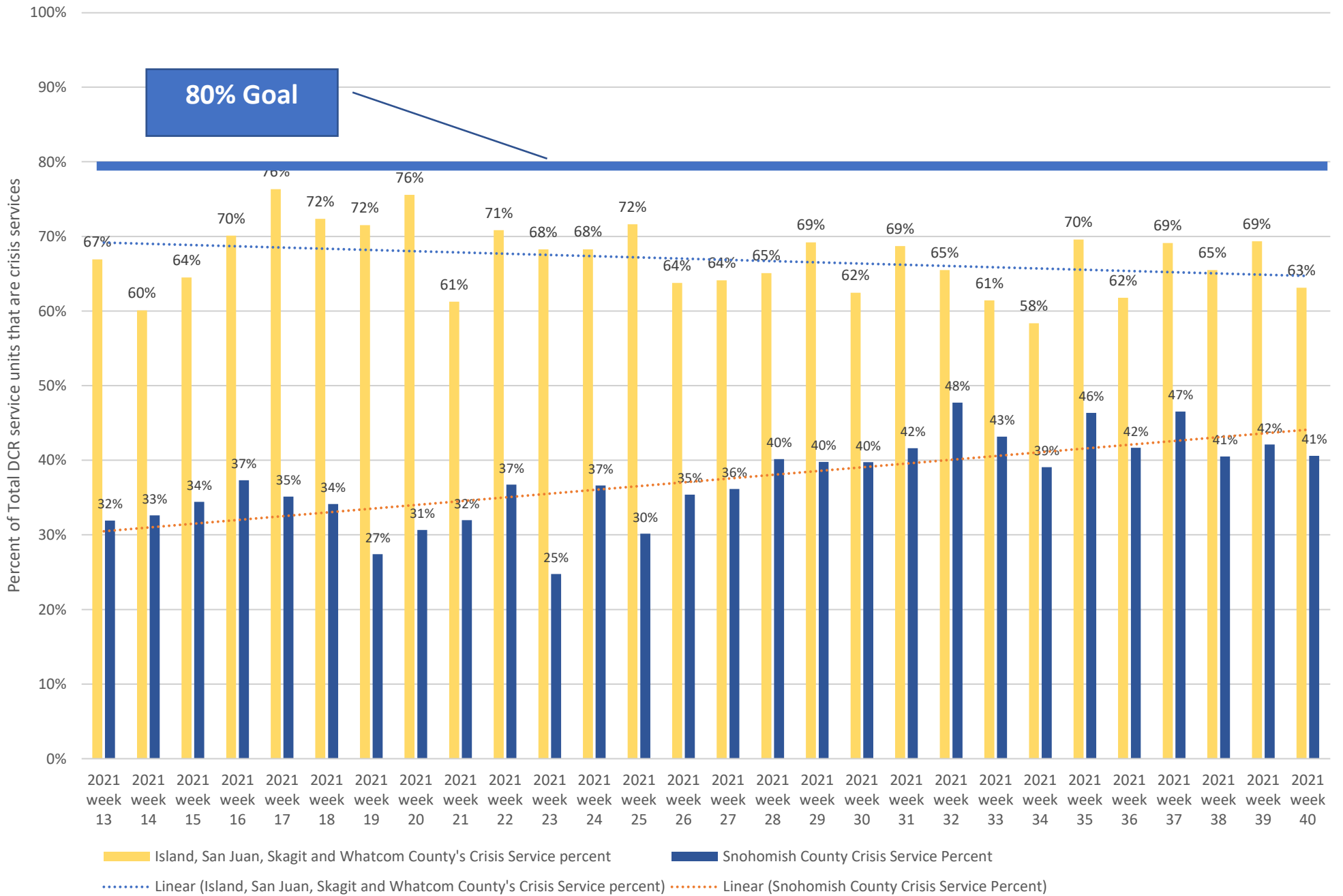
Hospital placement locations (Invol and Vol) - No adjustment has been made for timely data - recent weeks likely low



Telehealth only, crisis and investigation services from 03/21/21 to 10/02/21



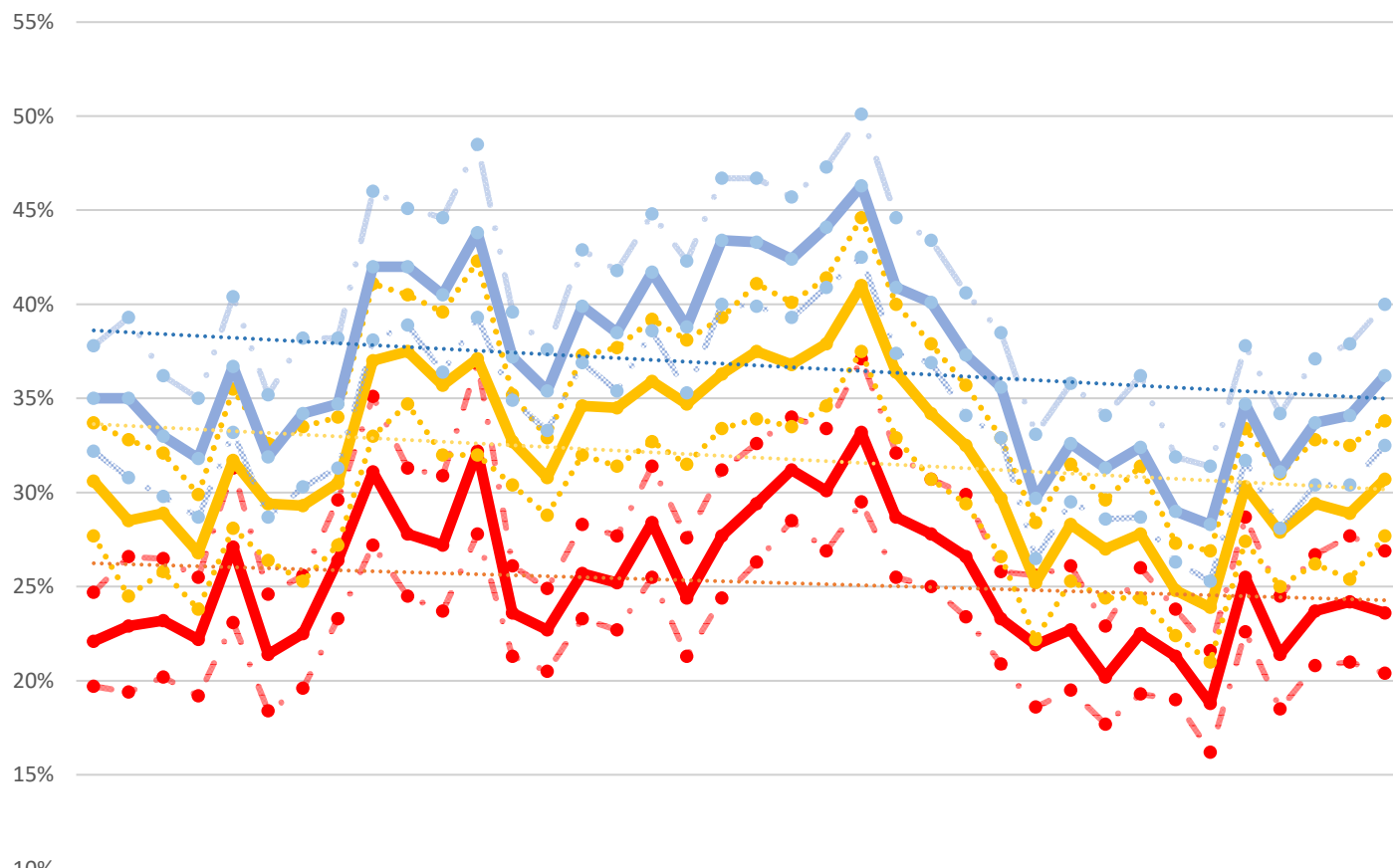
Crisis Service Unit Percent - Crisis Service units divided by Crisis units + Investigation units



Washington State Indicators of Anxiety or Depression Based on Reported Frequency of Symptoms During Last 7 Days

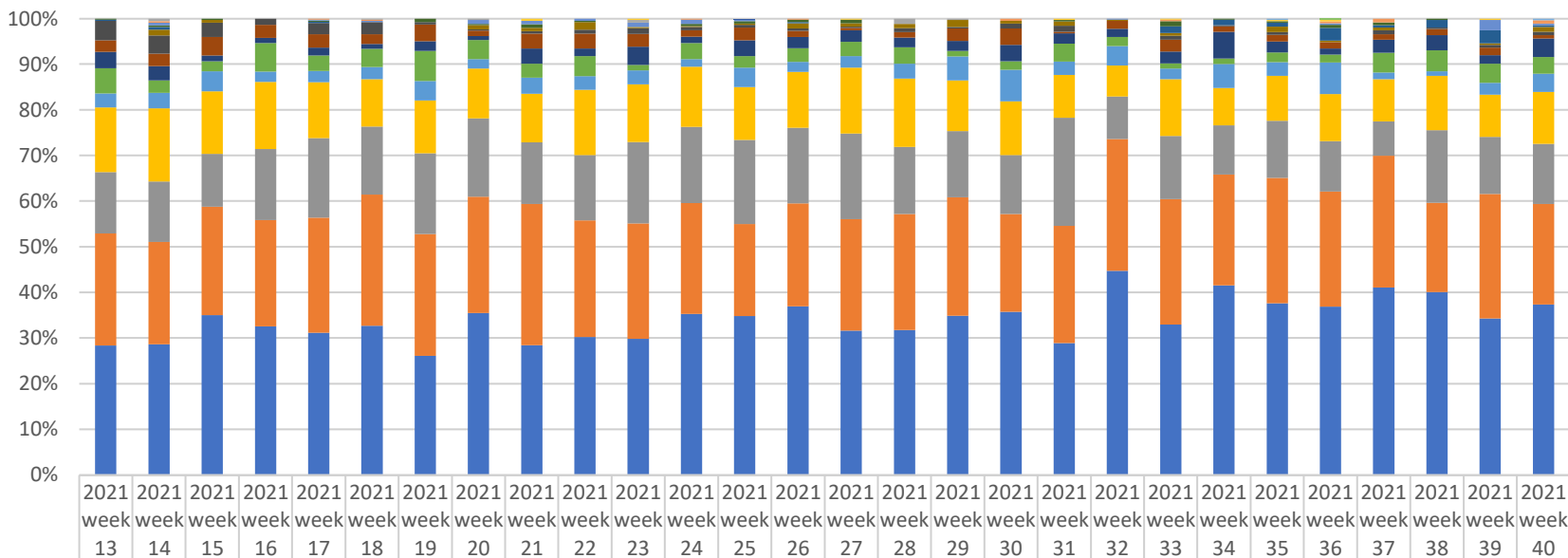
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 fr#erudw#r#z#lk#lyh#hghud#
 djhgf#lv#xqf#kng#kh#rxv#kr#
 Sx#h#xuyh|#r#surgx#fh#gdw#r#q#kh#
 v#f#ld#qg#n#r#r#p#l#p#sdfw#r#i#Fry#l#0
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 K#rxv#h#kr#S#x#h#xuyh|#z#dv#h#v#j#q#h#g#
 w#r#j#d#x#j#h#k#h#p#s#d#f#w#r#i#k#h#s#d#g#g#p#l#f#
 r#q#h#p#s#r#p#h#q#w#d#w#v#f#r#q#v#p#h#
 v#s#h#g#g#l#j#h#r#r#g#h#f#x#u#w|#r#x#v#l#j#h#
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 g#l#p#h#q#v#l#r#q#v#r#i#s#k#v#f#d#d#l#q#g#p#h#q#w#d#
 z#h#q#h#v#v#i

<https://data.cdc.gov/NCHS/Indicators-of-Anxiety-or-Depression-Based-on-Repor/8pt5-q6wp>



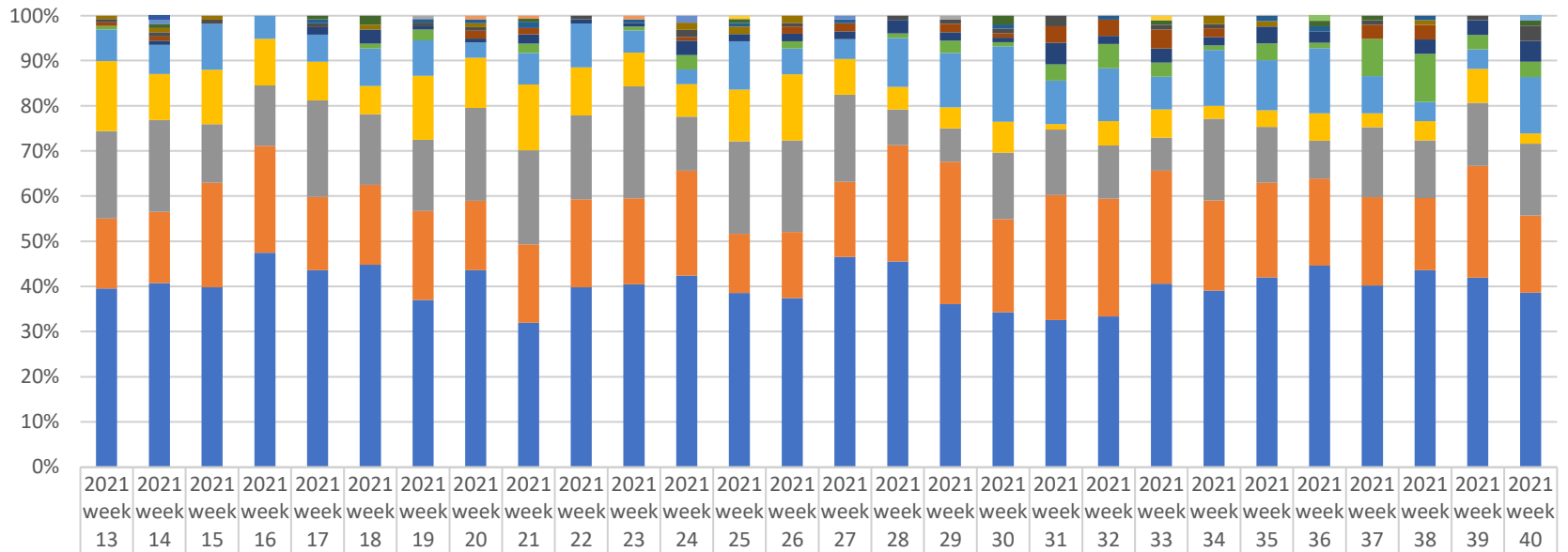
	23 Apr 05	07 May	14 May	21 May	28 May	04 Jun	11 Jun	18 Jun	25 Jun	02 Jul	09 Jul	16 Jul	19 Aug	02 Sep	16 Sep	30 Sep	14 Oct	28 Oct	11 Nov	25 Nov	09 Dec	06 Jan	20 Jan	03 Feb	17 Feb	03 Mar	17 Mar	14 Apr	28 Apr	12 May	26 May	09 Jun	23 Jun	21 Jul	04 Aug	18 Aug	01 Sep	15 Sep
••• % with Symptoms of Depressive Disorder low conf. level	20%	19%	20%	19%	23%	18%	20%	23%	27%	25%	24%	28%	21%	21%	23%	23%	26%	21%	24%	26%	29%	27%	30%	26%	25%	23%	21%	19%	20%	18%	19%	19%	16%	23%	19%	21%	21%	20%
— % with Symptoms of Depressive Disorder value	22%	23%	23%	22%	27%	21%	23%	26%	31%	28%	27%	32%	24%	23%	26%	25%	28%	24%	28%	29%	31%	30%	33%	29%	28%	27%	23%	22%	23%	20%	23%	21%	19%	26%	21%	24%	24%	24%
••• % with Symptoms of Depressive Disorder high conf. level	25%	27%	27%	26%	31%	25%	26%	30%	35%	31%	31%	37%	26%	25%	28%	28%	31%	28%	31%	33%	34%	33%	37%	32%	31%	30%	26%	26%	26%	23%	26%	24%	22%	29%	25%	27%	28%	27%
••• % with Symptoms of Anxiety Disorder low conf. level	28%	25%	26%	24%	28%	26%	25%	27%	33%	35%	32%	32%	30%	29%	32%	31%	33%	32%	33%	34%	34%	35%	38%	33%	31%	29%	27%	22%	25%	24%	24%	22%	21%	27%	25%	26%	25%	28%
— % with Symptoms of Anxiety Disorder value	31%	29%	29%	27%	32%	29%	29%	31%	37%	38%	36%	37%	33%	31%	35%	35%	36%	35%	36%	38%	37%	38%	41%	36%	34%	33%	30%	25%	28%	27%	28%	25%	24%	30%	28%	29%	29%	31%
••• % with Symptoms of Anxiety Disorder high conf. level	34%	33%	32%	30%	36%	33%	34%	34%	41%	41%	40%	42%	35%	33%	37%	38%	39%	38%	39%	41%	40%	41%	45%	40%	38%	36%	33%	28%	32%	30%	31%	27%	27%	33%	31%	33%	33%	34%
••• % with Symptoms of Anxiety or Depressive Disorder low conf. level	32%	31%	30%	29%	33%	29%	30%	31%	38%	39%	36%	39%	35%	33%	37%	35%	39%	35%	40%	40%	39%	41%	43%	37%	37%	34%	33%	27%	30%	29%	29%	26%	25%	32%	28%	30%	30%	33%
— % with Symptoms of Anxiety or Depressive Disorder value	35%	35%	33%	32%	37%	32%	34%	35%	42%	42%	41%	44%	37%	35%	40%	39%	42%	39%	43%	43%	42%	44%	46%	41%	40%	37%	36%	30%	33%	31%	32%	29%	28%	35%	31%	34%	34%	36%
••• % with Symptoms of Anxiety or Depressive Disorder high conf. level	38%	39%	36%	35%	40%	35%	38%	38%	46%	45%	45%	49%	40%	38%	43%	42%	45%	42%	47%	47%	46%	47%	50%	45%	43%	41%	39%	33%	36%	34%	36%	32%	31%	38%	34%	37%	38%	40%

Place of Service -Crisis Services, percent of total by week



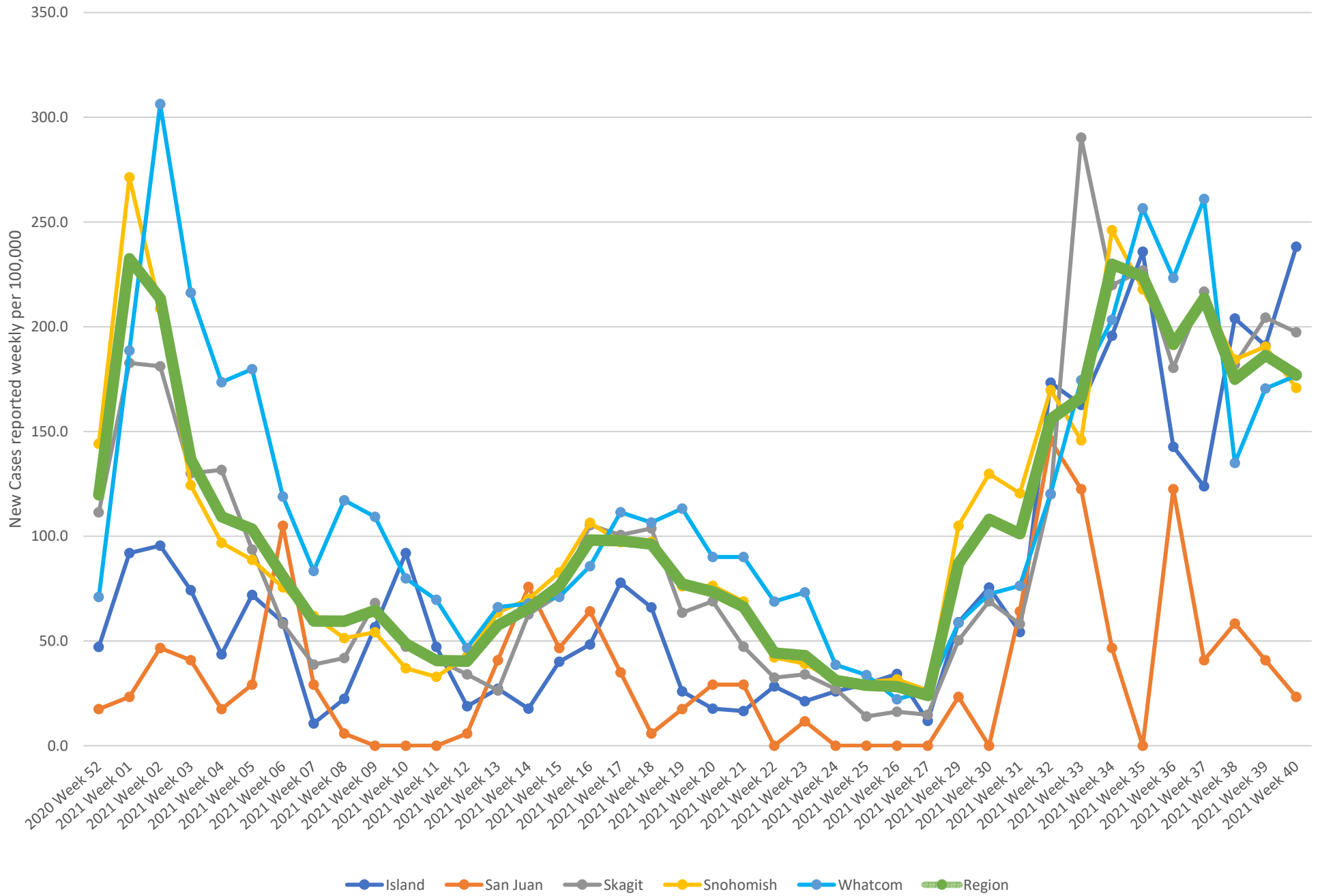
	2021 week 13	2021 week 14	2021 week 15	2021 week 16	2021 week 17	2021 week 18	2021 week 19	2021 week 20	2021 week 21	2021 week 22	2021 week 23	2021 week 24	2021 week 25	2021 week 26	2021 week 27	2021 week 28	2021 week 29	2021 week 30	2021 week 31	2021 week 32	2021 week 33	2021 week 34	2021 week 35	2021 week 36	2021 week 37	2021 week 38	2021 week 39	2021 week 40	
Custodial Care Facility													1																
Psych. Fac.-Partial Hosp																									1				
Skilled Nursing Facility																								1					1
Community Mental Health Center									2		1				1				1		1		1	1	1			1	
Nursing Facility		2				1		1			2					4	1												
Psych. Residential		1			1	1						1		1				2				1			1	3			2
School		2			1	1		3	3	2	3	4	1								1				1			7	1
Group Home	1	1	1		1		3	1	3	1		2	2	2	3					1		4	1	1	2	2	1		
On Campus Outpatient Hospital	1	2			1									1								5	4	3	8	2	5	9	1
Homeless Shelter		4	2					3	3	6	1	1	1	4	3	3	5	2	3	1	2		4	1	2		1	3	
Telehealth	17	13	10	5	10	10	2	1	2	3	4	3	2	2	1	3	1	4	4		3	1	2		3	1	2	2	
Inpatient Hospital	10	9	13	10	12	8	14	4	13	12	9	6	10	5	2	4	9	13	1	7	9	4	5	4	4	4	4	5	2
Inpatient Psychiatric Facility	14	10	4	4	7	4	8	3	13	6	13	6	12	9	10	7	7	13	7	7	9	20	8	4	10	10	6	11	
Assisted Living Facility	22	9	7	22	14	15	25	14	12	16	4	15	9	11	12	12	4	7	12	8	4	4	7	5	15	14	13	10	
Prison Correctional Facility	12	11	14	8	10	10	16	7	14	11	10	7	15	8	10	11	17	25	9	17	8	18	10	20	5	3	8	11	
Emergency Room Hospital	56	52	44	52	50	39	44	37	42	52	41	56	41	45	56	50	36	43	29	27	43	28	33	30	32	36	29	31	
Home	53	43	37	55	71	56	67	58	53	52	58	71	65	61	73	49	47	47	73	37	48	37	42	32	26	48	39	36	
Other Place of Service	97	73	76	82	103	108	101	86	122	93	82	103	71	83	95	85	84	78	79	115	95	83	92	73	100	59	85	60	
Office	112	93	112	115	127	123	99	120	112	110	97	150	123	136	123	106	113	130	89	178	114	142	126	107	142	121	107	102	

Place of Service -Investigations, percent of total by week



	2021 week 13	2021 week 14	2021 week 15	2021 week 16	2021 week 17	2021 week 18	2021 week 19	2021 week 20	2021 week 21	2021 week 22	2021 week 23	2021 week 24	2021 week 25	2021 week 26	2021 week 27	2021 week 28	2021 week 29	2021 week 30	2021 week 31	2021 week 32	2021 week 33	2021 week 34	2021 week 35	2021 week 36	2021 week 37	2021 week 38	2021 week 39	2021 week 40	
School		1																											
Psych. Fac.-Partial Hosp																									1				
On Campus Outpatient Hospital																													1
Custodial Care Facility													1									1							
Skilled Nursing Facility							1										1												
Nursing Facility								1	1		1																		
Homeless Shelter		1										2			1														
Psych. Residential		1			1	2			1				1					2			1			1	1				1
Community Mental Health Center				1		1	1	1	2		1		1		1			1		1			1	1		1			
Group Home	1	1	1			1		1				2	2	2								2	1				1		
Telehealth	1	1	1	1		1	1			1		2		1		1	1	1	2		1	1			1		1	3	
Assisted Living Facility	1	1						2	2			1		2	2		2	1	3	4	4	2			3	3			
Home		1		2	3	1	1	3	1	1	4	2	2	2	3	2	1	4	2	3	2	3	2	3	2		3	3	4
Office	1					1	3		3		1	4		2		1	3	1	3	6	3	1	3	1	8	10	3	3	
Prison Correctional Facility	9	7	11	5	7	8	10	4	10	11	6	4	13	7	5	11	13	17	8	13	7	13	9	12	8	4	4	11	
Inpatient Hospital	20	11	13	10	10	6	18	13	21	12	9	9	14	18	9	5	5	7	1	6	6	3	3	5	3	4	7	2	
Inpatient Psychiatric Facility	25	22	14	13	25	15	20	24	30	21	30	15	25	25	22	8	8	15	12	13	7	19	10	7	15	12	13	14	
Other Place of Service	20	17	25	23	19	17	25	18	25	22	23	29	16	18	19	26	34	21	23	29	24	21	17	16	19	15	23	15	
Emergency Room Hospital	51	44	43	46	51	43	47	51	46	45	49	53	47	46	53	46	39	35	27	37	39	41	34	37	39	41	39	34	

New COVID-19 Cases Reported Weekly per 100,000 population - 12/22/20 to 10/06/21





**Office of the Washington State Auditor
Pat McCarthy**

September 13, 2021

Board of Directors
North Sound Behavioral Health Administrative Services Organization
2021 E. College Way
Mount Vernon, WA 98273

We are pleased to confirm the audits to be performed by the Office of the Washington State Auditor, in accordance with the provisions of Chapter 43.09 RCW, for the North Sound Behavioral Health Administrative Services Organization (BH-ASO). This letter confirms the nature and limitations of the audits, as well as responsibilities of the parties and other engagement terms.

Office of the Washington State Auditor Responsibilities

Financial Statement Audit

We will perform an audit of the basic financial statements of the BH-ASO as of and for the fiscal year ended December 31, 2020, prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Our audit will be conducted with the objective of our expressing an opinion on these financial statements.

We will perform our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. Since we do not review every transaction, our audit cannot be relied upon to identify every potential misstatement. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the standards identified above.

A financial statement audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers relevant internal controls in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BH-ASO's internal control. Accordingly, we will express no such opinion.

Although our audit is not designed to provide an opinion on the effectiveness of internal control over financial reporting, we are required to report any identified significant deficiencies and material weaknesses in controls. We are also required to report instances of fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the accuracy of financial statements.

A financial statement audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

All misstatements identified by the audit will be discussed with management. Material misstatements corrected by management and all uncorrected misstatements will be communicated at the exit conference, as required by professional auditing standards.

Our responsibility is to express in a written report an opinion on the financial statements based on the results of our audit. We cannot guarantee an unmodified opinion. We may modify or disclaim an opinion on the financial statements if we are unable to complete the audit or obtain sufficient and appropriate audit evidence supporting the financial statements. If our opinion is other than unmodified, we will fully discuss the reason with you prior to issuing our report. Further, in accordance with professional standards, we may add emphasis-of-matter or other-matter paragraphs to our report to describe information that, in our judgment, is relevant to understanding the financial statements or our audit.

We will also issue a written report (that does not include an opinion) on issues identified during the audit related to the BH-ASO's internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*.

The BH-ASO prepares supplementary information that accompanies the financial statements, which is required by Generally Accepted Accounting Principles. We agree to perform auditing procedures on this information, with the objective of expressing an opinion as to whether it is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The BH-ASO also prepares other information to accompany the financial statements, which is required by accounting standards or is done at its discretion. We will perform limited procedures on this information for the purpose of identifying inconsistencies with the financial statements. However, we will not express an opinion on its fair presentation.

Federal Single Audit

We will also perform a federal single audit on compliance with, and report on internal control over compliance for, each major program for the fiscal year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the BH-ASO's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Because of the

inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material noncompliance may not be detected, even though the audit is properly planned and performed in accordance with these standards and the Uniform Guidance.

In planning and performing the compliance audit, we will consider the BH-ASO's internal control over compliance in order to determine the appropriate auditing procedures necessary for opining on compliance with each major program, and for testing and reporting on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we will express no such opinion. Although our audit is not designed to provide an opinion on the effectiveness of internal control over compliance, we are required to report any identified significant deficiencies and material weaknesses in controls.

We will express an opinion as to whether the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole for the fiscal year ended December 31, 2020.

We estimate the federal single audit will cover one federal grant programs, which will be identified at the audit entrance conference. If additional grant programs are audited to satisfy the requirements of the Uniform Guidance, the audit budget discussed below will increase by approximately \$4,600 per additional major program.

Upon completion of our audit we will issue a written report containing our opinion on the BH-ASO's compliance for each major program and a written report on internal control over compliance. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, issue a disclaimer of opinion, or add an emphasis-of-matter or other-matter paragraph(s) to the report.

Data Security

Our Office is committed to appropriately safeguarding the information we obtain during the course of the audit. We have entered into a data sharing agreement with the BH-ASO to ensure compliance with legal requirements and Executive Directives (Executive Order 16-01, RCW 42.56 and OCIO Standard 141.10) in the handling of information considered confidential.

Responsibilities specific to this engagement

Additionally, we will:

- Provide management with advanced notification if we identify issues that require further audit work and increase audit costs.
- Interact with staff professionally and respectfully and communicate needs and issues in a timely manner. We will notify the BH-ASO the previous day, if we know that audit staff will not be onsite the subsequent day(s)
- Provide written correspondence during the course of the audit through email to the audit liaison, Darrell Heiner, Senior Accountant.
- Provide advance notice when a scheduled meeting is to be cancelled.
- Allow the BH-ASO seven days to provide a written response to any findings.

Reporting levels for audit issues

Issues identified through the auditing process will be communicated as follows. Failure to appropriately address audit issues may result in escalated reporting levels.

- **Findings** formally address issues in an audit report. Findings report significant results of the audit, such as significant deficiencies and material weaknesses in internal controls; misappropriation; and material abuse or non-compliance with laws, regulations, contracts or grant agreements. You will be given the opportunity to respond to a finding, and this response, or a synopsis of it, will be published in the audit report. Professional auditing standards define the issues we must report as findings with regard to non-compliance with a financial statement effect and internal controls over financial reporting. The Uniform Guidance defines the issues we must report as findings with regard to non-compliance and internal controls over compliance with federal grants.
- **Management letters** communicate control deficiencies, non-compliance, misappropriation, abuse, or errors with a less-than-material effect on audit objectives. Management letters are referenced, but not included, in the audit report.
- **Exit items** address control deficiencies, non-compliance, abuse, or errors that have an insignificant effect on audit objectives. These issues are informally communicated to management and are not referenced in the audit report.

Client's Responsibilities

Management is responsible for the accuracy and completeness of information provided to the auditor and will provide the Office of the Washington State Auditor with:

- Unrestricted access to people with whom the auditor wishes to speak.
- All information that is requested or relevant to auditor requests.
- Notification when any documents, records, files, or data contain information that is covered by confidentiality or privacy laws, such as HIPAA.
- Adequate workspace and conditions, including interacting with auditors professionally and respectfully and promptly communicating about any issues and concerns.

Moreover, our audit does not relieve management or the governing body of their responsibilities. Management's responsibilities, with oversight from the governing body, include:

- Selecting and applying appropriate administrative and accounting policies.
- Establishing and maintaining effective internal controls over financial reporting, compliance, and safeguarding of public resources.
- Designing and following effective controls to prevent and detect fraud, theft, and loss.
- Promptly reporting to us knowledge of any fraud, allegations of fraud or suspected fraud involving management, employees or others, in accordance with RCW 43.09.185.
- Ensuring compliance with laws, regulations and provisions of contracts and grant agreements.
- Preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).
- Preparing the following supplementary information and providing us with certain written representations concerning the supplementary information:
 - Schedule of Expenditures of Federal Awards (including notes and noncash assistance received) that includes all expenditures from federal agencies and pass-through agencies in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance in accordance with Uniform Guidance 2 CFR § 200.510 requirements

- Including the auditor's report on the supplementary information in any document that both contains the supplementary information and indicates that the auditor reported on the supplementary information.
- Either presenting the supplementary information with the audited financial statements or, if the supplementary information will not be presented, making the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information and auditor's report thereon are issued.
- Identifying all federal awards received and government programs.
- Understanding and complying with the provisions of laws, regulations, contracts, and grant agreements, including applicable program compliance requirements.
- Internal control over compliance, including establishing and maintaining effective controls that provide reasonable assurance that the BH-ASO administers government programs in compliance with the compliance requirements.
- Evaluating and monitoring the BH-ASO's compliance with the compliance requirements.
- Informing us of the BH-ASO's relationships with significant vendors who are responsible for program compliance
- Submitting the reporting package and data collection form through the Federal Audit Clearinghouse.

Responsibilities at the conclusion of the audit

At the conclusion of our audit, the BH-ASO will provide us with a letter to confirm in writing certain express and implied representations made during the course of the audit. This letter includes representations regarding legal matters. A separate letter may be needed from the BH-ASO's legal counsel.

Management and the governing body are also responsible for following up and taking corrective action on all audit findings, including, when applicable, preparing a summary schedule of prior audit findings and a corrective action plan on the BH-ASO's own letterhead.

Responsibilities specific to this engagement

Additionally, the BH-ASO will:

- Provide our Office with documentation of the financial statement review and approval before they were submitted for audit.
- Obtain a clear understanding of accounting standards applied in your financial statements and fully understand any adjusting journal entries recommended by the Office of the Washington State Auditor before approving the entries.
- Revise financial statements and schedules only if agreed to in writing by our Office.
- Provide auditors adequate workspace with access to secure Internet, phone, and electrical outlets.
- Provide a secure room with locking file cabinet and limited access to allow auditors to secure documents with sensitive information.
- Interact with auditors professionally and respectfully and promptly communicate issues and concerns.

Estimated Audit Costs and Timeline

We estimate the cost of the audit work to be \$31,000, plus potential travel costs, and other expenses, if any. Invoices for these services will be prepared and presented each month as our audit work progresses.

We anticipate our reports, which will be published on our website www.sao.wa.gov to be available to you and the public as outlined below. These estimates are based on timely access to financial information and no significant audit reporting issues. The estimated cost and completion date may change if unforeseen issues arise or if significant audit issues are identified necessitating additional audit work. We will promptly notify you if this is the case.

Report	Date*
Independent Auditor's Report on Financial Statements	October 2021
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	October 2021
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with Uniform Guidance	October 2021

**Report Issuance Dates Are Estimates Only*

The audit documentation for this engagement, which may contain confidential or sensitive information, is the property of SAO and constitutes a public record under Chapter 42.56 RCW. Subject to applicable laws and regulations, appropriate individuals, as well as audit documentation, will be made available upon request and in a timely manner to appropriate auditors and reviewers, BH-ASO's management and governing body, and federal agencies, for purposes of a public records request, a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities.

The audit documentation for this engagement will be retained for a minimum of five years after the report release (publish) date in accordance with the public records retention schedule established by the Washington Secretary of State.

Expected Communications

During the course of the audit, we will communicate with the BH-ASO's selected audit liaison, Darrell Heiner, Senior Accountant, on the audit status, any significant changes in our planned audit scope or schedule and preliminary results or recommendations as they are developed. The audit liaison is responsible for regularly updating management and the governing body on these matters. We may also provide direct communication of these matters to management and the governing body as needed or at the BH-ASO's request.

Please contact us if, during the audit, any events or concerns come to your attention of which we should be aware. We will expect the audit liaison to keep us informed of any such matters.

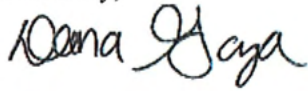
Audit Dispute Process

Please contact the Audit Manager or Assistant Director to discuss any unresolved disagreements or concerns you have during the performance of our audit. At the conclusion of the audit, we will summarize the results at the exit conference. We will also discuss any significant difficulties or disagreements encountered during the audit and their resolution.

By signing and returning this letter, you acknowledge that the foregoing is in accordance with your understanding. Please contact us with any questions.

We appreciate the opportunity to be of service to you and look forward to working with you and your staff.

Sincerely,



Deena Garza, Audit Manager
Office of the Washington State Auditor

September 13, 2021

BH-ASO Response:

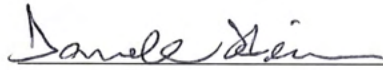
This letter correctly sets forth our understanding.



9/13/2021

Joe Valentine
Executive Director

Date



9/13/21

Darrell Heiner
Senior Accountant

Date



**Office of the Washington State Auditor
Pat McCarthy**

September 16, 2021

Board of Directors
North Sound Behavioral Health Administrative Services Organization
2021 E. College Way
Mount Vernon, WA 98273

Dear Board of Directors,

We are pleased to notify you regarding the commencement of our audit of the North Sound Behavioral Health Administrative Services Organization for fiscal year 2020. The Office of the State Auditor is committed to maintaining positive relationships and open communication with the state agencies and local governments we audit. Management has elected not to hold a formal audit entrance conference, although an informal meeting was held with Joe Valentine, Darrell Heiner, and Margaret Rojas. As a member of the governing body, we want to ensure that you are fully informed about our audit work. In lieu of an entrance conference, we have attached copies of the entrance handout and signed engagement letter that provide you with information regarding the scope of the audit, approximate audit cost and additional contact information.

Part of the purpose of the attached documents is to ensure members of the governing body are aware of the audit process and have an opportunity to discuss any areas of concern. We would like you to know that we always welcome any opportunity to discuss the audit with you.

At the conclusion of our audit, we will contact you again to invite you to attend our exit conference where we will share the results of the audit. This is an opportunity for you to hear directly from us what we found and to ask any questions you may have about the audit process or results.

We take very seriously our responsibility of serving citizens by promoting accountability, fiscal integrity and openness in state and local government. We believe it is critical to citizens and the mission of the Board that we work together as partners in accountability to prevent problems and constructively resolve issues.

We look forward to working with you and other members of the Board. If you have any questions, feel free to contact me at (360) 594-0612, or by email at Megan.McCallum@sao.wa.gov.

Sincerely,

Megan McCallum, CPA
Audit Lead



Office of the Washington State Auditor

Pat McCarthy

Entrance Conference:

North Sound Behavioral Health Administrative Services Organization

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share our planned audit scope so that we are focused on the areas of highest risk. We value and appreciate your input.

Audit Scope

Based on our planning, we will perform the following audits:

Financial statement audit for January 1, 2020 through December 31, 2020

We will provide an opinion on whether your financial statements are presented fairly, in all material respects, in accordance with the applicable reporting framework. The audit does not attempt to confirm the accuracy of every amount, but does search for errors large enough to affect the conclusions and decisions of a financial statement user.

Federal grant compliance audit for January 1, 2020 through December 31, 2020

This audit is required by federal law when a local government spends \$750,000 or more annually in federal financial assistance. We will provide an opinion on compliance with federal requirements that could have a direct and material effect on your major federal programs.

We plan to test the following federal programs:

- Block Grants for Prevention and Treatment of Substance Abuse, CFDA 93.959

This report must be submitted, along with the Data Collection Form, to the federal clearinghouse within 30 days after receipt of the report or nine months after the end of the audit period, whichever is earlier.

Engagement Letter

We have provided an engagement letter that confirms both management and auditor responsibilities, and other engagement terms and limitations. Additionally the letter identifies the cost of the audit, estimated timeline for completion and expected communications.

Levels of Reporting

Findings

Findings formally address issues in an audit report. Findings report significant results of the audit, such as significant deficiencies and material weaknesses in internal controls; misappropriation; and material abuse or

non-compliance with laws, regulations or policies. You will be given the opportunity to respond to a finding and this response will be published in the audit report.

Management Letters

Management letters communicate control deficiencies, non-compliance, misappropriation, or abuse that are less significant than a finding, but still important enough to be formally communicated to the governing body. Management letters are referenced, but not included, in the audit report.

Exit Items

Exit items address control deficiencies, non-compliance with laws or regulations, or errors that have an insignificant effect on the audit objectives. These issues are informally communicated to management.

Important Information

Confidential Information

Our Office is committed to protecting your confidential or sensitive information. Please notify us when you give us any documents, records, files, or data containing information that is covered by confidentiality or privacy laws.

Audit Costs

The cost of the audit is estimated to be approximately \$31,000, plus travel expenses if any.

Expected Communications

During the course of the audit, we will communicate with Darrell Heiner, Senior Accountant on the audit status, any significant changes in our planned audit scope or schedule and preliminary results or recommendations as they are developed.

Please let us know if, during the audit, any events or concerns come to your attention of which we should be aware. We will expect Darrell to keep us informed of any such matters.

Audit Dispute Process

Please contact the Audit Manager or Assistant Director to discuss any unresolved disagreements or concerns you have during the performance of our audit. At the conclusion of the audit, we will summarize the results at the exit conference. We will also discuss any significant difficulties or disagreements encountered during the audit and their resolution.

Loss Reporting

State agencies and local governments are required to immediately notify our Office in the event of a known or suspected loss of public resources or other illegal activity. These notifications can be made on our website at www.sao.wa.gov/report-a-concern/how-to-report-a-concern/fraud-program/.

Peer Reviews of the Washington State Auditor's Office

To ensure that our audits satisfy *Government Auditing Standards*, our Office receives external peer reviews every three years by the National State Auditors Association (NSAA). The most recent peer review results are available online at www.sao.wa.gov/about-sao/who-audits-the-auditor/. Our Office received a “pass” rating, which is the highest level of assurance that an external review team can give on a system of audit quality control.

Emerging Issues

Some of the emerging issues affecting local governments are the following:

NEW TRACKER SYSTEM

The Office of the Washington State Auditor has created a tool for following the status of audit findings and corrective actions. Tracker will make information about findings and corrective action status easily accessible in a single location. The goals for this tool are to improve the usability of information regarding the status of audit issues and to give governments a way to quickly share their plans for resolving those issues.

GASB UPDATE

The Governmental Accounting Standards Board (GASB) establishes generally accepted accounting principles (GAAP) for U.S. state and local governments. All statements, exposure drafts and other documents for public comment are available from the GASB website, www.gasb.org, free of charge.

If you have questions about GASB standards, please contact debra.burleson@sao.wa.gov or stacie.tellers@sao.wa.gov or the HelpDesk.

Digital Audit Connection

The State Auditor's Office also has a Digital Audit Connection available on our website sharing articles and updates relevant to local governments. It is a great way to stay connected and see emerging issues. Get more information at <https://www.sao.wa.gov/the-audit-connection-blog/>

Working Together to Improve Government

Audit Survey

When your report is released, you will receive an audit survey from us. We value your opinions on our audit services and hope you provide us feedback.

Local Government Support Team

This team provides support services to local governments through the Budget, Accounting, and Reporting System (BARS) and annual online filing technical assistance, provides accounting, reporting and BARS training. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions, updated BARS manuals, access to resources and recorded trainings, and additional accounting and reporting resources. Additionally this team assists with the online filing of your financial statements.

The Center for Government Innovation

The Center for Government Innovation of the Office of the Washington State Auditor offers services designed to help you, help the residents you serve at no additional cost to your government. What does this mean? They provide expert advice in areas like building a Lean culture to help local governments find ways to be more efficient, effective and transparent. The Center also provides financial management technical advice and best practices and resources. These can be accessed from the "Improving Government" tab of our SAO website and help you act on accounting standard changes, comply with regulations, protect public resources, minimize your cybersecurity risk and respond to recommendations in your audit. The Center also offers the Financial Intelligence Tool, better known as FIT, to help you assess and monitor your finances and compare your financial operations

to other local governments like you. You can email the Center for a personal training session to learn all the benefits using the FIT tool can provide. The Center understands that time is your most precious commodity as a public servant, and wants to help you do more with the limited hours you have. If you are interested in learning how the Center can help you maximize your effect in government, call them at (564) 999-0818 or email them at Center@sao.wa.gov.

Audit Team Qualifications

Kelly Collins, CPA, Director of Local Audit – Kelly has been with the Washington State Auditor’s Office since 1992. In her role, she oversees the audit teams that perform the audits for over 2,200 local governments. She serves on the Washington Finance Officers Association Board and is a member of the Washington Society of Certified Public Accountants’ Government Auditing and Accounting Committee. Phone: (564) 999-0807 or Kelly.Collins@sao.wa.gov

Tina Watkins, CPA, Assistant Director of Local Audit – Tina has been with the Washington State Auditor’s Office since 1994. In her role as Assistant Director, she assists with statewide oversight and management of all the audits for local government. She served as an Audit Manager for six years prior to becoming an Assistant Director of Local Audit. Phone: (360) 260-6411 or Tina.Watkins@sao.wa.gov

Deena Garza, Audit Manager/Program Manager – Deena has been with the Washington State Auditor’s Office since June 2006 and became an Audit Manager in March 2016. In this role, she manages the Agency’s local audit team based in Bellingham which performs financial, single and accountability audit work for local and state governments in the Whatcom, Skagit, San Juan and northern Island and Snohomish County areas. Deena also serves as the Program Manager of Ports, Area Agency on Aging and Behavioral Health Associated Service Organizations entities where she oversees the updating of internal resources available to auditors and level of reporting decisions for audits of these entities statewide. Phone: (360) 676-2165 or Deena.Garza@sao.wa.gov

Karyna Orcutt, Assistant Audit Manager – Karyna has been with the Washington State Auditor’s Office since 2012. In her role, she has overseen the largest and most complex financial statement and accountability audits team Bellingham is responsible for. Karyna serves as the local team fraud specialist overseeing audit work related to any alleged misappropriation within our assigned borders. Phone: (360) 676-2165 or Karyna.Orcutt@sao.wa.gov

Megan McCallum, CPA, Audit Lead – Megan began working with the Washington State Auditor’s Office in 2014. In her role, she has led audits of many local governments including cities, schools, water districts, fire districts and other local entities. Megan received her Bachelor of Arts degrees in Business Administration with a concentration in Accounting at Washington State University. Phone: (360) 594-0612 or Megan.McCallum@sao.wa.gov

North Sound Behavioral Health Administrative Services Organization October 14th, 2021, Board of Directors Financial Notes

HIGHLIGHTS

1. The Budget to Actuals has been updated with budget amendment that was passed last month, this has had the effect of creating some variances since the new programs aren't up and running yet. I noted the lines that are affected by this. The revenues and expenses are running almost equal before we recognize the BHO transfer.
2. The Revenue and Expense statement looks good in that we are not overspending our revenue. For the month of September, expenses slightly exceed revenues, but we have outstanding grant revenue that would put us back in the positive.
3. The one thing to note is the decrease in the Medicaid fund balance, this is due to a change in our method for calculating MCO expense for our crisis system and enables us to pull down the MCO revenue that was building up in the fund balance. Current MCO revenue is not covering current expense.

NOTES

1. We are presenting the financial statements for September 2021 for the Behavioral Health Administrative Services Organization (ASO).
2. These monthly statements are prepared for the Board's use only. They provide a snapshot of expenses and revenue for a single calendar month compared with a hypothetical "year to date" projection. However, neither revenues nor expenditures occur on an equal 1/12 amount each month.
3. The North Sound BH-ASO adopts "calendar year" budgets, but the allocations from the state are done on a state fiscal year basis [with adjustments every 6 months]. The exceptions are Federal Block Grant Funds which are allocated for the entire fiscal year.
4. Revenues and expenses are managed independently within each of the major fund categories: Medicaid, State General Fund, Mental Health Block Grant, Substance Abuse Block Grant, and SAMHSA [a direct grant we receive from the federal government for our rural Medication Assistance Treatment program].

5. Within 'State General Funds', allocations are further subdivided between general state funds, and the multiple "Proviso" funds allocated for specific services.

6. We have added two new lines at the bottom of the "Revenue and Expense" tab which shows the beginning and ending fund balance within each fund category for the state fiscal year. I also added some additional lines at the bottom to show the Net Income from Operations before the transfer of funds to the BHO.

7. The Budget to Actuals statement includes notes on areas where there is a variance between the hypothetical year to date budget and actual revenues and expenditures. I also added additional lines at the bottom to show the transfer of funds separate from the normal operations.

**NORTH SOUND BEHAVIORAL HEALTH ADMINISTRATIVE SERVICE ORGANIZATION
PRELIMINARY REVENUE and EXPENSE STATEMENT for SEPTEMBER 2021*
BUDGET TO ACTUALS**

<u>REVENUES</u>	2021 Budget	YTD 2021 Budget	YTD 2021 Actual	Variance Favorable (Unfavorable)	
Intergovernmental Revenues					
SAMHSA	\$ 691,630	518,723	554,176	35,454	
MHBG	1,650,097	1,237,573	639,338	(598,235)	Billed heavy
SABG	4,275,187	3,206,390	2,239,976	(966,415)	Added new f
State Funds	19,534,655	14,650,991	14,271,881	(379,110)	Added new f
Medicaid (MCO)	5,167,197	3,875,398	3,931,871	56,473	
Total Intergovernmental Revenues	31,318,766	23,489,075	21,637,241	(1,851,833)	
Misc. Revenue **	0	0	21,286	21,286	
Interest Revenue	20,000	15,000	2,529	(12,471)	
TOTAL REVENUES	\$ 31,338,766	\$23,504,075	\$ 21,661,057	\$ (1,843,018)	

<u>EXPENDITURES</u>					
Inpatient Treatment	\$ 906,376	679,782	\$ 783,352	(103,570)	
ITA Judicial	2,348,969	1,761,727	1,495,938	265,789	
Crisis Services	12,107,751	9,080,813	8,654,139	426,675	
MH Crisis Stabilization	1,790,858	1,343,144	1,365,377	(22,233)	
E&T Services	1,007,474	755,606	774,666	(19,061)	Late billings
E&T Discharge Planner	143,058	107,294	118,031	(10,738)	One month l
Jail Services	364,560	273,420	181,283	92,137	
PACT Services	364,782	273,587	315,201	(41,614)	Sept & Oct a
MHBG Expenditures ***	722,031	541,523	228,292	313,232	Added new M
HARPS & DOC Housing	1,341,693	1,006,270	510,055	496,214	Added new [
DMA County Contracts	581,292	435,969	414,138	21,831	
SABG Expenditures ****	2,360,358	1,770,269	1,205,219	565,049	Added new \$
Withdrawal Management	747,500	560,625	941,019	(380,394)	Expenses ru
SAMHSA (PDOA-MAT)	416,605	312,454	363,385	(50,931)	Provider has
Juvenile Drug Court	139,800	104,850	94,138	10,712	
Other MH Services *****	1,755,098	1,316,324	1,352,431	(36,108)	BHEF went t
Other SUD Services	0	0	406,398	(406,398)	These were
Ombuds	179,460	134,595	134,279	316	
Advisory Board	20,000	15,000	0	15,000	
Subtotal - Services	27,297,665	20,473,249	19,337,341	1,135,908	
Administration	4,041,101	3,030,826	2,483,963	546,862	
TOTAL EXPENDITURES	\$ 31,338,766	\$23,504,075	\$ 21,821,304	\$ 1,682,770	

Excess of Revenues Over (Under) Expenditure.	\$ (160,248)	
Cash Transfer to BHO	\$ 5,741,571	- This was a ca
Adjusted Excess of Revenues Over (Under) Expenditure.	\$ (5,901,819)	

* THIS IS AN UNAUDITED STATEMENT

**NORTH SOUND BEHAVIORAL HEALTH ADMINISTRATIVE SERVICE ORGANIZATION
PRELIMINARY REVENUE and EXPENSE STATEMENT for SEPTEMBER 2021***

<u>REVENUES</u>	YTD 2021 Totals	YTD 2021 Medicaid	YTD 2021 State	YTD 2021 MHBG	YTD 2021 SABG	YTD 2021 SAMHSA
Intergovernmental Revenues						
SAMHSA	554,176					554,176
MHBG	639,338			639,338		
SABG	2,239,976				2,239,976	
State Funds	14,271,881		14,271,881			
Medicaid (MCO)	3,931,871	3,931,871				
Total Intergovernmental Revenues	21,637,241	3,931,871	14,271,881	639,338	2,239,976	554,176
Misc. Revenue **	21,286		21,286			
Interest Revenue	2,529		2,529			
TOTAL REVENUES	\$ 21,661,057	\$ 3,931,871	\$ 14,295,697	\$ 639,338	\$ 2,239,976	\$ 554,176
 <u>EXPENDITURES</u>						
Inpatient Treatment	\$ 783,352		\$ 783,352			
ITA Judicial	1,495,938		1,495,938			
Crisis Services	8,654,139	4,307,766	3,053,050	184,427	1,108,896	
MH Crisis Stabilization	1,365,377		1,365,377			
E&T Services	774,666		562,056	212,610		
E&T Discharge Planner	118,031		118,031			
Jail Services	181,283		181,283			
PACT Services	315,201		315,201			
MHBG Expenditures ***	228,292			228,292		
HARPS & DOC Housing	510,055		510,055			
DMA County Contracts	414,138		414,138			
SABG Expenditures ****	1,205,219				1,205,219	
Withdrawal Management	941,019		884,168		56,851	
SAMHSA (PDOA-MAT)	363,385					363,385
Juvenile Drug Court	94,138		94,138			
Other MH Services *****	1,352,431		1,352,431			
Other SUD Services	406,398		406,398			
Ombuds	134,279	103,711	30,569			
Advisory Board	0		0			
Subtotal - Services	19,337,341	4,411,477	11,566,184	625,329	2,370,966	363,385
Administration	2,483,963	566,673	1,870,612			46,678
TOTAL EXPENDITURES	\$ 21,821,304	\$ 4,978,150	\$ 13,436,797	\$ 625,329	\$ 2,370,966	\$ 410,063
Net Income From Operations	\$ (160,248)	\$ (1,046,279)	\$ 858,900	\$ 14,008	\$ (130,990)	\$ 144,113
Cash Transfer to BHO	\$ 5,741,571		\$ 5,741,571			
Net Income after Transfer	\$ (5,901,819)	\$ (1,046,279)	\$ (4,882,671)	\$ 14,008	\$ (130,990)	\$ 144,113
Beginning Fund Balance 12/31/20	11,975,972	2,204,756	10,391,082	(127,731)	(248,891)	(243,243)
Ending Fund Balance	6,074,153	1,158,477	5,508,410	(113,723)	(379,881)	(99,130)

Note: State Fund Balance also includes Proviso Fund Balances which are designated for specific expenditures

* THIS IS AN UNAUDITED STATEMENT

**North Sound BH-ASO
Warrants Paid
September 2021**

Type	Date	Num	Name
Bill Pmt -Check	09/03/2021	534884	A-1 Mobile Lock & Key
Bill Pmt -Check	09/03/2021	534913	Brigid Collins
Bill Pmt -Check	09/03/2021	534917	Cascade Behavioral Hospital LLC
Bill Pmt -Check	09/03/2021	534921	Catholic Community Services
Bill Pmt -Check	09/03/2021	534939	Community Action of Skagit Co
Bill Pmt -Check	09/03/2021	534940	Compass Health
Bill Pmt -Check	09/03/2021	534990	Federal Express
Bill Pmt -Check	09/03/2021	54995	Firstline Communications (All Phase)
Bill Pmt -Check	09/03/2021	535065	Lake Whatcom Center
Bill Pmt -Check	09/03/2021	535235	Language Exchange, The
Bill Pmt -Check	09/03/2021	535076	Lifeline Connections
Bill Pmt -Check	09/03/2021	535117	Office Depot
Bill Pmt -Check	09/03/2021	535137	Pioneer Center
Bill Pmt -Check	09/03/2021	535140	Providence-Everett
Bill Pmt -Check	09/03/2021	535178	Save on Storage
Bill Pmt -Check	09/03/2021	535182	Sea Mar
Bill Pmt -Check	09/03/2021	535200	Skagit County Public Health
Bill Pmt -Check	09/03/2021	535205	Snohomish Co Human Services
Bill Pmt -Check	09/03/2021	535206	Snohomish Co Juvenile
Bill Pmt -Check	09/03/2021	535208	Spokane County BHO
Bill Pmt -Check	09/03/2021	535230	Telecare Corporation
Bill Pmt -Check	09/03/2021	535238	Therapeutic Health Services
Bill Pmt -Check	09/03/2021	535254	US Bank
Bill Pmt -Check	09/03/2021	535257	Verizon
Bill Pmt -Check	09/03/2021	535267	Whatcom County Health Department
Bill Pmt -Check	09/10/2021	535283	A-1 Mobile Lock & Key
Bill Pmt -Check	09/10/2021	535338	Evergreen Recovery
Bill Pmt -Check	09/10/2021	535302	Fairfax Hospital
Bill Pmt -Check	09/10/2021	535349	Great Rivers BH
Bill Pmt -Check	09/10/2021	535402	NAVOS
Bill Pmt -Check	09/10/2021	535474	NW Family LLC
Bill Pmt -Check	09/10/2021	535465	Snohomish Co Human Services
Bill Pmt -Check	09/17/2021	535540	Access
Bill Pmt -Check	09/17/2021	535554	AT&T
Bill Pmt -Check	09/17/2021	535565	Cascade Behavioral Hospital LLC
Bill Pmt -Check	09/17/2021	535579	Comcast
Bill Pmt -Check	09/17/2021	535616	Firstline Communications (All Phase)
Bill Pmt -Check	09/17/2021	535617	Frontline Cleaning Services LLC
Bill Pmt -Check	09/17/2021	535753	Hand up Project, The
Bill Pmt -Check	09/17/2021	535668	Lifeline Connections
Bill Pmt -Check	09/17/2021	535623	Lippman, Glenn

**North Sound BH-ASO
Warrants Paid
September 2021**

Bill Pmt -Check	09/17/2021	535704	Pioneer Center
Bill Pmt -Check	09/17/2021	535730	SHI
Bill Pmt -Check	09/17/2021	535756	Tulalip Tribes
Bill Pmt -Check	09/17/2021	535774	Volunteers of America
Bill Pmt -Check	09/17/2021	535780	WA State Patrol
Bill Pmt -Check	09/17/2021	535783	Wave Business
Bill Pmt -Check	09/24/2021	535837	Community Action of Skagit Co
Bill Pmt -Check	09/24/2021	535838	Compass Health
Bill Pmt -Check	09/24/2021	536033	Hand up Project, The
Bill Pmt -Check	09/24/2021	535889	Island County Human Services
Bill Pmt -Check	09/24/2021	535913	Lifeline Connections
Bill Pmt -Check	09/24/2021	535947	Office Depot
Bill Pmt -Check	09/24/2021	536031	Telecare Corporation
Bill Pmt -Check	09/24/2021	536036	Therapeutic Health Services
Bill Pmt -Check	09/24/2021	536053	Valley Cities Counseling
Bill Pmt -Check	09/30/2021	IGT	Skagit County Auditor

North Sound BH-ASO
Warrants Paid
September 2021

Amount

-5,729.58
-9,656.95
-2,820.96
-13,722.89
-28,282.48
-775,634.59
-8.90
-1,729.31
-15,090.62
-218.70
-2,662.09
-48.80
-106,795.48
-35,516.30
-450.00
-1,409.01
-10,184.04
-483,546.39
-17,850.73
-2,385.00
-36,585.77
-35,553.46
-158.31
-1,336.13
-234,856.06
-81.38
-9,882.60
-52,893.00
-937.59
-8,462.88
-10,633.00
-177,238.60
-888.22
-81.48
-16,925.76
-337.34
-1,082.13
-743.22
-19,877.00
-24,410.91
-4,681.25

North Sound BH-ASO
Warrants Paid
September 2021

-262,715.19
-2,893.20
-26,761.39
-144,266.98
-11.00
-601.20
-29,266.26
-474,431.18
-33,635.80
-29,875.32
-1,222.11
-505.53
-5,281.27
-7,640.48
-15,877.16
-3,500.00
-3,189,872.98
-3,189,872.98
-3,189,872.98



2022 Proposed Operating Budget

October 14, 2021

**NORTH SOUND BEHAVIORAL HEALTH
ADMINISTRATIVE SERVICES ORGANIZATION**

2021 East College Way, Suite 101 Mount Vernon, WA 98273

360.416.7013|800.864.3555|F: 360.899.4754

www.nsbhaso.org

2022 Proposed Operating Budget

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I. 2022 Operating Budget Narrative

A. BUDGET HIGHLIGHTS

On July 1, 2019, the North Sound Behavioral Health Organization [BHO] transitioned to the North Sound Behavioral Health Administrative Services Organization [BH-ASO]. This was the result of the state implementing Integrated Managed Care in the North Sound region. Calendar Year 2020 represented our first full year operating as a BH-ASO.

Under the Integrated Managed Care model, Medicaid funding for behavioral health services is integrated into the health care contracts with Apple Health Managed Care Organizations [MCOs]. The Health Care Authority [HCA] also contracts with BH-ASOs to administer non-Medicaid funds to support behavioral health services that are not covered by Medicaid. This includes State General Fund [GF-S] dollars, State General Fund Proviso dollars [Provisos], and Federal Block Grant Funds for Mental Health and Substance Use Treatment [MHBG and SABG]. The North Sound BH-ASO is also receiving competitively procured federal funds to expand Medication Assisted Treatment in rural areas [MAT-PDOA] and has also received additional federal funds through the state to expand treatment to persons affected by COVID and other natural disasters.

The Apple Health MCOs contract with the BH-ASO to cover the cost of Crisis Services to their Medicaid members. They do this by providing an estimated portion of their PerMember/PerMonth payments from HCA. However, these reimbursements are based on a fee for service formula and do not cover the full cost of maintaining a 24/7 crisis response infrastructure.

A core responsibility of BH-ASOs is to fund and oversee behavioral health Crisis Services, specifically; a 24-hour toll-free crisis line, Involuntary Treatment Act investigation services, and Mobile Crisis Outreach Teams.

The North Sound BH-ASO continues to prioritize the funding it receives to make sure that the core Crisis Services, as well as other mandatory costs such as involuntary commitment services, are fully covered.

During 2020, some mandatory expenditures were less than the amounts originally planned for in the 2020 Operating Budget. This allowed the BH-ASO to expand funding for other mobile crisis outreach services, facility-based crisis stabilization services for non-Medicaid persons, and some outpatient and substance abuse residential treatment services.

This same program funding plan was continued in the 2021 operating budget and is proposed to also be carried forward in the 2022 operating budget. Since we now have two full calendar years operating as a BH-ASO we have sufficient data to better plan future expenses.

The North Sound BH-ASO also continues to provide active staff support to regional behavioral health planning activities, such as the Interlocal Leadership Structure, the MCO/ASO Joint Operating Committee, the Crisis Services Leadership Group, and joint MSO/ASO Integrated Provider meetings. We've continued to operate successfully in a largely "virtual" mode in response to the COVID pandemic. All staff were provided additional tools, and new operating procedures were developed, to fully support all ASO functions through tele-commuting and extensive use of video-conferencing tools. We also developed strategies to support workforce resiliency during the pandemic.

2022 Proposed Operating Budget

2021 Key Events

- Expanded funding for mobile crisis outreach teams, including “co-responder” teams
- Continued funding for Crisis Stabilization facilities to serve non-Medicaid persons
- Fiscal Close-Out of the BHO
- Allocation of Trueblood Misdemeanor funds
- Provided state funding for the start-up of new behavioral health facilities
- Adding working to support “Social Equity” to the BH-ASO’s Mission, Vision and Values and procured a consultant to help us develop a plan to operationalize this value
- Provided funding for the purchase of pads/tablets to Crisis Providers
- Expanded opiate outreach capacity
- Expanded telehealth network to include Consejo Counseling and Referral Services

Key Challenges and Strategies to address them

Challenges	Solutions
Continued increased in calls to the regional Crisis Line due to COVID and workforce shortages	Provided funding for additional staff and for a new call management system
Crisis Services agencies still not able to access crisis plans or treatment provider information for Medicaid members	We developed an agreement with the MCOs to fund the development of a data sharing platform that crisis agencies can use to access current provider treatment information for Medicaid members
COVID has complicated the ability of DCRs to conduct ITA evaluations	DCR agencies have been able to obtain PPEs and the ASO provided funding to procure and deploy video conferencing systems in the hospitals in the four northern counties
Workforce Shortages created severe access to care problems	Initiated discussions with MCOs to identify possible MCO/ASO investments both at regional and state level
Closure of BH-ASO Office due to COVID	Provided equipment, training, and guidelines to enable ASO staff to continue to perform all functions virtually

2022 Strategic Goals [continuation of 2021 Strategic Goals]

1. Remain in full compliance with the HCA-BH ASO Contract
2. Support continuous process improvement in the Crisis Services System
3. Implement the updated Quality Management Plan
4. Continue to actively support planning to achieve the goals of physical/behavioral health care integration
5. Address the impacts of the COVID pandemic on staff, BHAs, and the community
6. Develop and implement a plan to address social equity and systemic racism
7. Advocate for funding to meet the behavioral health needs of all at-risk persons

2022 Proposed Operating Budget

B. SUMMARY OF 2022 VERSUS 2021 REVENUES AND EXPENDITURES

	REVENUES	EXPENDITURES
2021 Amended Budget	\$31,338,760	\$31,338,766
2021 Projected	\$28,881,409	\$34,836,644
2022 Budget	\$28,031,787	\$28,031,787

C. REVENUE AND EXPENDITURE APPROVAL PROCESS

- | | |
|--|-------------------------|
| 1. Introduction to the Board of Directors | 10/14/2021 |
| 2. a. Posted on the North Sound BH-ASO Website | 10/14/2021 |
| b. Distribution to the Advisory Board | 10/14/2021 |
| 3. Budget Presentation for the Advisory Board Advisory | 11/02/2021 |
| 4. Budget Presentation for the Board of Directors - Public Hearing | 11/04/2021 |
| 5. Review and recommendation of all stakeholders | 11/02/2021 – 12/07/2021 |
| 6. Review and approval by Advisory Board | 12/07/2021 |
| 7. Recommend budget presented for Board Adoption | 12/09/2021 |

D. OPERATING BUDGET SPECIFICS

Budget Area	2021*	2022	Difference	Percent	Notes
Salaries & Benefits	2,824,060	3,246,304	422,244	14.95%	Health Insurance increase, addition of 1 FTE, increase .5 FTE to 1 FTE, COLA increase
Other Administrative**	1,237,041	1,106,318	(130,723)	(10.57%)	Reductions in office operating expenses and rent
Total Operations	4,061,101	4,352,622	291,521	7.18%	
Behavioral Health Services ***	27,277,665	34,598,552	7,320,887	26.84%	Increased Revenue: Block Grant, State Funds, Proviso funds, Medicaid contracts
Total BH-ASO	31,338,766	38,951,174	7,612,408	24.29%	

*Amended Budget **Includes Advisory Board ***Includes Hospital Inpatient

E. CONCLUDING REMARKS

The proposed 2022 North Sound BH-ASO Operating Budget is built on two years of operating experience as a BH-ASO, which has helped us refine our budget assumptions. It also includes a number of new revenues allocated by the 2021 Legislature, including:

- A recovery navigator program
- Long term rental assistance
- An additional one-time allocation of “COVID” Federal Block Grant Funds
- Funding for a youth mobile crisis team

2022 Proposed Operating Budget

The move to a new facility in 2021 has helped reduce our overall Administrative Operating costs and we project that planned administrative expenses will be lower than the 15% allowed for in our state contract.

As a BH-ASO we will continue to provide active support to the ongoing coordination of behavioral health services within a Medicaid Integrated Managed Care framework. This includes actively coordinating ASO administered services, such as Crisis Services, with Medicaid funded treatment services. We will continue to be accountable to the counties who oversee the BH-ASO, to ensure we are responsive to the priorities for behavioral health services identified by county officials.

The continuation of our 2021 Strategic Plan will continue to keep our efforts focused on important goals related to quality, compliance, and equal access to behavioral health services for all.

II. Revenue Forecast

REVENUE DETAIL NORTH SOUND BEHAVIORAL HEALTH ADMINISTRATIVE SERVICES ORGANIZATION Estimated 2022 Annual Budget 2022 ANNUAL BUDGET			2022 BH-ASO OPERATING BUDGET 15%
SOURCE	DESCRIPTION	Amount	
30800	USE of FUND BALANCE	\$ -	Limit*
<i>GRANT REVENUE</i>			
331000	Direct Federal Grant	\$ 333,333	
331000	Federal Block Grant Mental Health	3,278,880	
331000	Federal Block Grant SABG	5,339,865	
TOTAL GRANT REVENUE		\$ 8,952,078	\$ 895,208
<i>CHARGES FOR SERVICE</i>			
34640	MCO Medicaid Crisis	5,102,632	
34640	State Funds Mental Health & Substance Use Disorder	15,186,567	
34640	State Provisos	9,706,397	
TOTAL CHARGES FOR SERVICE		\$ 29,995,596	\$ 4,499,339
			\$ 5,394,547
<i>MISCELLANEOUS REVENUES</i>			
36110	Investment Interest	3,500	
36990	Miscellaneous	-	
MISCELLANEOUS REVENUES		\$ 3,500	
TOTAL REVENUE		\$ 38,951,174	

*10% of all Revenue is allowed for Administrative costs, 5% for Direct Service Support costs are allowed on all revenue except Grant revenue

2022 Proposed Operating Budget

III. 2022 NORTH SOUND BH-ASO OPERATING BUDGET

A. SUMMARY BUDGET

EXPENDITURES	Total
Regular Salaries	\$ 2,088,834
Personnel Benefits	1,157,470
Office, Operating Supplies	79,000
Small Tools	105,500
Professional Services	279,000
Communications	42,000
Travel	5,000
Advertising	450
Operating Rentals & Leases	139,324
Insurance	42,461
Utilities	-
Repairs & Maintenance	34,000
Miscellaneous	35,295
Machinery & Equipment	45,000
Reserve	279,290
Subtotal - North Sound Operations Budget *	\$ 4,332,624
Advisory Board	19,998
Agency, County and Other Services	33,448,552
Inpatient Hospital Costs	1,150,000
Total North Sound ASO Budget	\$ 38,951,174

* Total allowable Administration amount is \$5,632,833 , which includes portion of administrative costs that are allowed to be direct charged to program costs.

2022 Proposed Operating Budget

B. OPERATING BUDGET DETAILS

2021 BUDGET	2022 BUDGET	2022 NORTH SOUND OPERATING BUDGET DETAILS
1,844,002	1,965,314	REGULAR SALARIES
0	0	OVERTIME
17,972	123,520	COLA SALARY CONTINGENCY Cost of living adjustment budgeted 6.285%. (If the COLA not approved, this amount becomes zero)
1,861,974	2,088,834	REGULAR SALARIES
		PERSONNEL BENEFITS
385,870	550,675	HEALTH, LIFE, DENTAL, VISION Government Entity Pool WCIF
210,000	210,000	HRA
210,801	185,494	PERS RETIREMENT Based on 2020 rate of 10.25% for Public Employee Retirement Systems.
136,122	150,347	SOCIAL SECURITY The rate remains at 7.65% of FTE salaries.
4,139	24,311	UNEMPLOYMENT COMPENSATION The 2020 rate is 1.88% of FTE salaries, capped at \$56,500 per employee.
11,492	13,180	WORKERS COMPENSATION The 2020 rate is \$.2755 multiplied by the FTE annual hours.
3,662	23,464	COLA BENEFIT CONTINGENCY Cost of living adjustment budgeted 6.285%.
962,086	1,157,470	PERSONNEL BENEFITS
		OFFICE, OPERATING SUPPLIES
40,000	25,000	For office supplies such as software, books, paper, pens, food.
	54,000	Software and licenses.
40,000	79,000	OFFICE, OPERATING SUPPLIES
		SMALL TOOLS & MINOR EQUIPMENT
10,000	10,000	For operating equipment including desks, chairs, file cabinets, computers.
	95,500	For replacement and upgrade of laptops.
10,000	105,500	SMALL TOOLS & MINOR EQUIPMENT

- Operating Budget Details continued next page -

2022 Proposed Operating Budget

2021 Budget	2022 Budget	2022 NORTH SOUND OPERATING BUDGET DETAILS
		PROFESSIONAL SERVICES
30,000	15,000	LEGAL SERVICES
2,000	1,000	Language Exchange
42,000	42,000	TREASURER & ACCOUNTING SERVICES \$3,500 a month for charges of processing voucher and payroll, issuing warrants by Skagit County and investing, accounting and budget services.
55,000	55,000	MEDICAL SERVICES Consulting Medical Director DR Lipman and peer review, second opinions, etc.
35,000	45,000	AUDIT SERVICES For annual NSBH-ASO financial audit by WA State Examiner.
2,500	100,000	MISCELLANEOUS CONTRACTS - DEI Consultant
5,000	4,000	TEMPORARY HELP
5,000	4,000	BH-ASO Consulting
18,000	13,000	Access, Shred-It
23,660	-	Budget Amendment
218,160	279,000	PROFESSIONAL SERVICE
		COMMUNICATIONS
5,000	-	POSTAGE
8,380	2,000	TELEPHONE Monthly telephone
13,000	12,000	Internet
16,000	18,000	CELLULAR PHONES
42,380	42,000	COMMUNICATIONS
		TRAVEL & LODGING
10,000	5,000	MILEAGE, FARES, MEALS Reimbursement for NSBH-ASO employees to use personal vehicles to attend meetings or perform work on behalf of the NSBH-ASO. For meals while attending meetings on behalf of the NSBH-ASO.
10,000	5,000	TRAVEL
		ADVERTISING
450	450	Advertising of vacant positions, RFQ's, RFP'S, Board meetings, etc..
450	450	ADVERTISING

- Operating Budget Details continued next page -

2022 Proposed Operating Budget

2021 Budget	2022 Budget	2022 NORTH SOUND OPERATING BUDGET DETAILS
		<i>OPERATING RENTALS</i>
		RENTALS For renting rooms, training, short term equipment rentals, etc.
127,836	131,424	SPACE RENTAL OFFICE The 2021 estimated lease
2,500	2,500	POSTAGE METER LEASE
-	5,400	MISCELLANEOUS RENTALS - Storage
24,046	-	Budget Amendment
154,382	139,324	OPERATING RENTALS
		<i>INSURANCE</i>
58,440	42,461	Enduris
58,440	42,461	INSURANCE
		<i>UTILITIES</i>
-	-	Covered in new lease agreement
-	-	UTILITIES
		<i>REPAIR & MAINTENANCE</i>
		For repair of office equipment and maintenance of phone system.
8,500	3,000	Maintenance on two copy machines
13,000	20,000	Maintenance and repairs
48,000	11,000	Janitorial Services
66,483	-	Budget Amendment
135,983	34,000	REPAIR & MAINTENANCE
		<i>MISCELLANEOUS</i>
		PRINTING & BINDING For printing of forms, reports, brochure, letterhead stationery, envelopes, business cards, etc.
2,700	2,700	
		DUES AND SUBSCRIPTIONS For cost of periodical and other professional journals, hosting web page.
7,400	7,400	
-	5,275	Relias
		REGISTRATION AND FEES To provide off-site work-related training
8,000	8,000	
11,920	11,920	WSAC
69,304	-	Budget Amendment
99,324	35,295	MISCELLANEOUS

- Operating Budget Details continued next page -

2022 Proposed Operating Budget

2021 Budget	2022 Budget	2022 NORTH SOUND OPERATING BUDGET DETAILS
		<i>MACHINERY & EQUIPMENT</i>
0	45,000	MACHINERY & EQUIPMENT IS/IT To purchase new Computers, software & equipment over \$7,500.
-	45,000	MACHINERY & EQUIPMENT
		<i>ADMINISTRATION RESERVE</i>
447,922	279,290	This is a reserve set aside for possible COVID contingences.
447,922	279,290	ADMINISTRATION RESERVE
4,041,101	4,332,624	<i>North Sound BH-ASO BUDGET</i>
		Budget Limit Calculation: (see revenue detail for explanation) ASO budget limit \$5,394,547 Plus Admin charged to Programs - \$238,286 Total - \$5,632,833
4,041,101	4,332,624	TOTAL North Sound BH-ASO OPERATING BUDGET
		<i>Advisory Board Expenditures</i>
20,000	19,998	Advisory Board expenses; travel, training, conferences, supplies, etc.
20,000	19,998	Total Advisory Board Expenditures
26,391,289	33,448,552	<i>Behavioral Health Services</i>
30,452,390	37,801,174	Total North Sound BH-ASO Budget without Inpatient Expense
906,376	1,150,000	<i>State Only Inpatient</i>
31,358,766	38,951,174	TOTAL North Sound BH-ASO Budget

2022 Proposed Operating Budget

C. SALARY & BENEFITS WORKSHEET

2022 ANNUAL BUDGET

POSITION	initials	TEAM	FTE	RANGE	STEP	MONTHLY SALARY			ANNUAL SALARY	BENEFITS		PERS Retirement Salary x .1025	Social Security Salary x .0765	Unemployment Compensation \$56,500x .0188	Workers Compensation Hours x \$.2755	TOTAL BENEFITS	TOTAL SALARY AND BENEFITS
						No. of Mths	Amount	Months x Amount		Health, Life etc.	Fixed Amount						
Executive Director	JV	LT	1.00		N/A	12	\$ 12,839.33	\$ 154,071.96	\$ 155,612.68	23,959.20	do not contribute	11,904.37	1,062.20	573.04	37,498.81	193,111.49	
Quality Specialist # 1	VJ	CL	1.00	35	E	12	\$ 6,824.91	\$ 81,898.92	\$ 81,898.92	23,959.20	8,394.64	6,265.27	1,062.20	573.04	40,254.35	122,153.27	
Quality Specialist # 2	AFP	CL	1.00	35	E	12	\$ 6,824.91	\$ 81,898.92	\$ 81,898.92	23,959.20	8,394.64	6,265.27	1,062.20	573.04	40,254.35	122,153.27	
Quality Specialist # 3	TBD	CL	1.00	35	B	12	\$ 5,895.61	\$ 70,747.32	\$ 70,747.32	23,959.20	7,251.60	5,412.17	1,062.20	573.04	38,258.21	109,005.53	
Quality Specialist - Navigator	JD	CL	1.00	36	E	12	\$ 7,370.77	\$ 88,449.24	\$ 88,449.24	23,959.20	9,066.05	6,766.37	1,062.20	573.04	41,426.85	129,876.09	
Quality Specialist # 4 ASO	LC	CL	1.00	35	E	12	\$ 6,824.91	\$ 81,898.92	\$ 81,898.92	23,959.20	8,394.64	6,265.27	1,062.20	573.04	40,254.35	122,153.27	
Quality Specialist - WSH	JB	CL	1.00	35	E	12	\$ 6,824.91	\$ 81,898.92	\$ 81,898.92	23,894.76	8,394.64	6,265.27	1,062.20	573.04	40,189.91	122,088.83	
Quality Manager	MM	CL	1.00	38	D	3	\$ 8,340.34	\$ 25,021.02									
				38	E	9	\$ 8,757.36	\$ 78,816.24	\$ 103,837.26	23,959.20	10,643.32	7,943.55	1,062.20	573.04	44,181.31	148,018.57	
Deputy Director/Contracts Manag	MR	HR/C	1.00	39	E	12	\$ 9,545.45	\$ 114,545.40	\$ 114,545.40	23,959.20	11,740.90	8,762.72	1,062.20	573.04	46,098.07	160,643.47	
HR Specialist	MI	HR/C	1.00	33	E	12	\$ 5,851.21	\$ 70,214.52	\$ 70,214.52	23,959.20	7,196.99	5,371.41	1,062.20	573.04	38,162.84	108,377.36	
Administrative Manager	JW	Admin	1.00	34	E	12	\$ 6,319.37	\$ 75,832.44	\$ 75,832.44	23,894.76	7,772.83	5,801.18	1,062.20	573.04	39,104.01	114,936.45	
Administrative Assistant III	LH	Admin	1.00	32	E	12	\$ 5,417.85	\$ 65,014.20	\$ 65,014.20	23,894.76	6,663.96	4,973.59	1,062.20	573.04	37,167.54	102,181.74	
Administrative Assistant II	MA	Admin	1.00	31	E	12	\$ 5,016.43	\$ 60,197.16	\$ 60,197.16	23,959.20	6,170.21	4,605.08	1,062.20	573.04	36,369.73	96,566.89	
Administrative Assistant II	DM	Admin	1.00	31	D	7	\$ 4,777.55	\$ 33,442.85									
				31	E	5	\$ 5,016.43	\$ 25,082.15	\$ 58,525.00	23,959.20	5,998.81	4,477.16	1,062.20	573.04	36,070.42	94,595.42	
Administrative Assistant II	open	Admin	1.00	31	A	6	\$ 4,124.58	\$ 24,747.48									
				31	B	6	\$ 4,227.69	\$ 25,366.14	\$ 50,113.62	23,959.20	5,136.65	3,833.69	942.14	573.04	34,444.71	84,568.33	
Project Management/Compliance	CD	PM	1.00	38	E	12	\$ 8,757.36	\$ 105,088.32	\$ 105,088.32	23,894.76	10,771.55	8,039.26	1,062.20	573.04	44,340.81	149,429.13	
Data Support Analyst	DR	PM	1.00	35	E	12	\$ 6,824.91	\$ 81,898.92	\$ 81,898.92	23,959.20	8,394.64	6,265.27	1,062.20	573.04	40,254.35	122,153.27	
IS Administrator /Network Secur	DM	IS/IT	1.00	38	D	2	\$ 8,340.34	\$ 16,680.68									
				38	E	10	\$ 8,757.36	\$ 87,573.60	\$ 104,254.28	23,959.20	10,686.06	7,975.45	1,062.20	573.04	44,255.96	148,510.24	
IS Support Technician	PH	IS/IT	1.00	35	E	12	\$ 6,824.91	\$ 81,898.92	\$ 81,898.92	23,894.76	8,394.64	6,265.27	1,062.20	573.04	40,189.91	122,088.83	
Database Administrator	EW	IS/IT	1.00	37	E	12	\$ 8,034.38	\$ 96,412.56	\$ 96,412.56	23,959.20	9,882.29	7,375.56	1,062.20	573.04	42,852.29	139,264.85	
Provider Support IT	JW	IS/IT	1.00	36	E	12	\$ 7,370.77	\$ 88,449.24	\$ 88,449.24	23,959.20	9,066.05	6,766.37	1,062.20	573.04	41,426.85	129,876.09	
Accounting Specialist	SD	Fiscal	1.00	33	E	12	\$ 5,851.21	\$ 70,214.52	\$ 70,214.52	23,894.76	7,196.99	5,371.41	1,062.20	573.04	38,098.40	108,312.92	
Senior Accountant	DH	Fiscal	1.00	37	E	12	\$ 8,034.38	\$ 96,412.56	\$ 96,412.56	23,959.20	9,882.29	7,375.56	1,062.20	573.04	42,852.29	139,264.85	
HRA Deductables										230,000.00					230,000.00	230,000.00	
									\$ 1,965,313.84	\$ 550,674.96	\$ 185,494.37	\$ 150,346.51	\$ 24,310.54	\$ 13,179.92	\$ 1,154,006.29	\$ 2,889,320.13	
									COLA \$ 123,519.97		\$ 11,658.32	\$ 9,449.28	\$ 1,527.92	\$ 828.36	23,463.87	\$ 146,983.85	
TOTAL			23.00						\$ 1,963,773	\$ 2,088,833.81	\$ 780,674.96	\$ 197,152.89	\$ 159,795.79	\$ 25,838.45	\$ 14,008.28	\$ 1,177,470.17	\$ 3,266,303.98

IV. ORGANIZATIONAL CHART

