



FY2026

COMPLIANCE PROGRAM DESCRIPTION

and

WORKPLAN

Approved By	Date
Quality and Compliance Oversight Committee (QOC)	November 4, 2025
Internal Operations Committee (IOC)	November 13, 2025
Board of Directors	October 22, 2025

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I. INTRODUCTION

- A. The NMRE is committed to establishing and maintaining an effective compliance program in accordance with the compliance program guidance published by the Office of Inspector General and the U.S. Department of Health and Human Services. The compliance program is about prevention, detection, collaboration, and enforcement of the law, requirements from regulatory bodies, contractual obligations, and NMRE's policies, procedures, and Standards of Conduct.
- B. The Compliance Program:
 - 1. Ensures that NMRE staff and partners adhere to all pertinent federal, state, and contractual obligations and guidelines.
 - 2. Serves as a mechanism for preventing and reporting any breach of those laws and regulations that fall within specified criteria.
 - 3. Applies the guidelines of the Office of Inspector General (OIG), requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), 42 CFR 438.608, 42 CFR Part 2, 2 CFR 200, and Title 45 CFR.

An effective compliance program includes the following elements:

- a. Written policies, procedures, and standards of conduct.
- b. Compliance Program oversight.
- c. Effective training and education.
- d. Effective lines of communication.
- e. Well-publicized disciplinary guidelines.
- f. Internal and external monitoring and auditing activities.
- g. Prompt response to detected offenses and the development of corrective actions.

II. STRUCTURE OF THE COMPLIANCE PROGRAM

- A. The NMRE Board of Directors: The NMRE's Board of Directors is responsible for the review and approval of the Compliance Plan, review of the Annual

Compliance Report, and review of matters related to the Compliance Program. The NMRE Board of Directors has the highest level of responsibility for the oversight of the Compliance Program.

- B. Compliance Officer: The NMRE's Compliance Officer has the primary responsibility for ensuring that the NMRE maintains an effective Compliance Program. Specifically, the Compliance Officer oversees the implementation and effectiveness of the Compliance Plan, Standards of Conduct and other policies and procedures, and provides technical assistance to NMRE staff and the provider network. The Compliance Officer is responsible for the day-to-day operation of the Compliance Program.
- C. The Quality and Compliance Oversight Committee (QOC): The NMRE regional Quality and Compliance Committee provides guidance, supervision, and coordination of compliance efforts at the NMRE and its partners. The QOC advises on matters involving compliance with contractual requirements and all related federal and state laws and regulations, including the Office of Inspector General guidelines and 42 CFR 438.608 and 42 CFR Part 2. The QOC is comprised of the NMRE's Chief Executive Officer, Chief Information Officer/Operations Director, Compliance Officer, Clinical Director, Customer Service Specialist, Quality Analyst, Provider Network Manager and representatives from all five member Community Mental Health Services Programs (CMHSPs). The Medical Director is an ad-hoc member of the committee.

III. ELEMENTS

A. Implementing Written Standards, Policies, and Procedures

Written Standards of Conduct and written policies and procedures are a central element of the Compliance Program. The Standards of Conduct demonstrates the NMRE's ethical attitude and its emphasis on compliance with all applicable laws and regulations. NMRE policies and procedures are living documents and provide guidelines on the day-to-day operations of the organization. Written policies and

procedures also ensure good quality of care as well as patient confidentiality and privacy. These compliance standards apply equally to ALL NMRE staff and partners. It is the responsibility of each employee to become familiar with the Standards of Conduct and the written policies and procedures that apply to their job duties.

B. Designating Compliance Oversight

1. The NMRE's Compliance Officer has the authority and responsibility to administer and manage all tasks related to establishing, monitoring, and updating the Compliance Program. To ensure success of the program, the Compliance Officer will:

- a. Have direct access to the Chief Executive Officer and the NMRE Board of Directors. This will ensure that a system of checks and balances is established to effectively achieve the goals of the Compliance Program.
- b. Coordinate and collaborate with NMRE leadership and NMRE partners to assess and mitigate risks, develop and implement policies and procedures, and develop and implement the Compliance Program.

Methods used to ensure an effective Compliance Program include:

- i. Work with NMRE network providers and other partners to coordinate and implement compliance activities.
- ii. Analyze reports generated as part of the auditing and monitoring initiatives and other processes to identify trends and implement corrective actions.
- iii. Analyze all allegations of abuse, waste, or fraud and reporting requirements/process and providing notifications to MDHHS/Office of Inspector General (OIG), as necessary.
- iv. Act as the Special Investigative Unit (SIU) for investigations of fraud, waste, and abuse allegations.
- v. Review and analyze compliance activities and provider agencies via ongoing and annual contract monitoring processes.

- c. Ensure that appropriate screening and evaluation checks are completed to eliminate sanctioned individuals and contractors from participating in the federal or state healthcare programs for the provision of items or services. This will include the following activities:
 - i. Ensure NMRE complies with all requirements to obtain, maintain, disclose, and furnish required information about ownership and control interest, business transactions, and criminal convictions.
 - ii. Ensure that all contracts, agreements, purchase orders, or leases to obtain space, supplies, equipment, or services provided with federal and state healthcare funds are compliant with applicable federal and state regulations.
 - iii. Ensure that the NMRE and its partners comply with 42 USC 1320a-7(b), which imposes penalties for "arranging (by employment or otherwise) with an individual or entity that the person knows, or should know, is excluded from participation in a federal health care program for the provision of items or services for which payment may be made under such a program."
 - d. Take appropriate steps to confirm that an individual or provider has not been excluded pursuant to the NMRE Excluded Provider Screening Policy and Procedure prior to employment or contracting and monthly thereafter.
 - i. Develop and implement an educational training program for NMRE staff and partners that furnish services to ensure understanding of federal and state laws and regulations involving ethical and legal business practices.
 - ii. Investigate and act on matters related to compliance and privacy in an independent and confidential manner.
2. The NMRE Quality and Compliance Oversight Committee will be responsible to:
- a. Guide the implementation of the Compliance Program.

- b. Assist with the implementation of compliance policies and procedures and the Standards of Conduct.
- c. Encourage employees to raise concerns and report non-compliant issues including suspected fraud, waste, abuse, or inappropriate behavior without fear of retaliation.

C. Conducting Effective Training and Education

Education and training are the first and possibly the most important lines of defense of a Compliance Program. All NMRE staff and Board Members will receive training and have access to the NMRE Compliance Plan, compliance policies, and Standards of Conduct. Additional training may be required for employees involved in specific areas of risk, or as new regulations are issued. Records will be maintained on all formal training and educational activities for 10 years. The Compliance Officer will receive training from an appropriate source other than themselves. Training is considered a condition of employment and failure to comply will result in disciplinary action up to and including termination. All employees will receive mandatory compliance training during the first 30 days of their employment and annually thereafter.

Educational activities include, but are not limited to, face-to-face training and online training in programs related to:

1. Federal and state regulations and guidelines
2. Contractual obligations
3. Policies, procedures, and the Standards of Conduct
4. Coding and billing requirements
5. False Claims Act implications including fraud, waste, and abuse

The Compliance Officer will provide ongoing information and education on matters related to healthcare fraud, waste, and abuse as disseminated by the Office of Inspector General, the Department of Health and Human Services, and other regulatory bodies.

It is the responsibility of NMRE staff to maintain licensures and certifications that are specific to their job responsibilities.

The NMRE Provider Network Management Committee will review and recommend regional training requirements to ensure consistent training requirements throughout the provider network. The NMRE will monitor the provider network to ensure adherence to the identified training requirements. When necessary, the NMRE will offer related compliance training and educational materials to the provider network.

D. Developing Effective Lines of Communication

There will be open communication between the Compliance Officer, The NMRE Board of Directors, the Quality and Compliance Oversight Committee, and all NMRE staff and partners. With open lines of communication, the potential for fraud, waste, and abuse is substantially reduced. Examples of ways to maintain lines of communication include:

1. Face-to-face with the Compliance Officer
2. Compliance Hotline: 866 789 5774 (can be anonymous or identified)
3. Compliance E-mail: compliancesupport@nmre.org
4. NMRE website: <https://www.nmre.org/recipients/compliance-and-quality>
5. Mail to: 1999 Walden Drive, Gaylord, MI, 49735

Confidentiality and Non-Retaliation policies and procedures are in place and accessible to all employees to encourage the reporting of incidents of potential or suspected fraud, waste, or abuse in a safe environment without fear of retaliation.

All reported incidents will be documented and investigated promptly to determine validity.

Communication System

The Compliance Program's system for effective communication will include the following:

1. Require that all staff must report suspected misconduct, that a reasonable person acting in good faith would believe to be misconduct, without fear of retaliation.
2. Create a user-friendly process, such as the compliance hotline; where staff can anonymously and promptly report fraudulent, unethical, or erroneous conduct.
3. Enforce policies and procedures that state that failure to report fraudulent, unethical, or erroneous conduct is a violation of the Compliance Program.
4. Implement a simple and readily accessible procedure to investigate reports of fraudulent, unethical, or erroneous conduct.
5. Implement a process that maintains the confidentiality of the persons involved in alleged fraudulent, unethical, or erroneous conduct and the person making the allegation.
6. Enforce policies and procedures that guarantee that reporting conduct that a reasonable person, acting in good faith, would believe to be fraudulent, unethical, or erroneous will not be retaliated against.

E. Enforcing Standards through Well-Publicized Disciplinary Guidelines

The Standards of Conduct and NMRE policies and procedures apply to employees at all levels and NMRE partners. Enforcement applies regardless of the employee's position or years of service. Failure by any employee to comply with applicable regulations, NMRE's Standards of Conduct, or policies and procedures will subject the employee and the supervisor who ignored or failed to detect misconduct, or who has knowledge of the misconduct and failed to correct it, to disciplinary action that could range from verbal warnings to suspension, privilege revocation, or termination from employment, based on the seriousness and type of violation. The NMRE's Sanctions Policy and Procedure sets forth the degree of disciplinary action that may be imposed

on employees for failing to abide by the Compliance Program.

F. Conducting Internal and External Monitoring and Auditing Activities

Auditing and monitoring activities are critical to a successful compliance program and should be an ongoing activity under the direction of the Compliance Officer. Auditing and monitoring is a key component of the annual review of the effectiveness of the Compliance Program. The auditing activities will focus on compliance with specific regulations and policies that have been identified by the Centers for Medicare & Medicaid Services (CMS), the OIG, and MDHHS-PIHP contractual obligations. The NMRE utilizes a variety of monitoring and auditing techniques including:

1. Periodic questionnaires, surveys, and interviews with staff within the NMRE, its member CMHSPS, and subcontracted providers regarding their perceived levels of compliance and the effectiveness of training/education within their departments and areas of responsibilities.
2. Periodic audits that comply with federal and state regulations, MDHHS-PIHP contractual obligations, and other guidelines.
3. Service verification audits.
4. Input from regional Compliance Officers.
5. Internal/external audit results for specific compliance guidelines.
6. Information from past investigations of noncompliance.
7. Information from exit interviews.

Quarterly Submissions to the OIG:

1. Grievance report
2. Data mining and analysis of paid claims
3. Audits performed
4. Overpayments collected

5. Identification and investigations of fraud, waste, and abuse
6. Corrective action plans implemented
7. Provider disenrollment
8. Contract termination

Reporting/Reviewing Compliance Data:

1. Quarterly reports of issues
2. Quarterly results of Medicaid service verification audits
3. Annual reviews of the Compliance Plan
4. Annual summaries of compliance activities, including the number of investigations, summaries of results of investigations, and summaries of disciplinary actions
5. Trend analysis that identifies deviations (positive or negative) in specific risk areas over a given period
6. Annual reports of Medicaid Encounter Verification (MEV)
7. Annual reports to MDHHS of MEV results
8. Annual reports to MDHHS of compliance with annual training on the Deficit Reduction Act (DRA) from all network providers
9. Annual reports to the OIG of any non-compliance communication resulting in OIG involvement.

HIPAA Privacy and Information Security audits, such as:

1. Use and disclosure of protected health information (PHI),
2. Employee access to protected information
3. Validation and reliability of data,
4. Information security risk assessment,

5. Electronic and physical safeguards.

Clinical/Quality of Care, review of:

1. Performance indicators
2. Peer reviews
3. Chart reviews
4. Scope of work and qualification

Consumer rights review of:

1. Rights complaints and concerns
2. Consumer satisfaction survey
3. Rights Officers' responsibilities
4. Risk Events and Critical Incidents
5. Sentinel Events and Root Cause Analyses (RCA)

G. Responding to Detected Offenses, Developing Corrective Actions and Prevention.

According to the OIG, one of the seven essential elements for an effective Compliance Program is the investigation and remediation of identified systemic problems. If there should ever be a reason to believe that misconduct or wrongdoing has occurred, the organization must respond appropriately. The OIG notes that violations of the Compliance Program and other types of misconduct threaten an organization's status as a credible, honest, and trustworthy provider capable of participating in federal healthcare programs. Detected but uncorrected misconduct can seriously endanger the mission, reputation, and legal status of the

NMRE. The OIG calls for prompt reporting of misconduct to the appropriate authority within a reasonable period, but not more than 60 days after determination that credible evidence of a violation exists, and not more than 30 days to avoid stricter fines.

Audit and review follow-up are important parts of good management and evidence of an effective Compliance Program. To ensure that identified problems and/or weaknesses do not recur, it is essential that corrective action is taken.

Approval Signature

A handwritten signature in black ink, appearing to read "Eric Rudy", written in a cursive style.

NMRE Chief Executive Officer

November 13, 2025

Date

V. 2025 COMPLIANCE PROGRAM WORKPLAN

Goal 1: Strengthen the quarterly reporting elements to the OIG.

Objective 1: Run at least one data mining scenario and complete at least one audit per six months.

Objective 2: Ensure that each Community Mental Health Services Program (CMHSP) will complete one data mining scenario and one regular audit per six months as well.

Objective 3: Provide necessary feedback to CMHSPs to create a stronger compliance program.

Outcome :

Ten data mining scenarios and 15 audits were completed in FY25. Approximately \$147,000 were recovered from these activities. Feedback will be provided to the CMHSPs after FY25 Q4 is completed. Ongoing.

Goal 2: Provide deeper review of trends discovered during the Medicaid Encounter Verification (MEV).

Objective 1: Work closely with designated staff to communicate any prevalent areas of concern during the MEV review.

Objective 2: Collaborate with the designated staff to open full audit investigations into MEV trends and concerns.

Objective 3: Issue Corrective Action Plans (CAP) as appropriate.

Outcome :

Medicaid Encounter Verification (MEV) auditor, Brooke Kleinert, alerted to a trend noted during the MEV of one of the SUD providers. An investigation for fraud was opened and the investigative audit provided approximately \$7,300 in recovery claims. A follow-up audit will be conducted to ensure the issue has been resolved. A CAP will be issued if necessary. Ongoing.

Goal 3: Strengthen compliance with Federal and State laws regarding Adverse Benefit Determinations (ABD) sent to beneficiaries of the NMRE region.

Objective 1: Provide region-wide training emphasizing Federal and State regulations to allow maximum compliance with the ABD standards.

Objective 2: Provide increased oversight of the CMHSPs, requiring each CMHSP to send five examples of an ABD each quarter the NMRE for review.

Objective 3: Provide feedback to each CMHSP to enhance compliance.

Outcome :

Region wide training was provided in January 2025, and training was provided to a singular CMHSP in March 2025. Each CMHSP has been compliant with the increased oversight, which has resulted in compliance improvement. Compliance for FY25 Q1 and Q2 focused on the required 6.9 grade level readability, and time frame compliance, of the ABDs. FY25 Q3 (and Q4 when available) will focus on readability, along with proper citation use. The results so far are:

Q1-

Readability Compliance: 17%

Time frame Compliance: 96%

Q2-

Readability Compliance: 39% (+22%)

Time frame Compliance: 100% (+4%)

Q3-

Readability Compliance: 53% (+14%)

Time frame Compliance: 100% (+/-0%)

Citation Compliance: 61%

Goal 4: Update training material.

Objective 1: Update the Compliance and Ethics training and the HIPAA Information Security and Awareness training materials to include recommendation from the Health Services Advisory Group (HSAG) during the 2024 Compliance review.

Objective 2: Provide staff training on the updated materials.

Outcome :

Materials have been updated and regional staff will be trained on the Compliance Training updates. The training will be shared with the CMHSPs for provider specific training purposes. SUD training is provided by the Compliance Officer in January. Complete.

Goal 5: Create new policies and procedures, if needed, and update some existing policies to ensure the effectiveness of the Compliance Program.

Objective 1: Create new policies and update some existing policies and procedures to include recommendations from HSAG during the 2024 Compliance review.

Objective 2: Provide staff training on the new and updated materials.

Objective 3: Provide updated policies to network providers, staff, and website.

Outcome :

No new policies were created; a total of 3 policies were updated. The policies include Compliance Reporting and Investigation, Grievance and Appeals, and Standards of Conduct. Updated policies will be shared with NMRE providers within the next few months. Complete.

V. 2026 COMPLIANCE PROGRAM WORKPLAN

Goal 1: Strengthen the quarterly reporting elements to the OIG.

Objective 1: Run at least one data mining scenario and complete at least one investigation per quarter.

Objective 2: Ensure that each Community Mental Health Services Program (CMHSP) will complete one data mining scenario and one regular audit per quarter, as well.

Objective 3: Provide necessary feedback to CMHSPs to create stronger compliance program.

Goal 2: Provide deeper review of trends discovered during the Medicaid Encounter Verification (MEV).

Objective 1: Work closely with the designated staff to communicate any prevalent areas of concern during the MEV review.

Objective 2: Collaborate with designated staff to open full audit investigations into MEV trends and concerns.

Objective 3: Issue Corrective Action Plans (CAP) as appropriate.

Goal 3: Strengthen compliance with Federal and State laws regarding Adverse Benefit Determinations (ABD) sent to beneficiaries of the NMRE region.

Objective 1: Provide region-wide training emphasizing Federal and State regulations to allow maximum compliance with the ABD standards.

Objective 2: Provide increased oversight of the CMHSPs, requiring each CMHSP to send five examples of an ABD each quarter the NMRE for review.

Objective 3: Provide feedback to each CMHSP to enhance compliance.

Goal 4: Strengthen compliance with Federal and State laws regarding Grievance and Appeal documentation to beneficiaries of the NMRE region.

Objective 1: Provide region-wide training emphasizing Federal and State regulations to allow maximum compliance with Grievance and Appeal standards.

Objective 2: Provide increased oversight of the CMHSPs, requiring each CMHSP to send three examples of a grievance, and three examples of an appeal, each quarter the NMRE for review.

Objective 3: Provide feedback to each CMHSP to enhance compliance.

Goal 5: Implementation of MCH Indicia (evidence based care guidelines) to monitor data providing insight into critical benchmarks of care such as length of stay, readmissions, reduction of denials, and most importantly, optimize level of care.

Objective 1: Provide staff training and assist with implementation.

Objective 2: Monitor critical benchmarks for milestones.

Objective 3: Compile evidence of success and present a report of the findings