



Policy and Procedure

- Section:** Provider Relations
- Subject:** Contract Compliance
- Policy Number:** PR 006, Outcome Based Corrective Action Plans (CAP),
- Effective Date:** May 1, 2015
- Revision Date:** April 1, 2016; December 14, 2017; September 23, 2019
- Review Date:** September 17, 2018
- Policy Statement:** This policy establishes formal direction and procedures for Carisk staff and organizations contracted with the Managing Entity in activities related to the management of Outcome Based Corrective Action Plans. This management is fundamental to ensure adherence to uniform procedures and the delivery of services in accordance with applicable federal and state laws, rules, and regulations; the terms and conditions of the contract; and policies, and procedures established by Carisk Partners and the Managing Entity
- Policy:** This policy addresses the procedures for completion, acceptance, follow-up and closure of an Outcome Based Corrective Action Plan. Providers that present severe, continued findings in regular reviews; or a trend of non-compliance has been identified (Incident Reporting, Compliant follow-up, etc.), will need to complete a CAP to indicate how the issues will be resolved. This policy addresses the procedures for completion, acceptance, follow-up and closure of a CAP.

Procedures

I. Standards and Processes

- A. Generation of Outcome Based Corrective Action Plans, CAP: Since the Carisk Team monitors Providers, in a continuous and comprehensive manner; CAPs can result from multiple sources. However, they are always a direct consequence of findings of deficiencies identified that require an official response in the form of a formal plan of action. Examples of sources of findings are Contract Accountability Reviews (onsite or desk reviews), Critical Incident Report submission and/follow ups, Complaints and/ their follow up, Invoicing and/or Financial non-compliance, among others. CAPs result from findings of deficiencies that include:
- Any threat to the health, safety or welfare to consumers, staff or the public, including a reasonable probability a threat could occur if remedial action is not initiated without delay.
 - Misuse, waste, loss of a significant or egregious lack of judgment in the use of public funds.
 - Indications state or federal laws, state rules or federal regulations have been violated.
 - Present a trend of continuous or prevalent non-compliance of the Provider.
 - Failure to meet contracted Performance Outcome Measures.



- B. Outcome Based Corrective Action Plan (CAP) - Once a deficiency has been identified to merit an Outcome Based Corrective Action Plan. The Provider is required to develop and implement an Outcome Based Corrective Action Plan (CAP). This should be completed using the approved format to correct each deficiency identified. When a CAP is required, the CAP must be submitted within thirty (30) calendar days of the receipt of the Report, unless otherwise stated. The benefits of an outcome-based CAP include:
- The identification of the root-cause which led to the deficiency;
 - Outcome Based Corrective Action steps;
 - Short-, mid-, and long-term benchmarks to measure the completion of the Outcome Based Corrective Actions and allow for ongoing assessment and analysis of the effectiveness of the CAP; and
 - The identification of staff responsible for the implementation of the outcome-based CAP. After the outcome-based CAP is developed by the Provider it is reviewed by the Carisk Team to determine the likelihood of responsiveness. The Provider may require technical assistance, if requested by the Provider, including the sharing of best practices, or guidance in how to develop an outcome-based CAP; however, the CAP is developed by the Provider.
- C. Once the CAP is received, the Carisk Team will review the submitted plan to determine if it addressed the deficiencies appropriately and its likelihood in successfully addressing the deficiency.
- If the response is not deemed to sufficiently resolve the issues identified, the Provider will be requested to update the CAP until accepted by the Carisk Team
 - If the response is deemed to sufficiently address the deficiencies, the Provider will be informed formally of the acceptance of the response.
- D. The Carisk Team will follow up with the Provider as required by the type of deficiency, in a progressive manner to achieve successful correction of each deficiency. The following actions may be required, among others
- Review of Documentation Submitted - In some cases, the Provider will submit documentation that supports the resolution process for the CAP. In those cases, The Carisk Team will need to review and communicate with the Provider regarding these documents.
 - Verification Site Visit - After receipt of a Provider's CAP and when required by the type of deficiency addressed, an onsite Site Verification may be scheduled. This verification site visits will assess the effectiveness of the provider in correcting each identified deficiency. Verification Site Visits are short in duration and are specific to each deficiency and the corresponding CAP. After the verification visit, if all deficiencies are not corrected, a meeting will be conducted with the Provider's senior leadership.
 - Meeting with the Provider - If the Provider fails to submit a CAP within thirty (30) calendar days of the receipt of the Report, or fails to implement the CAP for identified deficiencies within the specified time frame; and/or fails to make acceptable progress in correcting deficiencies as outlined in the CAP within specified timeframes, additional sanctions may be imposed including financial penalties. Prior to additional sanctions, the Carisk Team will meet with the Provider's Chief Executive Officer/Executive Director/President to advise the Provider of the findings; the expectations related to correction of the deficiency(ies); and the possibility of imposition of additional consequences, including financial consequences. Such meetings must occur within ten (10) business days of completion of a Verification Site Visit.

- E. Consequences for Noncompliance - If the Provider fails to submit and implement Outcome Based Corrective Actions to successfully address the identified findings, a written recommendation will be forwarded to the Managing Entity Chief Executive Officer to outline additional consequences that may be imposed. Such consequences will have been addressed with the Provider in a face-to-face meeting and detailed in a follow up letter to the Provider's Chief Executive Officer/Executive Director/President. After concurrence by the Managing Entity, additional consequences may be assessed. When assessing financial consequences, a consequence will be assessed for each deficiency each day the Provider has failed and continues to fail to address the deficiency(ies). The Provider will be notified of the additional consequence(s), via a Cure Letter that details the steps the Provider must take to resolve the matter, the timeframes to respond, and the additional steps to be taken if the Provider fails to successfully address the matter. Financial consequences will be assessed against the Provider's next invoice. The formula will be determined in consultation with the Managing Entity's Chief Executive Officer.
- F. Cure Process/Suspension of Services and/or Contract Termination - The Cure Letter is the final step in the progressive process to work with providers to ensure the delivery of services consistent with the terms of the Contract, and applicable federal and state laws, rules, and regulations. If a deficiency is not successfully corrected within the timeframes provided in the Cure Notice, services may be suspended or the Contract terminated. A Cure Letter may be issued at any time when a Provider has failed to respond to and correct deficiencies; when non-compliance may cause harm to consumers, staff and/or the public; when there is suspected misuse of public funds; or when non-compliance directly affects the delivery of services to consumers as required by the contract. The Cure Letter advised the continued failure to correct the noted deficiencies within the specified time frame will result in suspension of services and/or termination.

Definitions: See PR Policy Definitions