

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

October 9 2019

2. Department

Covered California / California Health Benefit Exchange

3. Organizational Placement (Division/Branch/Office Name)

Program Integrity Division

4. CEA Position Title

Deputy Director, Program Integrity

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

The Deputy Director, Program Integrity serves as the Chief Audit Executive and also as the Chief Compliance Officer of Covered California over the Program Oversight & Compliance Branch and Reconciliation of Enrollment & Membership Branch. The Deputy Director is responsible for the strategic oversight of these Branches within the Program Integrity Division. The Deputy Director, Program Integrity is essential to the purpose of the Program Integrity Division and to the mission of Covered California as it leads the identification of areas in which the organization may be out of compliance with regulatory requirements and leads internal and external efforts to correct and/or mitigate compliance-related issues.

6. Reports to: (Class Title/Level)

Director, Program Integrity

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain): The Deputy Director serves as the Chief Audit Executive and also as the Chief Compliance Officer who will have frequent contact with Covered California's Executive Director and the Board Audit & Finance Committee.

8. Organizational Level (Select one)

- 1st
- 2nd
- 3rd
- 4th
- 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Program Oversight and Compliance:

The Deputy Director serves as the Chief Audit Executive and directs the planning and implementation of strategic policy related to quality assurance, fraud, waste and abuse prevention and detection, as well as internal control and external programmatic and financial audits for Covered California. Directs the planning and management of both internal and external audits, while acting as the audit escalation point of contact for external agencies such as the Centers for Medicare and Medicaid Services(CMS), the California State Auditor, the Internal Revenue Service(IRS),and the Office of Inspector General(OIG).Acts as Covered California's Chief Compliance Officer and is the high-level escalation point for enterprise-wide risk management efforts including the oversight of the Enterprise Risk Management Unit, the Enterprise-wide Management Committee, and the implementation of the State Leadership Accountability Act (SLAA).The incumbent has authority to re-prioritize organizational issues, risks, and areas of focus, as well as assign additional divisional resources based upon consumer or organizational impact.

Reconciliation of Enrollment & Membership:

Directs data integrity initiatives and sets organizational policy around the reconciliation process for internal and external program stakeholders to support enterprise-wide strategic goals and objectives. Ultimately responsible for ensuring that all federal reporting provided by Covered California maintains data integrity and a high accuracy rate with the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS). Directs and over sees the user acceptance testing (UAT) process by testing CalHEERS enhancements prior to implementation and resolving critical issues which may negatively impact consumer enrollment. Directs post-implementation reviews of the CalHEERS system functionalities to improve operational efficiencies and program compliance. Establishes strategic goals for the Reconciliation of Enrollment & Membership Branch to improve health program data quality for consumer eligibility and enrollment status. Through subordinate managers, oversees highly complex projects which impact multiple business implementation areas including Covered California's sustainability plan and performance standards.

Enterprise-wide Collaboration:

Collaborates with divisional Directors and Deputy Directors to address potential organizational risks, inefficiencies, and/or potential consumer fraud, waste and abuse. Acts as an escalation point for many Covered California divisions with regards to areas that may directly impact consumers, our mission and/or strategic pillars. Assigns and advises on special projects received from Executive Leadership and from other divisions within Covered California.

Personnel Management:

Recruits, selects, mentors, trains, develops, assigns work, and evaluates performance of subordinate managers and at a very-high level, as needed, for staff of the Reconciliation of Enrollment & Membership Branch and Program Oversight & Compliance Branch within the Program Integrity Division. Meets regularly with subordinate staff regarding performance, individual developmental needs, and career aspirations. Approves training requests, time off requests, monthly time sheets, and travel expense claims. Prepares probationary reports and annual appraisals as required and makes recommendations regarding corrective disciplinary action as necessary. Assigns work and project priorities, monitors progress, adjusts priorities, redistributes workload and/or secures extensions as needed to meet established deadlines. Institutes tracking systems to monitor projects and provides regular reports and updates to Executive Leadership and the Board Audit & Finance Committee.

Miscellaneous:

Acts in place of Director, Program Integrity as needed. Represents Covered California and the Program Integrity Division at a wide variety of events, including presentations, briefings, conferences, trainings, and networking events. Supports special projects and performs other duties as required in support of the Program Integrity Division and Covered California.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description:

The mission of Covered California is to increase the number of insured Californians, improve health care quality, lower costs, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health plan and providers that give them the best value.

The Program Integrity Division identifies opportunities to help internal and external stakeholders continuously improve Covered California's consumer-focused operations. The Division encourages accountability, transparency, effectiveness, efficiency, and risk management, by independently reviewing key business areas to help ensure compliance with federal and state laws, regulations, and policies. By ensuring federal and state compliance, ensuring the accuracy of enrollee information, and by maintaining the integrity of the on-line enrollment system, CalHEERS, utilized by millions of consumers, the Program Integrity Division directly supports Covered California's mission and strategic pillars.

Furthermore, the Program Integrity Division supports Covered California's goals, strategic pillars, and initiatives by:

- Managing, monitoring and overseeing all data integrity initiatives to preserve data consistency and accuracy within the core systems of the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) and with external entities.
- Improving data accuracy and reliability to support Covered California as a data-driven/evidence-based organization for its policy advancements, operational improvements, and strategic vision.
- Managing and overseeing the user acceptance testing (UAT) process by testing CalHEERS enhancements prior to implementation and resolving critical issues which may negatively impact consumers when they apply for and enroll in a Covered California plan.
- Conducting post-implementation review of the CalHEERS system functionalities to improve operational efficiencies and program compliance.
- Overseeing and monitoring an enterprise-wide risk management reporting process to assist all divisions in their risk analysis and evaluation of organizational operations, internal controls, policies and procedures.
- Establishing safeguards by monitoring and overseeing an integrated and enterprise-wide fraud, waste and abuse management program, which requires collaboration and partnership with various internal and external entities.
- Managing and performing independent external and internal audit services to improve Covered California's operational efficiencies, effectiveness and program oversight.
- Improving compliance with federal and state regulations and mandates.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

The Program Integrity Division was established in July 2015 and was originally comprised of 57 positions based upon the anticipated workload at the time. As a “start-up” Division, in the first year, the Program Integrity Division focused on clearly identifying its purpose to support Covered California's mission, primary values, and strategic pillars. It was not until 2016, that the Program Integrity Division became operational in the following areas:

- CalHEERS Performance & Monitoring Unit (e.g., user acceptance testing, defect prioritization, and post implementation review, etc.)
- Data Integrity Section (e.g., reconciliation process, federal reporting, and data integrity initiatives, etc.)
- Integrated Fraud Management Unit (e.g., fraud, waste and abuse management and oversight, including consumer protection, etc.)
- Enterprise-Wide Risk Management Unit (e.g., Risk Committee, risk tolerance statements and appetites, management reports, State Leadership Accountability Act [SLAA], etc.)
- Internal Audits Branch (e.g., external and internal programmatic and financial audits, etc.)

Over the course of the last three years the Program Integrity Division has significantly matured and expanded its scope to more effectively support Covered California in achieving the organization's mission, governance, as well as its risk and compliance objectives, thus increasing the workload of the Division.

Below are a few examples of changes that have taken place that require an additional layer of leadership within the Program Integrity Division:

1. CalHEERS Development & Maintenance Vendor Transition - Effective July 1, 2019 a contract with Deloitte was executed to take over as the vendor for development and maintenance of California Healthcare Eligibility, Enrollment and Retention System (CalHEERS). For the last seven years Covered California has utilized Accenture for these services and there will be a heavy lift for much of the organization, over the course of the next year, to transition from Accenture to Deloitte. The Program Integrity Division will be heavily involved during the one-year transition phase and for roughly two years after the vendor transition is complete to ensure federal and state compliance, ensure accuracy of enrollee information, and to monitor and manage any risks arising from the transition.

2. CalHEERS System Upgrades - the need for additional CalHEERS system upgrades has resulted in increasing feature releases to four times per year, now occurring in February, April, June, and September each year. Many of the feature releases have up to 20 change requests, of which the Program Integrity Division is responsible for independently reviewing and validating code during the user acceptance testing (UAT) and post-implementation review. This ensures the CalHEERS system is functioning properly for consumers once the code has gone-live. Furthermore, the Program Integrity Division is also intimately involved in auditing an increased number of priority releases within CalHEERS. Priority releases now typically occur up to 4 times per month when there are unanticipated CalHEERS issues that arise. On top of the feature releases and priority releases the Program Integrity Division is responsible for, the Division now also maintains a regular cadence of CalHEERS audits throughout the year.

3. Enterprise Risk Management Process – Today, enterprise risk management processes have a heavier influence on organizational policy. Due to the California State Leadership Accountability Act (SLAA) there is increased visibility around the organization's systems of internal control. Covered California is required to not only maintain effective systems of internal control, but to consistently monitor the effectiveness of these controls and biennially report on the adequacy of the organization's systems of internal controls to the California Department of Finance.

4. Special Projects - The Program Integrity Division has become the escalation point for many divisions within the organization, particularly for the Information Technology Division, with regards to areas and/or risks that directly impact the consumer. The new state subsidy program has required additional auditing and validating within CalHEERS, ensuring we are compliant with state laws and regulations. Additionally, special projects come from other divisions within Covered California, as well as from executive leadership and are typically high-urgency and difficult to predict. The workload of taking on special projects for Covered California has not only increased the number of priorities for the Program Integrity Division but has increased the need for an additional policy-setting leader over the Division.

It is for these reasons that Covered California is requesting the allocation of a CEA, level B to establish a Deputy Director, Program Integrity position to assist the Director, Program Integrity in the strategic management and oversight of the Division. The establishment of a CEA, level B will allow the Director to focus on the Division's annual and multi-year strategic planning.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The Program Integrity Division plays a critical role in Covered California carrying out its mission by independently reviewing key business areas and identifying opportunities to help internal and external stakeholders continuously improve Covered California's consumer-focused operations. Through this work, the Program Integrity Division supports Covered California's ability to remain transparent, innovative, efficient, and in compliance with state and federal laws and regulations.

The Deputy Director, Program Integrity will be the principle policy maker over the following policy areas:

1) Enterprise Risk Management

The Deputy Director will set policy for the following enterprise-wide risk management teams and/or efforts:

- The Enterprise Risk Management Unit
- The Enterprise-wide Risk Management Committee
- Policy of risk tolerance statements and appetites
- Covered California's implementation and adherence to the State Leadership Accountability Act (SLAA)

2) Internal & External Risk-Based Audits

Currently there is no formal policy or process set around internal and external risk-based audits. The Deputy Director establishes new policy regarding the strategic planning and execution of internal and external programmatic and financial audits, including the following areas:

- Design of annual risk-based audit plans
- Policy regarding internal controls and assurance and validation services
- Processes to manage high-risk organizational issues

3) Data Integrity

Currently, many program areas lack policy around data integrity. The proposed CEA will establish new policy for these program areas and will advise on any existing policy, both of which include policy setting over:

- CalHEERS Performance & Monitoring Unit
- User acceptance testing
- Defect prioritization
- Post-implementation processes and review standards
- Reconciliation Processes
- Federal reporting

4) Integrated Fraud Management

The Deputy Director refines existing policy and sets new policy regarding the following:

- Detection and management of fraud, waste, and abuse
- Establishment of safe guards
- Consumer protection processes and policies

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The Deputy Director will have high-level policy development, full decision-making authority, and governance over internal and external audits, reconciliation of enrollment and membership data, and fraud, waste and abuse prevention. The position has a direct decision-making authority over policy and resource allocation for the Program Integrity Division. The Deputy Director will have direct and frequent contact with the Executive Director, the Board Audit & Finance Committee, the Chief Executive Deputy Directors, Directors, Deputy Directors, and external stakeholders and will participate in the overall policy development of Covered California. The Deputy Director will act as the Chief Audit Executive and the Chief Compliance Officer, advising and leading the organization's risk management and mitigation strategies, as well as ensuring organizational compliance with laws and regulations.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

As Covered California is still a developing organization, the Deputy Director will both develop and implement new policy, as well as interpret and implement existing policy.

The proposed CEA will have policy-setting authority and responsibility over the following areas:

- Enterprise Risk Management
- Internal & External Risk-Based Audits
- Data Integrity
- Integrated Fraud Management