

GOVERNMENT PROGRAMS COMPLIANCE POLICY

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| Title: Government Programs Compliance Program Overview | | | | Policy No: 001 | |
| Effective date: 4/21/11 | | | | | |
| Policy Applies to the Following Products with an "X": | | | | | |
| X | Medicare Part D | X | Medicare Advantage and Part D | X | IL Medicare Medicaid Alignment Initiative (MMAI) |
| X | TX State of Texas Access Reform (STAR)/STAR Kids/Children's Health Insurance Plan (CHIP) | X | NM Centennial Care | X | MT Health and Economic Livelihood Partnership (HELP) and Healthy Montana Kids |
| X | IL Blue Cross Community Health Plans | | | | |
| Owners: | | | | | |
| Angela Broadway | | | Manager | | Government Program Compliance |
| Approved: | | | | | |
| Kim Green | | | Government Program Compliance Officer | | Government Program Compliance |
| Regulation Requirement: | | | | | |
| 42 C.F.R. §§ 422.503(b)(4)(vi), 423.504(b)(4)(vi), CMS Medicaid Integrity Program. 42 C.F.R. 438.608 (a)(1). | | | | | |
| Purpose | | | | | |
| The purpose is to provide an overview of the mandatory compliance program requirements and articulate how HCSC complies with these requirements. | | | | | |
| Scope | | | | | |
| This policy applies to HCSC employees, including the chief executive and senior administrators, managers, governing body members and first tier, downstream and related entities (FDRs) as well as subcontractors with similar status under any Medicaid program who are involved in the administration or delivery of the Government Programs referenced above. | | | | | |
| Policy | | | | | |
| This policy addresses HCSC's commitment to adopt and implement an effective compliance program that includes measures to correct program non-compliance as well as fraud, waste and abuse. The compliance program will include the following core requirements as defined in the CMS Managed Care Manual and State Medicaid contracts: | | | | | |
| <ol style="list-style-type: none"> I. Written Policies, Procedures and Standards of Conduct; II. Compliance Officer, Compliance Committee, and High Level Oversight; III. Effective Training and Education; IV. Effective Lines of Communication; V. Well Publicized Disciplinary Standards; VI. Effective System for Routine Monitoring and Identification of Compliance Risks; and VII. Procedures and System for Prompt Response to Compliance Issues. | | | | | |
| HCSC shall ensure that adequate resources are committed to operate and maintain the program as well as: | | | | | |
| <ul style="list-style-type: none"> • Promote and enforce its Standards of Conduct; • Promote and enforce its Compliance Program; • Effectively train and educate its governing body members, employees, temporary staff, FDRs and similar subcontractors; • Effectively establish lines of communication within itself and between itself and its FDRs and similar subcontractors; | | | | | |

- Oversee FDR and similar subcontractors compliance with Medicare C and D requirements;
- Establish and implement an effective system for routine auditing and monitoring and
- Identify and promptly respond to risks and findings.

The HCSC Compliance Program is documented in the HCSC Corporate Integrity and Compliance Program Charter (“the Compliance Program”). Government Contract Holders, FDRs and subcontractors with similar status under any Medicaid program shall rely on the Compliance Program and its Standards of Conduct, titled “HCSC Code of Business Ethics and Conduct” (“The Code”) for compliance expectations. FDRs and subcontractors with similar status under any Medicaid program may rely on their own Compliance Program that meets Medicare and Medicaid Program requirements.

The Compliance Program contains a Government Programs Section which documents the CMS mandatory compliance program requirements and the operations of those aspects of the Compliance Program which apply to Government Programs. A senior member of management with significant government contracts experience shall be appointed to be Government Programs Compliance Officer (GPCO), and will also serve as the Medicare Compliance Officer. In situations where a government contract requires a dedicated compliance officer, HCSC appoints a senior member of management with significant government contracts experience who reports to the GPCO for that role. The GPCO is responsible for administration of the Government Programs Section of the Compliance Program.

The HCSC Chief Ethics and Compliance Officer is responsible for the adoption and implementation of the Compliance Program including the Code. The Code is developed by the Ethics and Compliance Department with input from the GPCO or her/his designee(s). The GPCO reports directly to the HCSC Chief Ethics and Compliance Officer.

The Compliance Program, including the Government Programs Section, the Code and Government Programs Compliance policies are reviewed and updated at least annually or as necessary to incorporate any changes in applicable laws, regulations and other requirements by the Vice President of Compliance Operations with the GPCO or their designee(s). The GPCO ensures that the results of the review and updates are presented to the Government Programs Compliance Committee (GPCC) and the Corporate Compliance Committee (CCC) for their review. The GPCC and the CCC will recommend any changes that they feel are appropriate to the Governing Body of any Government Contract Holders to accept the documents.

HCSC has certain corporate policies that articulate required behavior for HCSC and its employees. Examples of such policies would be the HCSC policies related to Non-Retaliation and Compliance with the Law. To meet the government programs requirements, certain HCSC policies may be relied upon in addition to any applicable government programs specific policies and procedures.

In addition to the HCSC Government Programs Compliance Policies and Procedures, the Government Contract Holders rely on other internal oversight policies and those of their FDRs and similar subcontractors to establish and maintain an effective compliance program and prevent, detect and correct Medicare Part C or Medicare Part D program noncompliance as well as fraud, waste and abuse. Examples of internal functional areas which maintain Policies and Procedures relating to Government Programs include, but are not limited to:

- Government Programs Division
- Ethics and Compliance Department
- Audit Services
- Special Investigations Department
- Health Care Management
- Human Resources
- Finance
- Privacy
- Marketing

Definitions

The Code: the HCSC Code of Business Ethics and Conduct.

Compliance Program: the HCSC Corporate Integrity and Compliance Program Charter, including the Government Programs Section.

Downstream Entity: any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with the MA benefit or Part D benefit, below the level of the arrangement between an MAO or applicant or a Part D plan sponsor or applicant and a first tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services. (See, 42 C.F.R. §, 423.501).

FDR: defined as First Tier, Downstream or Related Entity.

First Tier Entity: any party that enters into a written arrangement, acceptable to CMS, with an MAO or Part D plan sponsor or applicant to provide administrative services or health care services to a Medicare eligible individual under the MA program or Part D program. (See, 42 C.F.R. § 423.501).

Governing Body: that group of individuals at the highest level of governance of the sponsor, such as the Board of Directors or the Board of Trustees, who formulate policy and direct and control the Government Contract Holder in the best interest of the organization and its enrollees. Governing body does not include C-level management such as the Chief Executive Officer, Chief Operations Officer, Chief Financial Officer, etc., unless persons in those management positions also serve as directors or trustees or otherwise at the highest level of governance of the sponsor.

Government Contracts Holders: Health Care Service Corporation, a Mutual Legal Reserve Company ("HCSC") and the following entities: HCSC Insurance Services Company, a wholly-owned subsidiary of HCSC ("HISC"); GHS Health Maintenance Organization, Inc. d/b/a BlueLincs HMO a wholly-owned subsidiary of HCSC ("BlueLincs HMO"); GHS Managed Health Care Plans, Inc. (formerly known as AHS-Tulsa Oklahoma Health Plan, Inc. d/b/a Lovelace Medicare Plan), a wholly owned subsidiary of BlueLincs HMO ("GHS-MHC"); GHS Insurance Company (formerly known as GHS Property and Casualty Insurance Company), a wholly-owned subsidiary of HCSC ("GHS"); or any other HCSC subsidiary or affiliate that holds a Government Programs contract. HCSC, HISC, BlueLincs HMO, GHS-MHC and GHS are each referred to as a "Government Contract Holder" and collectively as "Government Contract Holders."

Government Programs: the operations of any Medicare Advantage, Medicare Part D, or Medicaid contracts.

GPC: Government Programs Compliance.

GPCO: Government Programs Compliance Officer.

GSA: General Services Administration.

Medicaid Integrity Program: In February 2006, the Deficit Reduction Act (DRA) of 2005 was signed into law and created the Medicaid Integrity Program (MIP) under section 1936 of the Social Security Act (the Act). The MIP is the first comprehensive Federal strategy to prevent and reduce provider fraud, waste, and abuse in the Medicaid program.

Medicare: the health insurance program for people:

- 65 or older,
- under 65 with certain disabilities, or
- of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant).

PDP: Prescription Drug Plan.

Related Entity: any entity that is related to an MAO or Part D sponsor by common ownership or control and:

- performs some of the MAO or Part D plan sponsor’s management functions under contract or delegation,
- furnishes services to Medicare enrollees under an oral or written agreement, or
- leases real property or sells materials to the MAO or Part D plan sponsor at a cost of more than \$2,500 during a contract period. (See, 42 C.F.R. §423.501).

Additional Resource

Prescription Drug Benefit Manual, Chapter 9 – Compliance Program Guidelines

Medicare Managed Care Manual, Chapter 21 – Compliance Guidelines

CMS Medicaid Integrity Program

State of Illinois Contract Between the Department of Healthcare and Family Services and Health Care Service Corporation, a Mutual Legal Reserve Company, operating through its division Blue Cross and Blue Shield of Illinois for Furnishing Health Services in an Integrated Care Program by a Managed Care Organization (Illinois Integrated Care Program Contract)

State of Illinois Contract Between the Department of Healthcare and Family Services and Health Care Service Corporation, a Mutual Legal Reserve Company, operating through its division, Blue Cross and Blue Shield of Illinois, for Furnishing Services by a Managed Care Organization (Illinois Family Health Plan Contract)

United States Department of Health and Human Services Centers for Medicare & Medicaid Services Contract in Partnership with State of Illinois Department of Healthcare and Family Services and Health Care Service Corporation (Illinois Medicare Medicaid Alignment Initiative Contract)

State of Illinois Contract Between the Department of Healthcare and Family Services and Health Care Service Corporation, a Mutual Legal Reserve Company, operating through its division, Blue Cross and Blue Shield of Illinois, for Furnishing Managed Long Term Supports and Services by a Managed Care Organization (Illinois Managed Long Term Supports and Services Contract)

State of Montana Contract Between the Department of Public Health and Human Services and Blue Cross and Blue Shield of Montana for Montana Health and Economic Livelihood Partnership (HELP) Program Third Party Claims Administration Services

State of Montana Contract Between the Department of Public Health and Human Services and Blue Cross and Blue Shield of Montana for Healthy Kids Montana Third Party Claims Administration, Case Management and Utilization Review Services

New Mexico Medicaid Managed Care Service Agreement among New Mexico Human Services Department, New Mexico Behavioral Health Purchasing Collaborative and Health Care Service Corporation Insurance Services Company, operating as Blue Cross and Blue Shield of New Mexico

Texas Health and Human Services Commission (HHSC), an administrative agency within the executive department of the State of Texas, and Health Care Service Corporation (HCSC) DBA Blue Cross and Blue Shield of Texas (BCBSTX) (MCO) a corporation organized under the laws of the state of Illinois.

| Review Date | Board Ratification Date | Author | Description of Changes |
|--------------------|--------------------------------|-----------------|--|
| 06/13/2017 | 12/05/2017 | Angela Broadway | Change in ownership, update name of IL Medicaid Plans and minor grammatical corrections. |
| 08/25/2016 | 12/06/2016 | Ren Herr | Included reference to Compliance Officers that might be dedicated to a single program who report to the GPCO and edited for clarity and consistency of formatting. |

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| 08/27/2015 | 12/08/2015 | Dennis Klopfle | Deleted a few statements that were no longer pertinent. Also deleted the complete list of definitions and moved them to a procedure. |
| 04/03/2015 | 07/23/2015 | Dennis Klopfle | The only change was to the Owner Names. |
| 06/27/2014 | N/A | Deb Coleman | No changes recommended. |
| 04/14/2014 | 05/06/2014 | Deb Coleman | Policy language extracted & updated from the 2/26/2013 approved Policy & Procedure. Government Programs Compliance (GPC) will now be maintaining a separate policy and a separate procedure on each government requirement. |
| 01/23/2013 | 02/26/2013 | Dennis Klopfle | Revised the Compliance Officer information. Included all Medicare and Medicaid products. Changed header title. Included responsibilities of Enterprise Health Care Management. Changed "subsidiary" reference to "Government Contract Holders (as defined in the Health Care Service Corporation Corporate Integrity & Compliance Program Government Programs Section)." |
| 02/02/2012 | 02/20/2012 | Ren. Herr | Modified to reflect HCSC ownership and to include application to MA-PD. |
| 10/11/2011 | 11/07/2011 | Fran Free | Reviewed and revised to include comments from Legal and Government Contracts Compliance. |
| 03/29/2011 | 04/21/2011 | Fran Free | Develop an overarching P&P that explains HISC utilizes HCSC departmental P&Ps. |