

## GOVERNMENT PROGRAMS COMPLIANCE POLICY

<b>Title: Written Policies Procedures and Standards of Conduct</b>				<b>Policy No: 002</b>	
<b>Effective date: 4/21/11</b>					
<b>Policy Applies to the Following Products with an "X":</b>					
X	Medicare Part D	X	Medicare Advantage and Part D	X	Medicare Medicaid Plan (MMP)
<b>Owners:</b>					
Kim Green		Government Programs Compliance Officer		Government Program Compliance	
<b>Approved:</b>					
HCSC Board of Directors					
<b>Purpose</b>					
The purpose of this policy is to articulate HCSC's commitment to compliance with the CMS guidelines that require the adoption and implementation of written policies, procedures and standards of conduct.					
<b>Scope</b>					
This policy applies to HCSC employees who are involved in the administration or delivery of the government programs related to this policy, including the chief executive and senior administrators, managers, governing body members, and first tier, downstream, and related entities (FDRs).					
<b>Policy</b>					
HCSC is committed to complying with all CMS guidelines, including but not limited to those specific to the establishment and implementation of written policies, procedures, and standards of conduct.					
HCSC's Corporate Integrity and Compliance Program Charter (the Compliance Program) is a comprehensive, written set of documents that contain a Government Programs section. The Compliance Program also encompasses the HCSC Code of Ethics and Conduct (the "Code") and the Government Programs Policies and Procedures.					
<b><u>Required Elements of Government Programs Compliance (GPC) Policies and Procedures</u></b>					
The GPC Policy template and GPC Procedure template are to be used for all GPC Policies and GPC Procedures.					
Government Programs Policies and Procedures are written documents that, at a minimum:					
<ul style="list-style-type: none"> <li>• Articulate HCSC's commitment to complying with all applicable Federal and State standards.</li> <li>• Describe HCSC's compliance expectations as embodied in the Code.</li> <li>• Implement the operation of the Compliance Program.</li> <li>• Provide guidance to employees, FDRs and others on dealing with potential compliance issues.</li> <li>• Identify how to communicate compliance issues to appropriate compliance personnel.</li> <li>• Describe how potential compliance issues are investigated and resolved by HCSC.</li> <li>• Include a policy of non-intimidation and non-retaliation for good faith participation in the compliance program, including but not limited to reporting potential issues, investigating issues, conducting self-evaluations, audits and remedial actions, and reporting to appropriate officials.</li> </ul>					
<b><u>Annual Review of Government Programs Compliance Policies and Procedures</u></b>					
The GPC Policies are to be reviewed, revised as needed, and approved by the Governing Bodies of the Government Contract Holders at least annually, and as necessary to incorporate changes in applicable laws, regulations and other requirements.					

The GPCO or her/his designee(s) monitors and ensures GPC Policies and GPC Procedures shall be updated at least annually, and as necessary to incorporate changes in applicable laws, regulations and other program requirements.

The GPCO or her/his designee(s) presents all GPC Policies for review and approval to the HCSC Compliance Committee and the Audit and Compliance Committee of the HCSC Board of Directors.

Government Contract Holders require that all FDRs, as well as subcontractors with similar status under any Medicaid program, involved in Government Contracts adhere to the HCSC Compliance Program and GPC Policies and Procedures or, alternatively and where applicable, that the FDRs or similar subcontractors and their employees must have a comparable Compliance Program, policies and procedures, and Standards of Conduct.

### **Standards of Conduct**

The HCSC Code of Ethics and Conduct (the “Code”) includes the Standards of Conduct.

- The Code is monitored and managed within the HCSC Corporate Ethics and Compliance Department with input and approval by the Government Program Compliance Officer (GPCO) or her/his designee(s).
- HCSC requires all employees, temporary staff, independent contractors, FDRs, as well as subcontractors with similar status under any Medicaid program, and their employees and volunteers to have read or agree to read the Code which requires adherence to the law and all company policies, procedures and corporate standards. Additionally, they must understand the purpose of the Compliance Program and how it applies to them.

The Code, the Compliance Program, and the GPC Policies and Procedures shall be made available to all employees, temporary staff, independent contractors, volunteers, and FDRs involved in administering or delivering benefits of Government Programs within 90 days of hire and whenever updated, at least annually, thereafter.

Electronic copies of all the above documents are made easily accessible and available at all times on the company's intranet site and external website.

Links to all the above documents are also included in required general compliance and Fraud, Waste, and Abuse training.

### **Definitions**

**The “Code”:** HCSC Code of 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. (42 C.F.R. §, 423.501).

**FDR:** 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. (42 C.F.R. § 423.501).

**GPC:** Government Programs Compliance

**GPCO:** Government Programs Compliance Officer.

**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 Insurance Company (formerly known as GHS Property and Casualty Insurance Company), a wholly-owned subsidiary of HCSC (“GHS”); Illinois Blue Cross Blue Shield Insurance Company, a wholly-owned subsidiary of HCSC (“IBCBSIC”) or any other HCSC subsidiary or affiliate that holds a Government Programs contract. HCSC, HISC, BlueLincs HMO, GHS and IBCBSIC are each referred to as a “Government Contract Holder” and collectively as “Government Contract Holders.”

**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. (42 C.F.R. §423.501).

**Governing Authorities**

42 C.F.R. §§ 422.503(b)(4)(vi)(A)  
 42 C.F.R. §§ 423.504(b)(4)(vi)(A),  
 HCSC Corporate Integrity and Compliance Program.  
 HCSC Policy Template  
 HCSC Procedure Template  
 Prescription Drug Benefit Manual, Chapter 9 – Compliance Program Guidelines  
 Medicare Managed Care Manual, Chapter 21 – Compliance Guidelines

Review Date	Board Ratification Date	Author	Description of Changes
08/27/2020	12/08/2020	Angela Broadway	Updated Government Contracts Holders to include new subsidiary IBCBSIC.
07/03/2019	12/03/2019	Angela Broadway	Removed Medicaid Plans – created new Medicaid specific GPC Policy. Removed verbiage around GPCO – created new Policy. Added section headings. Minor grammatical corrections.
06/22/2018	12/04/2018	Angela Broadway	Removed reference to Montana HELP program. Added reference to IL Blue Cross Community Health Plans and removed references to old IL Medicaid contracts. Updated name of Code of Ethics and Conduct.
06/13/2017	12/05/2017	Angela Broadway	Change in ownership, update name of IL Medicaid Plans and minor grammatical corrections.

08/29/16	12/06/2016	Kim Tulsy	Clarification of distribution of Compliance Documents, Minor grammatical changes and wording changes.
08/27/15	12/08/2015	Dennis Klopfle Kim Tulsy	Reordered paragraphs and added State references.
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 title. Included reference to all Government Programs. Updated information on Government Programs Compliance Officer. Added regulation to Resources section.
02/02/2012	02/20/2012	Dennis Klopfle	Modified to reflect HCSC ownership and to include application to MA-PD.
01/10/2012	11/07/2011	Fran Free	No changes recommended
03/15/2011	04/21/2011	Fran Free	Defined formal process for developing HISC Medicare Compliance P&Ps.