

## GOVERNMENT PROGRAMS COMPLIANCE POLICY

<b>Title: Records Retention</b>			<b>Policy No: 013</b>		
<b>Effective Date: 5/6/14</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 Programs 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 related to Record Retention.					
<b>Scope</b>					
This policy applies to HCSC employees who are involved in the administration or delivery of the Government Programs referenced above, including the chief executive and senior administrators, managers, governing body members, and First Tier, Downstream and Related entities (FDRs).					
<b>Policy</b>					
<p>HCSC is committed to complying with all CMS guidelines related to records retention.</p> <p>HCSC and all First Tier, Downstream or Related Entities (FDRs) must preserve and retain records and documents for 10 years from the last day of the contract period or government audit, whichever is later.</p> <p>If there is no Legal or Tax Hold, records can be destroyed after complying with these retention standards.</p> <p>Documentation is maintained in several formats such as, but not limited to, hard copy and various forms of electronic versions.</p> <p>Documentation will be made available per CMS contractual requirements.</p> <p>Documents to be maintained, include but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Ownership and operation of the organization's financial, medical, and other record keeping systems</li> <li>• Enrollment and disenrollment records for the current contract period and 10 prior periods</li> <li>• All marketing materials, promotional materials, telemarketing scripts, membership communications, member ID cards, Annual Notice of Changes (ANOC), Evidence of Coverage (EOC), agent/broker training and testing materials</li> <li>• Records of investigations and disciplinary actions for compliance violations</li> <li>• Financial statements for the current contract period and 10 prior periods</li> <li>• Federal income tax or informational returns for the current contract period and 10 prior periods.</li> <li>• Asset acquisition, lease, sale, or other action</li> <li>• Agreements, contracts, and subcontracts</li> <li>• Franchise, marketing, and management agreements</li> <li>• Schedules of charges for the MA organization's fee-for-service patients</li> <li>• Matters pertaining to costs of operations</li> <li>• Amounts of income received by source and payment</li> <li>• Cash flow statements</li> <li>• Any financial reports filed with other Federal programs or State authorities</li> <li>• All prescription drug claims for the current contract period and 10 prior periods</li> <li>• All price concessions (including concessions offered by manufacturers) for 10 years from the end of the final contract period or completion of audit, whichever is later and accounted for separately from other administrative fees</li> </ul>					

The intent of record retention is to accommodate CMS and other regulatory agency inspection, internal and external audits, and to provide the reviewer(s) the ability to evaluate:

- The quality, appropriateness, and timeliness of services furnished to Medicare, Medicaid and MMP enrollees under the applicable contracts
- Compliance with CMS requirements for maintaining the privacy and security of protected health information and other personally identifiable information of Medicare enrollees
- The ability of the organization to bear the risk of potential financial losses, or to services performed or determinations of amounts payable under the contract
- All direct and indirect costs claimed to have been incurred and used in the preparation of the bid proposal.
- Component rates of the bid for determining additional and supplementary benefits
- The rates utilized in setting premiums for State insurance agency purposes and for other government and private purchasers
- The enrollment and disenrollment records for the current contract period and 10 prior periods

## Definitions

**CMS:** Centers for Medicare and Medicaid Services.

**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).

**FWA:** Fraud, Waste and Abuse.

**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).

**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.”

**GPC:** Government Programs Compliance.

**HCSC:** Health Care Service Corporation.

**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. §§ 422.504(d) and 422.504(e)(1)(iii)

Prescription Drug Benefit Manual. Chapter 9

Medicare Managed Care Manual. Chapter 21

Corporate Records & Information Management Policy #9.01

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)

<b>Review Date</b>	<b>Board Ratification Date</b>	<b>Author</b>	<b>Description of Changes</b>
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. Minor grammatical corrections.
7/12/2018	12/04/2018	Meredith Fahrner	Removed MT HELP Program reference
06/13/2017	12/05/2017	Meredith Fahrner	Change in ownership, update name of IL Medicaid Plans and minor grammatical changes.
09/09/2016	12/06/2016	William Biegel	Added marketing materials and records of investigations and disciplinary actions for compliance violations. Added additional specifics from the regulations. Updates and minor changes to Definitions.
08/27/2015	12/08/2015	Dennis Klopfle	Minor changes
06/27/2014	12/09/2014	Dennis Klopfle	No changes required.
04/14/2014	05/06/2014	Dennis Klopfle	For prior years, Government Programs Compliance (GPC) relied on HCSC Corporate Policy #9.01 Corporate Records & Information Management. With the addition of all of our new government programs, GPC determined that a new policy was required to expand on government programs record retention.