

## GOVERNMENT PROGRAMS COMPLIANCE POLICY

<b>Title: Medicare Compliance Officer</b>		<b>Policy No: 015</b>	
<b>Effective Date: 12/03/2019</b>			
<b>Policy Applies to the Following Products with an "X":</b>			
X	Medicare Part D (as applicable includes Group)	X	Medicare Advantage and Part D (as applicable includes Dual-Special Needs Plan (D-SNP) and Group)
X		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 all CMS and federal regulatory guidelines related to the designation of a compliance officer and compliance committee accountable to HCSC's chief executive or other senior management.			
<b>Scope</b>			
This policy applies to HCSC employees who are involved in administering or delivering a benefit 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 federal guidelines related to the adoption and implementation of an effective compliance program, including the designation of a compliance officer and compliance committee reporting directly to and are accountable to HCSC's chief executive or other senior management.			
<b><u>Compliance Officer</u></b>			
A senior member of management with significant government contracts experience shall be appointed to be the 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 administering the Government Programs Section of the Compliance Program.			
The Government Programs Compliance Officer:			
<ul style="list-style-type: none"> <li>▪ Reports directly to the HCSC Chief Ethics and Compliance Officer.</li> <li>▪ Is vested with the day-to-day operations of the Government Programs compliance program.</li> <li>▪ Reports regularly to the HCSC governing body. The GPCO meets quarterly with Boards and Committees. The GPCO provides updates on the activities and status of the compliance program, including issues that the compliance program identified, investigated, and resolved.</li> <li>▪ Is a full-time employee of HCSC. The GPCO is not an employee of any first tier, downstream, or related entity.</li> <li>▪ Ensures that 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. The GPCO ensures that 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.</li> </ul>			
<b><u>Compliance Committee and governing body</u></b>			
The GPCO will report periodically on the risk areas, strategies, status, and activities of the Compliance Program to the CEO, Senior Management, and the Governing Bodies of the Government Contract Holders, the Corporate Compliance			

Committee, the Audit Committee, and the Government Programs Compliance Committee, in accordance with the HCSC Corporate Integrity and Compliance Program.

The CEO and senior management ensure that the GPCO is integrated into the organization and is given the credibility, authority, and resources necessary to operate a robust and effective compliance program. The GPCO must provide the CEO periodic reports of risk areas facing the organization, the strategies being implemented to address them, and the results of those strategies. The GPCO must also advise the CEO of all governmental compliance enforcement activity, from Notices of Non-compliance to formal enforcement actions.

## Definitions

**The Code:** HCSC Code of Ethics and Conduct

**Compliance Program:** HCSC Corporate Integrity and Compliance Program, 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).

**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.”

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

**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.

**HCSC:** Health Care Service Corporation and any and all of its subsidiaries that are directly involved in the administration of Government Programs

**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)

**Related Entity:** any entity that is related to a Medicare Advantage Organization (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)(vi)(B)

42 C.F.R. § 438.608(a)(1)(iv)

Prescription Drug Benefit Manual, Chapter 9

Medicare Managed Care Manual, Chapter 21

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>
07/13/2021	12/07/2021	Angela Broadway	Updated title to include “Medicare” and added regulatory reference for MMP.
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	Creation of new policy to articulate the designation, role and responsibility of the Government Programs Compliance Officer.