

GOVERNMENT PROGRAMS COMPLIANCE POLICY

Title: Government Programs Compliance Program - Medicaid				Policy No: 016	
Effective Date: 12/03/2019					
Policy Applies to the Following Products with an "X":					
X	IL - Blue Cross Community Health Plans (IL Medicaid)	X	Medicare Medicaid Plan (MMP)	X	NM - Centennial Care (NM Medicaid)
X	TX - State of Texas Access Reform (STAR) STAR Kids/Children's Health Insurance Plan (CHIP) (TX Medicaid)				
Owners:					
Kim Green			Government Programs Compliance Officer	Government Programs Compliance	
Approved:					
HCSC Board of Directors					
Purpose					
This policy provides an overview of the mandatory Medicaid compliance program requirements and articulates how HCSC complies with these requirements.					
Scope					
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 subcontractors					
Policy					
<p>HCSC is committed to implementing and maintaining an effective compliance program which includes arrangements and procedures designed to detect and correct program noncompliance and fraud, waste and abuse (FWA). The compliance program includes the following core requirements as defined in the Code of Federal Regulations for Medicaid Managed Care:</p> <ol style="list-style-type: none"> I. Written Policies, Procedures and Standards of Conduct II. Compliance Officer III. Regulatory Compliance Committee IV. A System for Training and Education V. Effective Lines of Communication VI. Well Publicized Disciplinary Standards VII. Procedures and System for Routine Monitoring and Identification of Compliance Risks and Response to Compliance Issues. <p>HCSC meets its regulatory compliance program obligations as outlined below:</p> <ol style="list-style-type: none"> I. <u>Written Policies, Procedures, and Standards of Conduct</u> GPC maintains Medicaid compliance policies, procedures, and Standards of Conduct for its Medicaid contracts. <p>The written policies and procedures:</p> <ul style="list-style-type: none"> ▪ Articulate HCSC's commitment to compliance with all applicable State and Federal requirements ▪ Articulate HCSC's commitment to compliance with all contractual requirements and standards ▪ Are reviewed and revised annually. <p><u>Standards of Conduct</u> The HCSC Code of Ethics and Conduct (the "Code") articulates HCSC's Standards of Conduct.</p> <ul style="list-style-type: none"> ▪ HCSC requires all employees, temporary staff, independent contractors, Medicaid subcontractors 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 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).

The Compliance Program

The HCSC Corporate Integrity and Compliance Program Charter (“the Compliance Program”) documents the HCSC Compliance Program. The Compliance Program contains a Government Programs Section. This section includes aspects of the Compliance Program which apply to Government Programs. The Compliance Program applies to all Medicaid contracts.

Distribution of the Compliance Program, Compliance Policies, Procedures and Standards of Conduct

The Code, the Compliance Program and the GPC Policies shall be made available to all employees, temporary staff, independent contractors, volunteers, subcontractors and their employees, involved in the administration or delivery of benefits of the Government Programs, within 90 days of hire and whenever updated, at least annually, thereafter. Electronic copies of the documents are made easily accessible and available on the company's intranet site and external website. Links to the documents are also included in required general compliance and FWA training.

II. Compliance Officer

A senior member of management with significant government contracts experience shall be appointed to be the Government Programs Compliance Officer (GPCO). The GPCO is responsible for administration of the Government Programs Section of the Compliance Program. If a Medicaid contract requires a dedicated, state-specific Compliance Officer, the GPCO shall appoint a duly qualified individual.

The Government Programs Compliance Officer:

- Reports directly to the HCSC Chief Ethics and Compliance Officer who reports to the HCSC CEO.
- Is vested with the day-to-day operations of the compliance program.
- 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.
- Is a full-time employee of HCSC.
- 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 may make document revisions and recommendations, as appropriate, to the Governing Body of any Government Contract Holders.

HCSC's GPCO reports directly to the Corporate Chief Compliance Officer and Senior Vice President, who reports to the CEO and HCSC Board of Directors and is also the chair of the Corporate Compliance Committee (CCC).

The CCC is charged with overseeing HCSC's compliance program, developing and implementing policies, procedures, and practices designed to ensure compliance with HCSC's contracts. The Chief Compliance Officer, the GPCO and the Vice President Compliance Operations are responsible for keeping the Corporate Compliance Committee informed of any significant actions taken with respect to the implementation, administration, and operation of the Compliance Program, including violations of applicable laws and regulations, and terms and conditions of government contracts.

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 CEO must receive periodic reports from the GPCO of risk areas facing the organization, the strategies being implemented to address them and the results of those strategies. The CEO must also be advised of all governmental compliance enforcement activity.

Each state Medicaid plan has a full-time Medicaid Compliance Officer, where required by contract, who:

- Is dedicated to the Medicaid contract(s) in that state.
- Is responsible for implementing and maintaining the Compliance Program in their Medicaid plan.

- Is responsible for developing and implementing the compliance policies, procedures, and practices related to their Medicaid contract.
- Reports through the Government Programs Compliance organizational structure to the GPCO and the Chief Compliance Officer, the HCSC Board and the CEO.
- Chairs their Medicaid plan's Regulatory Compliance Committee.
- Makes periodic reports to the VP of Medicaid Operations on the risk areas, strategies, status, and activities of their Medicaid plan's Compliance Program.
- Makes periodic reports to their Regulatory Compliance Committee on the risk areas, strategies, status, and activities of their Medicaid plan's Compliance Program.

III. Regulatory Compliance Committee

HCSC establishes and maintains a Regulatory Compliance Committee for each HCSC Medicaid plan. Each Regulatory Compliance Committee shall oversee the compliance program and the plan's compliance with contract requirements. The purpose of the Medicaid Regulatory Compliance Committees is to develop strategies to promote the compliance program and support contract compliance, program integrity, and FWA efforts by overseeing the identification and mitigation of compliance and FWA risks.

Each state Regulatory Compliance Committee reports quarterly to the Government Programs Compliance Committee (GPCC). The highest risk issues from each of the state Medicaid Regulatory Compliance Committees are reported out by the state Compliance Officers and are included in the Government Programs Compliance report. GPCC is chaired by the Government Programs Compliance Officer and is attended by Line of Business and functional area leaders.

Quarterly, the Government Programs Compliance Officer presents the highest risk issues to the Corporate Compliance Committee, which is chaired by the Chief Compliance Officer. The Government Programs Compliance report is distributed to committee members.

Five times yearly, the Government Programs Compliance Officer presents the highest risk issues to the governing body of the Medicaid plans (Audit and Compliance Committee of the HCSC Board or the HCSC Insurance Services Company (HISC) board). The Government Programs Compliance report is distributed to committee members.

IV. A System for Training and Education

HCSC will establish, implement and provide effective training and education on General Compliance responsibilities and FWA to the Compliance Officer, senior management and employees for the Federal and State standards and requirements under the contract.

All General Compliance and FWA training will occur within 90 days of hiring and onboarding and annually thereafter for all:

- employees, including the CEO, senior administrators, and managers,
- temporary workers, and
- governing body members.

Training materials shall be reviewed and updated at least annually and, if necessary, whenever there are material changes in regulations, policy or guidance. Updates to training information may be distributed using alternate methods, such as email or posting on websites, rather than formalized training.

Development and Topics of General Compliance and FWA Training

The Ethics and Compliance Department implements General Compliance and FWA training. The Delivery, Performance and Integrity Department is responsible for job-specific or subcontractor General Compliance and FWA training and other training required by CMS or state contracts.

At a minimum, the following topics are included in general compliance or FWA training:

1. HCSC's commitment to comply with all Medicaid program requirements,
2. HCSC's non-retaliation policy,
3. A description of
 - a. the Compliance Program,
 - b. policies and procedures, and

- c. Standards of Conduct,
4. An overview of how to report suspected or detected noncompliance or FWA and a review of disciplinary guidelines for non-compliant or fraudulent behavior,
5. Attendance and participation in compliance and FWA training programs as
 - a. a condition of continued employment, and
 - b. a criterion in employee evaluations,
6. Review of policies related to contracting with the government, such as addressing gifts and gratuities for government employees,
7. Review of potential conflicts of interest and our mechanisms for disclosing any conflicts,
8. Overview of HIPAA and maintaining confidentiality,
9. Overview of monitoring and audit processes,
10. A review of the laws and regulations that,
 - a. govern employee conduct in the Medicaid program,
 - b. relate to Medicaid including, but not limited to:
 - i. federal and applicable state False Claims Acts,
 - ii. Anti-Kickback statute,
 - iii. HIPAA,
 - iv. the CMS Data Use Agreement, as applicable, and
 - v. maintaining confidentiality.

As part of the training process, all employees are required to complete a certification related to their compliance-related responsibilities. The Ethics and Compliance Department will review the responses to these certifications and investigate and remediate any issues identified.

In certain situations, as part of the remediation of issues of non-compliance, HCSC may require job-specific training to employees as appropriate. This job-specific training will be the responsibility of the business area impacted, or the Delivery, Performance and Integrity Department.

V. Effective Lines of Communication

Reporting concerns is a requirement of the HCSC Corporate Integrity and Compliance Program Charter, Standards of Conduct, and a requirement of employment. HCSC maintains mechanisms to report suspected noncompliance and potential FWA issues. These reporting mechanisms will be communicated through several venues, emphasizing HCSC's policy of non-intimidation and non-retaliation for good faith reporting of compliance concerns.

- Employees and other individuals are provided the Corporate Integrity Hotline number (which can be used for any of the government lines of business listed above), accessible 24 hours a day, 7 days a week, at time of hire or contracting and are reminded a minimum of annually that it is their responsibility to report concerns involving ethical or compliance violations related to our governmental lines of business.
- All calls to the Corporate Integrity Hotline and reports made to the online tool at www.alertline.com are confidential, cannot be traced, and can be made anonymously and without fear of intimidation or retaliation.
- Employees and other individuals may also report concerns involving ethics or compliance violations with the web reporting tool. These reports are confidential, cannot be traced, and can be made anonymously and without fear of intimidation or retaliation.
- Employees and other individuals may also contact the GPCO or her/his designees directly via phone or through email.
- All issues reported to the GPCO will be tracked by the GPCO or her/his designees, reviewed, investigated and resolved as determined appropriate.

When a suspected non-compliance issue is reported either through the Corporate Integrity Hotline, or any other means mentioned above, the complainant is provided with information stating that the issue(s) will be addressed in a timely fashion, as well as information regarding confidentiality and non-retaliation. Complainants may not know the outcome of the investigation (due to the confidentiality of other parties involved). Compliance investigations are initiated within 14 business days and worked as quickly as possible. Based on the allegations involved, some cases may take longer to conclude.

VI. Well-publicized Disciplinary Standards

HCSC's disciplinary standards for employees and subcontractors contain the following components:

- Articulates expectations for reporting and assistance in resolving compliance issues,
- Defines noncompliant, unethical or illegal behavior,

- Requirement that employees participate in required training, and
- Provision for timely, consistent and effective enforcement of the standards when non-compliance or unethical behavior is determined to have occurred.

HCSC publicizes the disciplinary standards as well as communicate examples of behavior using the following publication mechanisms:

- Code of Ethics and Conduct,
- Annual Regulatory and Compliance Management Certification,
- Government Programs Compliance Officer Newsletters,
- Communications with subcontractors,
- Compliance Training, and
- Internet and Intranet Web Sites.

The HCSC Code of Ethics and Conduct articulates HCSC's compliance requirements for its employees and subcontractors. Failure to meet these expectations could result in disciplinary action, up to and including termination of employment or termination of subcontractor.

Failure to comply with the above expectations and standards will result in disciplinary action.

Employees

HCSC addresses employee enforcement standards in the "Corrective Action Policy: The Code and Conduct Standards." There are four levels of action taken on noncompliant, unethical or illegal behavior:

- Level 1: Counseling of employee,
- Level 2: Counseling of employee with denial of or a lower merit increase and denial of all or a portion of the Annual Performance Incentive,
- Level 3: Counseling of employee and unpaid suspension with denial of merit increase and denial of API bonus, and
- Level 4: Termination of employment.

Subcontractors

- HCSC may become aware of noncompliant or unethical behavior of subcontractors through monitoring, auditing activities, or self-reporting by subcontractors.
- When HCSC becomes aware of these activities, it may impose corrective actions which may include disciplinary actions, if warranted. Disciplinary action taken on noncompliant, unethical, or illegal behavior must be appropriate to the seriousness of the violation.
- This corrective action may result in:
 - counseling and training,
 - a corrective action plan,
 - contract termination, and
 - reporting of noncompliant, unethical or illegal behavior to appropriate government agency (CMS, State Medicaid agency, Department of Insurance, etc.).

Records of disciplinary actions resulting from compliance violations must be maintained for 10 years from the end of the final contract period or completion of audit, whichever is later. The record will include:

- the date the violation was reported,
- a description of the violation,
- date of investigation,
- summary of findings,
- disciplinary action(s) taken and
- the date it was taken.

VII. Procedures and System for Routine Monitoring and Identification of Compliance Risks and Response to Compliance Issues

HCSC is committed to complying with all guidelines and requirements specific to the establishment and implementation of an effective system for routine monitoring and auditing of compliance risks, prompt response to compliance issues, and investigation and correction of compliance issues.

Accordingly, HCSC ensures an effective system is established and implemented for internal monitoring and auditing of:

- HCSC's compliance with state Medicaid requirements and potential FWA,

- The overall effectiveness of the Government Programs Compliance (GPC) program

This policy and system are inclusive of the following requirements:

- Routine monitoring performed by business areas as part of normal operations;
- Targeted monitoring activities performed by GPC to test specific, identified risks of non-compliance.
- Audits performed by Audit Services.

GPC and Audit Services have procedures for responding to monitoring and auditing results. Those procedures include conducting follow-up reviews of areas found to be non-compliant to determine if the corrective actions implemented have fully addressed the underlying problems. The GPCO leads or oversees Formal Corrective Actions.

The GPCO, assisted by the GPC staff and/or the Compliance Committee(s) if desired, coordinates, oversees, and/or executes all Monitoring and Auditing Activities.

The GPCO or his/her designee provides updates regarding the results of the Monitoring and Auditing Activities to the Regulatory Compliance Committee, the Government Programs Compliance Committee, the Corporate Compliance Committee, CEO, senior leadership, and to the governing bodies on a regular basis.

Definitions

Abuse: actions that may, directly or indirectly, result in: unnecessary costs to a Government Program, improper payment, payment for services that fail to meet professionally recognized standards of care, or services that are medically unnecessary. Abuse involves payment for items or services when there is no legal entitlement to that payment and the provider has not knowingly and/or intentionally misrepresented facts to obtain payment. Abuse cannot be differentiated categorically from fraud, because the distinction between “fraud” and “abuse” depends on specific facts and circumstances, intent and prior knowledge, and available evidence, among other factors.

The Code: HCSC Code of Ethics and Conduct

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

Fraud: knowingly and willfully executing, or attempting to execute, a scheme or artifice to defraud any health care benefit program or to obtain (by means of false or fraudulent pretenses, representations, or promises) any of the money or property owned by, or under the custody or control of, any health care benefit program. 18 U.S.C. § 1347.

FWA: fraud, waste, and abuse.

Governing Body: 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 sponsor in the best interest of the organization and its enrollees. As used in this chapter, 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.”

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

GPC: Government Programs Compliance

GPCO: Government Programs Compliance Officer

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

Monitoring Activities: regular reviews performed as part of normal operations to confirm ongoing compliance and to ensure that corrective actions are undertaken and effective.

OIG: Office of the Inspector General within DHHS. The Inspector General is responsible for audits, evaluations, investigations, and law enforcement efforts relating to DHHS programs and operations, including the Medicare and Medicaid programs.

SID: the Special Investigations Department, HCSC's Special Investigations Unit.

Special Investigations Unit (SIU): an internal investigation unit responsible for conducting investigations of potential FWA.

Waste: the overutilization of services, or other practices that, directly or indirectly, result in unnecessary costs to the Medicare program. Waste is generally not considered to be caused by criminally negligent actions but rather the misuse of resources.

Governing Authorities

42 CFR 438.230 (Medicaid subcontractors).

CMS Medicaid Integrity Program 42 C.F.R. § Part 438.608 and Part 455.
CMS Medicaid Integrity Program 42 C.F.R. § 438.608 (a)(1)(i).

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 by a Managed Care Organization (Blue Cross Community Health Plans 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)

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
09/04/2020	12/08/2020	Melissa Lupella	Removed references to Government and Consumer Solutions department and replaced with appropriate terms. Updated Government Contracts Holders to include new subsidiary IBCBSIC.
07/03/2019	12/03/2019	Melissa Lupella	Creation of new Medicaid-specific policy.