GOVERNMENT PROGRAMS POLICY

Title: Communication and Reporting Mechanisms  
Policy No: 004

Policy Applies to the Following Products with an “X”:

<table>
<thead>
<tr>
<th>Product</th>
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<tbody>
<tr>
<td>Medicare Part D</td>
</tr>
<tr>
<td>MAPD</td>
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<tr>
<td>Dual Eligible MAPD SNP</td>
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<tr>
<td>Texas Medicaid</td>
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<tr>
<td>NM Centennial Care</td>
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<tr>
<td>IL MMAI</td>
</tr>
<tr>
<td>IL ICP</td>
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Owners:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Department</th>
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</thead>
<tbody>
<tr>
<td>Charles Pickett</td>
<td>Senior Manager</td>
<td>Government Programs Compliance</td>
</tr>
<tr>
<td>Ren Herr</td>
<td>Director</td>
<td>Government Programs Compliance</td>
</tr>
</tbody>
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Approved:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Department</th>
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<tbody>
<tr>
<td>Kim Green</td>
<td>Government Programs Compliance Officer</td>
<td>Government Programs Compliance</td>
</tr>
</tbody>
</table>

Initial Approval Date: 04/21/2011  
Current Board Approval Date: 12/09/2014

Regulation Requirement:


Purpose

The purpose is to comply with the Center for Medicare and Medicaid Services (CMS) guidelines related to Communications and Reporting Mechanisms as defined in 42 C.F.R. §§ 422.503(b)(4)(vi)(D), 423.504(b)(4)(vi)(D) and 42 C.F.R §§ 422.503(b)(4)(vi)(B), 423.504(b)(4)(vi)(B)

Scope

This policy applies to HCSC employees, including the chief executive and senior administrators, managers, governing body members and FDRs who are involved in the administration or delivery of the Government Programs referenced above.

Policy

Government Contract Holders shall maintain effective lines of communication, ensuring confidentiality between the compliance officer, members of the compliance committee, employees, directors and FDRs. These lines of communication shall be accessible to all and allow compliance issues to be reported anonymously and confidentially in good faith as they are identified.

Reporting Mechanisms:

Government Contract Holders will maintain mechanisms to report suspected noncompliance and potential FWA issues to the Government Programs Compliance Officer (GPCO). 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.

Reporting concerns is a requirement of the HCSC Corporate Integrity and Compliance Program, Standards of Conduct, and a requirement of employment:

1. Employees and other individuals are provided the Medicare Hotline number, 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 Medicare business.
2. All calls to the Medicare Hotline are confidential, cannot be traced, and can be made anonymously and without fear of intimidation or retaliation.
3. All contacts reporting Compliance issues to the GPCO will be tracked by the GPCO or her/his designees, reviewed, investigated and resolved as determined appropriate.
4. Employees and other individuals may also contact the Medicare Compliance Officer directly via phone or through email, call the Medicare Fraud Hotline or review the HCSC internal Medicare website at [www.hisccompliance.com](http://www.hisccompliance.com) or email at HISCCompliance@BCBSIL.COM.

When a suspected non-compliance issue is reported either through the Medicare 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.

**GPCO Communications:**
The GPCO will also communicate changes in laws, regulations or policies and other pertinent information throughout the year, on an as needed basis, and at his/her discretion.

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

The CEO and senior management should ensure that the compliance officer 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 compliance officer 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, from Notices of Non-compliance to formal enforcement actions.

**Enrollee Communications and Education:**
Contract Holders shall educate their enrollees about identification and reporting of potential FWA. Education methods include a comprehensive Special Investigations Department (SID) website, pamphlets that are included in mailings to enrollees (Explanation of Benefits (“EOB”), as well as fraud information included on the EOB.

**Definitions**

**CMS:** means the Center for Medicare and Medicaid Services.

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

**Downstream Entity:** is 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.)

**Employee(s):** refers to those persons employed by the sponsor or a First Tier, Downstream, or Related Entity (FDR) who provide health and administrative services.

**FDR:** means First Tier, Downstream or Related Entity.

**First Tier Entity:** is 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.)

**Fraud:** is 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:** means fraud, waste and abuse.

**Government Contracts Holders:** Health Care Service Corporation, a Mutual Legal Reserve Company ("HCSC"), HCSC Insurance Services Company, a wholly-owned subsidiary of HCSC ("HISC"), GHS Health Maintenance Organization, Inc. d/b/a BlueLincs HMO ("BlueLincs HMO"), AHS-Tulsa Oklahoma Health Plan, Inc. d/b/a Lovelace Medicare Plan ("AHS"), GHS Property and Casualty Insurance Company ("GHS P&C") or any other HCSC or affiliate that holds a Government Programs contract (each a "Government Contract Holder" and collectively "Government Contract Holders").

**Governing Body:** means that group of individuals at the highest level of governance of the sponsor, such as the Board of Directors, who formulate policy and direct and control the sponsor in the best interest of the organization and its enrollees.

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

**GPC:** means Government Programs Compliance.

**GPCO:** means the Government Programs Compliance Officer.

**Medicare:** is the health insurance program for the following:

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

"**Others**": is defined as Temporary Staff, Independent Contractors and Volunteers.

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

1. Performs some of the MAO or Part D plan sponsor’s management functions under contract or delegation;
2. Furnishes services to Medicare enrollees under an oral or written agreement; or
3. 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).

**SID:** means the Special Investigations Department, HCSC’s Special Investigations Unit.

**Additional Resource**

Prescription Drug Benefit Manual, Chapter 9 – Compliance Program Guidelines

Medicare Managed Care Manual, Chapter 21 – Compliance Guidelines

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

<table>
<thead>
<tr>
<th>Review Date</th>
<th>Effective Date</th>
<th>Author</th>
<th>Description of Changes</th>
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<tr>
<td>06/27/2014</td>
<td>12/09/2014</td>
<td>Charles Pickett</td>
<td>No changes recommended.</td>
</tr>
<tr>
<td>04/14/2014</td>
<td>05/06/2014</td>
<td>Charles Pickett</td>
<td>Policy language extracted and updated from the 2/26/13 approved Policy and Procedure. Government</td>
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Programs Compliance (GPC) will now be maintaining a separate policy and a separate procedure on each government requirement.

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<tr>
<th>Date</th>
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<th>Author</th>
<th>Changes</th>
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<tbody>
<tr>
<td>02/26/2013</td>
<td>02/26/2013</td>
<td>Dennis Klopfle</td>
<td>Changed title, revise names and dates for consistency. Removed posters for announcing hotline since we use other communication resources. Added additional resources. Changed &quot;subsidiary&quot; reference to &quot;Government Contract Holders (as defined in the Health Care Service Corporation Corporate Integrity &amp; Compliance Program Government Programs Section).&quot;</td>
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<tr>
<td>02/02/2012</td>
<td>02/20/2012</td>
<td>Ren Herr</td>
<td>Modified to reflect HCSC ownership and to include application to MA-PD.</td>
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<tr>
<td>03/11/2011</td>
<td>04/21/2011</td>
<td>Fran Free</td>
<td>A separate 24/7 externally manned Hotline has been implemented for all Medicare related issues</td>
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