

GOVERNMENT PROGRAMS COMPLIANCE POLICY

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| Title: Medicare Effective Training and Education | | | | Policy No: 003 | |
| Effective Date: 5/6/14 | | | | | |
| Policy Applies to the Following Products with an "X": | | | | | |
| X | Medicare Part D (PDP) (as applicable includes Group) | X | Medicare Advantage and Part D (MAPD) (as applicable includes Dual-Special Needs Plan (D-SNP) and Group) | X | Medicare Medicaid Plan (MMP) |
| Owners: | | | | | |
| Kim Green | | Government Programs Compliance Officer | | Government Programs Compliance | |
| Approved: | | | | | |
| HCSC Board of Directors | | | | | |
| Purpose | | | | | |
| The purpose is to articulate Health Care Service Corporation's (HCSC) commitment to compliance with the Centers for Medicare & Medicaid Services (CMS) guidelines that require adoption and implementation of effective training and education for HCSC's compliance officer and organization employees, HCSC's chief executive, and other senior administrators, managers, and governing body members. | | | | | |
| Scope | | | | | |
| This policy applies to HCSC employees who are involved in the administration or delivery of the government programs referenced in the Policy Application section above, including the chief executive and senior administrators, managers, governing body members, and first-tier, downstream, and related entities (FDRs). | | | | | |
| Policy | | | | | |
| HCSC is committed to complying with all CMS guidelines, including but not limited to those specific to the establishment and implementation of an effective training and education program. | | | | | |
| This policy and program include the following requirements: | | | | | |
| <u>Training and Education of Employees, Temporary Workers, and Governing Body Members</u> | | | | | |
| HCSC establishes, implements, and provides effective training and education on general compliance responsibilities and Fraud, Waste, and Abuse (FWA). | | | | | |
| General compliance and FWA training will occur within 90 days of hiring and annually thereafter for all: | | | | | |
| <ul style="list-style-type: none"> • Employees, including the CEO, senior administrators, and managers, • Temporary workers, and • Governing body members. | | | | | |
| Training materials will 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 web sites, rather than formalized training. | | | | | |
| <u>Development and Topics of General Compliance and FWA Training</u> | | | | | |
| The Ethics and Compliance Department (ECD) implements the general compliance and FWA training requirements outlined in Chapter 9 of the Medicare Prescription Drug Manual and Chapter 21 of the Medicare Managed Care Manual, published by CMS. The Medicare Delivery, Performance, and Integrity (DPI) Department is responsible for job-specific training. | | | | | |
| At a minimum, the following topics are included in general compliance or FWA training: | | | | | |
| <ol style="list-style-type: none"> 1. HCSC's commitment to comply with all Medicare program requirements. 2. HCSC's non-retaliation policy. 3. A description of the: <ul style="list-style-type: none"> ▪ Compliance Program, ▪ Policies and procedures, and | | | | | |

- Standards of conduct (the Code).
- 4. An overview of how to:
 - Ask compliance questions,
 - Request clarification regarding compliance requirements or expectations, and
 - Report suspected or detected non-compliance or FWA.
- 5. Details about HCSC's FWA Program, including but not limited to:
 - The obligation to report actual or suspected programs non-compliance or potential FWA,
 - Obligations of FDRs or similar subcontractors to have appropriate policies and procedures to address FWA,
 - Processes for HCSC and FDR employees to report suspected FWA,
 - Protections for HCSC and FDR employees who report suspected FWA,
 - Types of FWA that can occur in the settings in which the HCSC employees and/or FDRs or similar subcontractors work, and
 - Examples of reportable FWA and non-compliance that the employee might observe.
- 6. A review of disciplinary guidelines for non-compliant or fraudulent behavior including potential disciplinary consequences up to and including termination.
- 7. Attendance and participation in compliance and FWA training programs as a condition of continued employment.
- 8. A review of policies related to contracting with the government, including restrictions regarding gifts and gratuities for government employees.
- 9. A review of potential conflicts of interest and our mechanisms for disclosing conflicts.
- 10. An overview of monitoring and audit processes.
- 11. A review of the laws and regulations that:
 - Govern employee conduct in the Medicare program,
 - Relate to Medicare Advantage and Part D, including but not limited to:
 - Anti-Kickback statute
 - HIPAA/HITECH
 - The CMS Data Use Agreement, as applicable
 - Maintaining confidentiality
 - Federal and applicable state False Claims Acts.

As part of the training process, all employees are required to complete a certification related to their compliance-related responsibilities. ECD will review the responses to these certifications and investigate and remediate any issues identified. Issues related to Government Programs or Ineligible Parties will be referred to Government Programs Compliance (GPC) for investigation and remediation. All certificates and documentation related to their review and remediation will be maintained for 10 years from the last day of the contract period or completion of audit, whichever is later.

To remediate certain instances of non-compliance, HCSC may provide job-specific training to employees as appropriate. This job-specific training will be the responsibility of the business area impacted or the Medicare DPI Department.

First-Tier, Downstream, and Related Entities (FDRs)

FDRs remain responsible for complying with all terms and conditions of HCSC's contract with CMS. HCSC will monitor and track compliance and FWA responsibilities and contractual obligations amongst their FDRs through the FDR Oversight process administered by the Delegation Oversight department.

Definitions

(The) Code: Code of Ethics and Conduct. HCSC document, including the Government Programs section, outlining the standards of behavior expected to be followed to maintain compliance to policies and regulations, operate with integrity, and make good and ethical decisions when serving our members and communities.

Compliance Program: 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 Medicare Advantage benefit or Part D benefit, below the level of the arrangement between a Medicare Advantage Organization 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: For the purposes of this policy, an individual directly employed by HCSC.

First-Tier Entity: Any party that enters into a written arrangement, acceptable to CMS, with a Medicare Advantage Organization or Part D plan sponsor or applicant to provide administrative services or health care services to a Medicare-eligible individual under the Medicare Advantage program or Part D program. (See, 42 C.F.R. § 423.501).

FWA: Fraud, waste, and abuse.

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."

Government Programs: The operations of any Medicare Advantage, Medicare Part D, Medicare Medicaid Plan (MMP) or Medicaid contracts.

GPC: Government Programs Compliance.

MA: Medicare Advantage. A health plan offered by a private health insurance company as an alternative to traditional Medicare Part A and Part B services, plus Part D. Additional benefits are often added to the plan, such as dental, vision, and wellness services. Sometimes referred to as Medicare Part C since it combines Part A, Part B, Part D, and any additional benefits into a single plan.

MAO: Medicare Advantage Organization. Medicare-approved private health insurance company (subject to following the same rules set for traditional Medicare) offering a Medicare Advantage plan.

MAPD: Medicare Advantage and Part D (prescription drugs) combined benefit plan offered by a private health insurance company.

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).

PDP: Prescription Drug Plan. Medicare insurance plan covering prescription drug costs offered by a private health insurance company. Available as a stand-alone service.

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).

Temporary Workers: For the purposes of this policy, are defined as HCSC contingent workers classified by HCSC's Procurement and Support Services area as "Staff Augmentation" or "Independent Contractors."

Governing Authorities

42 C.F.R. §§ 422.503(b)(4)(vi)(C)
 42 C.F.R. §§ 423.504(b)(4)(vi)(C)
 42 C.F.R. § 438.608(a)(1)(iv).

Prescription Drug Benefit Manual, Chapter 9 – Compliance Program Guidelines

Medicare Managed Care Manual, Chapter 21 – Compliance Guidelines

Deficit Reduction Act of 2005.

Government Programs Fraud, Waste, and Abuse Program

Government Programs Policy 010: Government Programs Fraud, Waste and Abuse

Government Programs Policy 008: Accountability and Oversight of First-Tier, Downstream, and Related Entities

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)

| Review Date | Board Ratification Date | Author | Description of Changes |
|--------------------------|-------------------------|--------------------------------------|--|
| 08/21/24 | 11/21/2024 | Angela McCullough | Added reference to Delegation Oversight department. |
| 09/30/2023 08/15/2023 | 11/14/2023 | Denise Anderson Angela McCullough | Standardization of language used in all GPC policies, updated Definitions section to ensure inclusion of applicable words/phrases, and minor clarification of language in content. Removed reference to employee evaluations, updated language for 10 year retention period. |
| 08/16/2022 | 11/15/2022 | Angela Broadway | Updated Medicare Delivery, Performance and Integrity department name and Compliance Program name. |
| 07/13/2021 | 12/07/2021 | Angela Broadway | Updated Medicare Performance and Delivery department name and updated title to include "Medicare". |
| 08/27/2020 | 12/08/2020 | Angela Broadway | Updated Government Contracts Holders to include new subsidiary IBCBSIC. Updated department name from Government and Consumer Solutions to Delivery, Performance and Integrity. |

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| 07/03/2019 | 12/03/2019 | Kim Tulsy | Removed Medicaid Plans – created new Medicaid specific GPC Policy. Added section headings. Minor grammatical corrections. |
| 8/2/18 | 12/04/2018 | Kim Tulsy | Updated titles. Revised to reflect regulatory changes to remove the phrases in paragraphs (C)(1) and (C)(2) that refer to first tier, downstream and related entities and remove the paragraphs specific to FDR training at §§ 422.503(b)(4)(vi)(C)(2) and (3) and 423.504(b)(4)(vi)(C)(3) and (4), which delted the compliance training requirement for FDRs |
| 05/23/17 | 12/05/2017 | Kim Tulsy | Changed owner. Update name of IL Medicaid Plans. Minor grammar and punctuations changes. Deleted reference to Care Coordination Staffing and Training Plan. Deleted reference to GP FWA training program in the body and added to references. |
| 08/31/16 | 12/06/2016 | Tia Short Ren Herr | Clarification of split of responsibilities between GPC and GPD and re-ordering of paragraphs for clarity. |
| 09/03/2015 | 12/08/2015 | Tia Short | Added new language on the training process. |
| 04/14/2015 | 07/23/15 | Tia Short Ren Herr | Added references to, updated training information for and defined HCSC temporary workers. Updated record retention based on current corporate policy. Modified information related to new FDR training rules, include information related to the Compliance Certification process and included references and responsibilities for job-related training. |
| 06/27/2014 | 12/09/2014 | Ren Herr | To implement 42 C.F.R. 423.504(b)(4)(vi)(C)(4) per the May 23, 2014 Federal Register, plus minor wording changes. |
| 04/14/2014 | 05/06/2014 | Ren Herr | For prior years, Government Programs Compliance (GPC) relied on Ethics and Compliance training and education policies and procedures. With the addition of new government programs, GPC determined that a separate policy was required to expand on information in the HCSC Corporate Integrity and Compliance Program. |