

## GOVERNMENT PROGRAMS COMPLIANCE POLICY

<b>Title: Government Programs Compliance Program - Medicaid</b>				<b>Policy No: 016</b>	
<b>Effective Date: 12/03/2019</b>					
<b>Policy Applies to the Following Products with an "X":</b>					
X	IL - Blue Cross Community Health Plans (IL Medicaid)	X	Medicare Medicaid Plan (MMP)	X	NM - Turquoise Care (NM Medicaid)
X	TX - State of Texas Access Reform (STAR) STAR Kids/Children's Health Insurance Plan (CHIP) (TX Medicaid)				
<b>Owners:</b>					
Kim Green		Government Programs Compliance Officer		Government Programs Compliance	
<b>Approved:</b>					
HCSC Board of Directors					
<b>Purpose</b>					
This policy provides an overview of the mandatory Medicaid compliance program requirements.					
<b>Scope</b>					
This policy applies to Health Care Service Corporation (HCSC) employees who are involved in administering or delivering a benefit of the government programs referenced in the Policy Application section above, including the chief executive and senior administrators, managers, governing body members, and subcontractors.					
<b>Policy</b>					
<p>HCSC is committed to implementing and maintaining an effective compliance program which includes arrangements and procedures designed to detect and correct program non-compliance 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"> <li>Written Policies, Procedures, and Standards of Conduct</li> <li>Compliance Officer</li> <li>Regulatory Compliance Committee</li> <li>A System for Training and Education</li> <li>Effective Lines of Communication</li> <li>Well-Publicized Disciplinary Standards</li> <li>Procedures and System for Routine Monitoring and Identification of Compliance Risks and Response to Compliance Issues.</li> </ol> <p><b><u>The Compliance Program</u></b></p> <p>The Compliance Program Charter (Compliance Program) documents the HCSC compliance program. The Compliance Program contains a Government Programs section which documents the Centers for Medicare &amp; Medicaid (CMS) mandatory compliance program requirements and the operations of those aspects of the Compliance Program which apply to government programs.</p> <p>The Compliance Program, including the Government Programs Section, the Code of Ethics and Conduct (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 by the Government Programs Compliance Officer (GPCO) or his/her designee(s). The GPCO ensures that the results of 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 for acceptance by the governing body of any Government Contract Holders.</p> <p>HCSC has certain corporate policies that articulate required behavior for HCSC and its employees, for example, policies related to non-retaliation and compliance with the law. To meet the government programs requirements,</p>					

certain HCSC policies may be relied upon in addition to any applicable government programs-specific policies and procedures.

### **Corporate Resources**

HCSC shall commit adequate resources to operate and maintain the program, as well as:

- Promote and enforce its Standards of Conduct (the Code),
- Promote and enforce its Compliance Program,
- Effectively train and educate its governing body members, employees, temporary workers, and subcontractors,
- Effectively establish lines of communication within itself and between itself and its subcontractors,
- Oversee subcontractor compliance with compliance program requirements,
- Establish and implement an effective system for routine auditing and monitoring, and
- Identify and promptly respond to risks and findings.

The HCSC Chief Ethics, Compliance, and Privacy Officer (CECPO) is responsible for the adoption and implementation of the Compliance Program, including the Code. The Code is developed by the Ethics and Compliance Department with input from the GPCO or her/his designee(s). The GPCO reports directly to the CECPO.

### **Fraud, Waste, and Abuse**

HCSC is committed to the prevention, early detection, investigation, and elimination of FWA within its Medicaid programs. FWA is incorporated into every element of HCSC's compliance program. Additionally, HCSC maintains a comprehensive FWA Program describing the efforts taken to detect, correct, and prevent FWA.

HCSC's Special Investigations Department (SID) reviews and investigates potential FWA complaints and conducts health care fraud investigations associated with the government programs. If a complaint is found to be potential fraud or misconduct related to the Medicaid programs, the SID refers the case to appropriate federal agencies, law enforcement and state agencies. SID also shares information about potential fraud schemes with other stakeholders via multiple mechanisms. SID mines data through its Data Intelligence Unit, developing individualized analytical programs and detection routines which can be modified to address new and emerging fraud schemes. Government Programs Compliance (GPC) is responsible for review of the FWA Program, participating in FWA activities in an advisory role and conducting monitoring of SID activities.

SID maintains policies and procedures and state-specific Medicaid Fraud Waste and Abuse Compliance Plans that describe how HCSC meets contractual and regulatory FWA and compliance program requirements.

### **Records Retention**

HCSC is committed to complying with all CMS and state Medicaid guidelines related to records retention.

HCSC and all subcontractors must preserve and retain records and documents for 10 years from the last day of the contract period or government audit, whichever is later. If there is no legal or tax hold, records can be destroyed after complying with these retention standards. Documentation is maintained in several formats such as, but not limited to, hard copy and various forms of electronic versions.

### **External Audit Requirements**

HCSC is committed to complying with all requirements, including but not limited to related to auditing by government agencies. In addition, GPC will adhere to the HCSC Corporate Policy 3.02, External Regulatory Examinations, which requires that HCSC and its subsidiaries cooperate appropriately with all government and regulatory entities' audit requests.

### **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:** Code of Ethics and Conduct.

**Compliance Program:** Compliance Program Charter, 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:** Operations of any Medicare Advantage, Medicare Part D, MMP, 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.

**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**

Medicaid Managed Care Final Rule 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 Health Care Authority (“HCA”) (formerly the “Human Services Department” (“HSD”)); the New Mexico Children, Youth, and Families Department (“CYFD”); the New Mexico Early Childhood Education and Care Department (“ECECD”); the New Mexico Behavioral Health Purchasing Collaborative (the “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, having its principal office at 4601 Guadalupe, Austin, Texas 78751, and Health Care Service Corporation (HCSC) DBA Blue Cross and Blue Shield of Texas (BCBSTX) (MCO) an entity organized under the laws of the state of Illinois, having its principal place of business at 9442 Capital of Texas Highway N. Suite 500, Plaza II, Austin, TX 78759..

HCSC Corporate Policy 3.02: External Audit Requests

HCSC Corporate Policy 9.01: Corporate Records & Information Management Policy

Review Date	Board Ratification Date	Author	Description of Changes
08/21/2024	11/21/2024	Angela McCullough	Updated NM Medicaid contract name and description. Minor grammatical changes.
09/30/2023 08/18/2023	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. Updated Chief Compliance Officer title.
08/16/2022	11/15/2022	Angela Broadway	Updated Compliance Program, Code of Ethics and Conduct names and Texas Medicaid details under Governing Authorities.
04/19/2021	12/07/2021	Melissa Lupella	Removed detailed language and moved to a new procedure that describes how HCSC implements the Medicaid compliance program requirements.
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.