



Corporate Compliance

Compliance Officer Conversations



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A Message from Kim Green:

As the Corporate and Government Programs Compliance Officer, my goal for each Compliance Officer Conversation is to provide you with information about various compliance program initiatives and topics.

HCSC is a Plan Sponsor that administers Individual and Family Market (IFM), Large and Small Group plans, and Federal and State Government Programs, including:

- Medicare Advantage
- Special Needs Plans (SNPs)
- Medicare Prescription Drug Plan
- Illinois Medicare-Medicaid Alignment Initiative (MMAI)
- Medicaid

As a Plan Sponsor, we have the responsibility to know and adhere to the requirements of all the contracts we administer. If we fail to meet those requirements, we are at risk for being subjected to various enforcement actions.

In this issue of our Compliance Officer Conversation, we will learn about our individual roles and responsibilities outlined in HCSC's Three Lines approach. We will also discuss the importance of routine monitoring, prompt response, and how to speak up if you've identified non-compliance or risk.

As the Corporate and Government Programs Compliance Officer, please know you can always contact me directly.

Kim Green

HCSC Corporate and Government Programs Compliance Officer

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How Can You Help?

- **Watch** for questionable activity
- **Know** the laws & HCSC policies
- **Report** any issues

For compliance questions or concerns related to: Medicare Advantage, Medicare Part D or Medicaid

HCSC Corporate Integrity HOTLINE
1-800-838-2552

Integrity
Respect
Commitment
Excellence
Caring





Compliance Resources:

Corporate Compliance

Carrie O'Gara,
Executive Director

HCSC Medicare/Duals

Kathleen Klein, Director

HealthSpring Medicare/Duals

Chad Dober, Director

Enterprise Medicaid

Jeanene Kerestes,
Senior Director

IL Medicaid Compliance Officer

Yvonne Yang, Director

NM Medicaid Compliance Officer

Hanna Padilla, Director

TX Medicaid Compliance Officer

Kirstie Reck, Director

Regulatory Compliance – IFM and Group

Chris Breitzman, Director

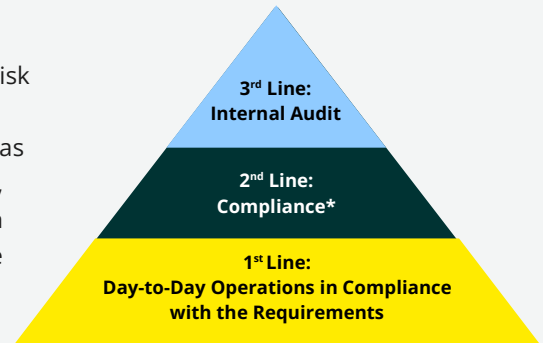
Debarment

Denise Anderson,
Senior Manager



The Three Lines

To adhere to our contracts and reduce risk of non-performance, HCSC uses a three lines approach. This approach is known as an industry cornerstone for governance, compliance, and risk management. Each Line has specific responsibilities that are essential for our Company's success.



Why Is It Important?

- **Ensures** contractual and Compliance Program requirements are met
- **Proactive identification** of issues and risks of non-compliance
- **Protects** the Company

First Line

Lines of Business, Business Operations, Delegation Oversight

This first line oversees the operational aspect of HCSC. They **must ensure daily operations are carried out to meet** applicable regulatory and contractual requirements in the following areas:

- Commercial Markets (Group)
- Individual & Family Markets (IFM)
- Government Programs (Medicare, Medicaid)

First Line Responsibilities

1. **Understand** the rules and regulations related to your job function
2. **Monitor** according to those rules and regulations
 - a. Routinely review data and documentation
 - b. Evaluate and analyze end-to-end processes to ensure processes meet applicable requirements
 - c. Promptly identify and remediate risks or issues of non-compliance
 - d. Review the performance and reporting of vendors
 - i. Monitor vendors to ensure they meet all applicable requirements (*regulators hold HCSC responsible for vendor meeting requirements*)
3. **Respond promptly and accurately** to Second and Third Line inquiries
4. **Ask questions** and seek clarity when needed
5. **Immediately alert** your leadership and Compliance of significant identified risks or issues of non-compliance

Identification of Compliance Risks

Through routine monitoring activities, **the First Line will often be the first to identify issues or risks of non-compliance**. When this happens, there is a system in place to promptly respond to, investigate, and correct these issues.

1. **Immediately notify your manager** that you have identified an issue or risk (include Delegation Oversight for issues involving vendors).
2. **Determine the facts** with relevant dates.
3. **Identify** the specific requirement(s) that are not being met or are at risk.
4. **Assess impacts** to members, individuals, and/or departments.
5. **Conduct** a root cause analysis.
6. **Ensure appropriate corrective action(s)** are taken, such as member remediation; documentation of updates and/or process changes; training, coaching and/or disciplinary action; and escalation to leadership if not progressing in an appropriate timeframe.
7. **Report** instances of non-compliance to Compliance.



Contact Us

Email

hisccompliance@bcbsil.com

24/7 Hotline

1-800-838-2552

Website

www.hisccompliance.com



In addition to routine monitoring activities, issues may also be identified through operational and audit activities, Corporate Compliance and Fraud Hotline submissions, reports from cross-functional business areas, or regulator inquiries.

Second Line

As part of the second line, Compliance **performs risk-based monitoring tied to contractual requirements** (*priorities developed from risk assessments, work plans*) which may uncover risks or issues that must be addressed by the First Line, who ensure full remediation and determination of root cause to prevent recurrence.

** Other Second Line areas include Enterprise Risk Management, the Special Investigations Department, Privacy, and Legal*

Second Line Responsibilities

1. **Monitors progress** towards remediation
2. **May assist** the First Line in reviewing remediation steps, root cause, documentation, or other elements tied to issue remediation progression
3. **Helps determine if issues should be escalated** and reported to regulators and through the Compliance Committees, including the Compliance Committee of the HCSC Board.
4. **Is notified of further risks or issues** of non-compliance

Third Line

The third line **provides independent and objective assurance** by evaluating and improving the effectiveness of the organization's controls and processes to ensure accurate reporting and efficient operations.

Third Line Responsibilities

1. **Performs audits** of HCSC financial and business operations to provide recommendations to improve the HCSC's overall strategic goal and enhance operational performance, quality, and integrity.
2. **Executes their purpose through** completing their Risk Assessment and Audit Plan, conducting field work, issuing reports and risk ratings to management, coordinating external exams, and reporting through leadership and the Compliance Committee of the HCSC Board.

Better Together: Each Line operates independently, but collaboratively. When we understand our expectations and prioritize compliance, we can continue to best serve our members.

Compliance Check

Q: I work with a vendor that has their own Compliance Department; their scope of work includes ensuring compliance with contractual, regulatory, and compliance program requirements. I rely on them to monitor and assess their own compliance with requirements. Is this okay?

A: No. HCSC is ultimately responsible for fulfilling our contracts and meeting our compliance program requirements. Our regulators hold HCSC accountable for a vendor's failure to meet applicable requirements, so we must conduct our own monitoring of vendor performance. The First Line is responsible for day-to-day monitoring of vendors; this includes Delegation Oversight monitoring and auditing of vendors to ensure they fulfill all applicable contractual, regulatory, and compliance program requirements.