

**GOVERNMENT PROGRAMS COMPLIANCE POLICY**

<b>Title: Medicare Written Policies Procedures and Standards of Conduct</b>			<b>Policy No: 002</b>		
<b>Effective date: 4/21/11</b>					
<b>Policy Applies to the Following Products with an "X":</b>					
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)
<b>Owners:</b>					
Kim Green		Government Programs Compliance Officer		Government Program Compliance	
<b>Approved:</b>					
HCSC Board of Directors					
<b>Purpose</b>					
The purpose of this policy is to articulate Health Care Service Corporation's (HCSC) commitment to compliance with the Centers for Medicare & Medicaid Services (CMS) guidelines that require the adoption and implementation of written policies, procedures, and standards of conduct.					
<b>Scope</b>					
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, temporary workers and first-tier, downstream, and related entities (FDRs).					
<b>Policy</b>					
HCSC is committed to complying with all CMS guidelines, including but not limited to those specific to the establishment and implementation of written policies, procedures, and standards of conduct.					
The Compliance Program is a comprehensive, written set of documents that contain a Government Programs section. The Compliance Program also encompasses the Code of Ethics and Conduct (the "Code"), the Code of Ethics and Conduct for Vendors, and the Government Programs Compliance (GPC) policies and procedures.					
<b><u>Required Elements of Government Programs Compliance Policies and Procedures</u></b>					
Government Programs policies and procedures are written documents that, at a minimum:					
<ul style="list-style-type: none"> <li>• Articulate HCSC's commitment to complying with all applicable federal and state standards,</li> <li>• Describe HCSC's compliance expectations as embodied in the Code,</li> <li>• Implement the operation of the Compliance Program,</li> <li>• Provide guidance to employees, FDRs, and others on dealing with potential compliance issues,</li> <li>• Identify how to communicate compliance issues to appropriate Compliance personnel,</li> <li>• Describe how potential compliance issues are investigated and resolved by HCSC, and</li> <li>• Include a policy of non-intimidation and non-retaliation for good faith participation in the compliance program, including but not limited to reporting potential issues, investigating issues, conducting self-evaluations, audits, and remedial actions, and reporting to appropriate officials.</li> </ul>					
<b><u>Annual Review of Government Programs Compliance Policies and Procedures</u></b>					
The Government Programs Compliance Officer (GPCO) or her/his designee(s) monitors and ensures GPC policies and GPC procedures shall be updated at least annually, and as necessary, to incorporate changes in applicable laws, regulations, and other program requirements.					
The GPCO or her/his designee(s) presents all GPC Policies for review and approval to the Medicare Compliance Committee, Corporate Compliance Committee, and the committee of HCSC's Board of Directors ("Board Committee").					

Government Contract Holders require that all FDRs involved in Government Contracts adhere to the Compliance Program and GPC policies and procedures or, alternatively and where applicable, that the FDRs or similar subcontractors and their employees must have a comparable Compliance Program, policies and procedures, and Standards of Conduct.

### **Standards of Conduct**

The Code outlines the HCSC Standards of Conduct. The Code is monitored and managed within the HCSC Corporate Compliance Department with input and approval by the GPCO or her/his designee(s). HCSC requires all employees and temporary workers to have read, or agree to read, the Code which requires adherence to the law and all HCSC policies, procedures, and corporate standards. Additionally, they must understand the purpose of the Compliance Program and how it applies to them. HCSC requires all FDRs and their employees and volunteers to have read, or agree to read, the Code of Ethics and Conduct for Vendors which requires adherence to the law and all HCSC policies, procedures, and corporate standards. FDRs may rely on their own compliance program as long as it meets the Medicare program requirements as outlined by CMS.

The Code, the Compliance Program, and the GPC policies and procedures shall be made available to all employees, temporary staff, independent contractors, volunteers, and FDRs involved in administering or delivering benefits of Government Programs within 90 days of hire and whenever updated, at least annually, thereafter.

Electronic copies of all the above documents are made easily accessible and available at all times on HCSC's Intranet site and external web site.

Links to all the above documents are also included in required general compliance and Fraud, Waste, and Abuse training.

### **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 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. (42 C.F.R. §, 423.501).

**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. (42 C.F.R. § 423.501).

**GPC:** Government Programs Compliance.

**GPCO:** Government Programs Compliance Officer.

**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:** Applies specifically to the operations of any Medicare Advantage [including Dual Eligible Special Needs Plans (D-SNPs)], Medicare Part D, Medicare Medicaid Plans (MMPs), held by Health Care Service Corporation, a Mutual Legal Reserve Company (“HCSC”) or any other HCSC subsidiary or affiliate that holds, either now or in the future a contract with CMS.

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

**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)(A)

42 C.F.R. §§ 423.504(b)(4)(vi)(A),

42 C.F.R. § 438.608(a)(1)(iv)

Compliance Program Charter

Prescription Drug Benefit Manual, Chapter 9 – Compliance Program Guidelines

Medicare Managed Care Manual, Chapter 21 – Compliance Guidelines

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
01/21/2026	08/21/2025*	Sarah Sanchez	*Changes reflect updates that were previously ratified by the HCSC Board of Directors but are now being applied to these policies to accommodate a recent change to the name of the Board Committee and how it is referenced..
07/18/2025 07/09/2025	08/21/2025	Jeanene Kerestes Katie Klein Sarah Sanchez	Minor edits
04/10/2025	05/28/2025	Lou Crognale, Katie Klein, Jeanene Kerestes, Yvonne Yang	Updated scope, definitions, titles, Committee names & changes relevant to the acquisition.
08/21/2024	11/21/2024	Angela McCullough	Removed duplicative language.
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. Added reference to Corporate Compliance Committee.
08/16/2022	11/15/2022	Angela Broadway	Updated Compliance Program and Code of Ethics and Conduct names and Audit, Compliance and Finance Committee. Added Illinois MMAI details under Governing Authority.
06/21/2021	12/07/2021	Angela Broadway	Removed references to Medicaid, updated title to include "Medicare" and added regulatory reference for MMP.
08/27/2020	12/08/2020	Angela Broadway	Updated Government Contracts Holders to include new subsidiary IBCBSIC.
07/03/2019	12/03/2019	Angela Broadway	Removed Medicaid Plans – created new Medicaid specific GPC Policy. Removed verbiage around GPCO – created new Policy. Added section headings. Minor grammatical corrections.
06/22/2018	12/04/2018	Angela Broadway	Removed reference to Montana HELP program. Added reference to IL Blue Cross Community Health Plans and removed references to old IL Medicaid contracts. Updated name of Code of Ethics and Conduct.
06/13/2017	12/05/2017	Angela Broadway	Change in ownership, update name of IL Medicaid Plans and minor grammatical corrections.
08/29/16	12/06/2016	Kim Tulsky	Clarification of distribution of Compliance Documents, Minor grammatical changes and wording changes.
08/27/15	12/08/2015	Dennis Klopfle Kim Tulsky	Reordered paragraphs and added State references.
04/03/2015	07/23/2015	Dennis Klopfle	The only change was to the Owner Names.
06/27/2014	n/a	Deb Coleman	No changes recommended.
04/14/2014	05/06/2014	Deb Coleman	Policy language extracted & updated from the 2/26/2013 approved Policy & Procedure. Government Programs Compliance (GPC) will now

			be maintaining a separate policy and a separate procedure on each government requirement.
01/23/2013	02/26/2013	Dennis Klopfle	Revised title. Included reference to all Government Programs. Updated information on Government Programs Compliance Officer. Added regulation to Resources section.
02/02/2012	02/20/2012	Dennis Klopfle	Modified to reflect HCSC ownership and to include application to MA-PD.
01/10/2012	11/07/2011	Fran Free	No changes recommended
03/15/2011	04/21/2011	Fran Free	Defined formal process for developing HISC Medicare Compliance P&Ps.