

**GOVERNMENT PROGRAMS COMPLIANCE POLICY**

<b>Title: Identifying Excluded Individuals and Entities</b>				<b>Policy No: 009</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)
X	IL - Blue Cross Community Health Plans (IL Medicaid)	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>					
The purpose of this policy is to articulate Health Care Service Corporation's (HCSC) commitment to compliance with the Centers for Medicare & Medicaid (CMS) and state regulations and other federal rules that require the identification of excluded individuals and entities.					
<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, temporary workers, governing body members, and first-tier, downstream, and related entities (FDRs), as well as subcontractors with similar status under any Medicaid program who are involved in the administration or delivery of the government programs referenced above.					
This policy also applies to providers and any person with an ownership or control interest or who is an agent or managing employee of the provider where such identification is delegated by the Medicaid plan state to HCSC.					
<b>Policy</b>					
HCSC is committed to complying with all CMS, state, and federal guidelines, including but not limited to those related to identifying excluded individuals and entities.					
HCSC will not contract with or hire any individual or entity who has the status of debarred or excluded from participation in federal programs, nor will HCSC continue to employ, contract, or conduct business with an individual or entity who becomes debarred while employed at, or under contract with, HCSC.					
HCSC, and any FDRs or subcontractors that assist in the administration or delivery of government benefits, will not:					
<ol style="list-style-type: none"> <li>1. Hire, contract with, or continue to employ or contract with: <ul style="list-style-type: none"> <li>• An individual or entity that has been sanctioned by a federal or state agency as debarred, excluded, or suspended,</li> <li>• Voluntarily withdrawn as a result of a settlement agreement,</li> <li>• Listed with the Office of Foreign Asset Control (OFAC), or</li> </ul> </li> </ol>					

- Otherwise excluded from program participation.
2. Use federal funds to pay for services provided or prescribed by an excluded party, including:
- Services,
  - Equipment, or
  - Drugs, prescribed or provided.

### **Screening**

To meet government and non-government contract obligations, HCSC will make reasonable efforts to screen for excluded individuals and entities.

Prior to hiring or contracting, and at least monthly thereafter, HCSC will screen all individuals and entities engaged in a business relationship with HCSC including, but not limited to:

- Employees,
- Temporary workers,
- Volunteers,
- Consultants,
- Providers,
- Agents,
- Governing body members, and
- FDRs, subcontractors, and vendors.

HCSC will utilize applicable federal and state exclusion databases and lists to determine whether individuals or agencies are excluded or debarred, including but not limited to:

- HHS/OIG's List of Excluded Individuals and Entities (LEIE),
- System for Award Management (SAM.gov),
- Office of Foreign Asset Control (OFAC), and
- Applicable state-specific Medicaid exclusion lists.

### **Definitions**

**CMS:** Centers for Medicare & Medicaid Services.

**Debarred:** The status of being sanctioned, excluded, prohibited from participation in, or terminated from, any government program by any government agency.

**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).

**Employee:** For the purposes of this policy, 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).

**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:** Operations of any Medicare Advantage, Medicare Part D, MMP, or Medicaid contracts.

**LEIE:** List of Excluded Individuals and Entities (located on HHS/OIG website).

**OFAC:** Office of Foreign Asset Control.

**OIG:** Office of Inspector General.

**Related Entity:** Any entity that is related to an 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).

**SAM.gov:** Website for System for Award Management (formerly called GSA General Services Administration Excluded Parties List System or System for Award Management Excluded Parties List System).

**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**

Social Security Act §1128, 1128A, 1156, 1903(i)(2)

45 CFR 76

42 CFR §§ 422.503(b)(4)(vi)(F)

42 CFR 438.214(d)

42 C.F.R. § 438.608(a)(1)(iv)42 CFR 438.610

42 CFR 455

42 CFR 438.808(a), 438.808(b)(2)

Compliance with OFAC and USA Patriot Act (Corporate Policy)

HCSC Corporate Policy: Ineligible Parties Validation Policy

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)

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)

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.

Review Date	Board Ratification Date	Author	Description of Changes
07/18/2025	08/21/2025	Sarah Sanchez	No additional recommended changes.
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	Updated NM Medicaid contract name and description.
09/30/2023	11/14/2023	Denise Anderson	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 correct exclusion database names in body and definitions section. Updated screening categories.
08/16/2022	11/15/2022	Angela Broadway	Added Illinois Medicaid details and updated Texas Medicaid details under Governing Authorities.
03/16/2021	12/07/2021	Melissa Lupella	Added regulatory reference for MMP.
07/21/2020	12/08/2020	Crystal Brotski	Changed screening frequency to at least monthly for extra due diligence and Updated Government Contracts Holders to include new subsidiary IBCBSIC. Added Medicaid Plans back into this policy.
07/03/2019	12/03/2019	Crystal Brotski	Removed Medicaid Plans – created new Medicaid specific GPC Policy. Added section headings. Minor grammatical corrections.
06/08/2018	12/04/2018	Crystal Brotski	Removed reference to Montana HELP program. Updated debarment manager.
06/09/2017	12/05/2017	Mike Szott	Added preamble sentence, “HCSC does <b>not</b> do business with debarred individuals or entities,” definition of “Debarred” and corrected punctuation. Update name of IL Medicaid Plans.
08/31/2016	12/05/2016	Mike Szott	Added references and updated policy language; modified to include reference to 42 CFR 455.436.
08/27/2015	12/08/2015	Dennis Klopfle	Added references
07/23/2015	07/23/2015	Dennis Klopfle	No changes recommended.
06/27/2014	12/09/2014	Dennis Klopfle	No changes recommended.

04/14/2014	05/06/2014	Dennis Klopfle	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	Updated to cover the updated regulations in Chapter 9 & Chapter 21. Changed titles, dates to be consistent format, and added "HCSC" to HISC to cover the HMO contracts covered under HCSC. Changed "subsidiary" reference to "Government Contract Holders (as defined in the Health Care Service Corporation Corporate Integrity & Compliance Program Government Programs Section)." Also replaced HCSC Government Contracts Compliance Officer with HCSC Government Programs Compliance Officer.
03/21/2011	04/21/2011	Dennis Klopfle	Modified to be HISC Medicare specific