

## GOVERNMENT PROGRAMS COMPLIANCE POLICY

<b>Title: Medicare Compliance Officer</b>			<b>Policy No: 015</b>		
<b>Effective Date: 12/03/2019</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 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 all Centers for Medicare & Medicaid (CMS) and federal regulatory guidelines related to the designation of a compliance officer and compliance committee accountable to HCSC's chief executive or other senior management.					
<b>Scope</b>					
This policy applies to 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, temporary workers, and first-tier, downstream, and related entities (FDRs).					
<b>Policy</b>					
HCSC is committed to complying with all federal guidelines related to the adoption and implementation of an effective compliance program, including the designation of a compliance officer and compliance committee.					
<b><u>Compliance Officer</u></b>					
A senior member of management with significant government contracts experience shall be appointed as the Government Programs Compliance Officer (GPCO) and will also either serve as the Medicare Compliance Officer or designate appropriate individuals to perform Medicare Compliance Officer duties.					
The Compliance Officers:					
<ul style="list-style-type: none"> <li>• Are full-time employees of HCSC and are not an employee of any FDR,</li> <li>• Are responsible for administering the Government Programs Section of the Compliance Program,</li> <li>• Are vested with the day-to-day operations of the Government Programs Compliance Program,</li> <li>• Report to the HCSC Chief Ethics and Compliance Officer (CECO),</li> <li>• Make regular reports to the HCSC governing body, boards, and committee to provide updates on the activities and status of the Compliance Program, including issues that the Compliance Program identified, investigated, and resolved,</li> <li>• Ensure that the Compliance Program, including the Government Programs Section, the 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.             <ul style="list-style-type: none"> <li>○ The GPCO ensures that the review and updates are presented to the Medicare Compliance Committee, the Corporate Compliance Committee (CCC), and the committee of HCSC's Board of Directors ("Board Committee") for their review, and</li> <li>○ The Medicare Compliance Committee and the CCC will recommend any changes that they feel are appropriate to the governing body of any Government Contract Holders to accept the documents.</li> </ul> </li> </ul>					
<b><u>Compliance Committee and Governing Body</u></b>					
The GPCO will report periodically on the risk areas, strategies, status, and activities of the Compliance Program to the CEO, senior management, and the governing bodies of the Government Contract Holders, the CCC, the Board Committee, and the GPCC, in accordance with the Compliance Program.					

The CEO and senior management ensure that the GPCO is integrated into the organization and is given the credibility, authority, and resources necessary to operate a robust and effective compliance program. The GPCO must provide the CEO periodic reports of risk areas facing the organization, the strategies being implemented to address them, and the results of those strategies. The GPCO must also advise the CEO of all governmental compliance enforcement activity, from Notices of Non-compliance to formal enforcement actions.

## Definitions

**(The) Code:** Code of Ethics and Conduct.

**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).

**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.

**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.

**HCSC:** Health Care Service Corporation and any and all of its subsidiaries that are directly involved in the administration of Government Programs.

**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)

**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)(vi)(B)  
 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

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)

<b>Review Date</b>	<b>Board Ratification Date</b>	<b>Author</b>	<b>Description of Changes</b>
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 changes 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	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 and Code of Ethics and Conduct names and Audit, Compliance and Finance Committee. Removed Medicaid specific reference.
07/13/2021	12/07/2021	Angela Broadway	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	Creation of new policy to articulate the designation, role and responsibility of the Government Programs Compliance Officer.