



Insurance Company, Inc.



2020

MEDICARE COMPLIANCE PLAN & PROGRAM POLICIES

HEALTH PLAN COMPLIANCE COUNCIL
APPROVAL FEBRUARY 2020

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I. COMPLIANCE PLAN GOVERNANCE

The Medicare Compliance Plan is updated annually and is approved by the Board of Directors for Care N' Care Insurance Company, Inc. ("Care N' Care") and subsidiaries that hold contracts with the Centers for Medicare & Medicaid Services ("CMS").

The Medicare Compliance Plan is a component of Care N' Care's overall compliance program and reinforces the Company's commitment to comply with all applicable Federal and state regulations as well as ethical standards of conduct. The overall compliance program at Care N' Care includes the Code of Conduct which is also endorsed by the Care N' Care Board of Directors. This Compliance Plan incorporates the requirements and related provisions, as provided by the Centers for Medicare & Medicaid Services (CMS), for a Medicare Advantage Organization (MAO) to establish and maintain an effective Compliance Program for both a Medicare Advantage (Part C Plan sponsor) and a Medicare Advantage Prescription Drug (MA-PD Plan sponsor), hereinafter collectively referred to as Parts C & D.

The Compliance Program and all components of the plan are designed to promote a culture of integrity, ethical behavior and compliance with applicable laws and regulations. One of the key elements in the Medicare compliance program is the creation of a Compliance Committee, referred to as the Health Plan Compliance Council, which is charged with supporting the Medicare Compliance Officer ("MCO") in review and oversight of the Medicare compliance program. The Health Plan Compliance Council (HPCC) is responsible to Senior Management, the Chief Executive Officer, and the Board of Directors for reviewing the effectiveness of the Medicare compliance program through self-audits and monitoring of metrics and key indicators and to ensure prompt and effective corrective actions are taken where deficiencies are noted. The MCO and the Committee are responsible for escalating compliance deficiencies and ongoing issues of noncompliance to senior management, the Chief Executive Officer, and the Board of Directors.

Care N' Care makes this Medicare Compliance Plan available to all employees and Board of Directors (the "Board"), as well as contractors, subcontractors, vendors, agents, and first-tier, downstream and related entities ("FDRs"). The MCO reserves the right to amend and update components of the Medicare compliance program, including the material in this Medicare Compliance Plan, at any time to make changes based on regulatory guidance, enhancements to the program to improve effectiveness, or for any other reason.

All Care N' Care employees, Directors and affiliates must read and understand the content of this Medicare Compliance Plan and associated policies and procedures.

FDRs and other business partners have the option to:

- 1) Adopt the Code of Conduct, Medicare Compliance Plan, and associated compliance policies and procedures;
- 2) Develop and follow their own code of conduct, compliance plan, and/or equivalent policies and procedures that describe their commitment to comply with applicable laws and regulations; or
- 3) Adopt the code of conduct, compliance plan, and/or equivalent compliance policies and procedures of another entity contracted with CMS.

If an FDR or other business partner follows a code of conduct, compliance plan, and/or equivalent policies and procedures not developed by Care N' Care, the Company reserves the right to review and approve these documents.

Please contact the MCO if you have questions regarding information contained in this Medicare Compliance Plan.

II. MEDICARE COMPLIANCE PLAN

Care N' Care understands that participation in federal programs is a tremendous responsibility and has a Compliance Program that is structured around the elements of an effective compliance program as recommended in the Department of Health and Human Services Office of Inspector General's (OIG) Compliance Program Guidance publications and the Federal Sentencing Commission's Guidelines to ensure that Medicare Part C and Part D practices are conducted properly and to ensure compliance with applicable federal, state and local statutory and regulatory obligations. These compliance obligations include, but are not limited to, the following:

- Federal and state False Claims Acts
- Anti-Kickback Statute
- Prohibition on inducements to beneficiaries
- Health Insurance Portability and Accountability Act
- Code of Federal Regulations – specifically 42 C.F.R. § 400, 403, 411, 417, 422, 423, 1001 and 1003
- All sub-regulatory guidance produced by the Centers for Medicare & Medicaid Services (CMS) such as manuals, training materials and guides
- Applicable Civil Monetary Penalties and Exclusions
- Applicable Provisions of the Federal Food, Drug and Cosmetic Act
- Applicable State laws and Contractual commitments

Care N' Care is committed to maintaining a working environment that promotes ethical values, exemplary behavior and compliance with the letter and spirit of all applicable laws. Such an environment can exist only if Care N' Care employees, physicians and agents demonstrate the highest ethical standards in performing their daily tasks.

Care N' Care recognizes that federal agencies responsible for enforcement of Medicare and Medicaid laws and regulations applicable to healthcare providers require Medicare Advantage organizations to develop and implement corporate compliance programs. Care N' Care's Compliance Program is designed to comply with that requirement.

A successful Compliance Program contributes to this purpose in the following ways:

- Stating and re-stating Care N' Care's commitment to regulatory compliance and legal conduct
- Identifying, reporting and preventing non-compliance and illegal activities
- Providing training about internal compliance-oriented controls to promote compliance with State and Federal laws, rules and regulations as well as internal policies and procedures that are used to ensure compliance,

- Providing an operational environment that allows employees to identify problems within the organization, that directly addresses problems and that fairly disciplines non-compliant behavior.

The Compliance Program follows the seven core elements of an effective compliance program to ensure that the program meets Medicare regulations as well as guidelines recommended by the Department of Health and Human Services (DHHS) Office of Inspector General (OIG):

1. Care N' Care maintains written policies, procedures, and standards of conduct that articulate the organization's commitment to comply with all applicable Federal and State standards.
2. Care N' Care designates a MCO and HPCC that are accountable to senior management.
3. Care N' Care provides effective training and education to Care N' Care employees.
4. Care N' Care maintains effective lines of communication to Care N' Care employees.
5. Care N' Care enforces standards through well-publicized disciplinary guidelines, including policies and procedures for dealing with sanctioned individuals/entities.
6. Care N' Care monitors and audits its operations.
7. Care N' Care maintains procedures for ensuring prompt response to detected offenses and development of corrective action initiatives relating to the Medicare Advantage contract.

III. MEDICARE COMPLIANCE PROGRAM ELEMENTS

Each component of the Medicare Compliance Program and Care N' Care's approach to complying with each component is discussed below.

1. Code of Conduct and Written Policies and Procedures

Code of Conduct

Care N' Care is committed to developing and implementing standards of conduct and related compliance policies and procedures that reflect a commitment to conduct business based on high ethical standards and strict compliance with federal and state laws and regulations. Under the plan Management Services Agreement, the Health Plan utilizes Southwestern Health Resources Clinically Integrated Network's (SWHR-CIN) Code of Conduct, to define the high standards of ethics, values and principles to which each employee is held in carrying out the Health Plan's business operations. The SWHR-CN Code of Conduct reflects the company's commitment to compliance with federal and state laws, regulations and sub-regulatory requirements, as well. The Code is reviewed and updated at least annually with any material revisions approved by the SWHR-CIN Board of Directors and their applicable committees.

The Code of Conduct shall be supplemented by this Compliance Plan and applicable policies and procedures. The Code of Conduct is made available to:

- The Board of Directors and Executive Leadership team at the time of appointment and annually thereafter;
- Each employee, including officers and temporary employees, at the time of employment and annually thereafter; and
- First tier, downstream and related entities, including all providers at the onset of their contract and annually thereafter.

Providers and first tier, downstream and related entities are required to adopt and follow a code of conduct particular to their own organization and that reflects their own commitment to ethical behavior, compliance and detecting, preventing and correcting fraud, waste and abuse. The organization ensures this requirement is met through on-going monitoring and audits, as appropriate, of first tier, downstream, and related entities. New Board Members, Employees, and FDRs are required to sign an attestation acknowledging receipt and review of the Code of Conduct within ninety (90) days of the appointment, hire, or commencement of the contract, and annually thereafter. FDRs may also attest to following their own Code of Conduct.

Policies and Procedures

All departments are required to maintain current Policies and Procedures (P&Ps) that are updated annually or when guidance or internal changes occur. All P&Ps are reviewed during internal audits to ensure the policies reflect the processes being followed on a day-to-day basis. These policies address all statutes, rules, contractual requirements, and program instructions applicable to their area of responsibility and are made available to employees upon hire, when there are updates to the policies, and annually thereafter.

The Compliance Department, with support from other applicable functional areas, develops and implements written policies and procedures to support the compliance functions of the organization.

A policy and procedure is maintained to define the process for the development, revision, review, approval, maintenance, storage and communication of policies and procedures. Policies and procedures are reviewed at least annually, and are revised during the contract year in response to changes in Medicare or other Federal requirements that relate to the Medicare Advantage program. In addition, new policies may be developed or current ones revised in response to identified risks or areas for improvement which occur in the general course of plan operations or through monitoring. Compliance policies are available to employees on the Care N' Care shared drive. Each department is accountable for distributing approved policies and desktops to their staff and conducting appropriate employee training. Each employee is responsible for being well versed in the requirements of those portions of the particular policies and desktop procedures applicable to his or her job responsibilities.

First Tier, Downstream and Related Entities (FDRs): Compliance provides FDRs with copies of the Medicare Compliance Program and compliance policies & procedures at the time of contracting and annually thereafter. FDRs are required to complete and return an attestation confirming their organization compliance with established policies and procedures and other Medicare Compliance program requirements.

2. Medicare Compliance Officer, Health Plan Compliance Council and Oversight

The successful implementation of the Compliance Program requires dedicated commitment and diligent oversight throughout Care N' Care's operations, including, but not limited to, key roles and responsibilities by the Board, the Medicare Compliance Officer, the Health Plan Compliance Council, the Delegation Oversight Committee, and Senior Management.

a. Governing Body

The CNC Board of Directors, as the Governing Body, is responsible for approving, implementing, and monitoring a Compliance Program governing Care N' Care's operations. The Board delegates the Compliance Program oversight and day-to-day compliance activities to the Chief Executive Officer (CEO), who then delegates such oversight and activities to the MCO. The MCO is an employee of CNC, who handles compliance oversight and activities full-time. The MCO, in conjunction with the Health Plan Compliance Council, are both accountable for the oversight and reporting roles and responsibilities as set forth in this Compliance Plan. However, the CNC Board remains accountable for ensuring the effectiveness of the Compliance Program within CNC and monitoring the status of the Compliance Program to ensure its efficient and successful implementation.

b. Director of Compliance (Medicare Compliance Officer)

The Medicare (MCO) is a full time, experienced employee of Care N' Care. The MCO is primarily responsible to act as the principal leader in the oversight, development, and implementation of the Program. The MCO serves as the Chair of the HPCC to oversee implementation and monitor the execution of the Program with the Council and support of compliance personnel. The MCO has a "dotted line" reporting responsibility to the Care N' Care Chief Executive Officer and a direct reporting relationship to the Chief Compliance Officer of Southwestern Health Resources, one of the plans sponsoring organizations. The MCO provides unfiltered reports to the Board of Directors. The MCO has access to company personnel, documents, legal counsel, operational units, first tier, downstream, and related entities (FDRs), as needed to support the Program activities.

The MCO is a member of the leadership team and is responsible for developing, operating and administering the day-to-day operations of the Program. The MCO supports the Health Plan staff and contracted FDRs in performing their respective operational functions and oversight and monitoring activities in compliance with all federal and State laws to comply with applicable regulatory requirements and conduct themselves in conformity with the required standards of conduct described in the Code of Conduct as required.

c. Health Plan Compliance Council

The HPCC oversees the Program and is comprised of management staff from the various operational business units. Through the MCO, the Council regularly reports its activities and findings to the CEO, Audit and Health Plan Compliance Council, and governing body. The Council is chaired by the MCO and meets at least quarterly. A HPCC Charter is maintained and describes the committee's obligations

The primary responsibilities of the HPCC include, but are not limited to, the following:

- Maintain written notes, records, correspondence, or minutes (as appropriate) of HPCC meetings reflecting reports made to the HPCC and the Health Plan Compliance Council's decisions on the issues raised;
- Review and monitor the effectiveness of the Compliance Program, including monitoring key performance reports and metrics, evaluating business and administrative operations, and overseeing corrective actions to ensure they are promptly and effectively implemented;

- Develop standards of business conduct and Policies and Procedures to promote compliance;
- Review, approve, and/or update Policies and Procedures to ensure the successful implementation and effectiveness of the Compliance Program consistent with regulatory, legal and contractual requirements;
- Recommend and monitor the development of internal systems and controls to implement Care N' Care's standards and Policies and Procedures as part of its daily operations;
- Determine the appropriate strategy and/or approach to promote compliance and detect potential violations and advise the MCO accordingly;
- Develop and maintain a reporting system to solicit, evaluate, and respond to complaints and problems;
- Review and address reports designating areas in which Care N' Care is at risk for program noncompliance and potential FWA, and ensure that corrective action plans are implemented and monitored for effectiveness;
- Suggest and implement appropriate actions necessary to ensure that Care N' Care and its FDRs conduct activities and operations in compliance with the applicable law and regulations and sound business ethics; and
- Provides regular and ad hoc reports on the status of compliance with recommendations to the Board.

d. Delegation Oversight Committee (DOC)

The Delegation Oversight Committee (DOC) is a subcommittee of the HPCC and is chaired by the (Compliance Program Manager). The DOC is responsible for overseeing the delegated activities. The DOC has final approval authority for any delegation activity as permitted by the Care N' Care Board. Committee members include representatives from CNC's departments as provided for in the DOC charter. In addition to the monthly scheduled meetings, the DOC may conduct ad hoc online meetings, as needed. All materials presented are approved by a quorum. A quorum is defined as one over fifty percent. DOC may approve and/or implement Corrective Action Plans (CAPs); however, recommendations for FDR sanctioning and/or de-delegation are submitted to the HPCC for final approval.

Responsibilities of the Delegation Oversight Committee include:

- Annual review, revision, and approval of the Delegation Oversight Program Description, Policies and Procedures, and audit tools;
- Review findings of the pre-delegation audit and readiness assessment to evaluate a potential FDR's ability to perform the delegated function(s);
- Review and approve potential FDR entities for delegation of functions;
- Ensure written agreements with each delegated FDR clearly define and describe the delegated activities, responsibilities, and reporting requirements of all Parties consistent with applicable laws, regulations and contractual obligations;
- Conduct formal, ongoing evaluation and monitoring of FDR performance and compliance through review of periodic reports submitted, complaints/grievances filed, and findings of the annual on-sight audit;
- Ensure all Downstream and Related Entities are monitored in accordance with CNC oversight procedures;

- Propose sanctions, subject to the Health Plan Compliance Council's approval, if an FDR's performance is substandard and/or violates the terms of the applicable agreement; and
- Review and initiate recommendations, such as termination of delegation, to the HPCC for unresolved issues of compliance.

3. Effective Training and Education

Education and training are critical elements of the Compliance Program. Care N' Care requires that all Board Members, Employees and FDRs complete training upon appointment, hire, or commencement of contract, as applicable, and on an annual basis thereafter. Required courses cover the Code of Conduct, compliance obligations and relevant laws, and FWA, as applicable.

Care N' Care utilizes web-based training courses which are updated regularly to ensure that employees are kept fully informed about any changes in procedures, regulations and requirements. The MCO is responsible for coordinating compliance education and training programs with Human Resources and ensuring that records of completion are documented and maintained, such as sign-in sheets, attestations, or electronic certifications, as required by law.

Code of Conduct

Care N' Care's training program includes the distribution of the Code of Conduct to Board Members, Employees, and FDRs. Board Members, Employees, and FDRs are required to sign an attestation acknowledging receipt, review, and understanding of the Code of Conduct within ninety (90) days of their appointment, date of hire, or commencement of the contract, and annually thereafter. Completion and attestation of such review of the Code of Conduct is a condition of continued appointment, employment, or contract services.

Mandatory Training Courses (Compliance Oversight and FWA)

Care N' Care requires Board Members and Employees regardless of role or position to complete mandatory compliance training courses. Mandatory courses may include, but are not limited to: the fundamentals of the Compliance Program; FWA training; HIPAA privacy and security requirements; ethics; and a high level overview of the Medicare Program. Care N' Care's training courses covers Care N' Care's commitment to compliance with Federal and State laws and regulations, contractual obligations, internal policies and ethics. Elements of the Compliance Program are highlighted, including, but not limited to, an emphasis on the requirement to and different means to report suspected or actual noncompliance, violations, and/or FWA issues, along with Care N' Care's policy on confidentiality, anonymity, and non-retaliation for such reporting. Employees must complete the required compliance training courses with 90 days of hire, and annually thereafter. Adherence to the Compliance Program requirements, including training requirements, shall be a condition of continued employment. Board Members are required to complete the required compliance training courses within ninety (90) days of appointment, and annually thereafter.

Employees have access via internal shared drives to Care N' Care's Policies and Procedures governing the Compliance Program and pertinent to their respective roles and responsibilities. Employees may receive additional compliance training as is reasonable and necessary based on changes in job descriptions/duties, promotions, and/or the scope of their job functions.

Specialized Training

Specialized training may be developed, delivered, and required based on an employee's job function and training needs as identified by Compliance and Management to address operational and procedure requirements or education on regulatory and sub-regulatory requirements or a combination of both.

Regulatory Guidance Distribution

The Compliance department is responsible for tracking, analyzing, and conveying new laws, regulations, and policies specific to the Medicare Program. Compliance summarizes all regulatory guidance memos received and facilitates timely distribution to impacted business areas. New regulatory guidance containing significant operational business impact may be discussed in operations or adhoc meetings to explain the new regulatory guidance issued, the business impact and implementation action/timeline required, and training needs.

Training and Education for FDRs

All Care N' Care FDRs and their employees who have involvement in the administration or delivery of Parts C and D benefits are required to perform their contracted responsibilities in compliance with Care N' Care policy, CMS regulatory requirements, and all applicable laws and regulations.

Care N' Care requires all FDRs to provide FWA training compliant with CMS requirements and requires its employees to take training developed by CMS and available through CMS Medicare Learning Network (MLN). FDRs and their employees must receive general compliance training within 90 days of contracting/hire and annually thereafter as a condition of employment. FDRs will have three (3) options for ensuring FDRs have satisfied the general compliance training requirement:

- (1) FDRs can complete the general compliance and/or FWA training modules located on the CMS MLN at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/WebBasedTraining.html>. Once an individual completes the training, the system will generate a certificate of completion. The MLN certificate of completion must be accepted by Sponsors.
- (2) Sponsors and FDRs can incorporate the content of the CMS standardized training modules from the CMS website into their organizations' existing compliance training materials/systems.
- (3) Sponsors and FDRs can incorporate the content of the CMS training modules into written documents for providers (e.g. Provider Guides, Participation Manuals, Business Associate Agreements, etc.).

FDRs that have met FWA certifications through enrollment into the Medicare program or accreditation as a durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) supplier are deemed to have met the FWA training and education requirement. However, deemed providers are not exempt from the general compliance training requirement.

Care N' Care must establish effective mechanisms to ensure that FDRs fulfill the compliance training requirements (e.g. incorporate the requirement into contracts with FDRs, collect attestations from FDRs, training material coupled with monitoring and auditing of a sample of FDRs to validate training requirements were fulfilled, etc.). The Code of Conduct and Policies and Procedures providing an overview of the Care N' Care Compliance Program, are made

available to FDRs upon commencement of the FDR contract. FDRs are required to disseminate copies of the Code of Conduct and Policies and Procedures to their employees, agents, and/or Downstream Entities or use their own equivalent Code of Conduct. All FDRs will be required to complete the FDR Compliance Attestation upon contracting and annually thereafter confirming the organization has completed the appropriate general compliance and FWA training. This attestation is distributed to all FDRs and also posted on the CNC website under resources for FDRs.

4. Effective Lines of Communication

Care N' Care employs multiple mechanisms to ensure effective lines of communication between the MCO and all levels of employees, contractors, temporary employees, providers, FDRs, as well as with individuals serving on the board. These established mechanisms allow for providing guidance on CMS requirements and Care N' Care's compliance program to all employees, temporary staff, vendors, contractors and providers, the reporting of improper conduct, suspected non-compliance as well as allegations of fraud, waste and abuse or any other impropriety. The organization expects reporting of issues to be able to occur without the involvement of supervisors or other personnel and the fear of potential retaliation or retribution.

These lines of communication will be accessible to all and allow for anonymous and confidential good faith reporting of potential compliance issues as they are identified. Information on how to report issues or contact the MCO is posted on the ADP Portal, included in the Code of Conduct, included on the CNC website, posted on signs in break rooms and common areas.

Note: Appropriate training and education, and an effective internal incident reporting process are key components of communication within the organization. These areas are each addressed fully in separate Policies and Procedures.

The MCO will maintain open lines of communication with the CEO and Board of Directors regarding activities of the HPCC and Compliance Department. This includes, but is not necessarily limited to, the following:

- HPCC Minutes
- Compliance Program and Compliance Department Work Plan
- Audit Results
- Compliance or Ethics Issues

The MCO will keep the Committee informed and seek its guidance on compliance or ethics issues that represent potential risk to the organization.

The MCO and HPCC will maintain open lines of communication with Care N' Care management staff. This includes, but is not necessarily limited to, the following:

- The HPCC is comprised of management staff responsible for the main departments and functions within the organization. The structure of the Committee therefore facilitates communication with management.

- All management staff shall receive a copy of the Compliance Program, including all significant revisions. Managers are responsible for understanding the Compliance Program and distributing a copy to all employees.
- The MCO serves as the organization's main point of contact with regulatory authorities. The MCO shall route incoming program information and regulatory guidance to the appropriate individual(s).
- The Compliance Department tracks all communications from CMS and communicates all sub-regulatory guidance produced by CMS and HHS such as manuals, training materials, HPMS memos, and guides throughout the organization as appropriate.

The MCO and HPCC will maintain open lines of communication with employees at all levels of the organization. This includes, but is not necessarily limited to, the following:

- All employees shall receive a copy of the Compliance Program, including the Code of Conduct, at the time of employment and upon revision thereafter. The Code of Conduct will be made available to delegated (first-tier, downstream, and related) entities. Employees shall be required to certify their receipt and understanding and return a signed Acknowledgment to Human Resources at the time of hire.
- As noted above, the HPCC is comprised of management staff with responsibility for key departments or functions within the organization. Routine or informal communication, particularly in situations where documentation is not required, may therefore be achieved through normal organizational channels.
- The annual Compliance Work Plan shall include a basic plan for ongoing employee communication. Examples of possible methods include newsletters, bulletins, emails, meetings, interviews, etc. (Note: This requirement may be satisfied in conjunction with requirements for employee training and education).
- As noted above, employee training and incident reporting are key aspects of organizational communication. These components are addressed in separate Policies and Procedures.

The MCO and HPCC will develop and utilize mechanisms for communicating with contracted entities, including health care providers, management service organizations, and brokers. Such communication will typically occur in collaboration with Care N' Care departments or committees having established methods of contractor communication. Examples include Contracting, Marketing, UM/QM Delegations Oversight, and Claims Oversight.

Care N' Care will maintain open communication with regulatory authorities.

- The MCO is Care N' Care's primary point of contact with regulatory authorities. Normal, ongoing communication with regulators will be routed through the MCO.
- Individual Departments may have such direct communication with regulatory authorities as is appropriate to fulfillment of their responsibilities. For example, Enrollment may be required to contact CMS regarding retro-active transactions; IT may be required to contact the CMS Help Desk regarding transmission of data; etc.
- For elevated issues such as investigation, litigation, interaction with enforcement authorities, or any situation that poses similar risk to the organization, communication will be governed by, as appropriate:

- ✓ Company policy, if applicable policy exists
- ✓ Direction from senior management
- ✓ Advice of outside counsel

Care N' Care will maintain open communication with our members and educate our members on identifying and reporting noncompliance and FWA. Methods of communication with our members include newsletters, bulletins, emails, meetings, information published on Care N' Care's website, etc.

Compliance Hotline

All employees, supervisors, managers, and administrators are required under the compliance program to report, anonymously if desired, known or suspected violations of an applicable law or regulation, or the Code of Conduct, without fear of retaliation.

Care N' Care maintains an easily accessible Compliance Hotline, available 24 hours a day, 7 days a week, in which CNC may receive anonymous issues on a confidential basis. The toll free Compliance Hotline is 1-844-760-5838. The Compliance Hotline allows for anonymous reporting online via the ComplianceLine website at www.mycompliancereport.com.

Report Directly to the MCO

The MCO is available to receive reports of suspected or actual compliance violations or FWA issues on a confidential basis (to the extent permitted by applicable law or circumstances) from Board Members, Employees, FDRs and Members. The MCO may be contacted by telephone, written correspondence, email, or by a face-to-face appointment. FDRs are generally contractually obligated to report suspected fraud and abuse to CNC pursuant to regulatory and contractual requirements.

Report Directly to a Supervisor or Manager

Care N' Care employees are encouraged to contact their immediate supervisor or manager when non-compliant activity is suspected or observed. A report should be made immediately upon suspecting or identifying the potential or suspected non-compliance or violation. The supervisor or manager will promptly escalate the report to the MCO for further investigation and reporting to the HPCC (as applicable). If an Employee is concerned that his or her supervisor or manager did not adequately address his or her report or complaint, the employee may go directly to the MCO or the CEO.

Report Directly to the Compliance Department

Reports may be made directly to Care N' Care's Compliance Department via mail or email for confidential reporting. Emails can be sent to CNCCompliance@cnc.com. Written correspondence can be set to: CNC Compliance Department at 1701 River Run, Suite 402, Fort Worth, TX 76107.

Confidentiality and Non-Retaliation

Every effort will be made to keep reports confidential to the extent permitted by applicable law and circumstances, but there may be some instances where the identity of the individual making the report will have to be disclosed. As a result, Care N' Care has implemented and enforces a non-retaliation policy to protect individuals who report suspected or actual non-compliance or

FWA issues in good faith. This non-retaliation policy extends to reports received from FDRs and members.

Care N' Care takes violations of its non-retaliation policy seriously, and the MCO will review and enforce disciplinary and/or other corrective action plans for violations, as appropriate, with the approval of the Health Plan Compliance Council.

5. Well Publicized Disciplinary Standards

Care N' Care employees are expected to comply with governing laws and regulations, as well as provisions of the Care N' Care Compliance Program, Code of Conduct, and any other applicable company policies. These policies are made available to each employee at the new employee orientation and annually thereafter through various forms, including the ADP portal and the company internal shared drive. Failure to do so may result in the use of disciplinary action to correct such situations and, as appropriate, motivate employees to participate directly in the resolution.

Disciplinary action shall be administered on a fair and equitable basis, appropriate to the seriousness of the violation and consistent with Care N' Care's personnel policies and procedures. Depending on the severity of the violation, progressive steps in the disciplinary action process may be omitted if appropriate in order that immediate corrective measures, including termination, can be taken.

The actions listed below are guidelines only. Nothing in this Policy or any other Compliance policies and procedures should be construed as preventing, limiting or delaying Care N' Care from taking other appropriate disciplinary action, including immediate termination, in any circumstances where Care N' Care, in its sole discretion, deems such action appropriate.

Nothing in this policy or any other Compliance Policies and Procedures is intended to alter the "at-will" nature of the employment relationship between Care N' Care and its employees as set forth in Care N' Care's employment policies, procedures and manuals.

The intent for the disciplinary process is to improve performance and eliminate misconduct or rule violations. For the most effective use of the disciplinary action, it is necessary that all employees, supervisors and managers in particular, be familiar with applicable laws and regulations, Care N' Care policies and department requirements so that infractions are quickly and accurately identified. A supervisor must be willing to discuss with employees situations or events which may, if not corrected, eventually lead to on-the-job problems.

Examples of the types of infraction or violation for which disciplinary or corrective action will be taken include:

- Noncompliance with laws, regulations, policies or procedures;
- Encouraging or assisting another to engage in noncompliance;
- Failure to report noncompliance;
- Failure to detect noncompliance by an individual who should have detected such noncompliance;

- Knowingly submitting a false, malicious or frivolous report of noncompliance against another employee.
- Failure to satisfy the education and training requirements of the Compliance Program;
- Failure of a supervisor or manager to assure that their subordinates understand the requirements of the Program; and
- Retaliation against an employee, agent, or contractor who reports in good faith a concern relating to possible noncompliance.

This list is designed to illustrate common categories or areas of compliance violations. It is intended to aid employees in identifying specific conduct that may violate applicable laws or company policy. The list is not exhaustive of all types of conduct that may constitute grounds for disciplinary action, including termination of employment.

No employee shall be disciplined solely because s/he reported what was reasonably believed to be an act of wrongdoing or a violation of the Compliance Program.

A thorough investigation must be conducted before disciplinary action is administered. Depending on the situation, the investigation may be conducted by the supervisor, manager, MCO, or outside entity.

If management determines after a thorough investigation that action beyond counseling is warranted, it is the duty of the appropriate supervisor or manager to initiate disciplinary action. Depending on the situation, the supervisor or manager may need to discuss the action with the next level of management, the MCO, Legal Counsel, or Human Resources to ensure appropriate applicability, documentation, and procedure.

Management must consider the nature and seriousness of the infraction, all relevant facts and information, and any mitigating or aggravating circumstances when formulating disciplinary action. All guidelines must be applied consistently and in a non-discriminatory manner, and thorough documentation is essential. Senior management, the MCO, Human Resources, or legal counsel should be consulted as appropriate when evaluating the circumstances affecting disciplinary action.

As a general rule, disciplinary action shall be more severe for conduct that is a knowing, intentional, willful, or reckless violation of the law or of Care N' Care standards or policies. Intentional or reckless noncompliance is to be punishable with "significant sanctions," which can range from oral warnings to suspension or termination as appropriate. Where the guidelines below recommend termination, a lesser disciplinary action may be imposed, at Care N' Care's sole discretion, after consideration of all relevant facts, including, without limitation, mitigating and aggravating circumstances.

Circumstances that shall be considered to be mitigating can include:

- The employee reported the violation promptly
- The employee cooperated with Care N' Care in the investigation
- The employee accepted responsibility for the violation

Admission of wrongdoing does not guarantee protection from disciplinary or corrective action. The weight to be given to the admission shall depend on all the facts known to Care N' Care at the time the decision concerning disciplinary or corrective action is made. Such facts include whether the individual's conduct was known or its discovery was imminent prior to the admission, and whether the admission was complete and truthful.

Circumstances that shall be considered to be aggravating include, but are not necessarily limited to:

- The existence of a prior record of discipline and the nature and extent of that record;
- The current misconduct found or acknowledged by the employee evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct;
- The employee's misconduct was surrounded by or followed by bad faith, dishonesty, concealment, overreaching or other violations of Care N' Care's policies and procedures;
- The employee's misconduct harmed significantly Care N' Care;
- The employee demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct; and
- The employee displayed a lack of candor or cooperation with Care N' Care during the investigation or disciplinary process.

Employment of and Contracting with Ineligible Persons

Care N' Care prohibits hiring or entering into contracts with individuals and/or entities who have been recently convicted of a criminal offense related to health care or who are listed as debarred, excluded or otherwise ineligible for participation in Federal health programs. Care N' Care shall utilize the DHHS Office of the Inspector General (OIG) List of Excluded Individuals and Entities (LEIE list), the System for Award Management Exclusion List (formerly the GSA Excluded Parties Lists System) and verify that the entity is not on the CMS Preclusion List, prior to the hiring or contracting of any new employee, temporary employee, volunteer, consultant, board member, or FDR, and monthly thereafter, to ensure that none of these persons or entities are excluded or become excluded from participation in federal programs.

6. Effective System for Routine Monitoring and Identification of Compliance Risks

Care N' Care will develop and implement appropriate monitoring and auditing processes to evaluate compliance with applicable laws, regulations and policies, and rapidly detect potential issues, problems or violations. Care N' Care will provide proactive, targeted efforts to prevent, detect, and respond to fraud, waste, and abuse issues. Monitoring and auditing of first tier, downstream, and related entities will be conducted and may result in programmatic actions.

The HPCC is responsible for oversight of Care N' Care's monitoring and auditing efforts and will receive regular reports regarding performance, updates to systems, staffing, etc.

Risk Assessment and Monitoring

The Compliance department performs an annual risk assessment that includes an assessment of the various ways misconduct, noncompliance, fraud, waste and abuse can occur or has occurred by and against Care N' Care. The risk assessment also considers Care N' Care's ability to deter or

remediate potential noncompliance against existing control activities. The results of the risk assessment are reported to Board of Directors and the Health Plan Compliance Council, along with appropriate recommendations for additional education, delegate entity oversight, system edits or enhanced auditing and monitoring efforts.

Monitoring and auditing are critical elements in the Compliance Program. It allows Care N' Care to identify areas that require corrective action in order to achieve compliance with specific Medicare regulatory requirements. This process of self-identification and corrective action, along with monitoring to ensure that such actions are effective, are crucial to the success of this Program.

The Compliance department, or its designee(s), conducts regular auditing and monitoring to ensure adherence to Medicare regulations, Centers for Medicare and Medicaid Services (CMS) guidance, contractual provisions, applicable Federal and State laws, as well as internal policies and procedures. An audit plan is developed annually based upon a formal risk assessment and sets forth the audits to be performed, audit schedules, and methodology. The Compliance department conducts corrective actions and follow up activities which may include reporting of such findings to CMS. The MCO also provides updates on monitoring and auditing to the Health Plan Compliance Council, Senior Leadership and the Board of Directors.

Auditing

The Compliance Department will conduct or facilitate operational and first-tier audits sufficient to evaluate the organizations compliance with applicable laws, regulations and company policies. All operational and first-tier audits will be appropriately planned and structured according to established methodology, using an accepted tools and standards (CMS Program Audit Protocols and Medicare Part C and D program manuals). The MCO will arrange focused audits of specific departments, first tier entities, or areas as necessary. Focused audits may result from risk assessment data, departmental monitoring, regulatory concerns (e.g., OIG Work Plan), members, complaints filed with CMS, employee incident reporting, or any other credible indicators.

The MCO will periodically schedule routine audits to do spot checks of Care N' Care departments or first tier entities, as necessary and at a frequency to be determined by the MCO and Health Plan Compliance Council.

Care N' Care's contractual agreements with first tier entities provide for routine and random auditing. Where FDRs perform their own audits, Care N' Care will request a copy of the FDR's audit work plan and request the audit results. When corrective action is needed, Care N' Care will ensure that corrective actions are taken by the entity.

Reports that will be reviewed as part of FDR monitoring and auditing include, but are not limited to:

- Accuracy of claims processing;
- Appeal/Grievance reports;
- Payment reports;
- Drug utilization reports;
- Provider utilization reports;

- Prescribing and referral patterns by physician reports; and
- Geographic zip reports

Any audit result indicative of a potential issue, problem or noncompliance must be adequately addressed. Based on the scope and severity of the issue, the MCO and Department Manager will determine appropriate next steps.

Confirmed problems or cases of noncompliance must be remediated with appropriate corrective action.

The MCO, with input and approval of the Health Plan Compliance Council, will develop and publish an Annual Audit Plan. The Audit Plan is subject to review and revision throughout the year as new indicators for focused audit may emerge. The Audit Plan includes:

- Audits to be performed;
- Audit schedules, including start and end dates;
- Announced and/or unannounced audits;
- Audit methodology;
- Necessary resources;
- Types of audit (desk or onsite);
- Number of FDRs that will be audited and how the entities will be identified for auditing;
- Person(s) responsible;
- Final audit report due date; and
- Follow up activities from findings

Audit findings that represent significant risk to the organization will be reported immediately to the CEO and the Board of Directors.

The MCO will prepare a quarterly report of the status of the Audit Plan. The report should summarize:

- Audit objectives
- Scope and methodology
- Results of current audits, including any detected issues or non-compliance and resulting corrective action
- Recommendations

Corrective Actions

Corrective action initiatives as identified through routine monitoring and internal audit activities are monitored and managed by the MCO. Corrective actions are designed to correct the underlying problem that results in Medicare Advantage program violations and to prevent future violations.

Corrective action plans are implemented for both internal initiatives, as well as when necessary, for actions of a first tier, downstream, or related entities. Corrective action plans are documented in a format determined by the MCO and include specific implementation tasks, the

names of individuals accountable for implementation and required time frames for remediation activities.

Corrective action initiatives may include actions such as the repayment of identified overpayments and making reports to government authorities, including CMS or its designees (e.g., MEDIC), and law enforcement, as necessary or required. The MCO will report corrective actions to the Health Plan Compliance Council, the senior leadership team and the board, on a monthly basis.

Corrective Actions and Additional Monitoring and Auditing

The MCO shall submit regular reports of all monitoring, audit, and corrective action activities to the Health Plan Compliance Council. In instances where non-compliance is identified, a corrective action plan shall be developed by the FDR and reviewed and approved by the MCO, or his or her designee. Supplemental and focused audits of FDRs, as well as additional reporting, may be required until compliance is achieved.

At any time, Care N' Care may implement sanctions or require remediation by an FDR for failure to fulfill contractual obligations including development and implementation of a corrective action plan. Failure to cooperate with Care N' Care in any manner may result in termination of the delegation agreement, in a manner authorized under the terms of the agreement.

7. Procedures and Systems for Prompt Response to Compliance Issues

Care N' Care recognizes that violations of its Compliance Program, violations of applicable federal or state law, or other types of misconduct threaten its status as a reliable, honest, and trustworthy organization capable of participating in federal and private programs. Consequently, upon report or reasonable indication of suspected noncompliance, the MCO along with management will initiate prompt steps to investigate the conduct in question to determine whether a material violation of applicable law or the requirements of the compliance program has occurred, and if so, take steps to correct the problem.

Care N' Care will establish and implement procedures and a system for promptly responding to compliance issues as they are raised, investigating potential compliance problems as identified in the course of self-evaluations and audits, correcting such problems promptly and thoroughly to reduce the potential for recurrence and ensure ongoing compliance with CMS requirements.

- If Care N' Care discovers evidence of misconduct related to the payment or delivery of prescription drug items or services under the contract, Care N' Care will conduct a timely reasonable inquiry into that conduct.
- Care N' Care will conduct appropriate corrective actions (for example, repayment of overpayments and disciplinary actions against responsible individuals) in response to the potential violation referenced above.
- Care N' Care has procedures to voluntarily self-report potential fraud and misconduct related to the program to CMS, or its designee.

As appropriate, such steps to investigate misconduct will include the following:

All reports of any alleged misconduct that may rise to the level of fraud and abuse will immediately be communicated to the MCO. Reporting may be anonymous. Reports may be made without fear of retaliation.

Such reports will be investigated as soon as reasonably possible, as but no later than two weeks following the receipt of the report, information, or complaint regarding the potential noncompliance. The MCO will begin the investigation and obtain the support and direction of Health Plan Compliance Council/management as necessary and appropriate.

Depending upon the nature of the alleged violations, an internal investigation will include interviews and a review of relevant documents.

For violations that are severe upon initial review, the MCO will engage outside counsel, auditors, or other experts to assist in the investigation.

All employees, vendors and FDRs are required to cooperate fully in all compliance investigations. Failure to cooperate in an investigation may lead to disciplinary action. Intimidation or retaliation against any employee who cooperates in a compliance investigation is strictly prohibited and will lead to disciplinary action up to and including termination.

Records of the investigation will contain documentation of the alleged violation, a description of the investigative process, copies of interview notes and key documents, a log of the witnesses interviewed and the documents reviewed the results of the investigation, e.g., any disciplinary action taken, and the corrective action implemented.

The MCO will take appropriate steps to secure or prevent the destruction of documents or other evidence relevant to the investigation for a period of ten (10) years.

If an investigation of an alleged violation is undertaken and the MCO believes the integrity of the investigation may be at stake because of the presence of employees under investigation, those subjects will be removed from their current work activity until the investigation is completed.

A corrective action plan will be created if any fraud and abuse or material violation of this program is found to have occurred.

Any violations, which are found to have occurred, will be reported to the suspected individuals.

Any discipline that the MCO, and when appropriate the HPCC and/or the board, determines is necessary will be implemented.

If any overpayment or underpayment was involved, a report will be sent to the appropriate personnel/agency pursuant to government and other applicable guidelines.

When appropriate and in consultation with legal counsel, an immediate referral should be made to criminal and/or civil law enforcement authorities.

Response to Fraud Alerts

CMS issues alerts to Part D sponsors concerning fraud schemes identified by law enforcement officials. Typically, these alerts describe alleged activities involving pharmacies practicing drug diversion or prescribers participating in illegal remuneration schemes. Care N' Care may take

action (including denying or reversing claims) in instances where Care N' Care's own analysis of its claims activity indicates that fraud may be occurring. Care N' Care's decision to deny or reverse claims shall be made on a claim-specific basis.

When a Fraud Alert is received, Care N' Care is also obligated to review its past paid claims from entities identified in a fraud alert. With the issuance of a fraud alert, CMS places Care N' Care on notice (see 42 CFR 423.505(k)(3)) that claims involving the identified party needs to be reviewed. To meet the "best knowledge, information, and belief" standard of certification, Care N' Care will work with delegates and shall make its best efforts to identify claims that may be or may have been part of an alleged fraud scheme and remove them from the sets of prescription drug event data submissions.

8. Fraud, Waste and Abuse Prevention & Detection

Care N' Care is strongly committed to the detection, prevention and remediation of FWA at the plan level, as well as within its first-tier, downstream or related entities. Care N' Care maintains ultimate responsibility for adhering to and otherwise fully complying with all applicable federal and state statutory, regulatory, and other requirements related to the delivery of the Medicare benefits, including the compliance plan requirements found at 42 CFR §422.503(b)(4)(vi); 42 C.F.R. § 423.504(b)(4)(vi)(H). Care N' Care will work in an ongoing manner with the appropriate entities to detect and prevent FWA as is required by the Medicare Managed Care Manual, Chapter 21 – Compliance Program Guidelines and Prescription Drug Benefit Manual, Ch. 9 – Compliance Program Guidelines.

Examples of fraud include, but are not limited to:

- Billing for services that were not rendered;
- Misrepresenting as medically necessary non-covered or screening services by reporting them as covered procedure or revenue codes;
- Signing blank records or certification forms, or falsifying information on records or certification forms for the sole purpose of obtaining payment;
- Up-coding or consistently using procedure/revenue codes that describe more extensive services than those actually performed;
- Using an incorrect or invalid provider number in order to be paid or to be paid at a higher rate of reimbursement;
- Selling or sharing Medicare health insurance identification numbers so that false claims can be filed;
- Falsifying information on applications, medical records, billing statements, cost reports or on any documents filed with the government.

Examples of waste and abuse include, but are not limited to:

- Billing for services or items in excess of those needed by the patient;
- Unbundling services that are to be bundled or double billing in order to receive increased payment
- Adding inappropriate or incorrect information to cost reports;
- Collecting in excess of the deductible or co-insurance amounts;
- Requiring a deposit or other payment from patients as a condition for admission, continued care or other provision of service;

Examples of member fraud include, but are not limited to:

- Misrepresenting or concealing facts that would cause CNC to provide coverage to persons who are otherwise not eligible.
- The three types of conduct that are generally prohibited by health care fraud laws are false claims, kickbacks and self-referrals. The consequences for violating these laws can include, in addition to imprisonment and fines, civil monetary penalties, loss of licensure, loss of Staff privileges and exclusion from participation in federal health care programs.

Furthermore, self-reporting plays a critical role in reducing FWA and maintaining program integrity. Therefore, Care N' Care should self-report potential fraud discovered at the plan, first-tier entity, downstream entity, or related entity levels to the appropriate entities. In doing so, Care N' Care may receive the benefits of voluntary self-reporting found in the False Claims Act and federal sentencing guidelines. Self-reporting offers plans the opportunity to minimize the potential cost and disruption of a full scale audit and investigation, to negotiate a fair monetary settlement, and to potentially avoid an OIG permissive exclusion preventing Care N' Care from doing business with the Federal health care programs. CMS strongly encourages plans to immediately self-disclose marketing violations to CMS and proactively report any corrective action measures that they have taken to respond to any violations. Both the DOJ and the OIG also have longstanding policies favoring self-disclosure. The Provider Self-Disclosure Protocol for the DHHS OIG can be found at 63 Fed. Reg. 58,399-403 (1998). An overview of Care N' Care's Fraud, Waste, and Abuse program can be found in the Fraud, Waste and Abuse plan.

LAW & REGULATIONS RELATED TO FWA:

- a. 42 CFR § 423.504(b)(4)(vi)(H)
- b. 42 CFR § 422.503(b)(4)(vi)
- c. Medicare Managed Care Manual, Chapter 21 – Compliance Program Guidelines and Prescription Drug Benefit Manual, Ch. 9 – Compliance Program Guidelines
- d. Anti-Kickback Regulations – 42 U.S.C. § 1320a-7b (b)
- e. Stark Law Amendments – 42 U.S.C. § 1395nn
- f. Mail and Wire Fraud – 18 U.S.C. § 1341
- g. False Claims Act – 31 U.S.C. § 3729-33
- h. HIPAA/HITECH – 45 CFR, Part 164
- i. Provider Self-Disclosure Protocol – 63 Fed. Reg. 58,399-403 (1998)

Notable changes (with page number)

This overview has been provided to list the key points of notable changes and the sections in which they are detailed.

Compliance Plan & Program Policies

Section	Changes
Compliance Program Policy and Procedures	<ul style="list-style-type: none">Updated Compliance Officer to state Medicare Compliance Officer for alignment with new Corporate Compliance Governance structure (Page 7)
Code of Conduct	<ul style="list-style-type: none">Added provision to use the SWHR-CIN Code of Conduct (Page 5)
Compliance Program Policy and Procedures	<ul style="list-style-type: none">Expanded screening provisions to include the review of the CMS preclusion list in compliance with the Medicare Advantage Program (Part C) and Prescription Drug Benefit Program (Part D) regulations (rev. page 16)
Compliance Program	<ul style="list-style-type: none">Changed Compliance Committee to Health Plan Compliance Council throughout the document

Appendix A

Compliance Program

Policies & Procedures

The applicable Care N' Care Compliance Policies and Procedures are located on the Care N' Care website via the following: <https://www.cnchealthplan.com/compliance/>