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Policy Name: PrimeTime Compliance Program

Version Number: 6

Scope: PrimeTime employees, directors, company leadership, contractors, first tier, downstream, and related entities

Policy/Purpose: PrimeTime’s Compliance Program describes the seven key required elements for achieving and maintaining compliance with all applicable Federal and State laws and regulations as well as requirements as set forth by 42 CFR 422.503 and 423.504. These regulations describe the requirements PrimeTime has in place to prevent, detect and correct Medicare Parts C and D noncompliance and fraud, waste or abuse within the organization itself, or its third party administrators.

Reference Policies: N/A

Regulatory Reference(s): 42 CFR 422.503(b)(4)(vi); 42 CFR 423.504(b)(4)(vi); Prescription Drug Benefit Manual, Chapter 9, Compliance Program Guidelines and Medicare Managed Care Manual, Chapter 21, Compliance Program Guidelines

Record/Document Control: AultCare Health Insuring Corporation dba PrimeTime Health Plan Compliance Program

Definitions:

1. **MAO:** Medicare Advantage Organization
2. **MA-PD:** Medicare Advantage Prescription Drug Plan
3. **PDP:** Prescription Drug Plan
4. **FDR:** First Tier, Downstream or Related Entity
5. **FWA:** Fraud, Waste, Abuse
6. **Centers for Medicare and Medicaid Services (CMS):** CMS means the Centers for Medicare and Medicaid Services, an Agency within the Department of Health and Human Services.
7. **Contractor** is any person or entity that directly contracts with CMS to provide items or services or perform tasks related to the Medicare Program. Contractor includes all PDPs, MA-PDs, Fallbacks, Cost Plans, MEDICs, Program Safeguard Contractors (PSCs), Durable Medical Equipment Regional Carriers (DMERCs), fiscal intermediaries, carriers, Medicare Administrative Contractors (MACs) and Regional Home Health Intermediaries (RHHIs).
8. **First Tier Entity** is any party that enters into a written arrangement, acceptable to CMS, with an MAO or Part D plan sponsor or applicant to provide administrative services or health

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care services to a Medicare eligible individual under the MA program or Part D program. (See, 42 C.F.R. § 423.501).

9. **Downstream Entity** is any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with the MA benefit or Part D benefit, below the level of the arrangement between an MAO 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).
10. **Related Entity** means any entity that is related to the MAO or Part D sponsor by common ownership or control and: 1) Performs some of the MAO or Part D plan sponsor's management functions under contract or delegation; 2) Furnishes services to Medicare enrollees under an oral or written agreement; or 3) 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).
11. **NBI MEDIC** means National Benefit Integrity Medicare Drug Integrity Contractor (MEDIC), an organization that CMS has contracted with to perform specific program integrity functions for Parts C and D under the Medicare Integrity Program. The NBI MEDIC's primary role is to identify potential FWA in Medicare Parts C and D.

PrimeTime established a Compliance Program to prevent, detect and correct Medicare Parts C and D noncompliance within the organization itself, or its third party administrators. The Prescription Drug Benefit Manual, Chapter 9, and the Medicare Managed Care Manual, Chapter 21, are part of the overall PrimeTime Compliance Program.

The Federal and State compliance obligations that PrimeTime complies with include, but are not limited to, the following statutes, regulations, and guidelines:

1. Applicable State laws and contractual commitments.
2. Federal False Claims Act: prohibits knowingly presenting (or causing to be presented) to the federal government a false or fraudulent claim for payment or approval.
3. Anti-Kickback Statute: provides criminal penalties for individuals or entities that knowingly and willfully offer, pay, solicit, or receive remuneration in order to induce or reward business payable (or reimbursable) under the Medicare or other Federal health care programs.
4. Stark Law (Physician Self-Referral): prohibits a physician from making referrals for certain designated health services payable by Medicare to an entity with which he or she (or immediate family member) has a financial relationship (ownership, investment, or compensation), unless an exception applies.
5. Health Insurance Portability and Accountability Act (HIPAA): This rule includes standards to protect the privacy of individually identifiable health information.
6. Code of Federal Regulations, specifically 42 C.F.R. § 400, 403, 411, 417, 422, 423, 1001 and 1003.

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7. Regulatory guidance provided by the Centers for Medicare and Medicaid Services (CMS), including requirements in the Medicare Managed Care Manual (MMCM) and the Prescription Drug Benefit Manual (PDBM), as well as all other policy guidance.
8. Applicable provisions of the Federal Food, Drug and Cosmetic Act.

Key Compliance Requirements

The PrimeTime Compliance Program includes the seven compliance elements required by the Medicare Part C and D statutes (42 CFR 422.503(b)(4)(vi) and 42 CFR 423.504(b)(4)(vi)):

Element 1: Written Policies, Procedures, and Standards of Conduct

PrimeTime maintains written compliance policies and procedures and a Code of Business Conduct and Ethics that articulate PrimeTime's commitment to comply with all applicable Federal and State standards.

The **Code of Business Conduct and Ethics** articulates the standards by which employees, directors, company leadership, contractors, and FDRs of PrimeTime must conduct themselves in order to protect and promote organization wide integrity and to enhance PrimeTime's ability to achieve its mission. PrimeTime does not condone intimidation and retaliation for participation in the PrimeTime Compliance Program, including but not limited to, reporting potential issues, investigating issues, conducting self-evaluations, audits and remedial actions, and reporting to the appropriate officials.

PrimeTime's Compliance Department has developed **written policies and procedures** to implement the Compliance Program to ensure compliance with the policies and procedures, and articulate PrimeTime's commitment to comply with all applicable State and Federal laws including but not limited to, Medicare Part C, D, and PDP statute, regulations and program manuals, False Claims Act, Anti-Kickback Statute, STARK Statute, and HIPAA. Additionally, policies and procedures have been designed to provide guidance on how to deal with and report potential noncompliance and suspected FWA and how to report such issues to the Compliance Department for further action and investigation.

The policies and procedures are made available to PrimeTime employees, executives, and directors via hard copy or via the company intranet site – AultShare.

Whenever there is a change in Federal or State law, regulations, policy guidance or process, the Compliance Department reviews, and revises if necessary, the Code of Business Conduct and Ethics, the PrimeTime Compliance Program, and Compliance policies and procedures to determine if revisions are necessary, or if new policies and procedures must be created.

Element 2: Compliance Officer, Compliance Committee and High Level Oversight

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The PrimeTime **Compliance Officer** has primary responsibility for promoting and directing PrimeTime's Medicare compliance with Federal, State and local laws, rules and regulations affecting the Medicare Parts C and D business. S/he is responsible for the day-to-day operation and oversight of the PrimeTime Compliance Program. The PrimeTime Compliance Officer, as part of Corporate Compliance, reports to the Compliance Director, who reports to the Audit Committee and the AultCare Health Insuring Corporation (AHIC) Board of Directors (BOD). The PrimeTime Compliance Officer has direct access to the AHIC Board of Directors and the Audit Committee to report any concerns or findings. The PrimeTime Compliance Officer serves a consultative role to the CEO of PrimeTime.

The **PrimeTime Executive Compliance Committee** meets quarterly with the Compliance Officer who reports on compliance and FWA concerns and/or issues. The Corporate Compliance Director meets with the BOD's Audit Committee to report the activities and status of the PrimeTime Compliance Program and obtains approval and ratifications of compliance documents (e.g. Code of Business Conduct and Ethics, PrimeTime Compliance Program). The Committee also oversees the Compliance Program and serves to advise the Compliance Officer. The Executive Compliance Committee meets at least on a quarterly basis or more frequently as necessary. Members of this committee have decision-making authority in their respective areas of expertise.

Responsibilities of the PrimeTime Executive Compliance Committee include, but are not limited to, assisting the PrimeTime Compliance Officer in:

- Developing strategies to promote compliance and the detection of any potential fraud, waste and abuse or compliance violations in the MA-PD Programs.
- Ensuring that training and education are appropriately completed for employees and first-tier, downstream, and related entities, to maintain compliance with MA-PD regulatory requirements.
- Support the PrimeTime Compliance Officer's needs for sufficient staff and resources to carry out his or her duties.
- Assist with the creation and implementation of the monitoring and auditing work plan.
- Development of a process to maintain appropriate, up-to-date compliance policies and procedures.
- Overseeing a system of internal controls to carry out the PrimeTime Compliance Program and Code of Business Conduct and Ethics.
- Ensuring PrimeTime has a system for employees, first-tier, downstream and related entities to communicate compliance and fraud, waste and abuse questions

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and report potential instances of noncompliance and/or fraud, waste and abuse (confidentially or anonymously) without fear of retaliation.

- Assist in the creation of effective corrective action plans and ensure that they are implemented and monitored. Develop innovative ways to implement appropriate corrective and preventive action.
- Review and address reports of monitoring and auditing of areas at risk of fraud, waste or abuse, ensuring that corrective action plans are implemented and monitored.
- Providing regular and ad hoc reports on the status of Medicare Advantage and Prescription Drug Plan compliance, including fraud, waste and abuse with recommendations to the Board of Directors.

Element 3: Effective Training and Education

PrimeTime provides effective training and education to its employees, including the CEO, senior administrators or managers, directors, and FDRs. Completion of Compliance and FWA training is a condition of initial and continued employment with the company. Failure to comply with training requirements may result in disciplinary action, up to and including termination.

The training and education component of the PrimeTime Compliance Program includes the following types of training:

- General Parts C and D Compliance and Fraud, Waste and Abuse training
- Additional Parts C and D training for PrimeTime staff
- Specialized Parts C and D training – job function-specific

Element 4: Effective Lines of Communication

PrimeTime maintains effective lines of communication between the PrimeTime Compliance Officer and his/her designee and employees, contractors, FDRs, the PrimeTime Executive Compliance Committee, and PrimeTime leadership.

The PrimeTime Compliance Department encourages all parties listed above to report suspected instances of Part C and Part D noncompliance and/or FWA related to the Parts C and D program to the Compliance/FWA hotline, the PrimeTime Compliance Officer, the PrimeTime Fraud Officer, or any member of PrimeTime management (confidentially or anonymously) without fear of retaliation. In order to promote an environment of open communication and reporting, PrimeTime has and enforces a policy of non-retaliation and non-retribution toward any party reporting suspected instances of noncompliance or FWA.

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PrimeTime employees must report any suspected instances of non-compliance or FWA to the Compliance Officer and/or Fraud Officer, either directly or indirectly, through the Compliance/FWA hotline. All other parties, including members, may report instances of noncompliance or FWA:

- To the PrimeTime Compliance/FWA Hotline:
<https://aultcarepthp.alertline.com> or 1.866.307.3528
- To the Compliance/FWA Officer
- To the MEDIC and other Law Enforcement

Element 5: Well-Publicized Disciplinary Standards

PrimeTime publicizes disciplinary guidelines to enforce the Code of Business Conduct and Ethics and other aspects of the PrimeTime Compliance Program.

Enforcement is conducted through sanctions for non-compliant behavior, dealing consistently and appropriately with violations, implementing and following up with corrective action plans, and utilizing a tracking system for disciplinary actions. PrimeTime employees, including executive, management, and other staff, are expected to conduct Part C and Part D activities in conformance with Federal and State regulatory requirements, the PrimeTime Compliance Program and internal policies and procedures. Staff at all levels who fail to meet this standard, are subject to disciplinary action, up to and including termination of employment.

To deter incidents of unethical or noncompliant behavior (including FWA violations) by PrimeTime employees, PrimeTime publicizes disciplinary guidelines at the initial and annual PrimeTime Compliance and FWA training; includes a description of the disciplinary process in the Employee Handbook; includes compliance guidelines as a regular topic of discussion at regular department staff meetings. Noncompliance and FWA contact information is located in common areas of PrimeTime workspaces and is posted on the company's intranet site.

To deter incidents of unethical or noncompliant behavior by employees of FDRs, PrimeTime Compliance and FWA training is provided within 90 days of contract signature and annually thereafter.

Following an investigation that confirms a PrimeTime employee has violated one or more of the elements of the Code of Business Conduct and Ethics and/or provision of the PrimeTime Compliance Program, disciplinary action will be taken.

Element 6: Effective System for Routine Monitoring, Auditing, and Identification of Compliance Risks

The PrimeTime Compliance Department performs an annual risk assessment to develop an overall internal monitoring and auditing work plan for the year to identify the audits

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that will be performed and test the policies and procedures for preventing, detecting and correcting unethical or unlawful conduct throughout PrimeTime. Additionally, the PrimeTime Compliance Department will conduct routine reviews of the Part C and Part D operations and compliance risk areas as identified by the PrimeTime Compliance Officer and/or as identified by the PrimeTime Executive Compliance Committee as well as standing auditing and monitoring of FDRs. This monitoring is designed to examine those practices within PrimeTime that pose potential risk of noncompliance with all Medicare regulations, sub-regulatory guidance, contractual agreements, and all applicable Federal and State requirements as well as internal policies and procedures to protect against Medicare program noncompliance and potential FWA.

PrimeTime, or its designee, conducts a background check during the hiring process of all new employees. Prior to hire and monthly thereafter, all employees are checked against the Office of Inspector General's (OIG) list of excluded individuals/entities and the General Services Administration (GSA) list of excluded individuals/entities. External agents and brokers are checked against the OIG and GSA lists at the time of credentialing, then monthly thereafter. If it is determined at the time of hire or at any point after that a PrimeTime employee or FDR appears on any of these lists, PrimeTime will take immediate action to remove that individual from work on any Federal product.

Element 7: Procedures and System for Prompt Response to Compliance Issues

PrimeTime investigates all reports of suspected improper conduct, Part C and Part D noncompliance, and/or FWA promptly and thoroughly. Every effort is made to maintain the confidentiality of reports of potential violations and concerns about fraudulent, illegal or non-compliant behavior.

All allegations of Part C and Part D noncompliance are routed to the PrimeTime Compliance Department, regardless of the point of entry. The PrimeTime Compliance Department logs the complaint and initiates a timely and reasonable inquiry upon discovery of evidence of misconduct related to payment or delivery of Part C and/or Part D items or services. The investigation is initiated as quickly as possible, but not later than two weeks after the date of receipt of the reported potential violation. Depending on the type of reported activity, the PrimeTime Compliance Officer or designee contacts all appropriate parties including but not limited to staff and managers within the organization, FDRs, other regulatory or law enforcement agencies, outside counsel, and/or PrimeTime members.

The PrimeTime Compliance Department obtains all relevant data and documentation to investigate the allegation. Following analysis of all documentation, the PrimeTime Compliance Officer determines the findings of the investigation, including whether the allegations of noncompliance are confirmed.

All allegations of Part C and Part D FWA are routed to the Fraud Officer, regardless of the point of entry. The Fraud Officer logs the complaint and initiates a timely and

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reasonable inquiry upon discovery of evidence related to payment or delivery of Part C and/or Part D items or services. The investigation is initiated as quickly as possible, but not later than two weeks after the date of receipt of the reported potential violation. Depending on the type of reported activity, the Fraud Officer contacts all appropriate parties including but not limited to the PrimeTime Compliance Officer, staff and managers within the organization, FDRs, other regulatory or law enforcement agencies, outside counsel, and/or PrimeTime members. If the issue appears to involve potential fraud or abuse and PrimeTime does not have the time/resources to investigate timely, the Fraud Officer will refer the matter to the NBI MEDIC within 30 days of identification.

The PrimeTime Compliance Officer reports the results of all Medicare program noncompliance and/or FWA to the PrimeTime Executive Committee. The PrimeTime Compliance Officer/Fraud Officer recommends appropriate corrective action measures based on the severity of the issue. The PrimeTime Executive Committee reviews the recommendations and approves or modifies corrective and/or disciplinary action. Corrective actions imposed are tracked for effectiveness by the PrimeTime Compliance Department.

Investigation results are communicated by the PrimeTime Compliance Officer to relevant parties. The written communication includes the proposed disciplinary and/or corrective action plans for the detected offense, the timeframes for correction, and a description of the method of evaluation to determine whether the violation has been corrected.

In the event that the investigation discovers an incident of significant Medicare program noncompliance, the PrimeTime Compliance Officer reports the activity to the relevant government and/or law enforcement agencies, including but not limited to CMS and the Office of the Inspector General (OIG). PrimeTime participates in and cooperates with investigations by such agencies as requested.

In addition to the internal investigation of reports of potential FWA, the Fraud Officer refers potential FWA cases to the applicable MEDIC and/or Federal and State entity.