

# First Tier, Downstream and Related Entity, Marketplace Delegate And Subcontractor Compliance Guide

**McLaren Health Plan, Inc.**

**McLaren Health Plan Community**

**McLaren Health Advantage**

**McLaren Advantage**

**MDwise**

## McLaren and MDWise Compliance Programs

This Compliance Guide encompasses McLaren Health Plan, Inc., McLaren Health Plan Community, McLaren Health Advantage, MDWise, their subsidiaries and all product lines. All entities will be referred to as “McLaren” in this document.

McLaren’s Compliance Program is designed to:

- reduce or eliminate fraud, waste, abuse, and acts of non-compliance;
- ensure McLaren’s compliance with applicable regulations; and
- reinforce McLaren’s commitment to zero-tolerance for such activities.

McLaren has a legal requirement to provide information and education to those individuals, entities, businesses, and providers with whom we work. The Centers for Medicare and Medicaid (CMS), the Michigan Department of Health and Human Services (MDHHS), the Indiana Family and Social Services Administration (FSSA) and various other agencies provide guidance and regulatory oversight of our Compliance Program.

### **Introduction to the First Tier, Downstream, and Related Entity (FDR), Marketplace Delegate and Subcontractor Compliance Guide (“Compliance Guide”)**

This Compliance Guide is a resource designed to assist our FDRs, Marketplace Delegates and Subcontractors with understanding of the McLaren Compliance Programs and requirements by:

- Demonstrating McLaren’s commitment to responsible corporate conduct;
- Setting forth the FDR, Marketplace Delegate and Subcontractor compliance requirements;
- Publicizing mechanisms for reporting fraud, waste, abuse and compliance issues;
- Communicating information about the Standards of Conduct and the compliance policies for each subsidiary in place to detect, prevent, correct, and monitor fraud, waste, abuse and non-compliance;
- Defining and providing examples of fraud, waste and abuse; and
- Providing information about relevant laws and regulations.

#### **I. What is an FDR, Marketplace Delegate or Subcontractor?**

McLaren uses the CMS current definitions to define “FDR”

**First Tier Entity** is 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 healthcare services to a Medicare eligible individual under the Medicare Advantage program or Part D program.

**Downstream Entity** is 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.

**Related Entity** means any entity that is related to a Medicare Advantage Organization or Part D sponsor by common ownership or control and:

- a. Performs some of the Medicare Advantage Organization or Part D plan Sponsor’s management functions under contract or delegation,

- b. Furnishes services to Medicare enrollees under an oral or written agreement, or
- c. Leases real property or sells materials to the Medicare Advantage Organization or Part D plan sponsor at a cost of more than \$2,500 during a contract period.

42 CFR 156.340 defines the **Marketplace Delegate** as any party, including an agent or broker that enters into an agreement with a Qualified Health Plan (QHP) issuer to provide administrative services or health care services to qualified individuals, qualified employers, or qualified employees and their dependents.

**Marketplace Downstream Entity** means any party, including an agent or broker that enters into an agreement with a delegated entity or with another downstream entity for purposes of providing administrative or health care services related to the agreement between the delegated entity and the QHP issuer. The term “downstream entity” is intended to reach the entity that directly provides administrative services or health care services to qualified individuals, qualified employers, or qualified employees and their dependents.

The MDHHS and FSSA definitions of **Subcontractor** is any person or entity that performs required, ongoing administrative or Health Benefit management functions.

A **Health Benefit Manager** is any entity that arranges for the provision of health services covered, excluding transportation, under a written contract or agreement with McLaren.

## **II. FDR, Marketplace Delegate and Subcontractor Compliance Requirements**

McLaren’s commitment to compliance includes ensuring that our FDRs, Marketplace Delegates and Subcontractors comply with applicable state and federal regulations. McLaren contracts with these entities to provide administrative and healthcare services to our enrollees. We are ultimately responsible for fulfilling the terms and conditions of our contract with CMS and meeting their program requirements. Therefore, McLaren requires each FDR, Marketplace Delegate and Subcontractor to comply with the compliance and fraud, waste and abuse expectations listed in the guidance. Failure to meet the requirements may lead to a Corrective Action Plan (CAP), retraining, or the termination of a contract and relationship with McLaren Health Plan.

**First Tier entities and Marketplace Delegates are responsible for ensuring that their downstream and related entities comply with this policy and applicable Federal and State statutes and regulations.**

FDRs, Marketplace Delegates and Subcontractors must maintain supporting documentation of compliance with the requirements listed in this guidance for a period of ten years, and must furnish evidence of such compliance to McLaren upon request for monitoring and auditing purposes.

### **A. Annual FDR and Subcontractor Compliance Attestation**

An authorized representative from each FDR and Subcontractor is required to complete the McLaren FDR or Subcontractor Compliance Attestation (on behalf of his/her organization). This is done upon execution of a contract and on an annual basis to attest to compliance with the Standards of Conduct, compliance policies, fraud, waste and abuse training, OIG and GSA exclusion screening, and publication of fraud, waste and abuse and compliance reporting mechanism requirements.

An authorized representative is an individual who has responsibility - directly or indirectly - for all employees, contracted personnel, providers/practitioners, and subcontractors who provide healthcare or administrative services under Medicaid and/or Medicare. Authorized representatives may include, but are not limited to, the company Chief Executive Officer, Chief Operating Officer, Compliance Officer, Chief Medical Officer, Practice Manager/Administrator or similar related positions.

McLaren will send a notification to each FDR and Subcontractor to communicate the deadline for completion of the annual Attestation. All FDRs and Subcontractors must complete the Attestations within the designated timeframe.

## **B. Standards of Conduct and Compliance Information**

McLaren requires each FDR, Marketplace Delegate and Subcontractor to establish and sustain a culture of compliance. McLaren's FDRs, Marketplace Delegates and Subcontractors must either:

- Establish and publicize comparable Standards of Conduct that meet CMS requirements set forth in 42 CFR 422.503(b)(4)(vi)(A) and 42 CFR 423.504 (b)(4)(vi)(A) and reflect a commitment to preventing, detecting, and correcting non-compliance; or
- Adopt and distribute to all employees and contractors McLaren's Standards of Conduct, which is Appendix 1 of this Guide.

In addition to the Standards of Conduct, each FDR, Marketplace Delegate and Subcontractor must distribute compliance information to all employees and contractors upon hire/contract and annually thereafter. McLaren provides compliance information in this Guide that can be used. If an FDR, Marketplace Delegate or Subcontractor opts to use different material, McLaren must approve it in advance of use and it must include at a minimum:

- a description of the Compliance Program,
- instructions on how to report suspected non-compliance,
- the requirement to report potential non-compliance and fraud, waste and abuse,
- disciplinary guidelines for non-compliant behavior,
- a non-retaliation provision,
- fraud, waste and abuse training requirements, and
- an overview of relevant laws and regulations (see section on Relevant Laws and Regulations).

FDRs, Marketplace Delegates and Subcontractors must maintain records (e.g., attestations, logs) to document that each employee and contractor has received, read, understood, and will comply with the written Standards of Conduct and compliance policies upon hire/contract and annually thereafter.

## **C. General Compliance and Fraud, Waste and Abuse Training**

FDRs, Marketplace Delegates and Subcontractors are required to complete general compliance and fraud, waste and abuse training within 90 days of contract/hire and annually thereafter. The training requirement extends to all employees and contractors that are involved in McLaren products. Each FDR, Marketplace Delegate and Subcontractor will be required to attest that all employees and contractors have met the training requirement via:

- Accessing the CMS training presentation at <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/MedCandDGenCompdownload.pdf>, and <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/CombMedCandDFWAdownload.pdf>; or
- CMS Deemed fraud, waste and abuse training through enrollment into Parts A or B of the Medicare program.

Each FDR, Marketplace Delegate and Subcontractor is responsible for maintaining evidence of fraud, waste and abuse training, which may include training logs, attestations and training programs. McLaren reserves

the right to perform a random sampling audit to ensure FDR, Marketplace Delegate and Subcontractor compliance.

#### **D. OIG and GSA Exclusion Screening**

Federal law prohibits the payment by Medicare, Medicaid or any other federal healthcare program for any item or service furnished by a person or entity excluded from participation in these federal programs. Therefore, **prior** to hire or contract and **monthly thereafter**, each FDR, Marketplace Delegate and Subcontractor must perform a review to confirm that employees and contractors are not excluded from participating in federally funded healthcare programs according to the OIG and GSA exclusions lists.

The websites utilized to perform the required screenings are:

- OIG List of Excluded Individuals/Entities (LEIE):  
[http://oig.hhs.gov/exclusions/exclusions\\_list.asp](http://oig.hhs.gov/exclusions/exclusions_list.asp)
- General Services Administration (GSA) database of excluded individuals/entities:  
<https://www.sam.gov/portal/public/SAM/#1>

If an employee or contractor appears on an exclusion list, he or she must be removed from any work directly or indirectly related to federal healthcare programs, and appropriate corrective action must be taken.

FDRs, Marketplace Delegates and Subcontractor must maintain evidence of exclusionary reviews (i.e., logs or other records) to document that each employee and contractor has been screened in accordance with current regulations and requirements.

#### **E. Reporting Fraud, Waste, Abuse and Compliance Issues**

McLaren's FDRs, Marketplace Delegates and Subcontractors have a responsibility to report any alleged compliance, fraud, waste and abuse, and/or conflict of interest issues that involve McLaren. FDRs, Marketplace Delegates and Subcontractors may confidentially report a potential violation of McLaren compliance policies or any applicable regulation by utilizing the following methods:

##### **McLaren Reporting**

- McLaren's 24/7 confidential and anonymous hotline (866) 866-2135, or
- email at [mhpcompliance@mclaren.org](mailto:mhpcompliance@mclaren.org), or
- in writing to: Compliance Officer, McLaren Health Plan, G-3245 Beecher Rd, Flint, MI 48532.

##### **Medicare Reporting**

- Office of Inspector General at (800) HHS-TIPS (447-8477) TTY 800-377-4950, or
- in writing to: U.S. Department of Health and Human Services, ATTN: Hotline, P.O. Box 23489, Washington, DC 20026, or
- online at: [www.oig.hhs.gov/fraud/report-fraud](http://www.oig.hhs.gov/fraud/report-fraud)

For additional information on how to detect and report Medicare fraud, you may access this link at [www.stopmedicarefraud.gov](http://www.stopmedicarefraud.gov)

##### **Medicaid Reporting**

- Office of Inspector General, P. O. Box 30062, Lansing, MI 48909,
- or by phone at: (855) MI-FRAUD (643-7283), or

- on line at: [www.michigan.gov/fraud](http://www.michigan.gov/fraud)

McLaren requires each FDR, Marketplace Delegate and Subcontractor to publicize confidential reporting mechanisms for all employees and contractors. If an FDR, Marketplace Delegate or Subcontractor does not maintain a confidential reporting mechanism, the McLaren Health Plan Confidential Hotline, and email information must be distributed to encourage reporting of potential compliance issues, fraud, waste, abuse, conflict of interests, violations of compliance policies and/or any applicable regulation.

### III. McLaren's Standards of Conduct

The McLaren Standards of Conduct provides guidance to FDRs, Marketplace Delegates and Subcontractors regarding the ethical and legal standards of our Compliance Program. We expect that every FDR, Marketplace Delegate and Subcontractor respect these principles and conduct business with, and on behalf of McLaren, in accordance with them. Failure to follow the Standards of Conduct may lead to termination of a contract and relationship with McLaren. The McLaren Health Plan Standards of Conduct is included as Appendix 1.

### IV. Fraud, Waste and Abuse

What is fraud, waste and abuse?

**Fraud** is an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to him/herself or other person. It includes any act that constitutes fraud under applicable federal or state law.

**Waste** is the excessive, careless, or needless expenditure of funds resulting from deficient practices, systems, controls, or decisions.

**Abuse** means practices that are inconsistent with sound fiscal, business or medical practices, and result in an unnecessary cost, or in reimbursement for services that are not medically necessary, or that fail to meet professionally recognized standards of care. It includes enrollee practices that result in unnecessary cost.

#### A. Common methods of fraud waste and abuse

**Fabrication of claims:** In the outright fabrication of claims or portions of claims, a fraud perpetrator uses legitimate patient names and insurance information either to concoct fictitious claims, or to add to otherwise legitimate claims fictitious charges for treatments or services that were never provided or performed.

**Falsification of claims:** In the falsification of claims, the perpetrator makes a material and intentional misrepresentation of one or more elements of information in the claim, for obtaining a payment to which he or she is not entitled.

**Unbundling:** In unbundling, a provider submits a claim reporting a comprehensive procedure code (e.g., resection of small intestine) along with multiple incidental procedure codes (e.g., exploration of abdominal and exploration of the abdomen) that are an inherent part of performing the comprehensive procedure. Some providers may submit the unbundled procedures on multiple claims in an attempt to bypass bundling edits in the claims processing system.

**Fragmentation:** In fragmentation, a provider submits a claim with all the incidental codes or itemizes the components of the procedures/services (antepartum care, vaginal delivery and obstetric care) that includes the three components. Some providers may submit the unbundled procedures on multiple claims in an attempt to bypass fragmentation edits in the claims processing system.

**Duplicate claim submissions:** Induplicate claim submissions, a provider submits claims under two Tax Identification Numbers to bypass duplicate claim edits in the claims processing system.

**Fictitious Providers:** There has been fraud where perpetrators obtain current membership information from operatives working in billing offices of legitimate providers (usually hospitals), and submit claims for services.

## **B. Indicators of Fraud**

There are many indicators of fraud which, if noticed by McLaren staff, FDRs, Marketplace Delegates or Subcontractors, should be brought to the attention of the Compliance Department. Examples of the most common indicators are:

- Addition of services to bill;
- Claims for more than one pharmacy for the same member in a short period of time;
- Claims that have been handwritten or changes made by hand;
- Diagnosis is inconsistent with age or sex;
- Eligibility file date of birth does not match date of birth on claim (indication ID card has been shared);
- Impossible or unlikely services for age or sex;
- Inconsistency between provider type and/or specialty and services rendered;
- Indication that coinsurance has been waived (which, in some circumstances is not permitted by contract or law);
- Large distance between provider and member locations;
- Provider with more than a few lost or stolen checks;
- Provider demanding immediate payment for claims;
- Reluctance or failure to submit medical records when requested;
- Submission of identical claims for more than one member or family member.

## **V. Relevant Laws and Regulation**

### **A. Deficit Reduction Act**

As a participant in the Medicaid Program, McLaren must comply with the terms of the Deficit Reduction Act of 2005 (the "DRA"). The DRA (and specifically Section 6033, entitled "Employee Education About False Claim Recovery", which was effective January 1, 2007), requires any organization that receives \$5 million or more in Federal Medicaid funds annually, including payments from managed care organizations such as McLaren Health Plan, to adopt a compliance program in accordance with Federal law, and to inform its employees and any contractor or agents of the terms of the False Claims Act. Any organization that does not comply with the requirements may be denied Medicaid reimbursement.

### **B. False Claims Act (FCA)**

The federal government amended the False Claims Act (FCA) to make it a more effective tool. Using the False Claims Act, private citizens (i.e., whistleblowers) can help reduce fraud against the government. The act allows everyday people cooperate with the government to sue groups or other individuals that are defrauding the government through programs, agencies or contracts (the act does not cover tax fraud). Examples of violations of the FCA are:

- Knowingly presenting a false or fraudulent claim for payment;
- Knowingly using a false record or statement to get a claim paid.

### **C. FCA Penalties**

Those who defraud the government can end up paying triple the damage done to the government or a fine for every false claim (currently between \$5,500 and \$11,000 per claim). These monetary fines are in addition to potential jail time, revocation of licensure and/or becoming an individual “excluded” from participating or receiving money from Medicare or Medicaid.

### **D. FCA Whistleblower Protections**

If the government moves forward with a case an individual reported, that individual is generally entitled to receive a percentage of any recovered funds once a decision has been made.

Federal statutes and related State and Federal laws shield employees from retaliation for reporting illegal acts of employers. An employer cannot retaliate in any way, such as discharging, demoting, suspending or harassing the whistleblower.

### **E. Stark Law**

Also known as, “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 an immediate family member) has a financial relationship, unless an exception applies. The statute prohibits the submission of claims to Medicare for those referred services

### **F. Anti-Kickback Statute**

The Anti-Kickback statute provides for criminal penalties for certain acts which affect Medicare and Medicaid or any other Federal or State funded program. If an individual solicits or receives any remuneration in return for referring an individual to a person (doctor, hospital) for a service for which payment may be made, it can be seen as a potential kickback. Remuneration includes payment, monies, or any goods or services from any healthcare facilities, programs or provider.

## **VI. Health Insurance Portability and Accountability Act (HIPAA) and HITECH Act**

### **A. HIPAA Privacy**

The HIPAA Privacy Rule requires providers to take reasonable steps to protect and safeguard the Protected Health Information (“PHI”) of members/patients. A member’s PHI is subject to the protections established by the Privacy Rule, and under the contractual relationship between McLaren and the member, and under the contractual relationships between McLaren and the provider, FDR or Subcontractor. PHI includes information regarding enrollment with McLaren, medical records, claims submitted for payment, etc. Such PHI must be safeguarded and held in strict confidence to comply with applicable privacy provisions of State and Federal laws.

### **B. HIPAA Security**

The HIPAA Security Rule requires covered entities to adopt national standards for safeguards to protect the confidentiality, integrity, and availability of electronic protected health information (e-PHI) that is collected, maintained, used or transmitted by a covered entity. McLaren must ensure that FDRs and Subcontractors have the appropriate administrative, technical and physical safeguards in place to protect the data that is being electronically accessed by staff, employees, FDRs and Subcontractors. All must:

- Ensure the integrity and confidentiality of the information by protecting against
  - Any reasonably anticipated threats or hazards to the security or integrity of the information; and



- Unauthorized uses or disclosures of the information.

This can be accomplished by establishing appropriate policies and procedures that outline your compliance with the Rule and your expectations of your staff, employees and contractors in complying with the Rule.

A member's PHI must be safeguarded, and only those employees of the covered entity, who have a business reason to access the information, should be permitted to do so.

Examples of PHI are a:

- Member's name
- Address
- Member's contract number
- Date of Birth
- Social Security Number
- Description of Services

Appendix 1

**McLaren Health Plan, Inc.**

**Standards of Conduct**

**A Guide to Ethics and Compliance**

The McLaren Health Plan, Inc. Standards of Conduct covers expectations for the integrity and conduct of all of employees of McLaren Health Plan, Inc., McLaren Health Plan, Community, and McLaren Health Advantage (referred to in this document collectively as “McLaren”). The primary purpose of McLaren is to arrange for the provision of health care services in the communities we serve. Therefore, the integrity of everyone connected with this organization is especially important.

McLaren is committed to maintaining an effective program for promoting compliance with the laws, rules and regulations that govern McLaren, including contractual, statutory and regulatory requirements of the Medicare and Medicaid programs.

Employees of McLaren must conduct business with integrity and honesty. Therefore, it is important that all employees of McLaren always discharge their duties to the best of their ability, in the best interest of the members, and in the best interest of McLaren.

Understanding your obligations, as an employee of McLaren, is the highest priority. This Standards of Conduct (SOC) document is intended to provide you with guidelines in written format.

## **Our Standards of Conduct**

### **I. General Principles**

All McLaren employees and contractors shall conduct their daily activities in accordance with the following general principles of conduct:

- 1) Job duties are performed in full compliance with both the letter and the spirit of Federal and State law. No employee shall take any action that he or she believes is in violation of any statute, rule or regulation. All employees are expected to have a practical working knowledge of Federal and State laws and regulations that affect their job responsibilities including requirements under contracts with CMS and MDHHS. Employee are expected to ask their immediate supervisor or the Compliance Officer for guidance when questions arise.
- 2) Conduct activities with integrity and honesty. McLaren employees shall strive for excellence in performing their duties.
- 3) Avoid any conduct that could reflect adversely upon the integrity of the company, its officers, directors or other employees.
- 4) Be a positive influence and good corporate citizens in the communities where McLaren provides services. Treat members, providers, contractors, and fellow employees fairly and with respect.
- 5) Report to your supervisor or to the McLaren Compliance Officer any suspicion of non-compliance regarding McLaren policies, procedures, and Standards of Conduct, Federal and State laws and regulations, and illegal or unethical practices including fraud, waste, and abuse by McLaren providers, members, employees, contractors, or agents.
- 6) Abide by the McLaren Compliance Plan and all other applicable policies and procedures.

### **II. Avoiding Conflicts of Interest**

McLaren employees and contractors shall:

- 1) Understand and abide by McLaren’s Conflict of Interest policy.
- 2) Avoid situations that could create, or appear to create, a conflict of interest unless such a situation has been reported to management, approved and properly disclosed as required by the Conflict of Interest policy.

- 3) Avoid any financial, business, or other activity that competes with the business interests of McLaren, interferes or appears to interfere with the performance of your duties, or involves the use of McLaren property, facilities, or resources, except to the extent consistent with the Conflict of Interest policy.

### **III. Business and Financial Practices**

McLaren employees and contractors shall:

- 1) Conduct all McLaren business transactions in accordance with management's general or specific directives, as specified by applicable McLaren policies and procedures, and in full compliance with governing Federal and State laws, rules and regulations.
- 2) Avoid offering or accepting any form of bribe, payment, gift or item of more than a nominal value to or from any person or entity with which McLaren has or is seeking a business or regulatory relationship.
- 3) Avoid unfair competition or deceptive trade practices, including misrepresentation of McLaren's products or operations. McLaren employees and contractors shall not make false or disparaging statements about competitors or their products.
- 4) Comply with applicable antitrust laws. There shall be no discussions or agreements with competitors regarding price or other terms for products, prices paid to suppliers or providers, dividing customer or geographic markets, or joint action to boycott or coerce certain customers, suppliers, or providers.

### **IV. Workplace Standards**

McLaren employees and contractors shall, at all times while on the job or otherwise representing McLaren:

- 1) Conduct yourselves professionally and treat all fellow employees, members, contractors, or other individuals you encounter in the course of your duties, with appropriate courtesy, dignity, and respect.
- 2) Avoid any type of behavior or conduct that can be construed as discrimination or harassment due to age, ethnicity, gender, religion, national origin, disability, sexual orientation, or covered veteran status. Any form of harassment, sexual or otherwise, including the creation of a hostile working environment, is completely prohibited.
- 3) Follow safe work practices and comply with all applicable safety standards and health regulations.

### **V. Financial Reporting and Information Security**

At McLaren, we create, collect and maintain a large amount of data to conduct our business. We are responsible for ensuring that information, including financial data, is secure and reported accurately according to the following standards:

- 1) Any time you contribute data to an external or internal report you must be thorough, complete and accurate to assure that others who use or review the information are not misled.
- 2) McLaren management maintains a system of internal controls to provide reasonable assurance that McLaren meets financial and other data reporting obligations.
- 3) We are all responsible for protecting our member, provider and employee information, as well as information that is proprietary to McLaren. Security is everyone's responsibility.
- 4) Keeping accurate records is important to McLaren and our business. Billing laws, accreditation standards and Federal and State regulations set specific guidelines for record keeping and record management.

## **VI. Prohibited Affiliations**

McLaren does not do business with individuals and organizations that have been excluded or sanctioned under Federal health care programs or other Federal contracts, or who have other restrictions on their eligibility to work with government contractors.

- 1) We check all employees, board members, contractors, providers and delegated entities for exclusions or sanctions on a monthly basis. If you become aware that we have a relationship with an individual or company that is a prohibited affiliation, you should report it immediately to your supervisor or the Compliance Officer. Employees who have been suspended, excluded, or debarred from participation in any of the above-named programs shall immediately inform the Human Resource Department and the Compliance Officer in writing.

## **VII. Preventing, Detecting and Correcting Fraud, Waste and Abuse (FWA)**

McLaren is strongly committed to the detection and prevention of FWA through reporting, investigating, monitoring and auditing providers, members, employees and contractors. McLaren employees and contractors shall:

- 1) Comply with applicable laws, regulations, guidelines and McLaren policies.
- 2) Immediately report suspected FWA conduct to the Compliance Department.
- 3) Cooperate fully with and disclose all pertinent information with regard to any McLaren investigation of suspected FWA conduct.

## **VIII. Anonymous Reporting**

McLaren employees and contractors may report suspected illegal activity or improper conduct anonymously by calling (866) 866-2135. McLaren shall:

- 1) To the extent permitted by Federal and State law, take reasonable precautions to maintain the confidentiality of those individuals who report illegal activity or improper conduct, and of those individuals involved in the alleged violation, whether or not it turns out that improper acts occurred.
- 2) Failure to abide by this confidentiality obligation is a violation of this Code.

## **IX. Investigations and Duty to Cooperate**

It is McLaren's policy to promptly and thoroughly investigate all reports of illegal activity, improper conduct, and instances of non-compliance. Detection of potential or actual issues related to compliance, ethical conduct or other measurable areas of performance should result in the initiation of appropriate corrective action. Any action, or lack of action, that prevents, hinders, or delays discovery and full investigation of suspected illegal activity or improper conduct is a violation of this Code, and may be a violation of Federal and/or State law.

- 1) Internal investigations will include interviews and review of relevant documents. McLaren employees and contractors are required to cooperate fully with and disclose all pertinent information with regard to any McLaren investigation of suspected illegal activity or improper conduct.
- 2) McLaren, its employees and contractors shall cooperate with appropriate government investigations into possible civil and criminal violations of Federal and/or State law. It is important, however, that in this process, McLaren is able to protect the legal rights of McLaren and its

personnel. To accomplish these objectives, any governmental inquiries or requests for information, documents, or interviews must promptly be referred to the McLaren Compliance Officer and the Vice President of Regulatory Affairs and General Counsel.

#### **X. Protection from Retaliation**

McLaren ensures that employees and contractors may report or assist investigation of suspected illegal acts or improper conduct without threat of negative consequences. Therefore:

- 1) No retaliation, reprisals or disciplinary action will be taken or permitted against McLaren employees or contractors for good faith participation in the Compliance Program, including but not limited to reporting potential issues to appropriate authorities, cooperating in the investigation of suspected illegal activities or improper conduct, and conducting self-evaluations, audits and remedial actions.
- 2) Failure to abide by this prohibition against retaliation or reprisals is a violation of this code and may be a violation of Federal and/or State law.

#### **XI. Disciplinary Action**

McLaren employees and contractors who engage in illegal activity, improper conduct, or other areas non-compliance, including violation of this Code or any other McLaren policy, are subject to disciplinary action including oral or written warnings or reprimands, suspensions, termination, financial penalties and potential reporting of the conduct to law enforcement. If employees or contractors self-report their own illegal actions or improper conduct, McLaren will take such self-reporting into account in determining appropriate disciplinary action.

#### **XII. Marketing and Sales/Enrollment Activities**

McLaren will take appropriate steps to ensure that its marketing and sales personnel present clear, complete and accurate information to potential enrollees. This includes ensuring that the marketing information has been approved by, and complies with all requirements of, the Michigan Department of Health and Human Services (MDHHS) for Medicaid business, the Centers for Medicare and Medicaid (CMS) for Medicare business, and the Michigan Department of Insurance and Financial Services (DIFS) for commercial business.

McLaren employees and contractors shall:

- 1) Comply with applicable Federal and State laws, regulations, guidelines and McLaren policy, including the Medicare Marketing Guidelines, with respect to all marketing, sales and enrollment activities.
- 2) Always place the best interests of potential enrollees and McLaren above personal financial interests.
- 3) Present clear, complete, accurate information, and ensure that potential enrollees have the opportunity to make a well-informed enrollment decision. This includes utilizing only marketing materials and information that have been approved by and comply with all Federal and State requirements as well as McLaren requirements.
- 4) Avoid providing any information or engaging in conduct that might in any way misrepresent McLaren or its programs, or mislead, confuse, coerce or pressure potential enrollees.
- 5) Never offer cash payments, gifts, bribes or kickbacks to any person or entity to induce enrollment in McLaren plans or programs.
- 6) Never engage in door-to-door solicitation of Medicare or Medicaid contracted products or programs.

If you have questions or concerns about the Standards of Conduct, contact your immediate supervisor, the Human Resources Department or the Compliance Officer.

Remember, you can report a concern anonymously at (866) 866-2135.

**MDwise, Inc.**

# **Standards of Conduct**

**A Guide to Ethics and Compliance**



MDwise, Inc. (MDwise) provides quality health care services to members in the communities we serve. Therefore, it is important that MDwise employees always discharge their duties to the best of their ability, in the best interest of the members, and in the best interest of MDwise. All MDwise employees must conduct business with integrity and honesty.

Understanding your obligations as an employee of MDwise is of the highest priority. This Standards of Conduct (SOC) document provides you with guidelines in written format.

## Standards of Conduct

### I. General Principles

All MDwise employees and contractors shall conduct their daily activities in accordance with the following general principles of conduct:

- 1) Job duties are performed in full compliance with both the letter and the spirit of all applicable Federal and State law. No employee shall take any action that he or she believes is in violation of any statute, rule or regulation. All employees are expected to have a practical working knowledge of the Federal and State laws and regulations that affect their job responsibilities, and to ask their immediate supervisor for guidance when questions arise.
- 2) Conduct activities with integrity and honesty. MDwise employees shall strive for excellence in performing their duties.
- 3) Avoid any conduct that could reflect adversely upon the integrity of the company, its officers, directors or other employees.
- 4) Be a positive influence and good corporate citizens in the communities where MDwise provides services. Treat members, providers, contractors, and fellow employees fairly and with respect.
- 5) Report to your supervisor or to any MDwise Compliance Officer any suspicion of illegal or unethical practices of MDwise employees, contractors or agents.
- 6) Abide by the MDwise Compliance Plan and all other applicable policies and procedures.

### II. Avoiding Conflicts of Interest

MDwise employees and contractors shall:

- 1) Understand and abide by MDwise's Conflict of Interest policy.
- 2) Avoid situations that could create, or appear to create, a conflict of interest unless such a situation has been reported to management, approved and properly disclosed as required by the Conflict of Interest policy.
- 3) Avoid any financial, business, or other activity that competes with the business interests of MDwise, interferes or appears to interfere with the performance of your duties, or involves the use of MDwise property, facilities, or resources, except to the extent consistent with the Conflict of Interest policy.

### **III. Business and Financial Practices**

MDwise employees and contractors shall:

- 1) Conduct all MDwise business transactions in accordance with management's general or specific directives, as specified by applicable MDwise policies and procedures, and in full compliance with governing Federal and State laws, rules and regulations.
- 2) Avoid offering or accepting any form of bribe, payment, gift or item of more than a nominal value to or from any person or entity with which MDwise has or is seeking a business or regulatory relationship.
- 3) Avoid unfair competition or deceptive trade practices, including misrepresentation of MDwise's products or operations. MDwise employees and contractors shall not make false or disparaging statements about competitors or their products.
- 4) Comply with applicable antitrust laws. There shall be no discussions or agreements with competitors regarding price or other terms for products, prices paid to suppliers or providers, dividing customer or geographic markets, or joint action to boycott or coerce certain customers, suppliers, or providers.

### **IV. Workplace Standards**

MDwise employees and contractors, while on the job or otherwise representing MDwise, shall:

- 1) Conduct themselves professionally and treat all fellow employees, members, contractors, or other individuals they encounter in the course of their duties, with appropriate courtesy, dignity, and respect.
- 2) Avoid any type of behavior or conduct that can be construed as discrimination or harassment due to age, ethnicity, gender, religion, national origin, disability, sexual orientation, or covered veteran status. Any form of harassment, sexual or otherwise, including the creation of a hostile working environment, is completely prohibited.
- 3) Follow safe work practices and comply with all applicable safety standards and health regulations.

### **V. Financial Reporting, PHI and PII Information Security**

MDwise creates, collects and maintains a large amount of data to conduct our business. We are responsible for ensuring that information, including financial data, protected health information ("PHI"), and personally identifiable information ("PII") is secure and reported accurately according to the following standards:

- 1) Any time you contribute data to an external or internal report you must be thorough, complete and accurate to assure that others who use or review the information are not misled.
- 2) MDwise management maintains a system of internal controls to provide reasonable assurance that MDwise meets financial and other data reporting obligations.
- 3) We are all responsible for protecting our member, provider and employee information, as well as information that is proprietary to MDwise. Security is everyone's responsibility.

- 4) Keeping accurate records is important to MDwise and our business. Billing laws, privacy and security laws, accreditation standards and Federal and State regulations set specific guidelines for record keeping and record management.

## **VI. Prohibited Affiliations**

MDwise does not do business with individuals and organizations that have been excluded or sanctioned under Federal health care programs or other Federal contracts, or who have other restrictions on their eligibility to work with government contractors.

We check all employees, board members, contractors, providers and delegated entities for exclusions or sanctions on a monthly basis. If you become aware that we have a relationship with an individual or company that is a prohibited affiliation, you should report it immediately to your supervisor or the Compliance Officer. Employees who have been suspended, excluded, or debarred from participation in any of the above-named programs shall immediately inform the Human Resource Department and the Compliance Officer in writing.

## **VII. Preventing, Detecting and Correcting Fraud, Waste and Abuse (FWA)**

MDwise is strongly committed to the detection and prevention of FWA through reporting, investigating, monitoring and auditing providers, members, employees and contractors. MDwise employees and contractors shall:

- 1) Comply with applicable laws, regulations, guidelines and MDwise policies.
- 2) Immediately report suspected FWA conduct to the Compliance Department.
- 3) Cooperate fully with any MDwise investigation of suspected FWA conduct and disclose all pertinent information regarding the matters under investigation to the Compliance Department.

## **VIII. Anonymous Reporting**

MDwise employees and contractors may report suspected illegal activity or improper conduct anonymously by calling (317) 822-7400. MDwise shall:

- 1) To the extent permitted by Federal and State law, take reasonable precautions to maintain the confidentiality of those individuals who report illegal activity or improper conduct, and of those individuals involved in the alleged violation, regardless of whether it is determined that improper acts occurred.
- 2) Failure to abide by this confidentiality obligation is a violation of this SoC.

## **IX. Investigations and Duty to Cooperate**

It is MDwise's policy to promptly and thoroughly investigate all reports of illegal activity or improper conduct. Detection of potential or actual issues of noncompliance, unethical conduct or other deficiencies in measurable areas of performance should result in the initiation of appropriate corrective action. Any action, or lack of action, that prevents, hinders, or delays discovery and full

investigation of suspected illegal activity or improper conduct is a violation of this SoC, and may be a violation of Federal and/or State law.

Internal investigations will include interviews and review of relevant documents. MDwise employees and contractors are required to cooperate fully with internal investigations and disclose all pertinent information regarding any MDwise investigation of suspected illegal activity or improper conduct.

MDwise, its employees and contractors shall cooperate with appropriate government investigations into possible civil and criminal violations of Federal and/or State law. It is important, however, that in this process, MDwise protect the legal rights of MDwise and its personnel. To accomplish these objectives, any governmental inquiries or requests for information, documents, or interviews must promptly be referred to any MDwise Compliance Officer and the General Counsel.

#### **X. Protection from Retaliation**

MDwise ensures that employees and contractors may report or assist investigation of suspected illegal acts or improper conduct without threat of negative consequences. Therefore:

- 1) No retaliation, reprisals or disciplinary action will be taken or permitted against MDwise employees or contractors for good faith participation in the Compliance Program, including but not limited to reporting potential issues to appropriate authorities, cooperating in the investigation of suspected illegal activities or improper conduct, and conducting self-evaluations, audits and remedial actions.
- 2) Failure to abide by this prohibition against retaliation or reprisals is a violation of this SoC and may be a violation of Federal and/or State law.

#### **XI. Disciplinary Action**

MDwise employees and contractors who engage in illegal activity or improper conduct, including violation of this Code or any other MDwise policy, are subject to disciplinary action including oral or written warnings or reprimands, suspensions, termination, financial penalties and potential reporting of the conduct to law enforcement. If employees or contractors self-report their own illegal actions or improper conduct, MDwise will take such self-reporting into account in determining appropriate disciplinary action.

#### **XII. Marketing and Sales/Enrollment Activities**

MDwise will take appropriate steps to ensure that its marketing and sales/enrollment personnel present clear, complete and accurate information to potential enrollees. This includes ensuring that the marketing information has been approved by and complies with all requirements of all governing Federal and/or State regulatory agencies or entities for each line of business in which MDwise engages, including but not limited to the Indiana Family and Social Services Administration, the Indiana Department of Insurance, and the Centers for Medicare and Medicaid Services (“CMS”).

MDwise employees and contractors shall:

- 1) Comply with applicable Federal and State laws, regulations, guidelines and MDwise policy, including the Medicare Marketing Guidelines, with respect to all marketing, sales and enrollment activities.
- 2) Always place the best interests of potential enrollees and MDwise above personal financial interests.
- 3) Present clear, complete, accurate information, and ensure that potential enrollees can make a well-informed enrollment decision. This includes utilizing only marketing materials and information that have been approved by the appropriate regulatory agencies or entities and comply with all Federal and State requirements as well as MDwise requirements.
- 4) Avoid providing any information or engaging in conduct that might in any way misrepresent MDwise or its programs, or mislead, confuse, coerce or pressure potential enrollees.
- 5) Never offer cash payments, gifts, bribes or kickbacks to any person or entity to induce enrollment in MDwise plans or programs.
- 6) Never engage in door-to-door solicitation of Medicare or Medicaid contracted products or programs.

If you have questions or concerns about these Standards of Conduct, contact your immediate supervisor, the Human Resources Department or any MDwise Compliance Officer.

Remember, you can report a concern anonymously at 317- 822-7400.