

# Compliance Plan



# Table of Contents

<b>I. Compliance Plan Governance.....</b>	<b>4</b>
<b>II. Compliance Plan .....</b>	<b>6</b>
<b>III. Compliance Program Elements .....</b>	<b>8</b>
1. Code of Conduct and Written Policies and Procedures .....	9
2. Compliance Officer, Compliance Committee, and High-Level Oversight.....	11
3. Effective Training and Education .....	13
4. Effective Lines of Communication.....	15
5. Well-Publicized Disciplinary Standards .....	18
6. Effective System for Routine Monitoring and Identification of Compliance Risks.....	20
7. Procedures and Systems for Prompt Response to Compliance Issues .....	22
8. Fraud, Waste and Abuse .....	23

In this Compliance Plan, “CareSource” is used to denote and includes the following legal entities:

CareSource (fka CareSource Management Group Co.)  
CareSource Management Services LLC  
Caresource Ohio, Inc.  
CareSource Kentucky Co.  
CareSource Georgia Co.  
CareSource West Virginia Co.  
CareSource Indiana, Inc.  
The CareSource Foundation  
CareSource Reinsurance LLC  
CareSource Network Partners, LLC  
CareSource Real Estate Holdings, LLC  
CareSource Reinsurance II, LLC  
CareSource Arkansas Health Plan Co.  
CareSource PASSE LLC  
CareSource Oklahoma Health Plan Co.  
Gem City Reinsurance LLC  
CareSource Kansas LLC  
CareSource Iowa Co.  
CareSource North Carolina Co.  
CareSource Tennessee Co.  
CareSource Florida Co.  
CareSource Life Services Co.



# Introduction



## Message from Sue Anderson, Corporate Compliance Officer

At CareSource we strive to have a highly effective Ethics & Compliance Program. I'm honored to lead our program along with a team of highly skilled professionals. Although we have an effective program, the responsibility for compliance and ensuring integrity in our decision-making is everyone's responsibility.

At CareSource we act with the highest standards - our members, providers and regulators expect that of us. We do that by understanding and following the law and regulations we are bound to and by acting with integrity.

My role, as well as the entire Ethics & Compliance team, is to help support you and serve as a resource as you navigate ethical and compliance issues and concerns. I hope you see the Ethics and Compliance team as a resource for the great work we all do to support CareSource's vision and mission.

Healthcare is complicated, with many different regulators and regulations. It is impossible to memorize every regulation for every situation, but there are several fundamental elements CareSource must follow to stay on the right course. While the concepts of compliance are simple, the company's transactions and situations can be complicated and unique to each of your roles.

Please use the Compliance Plan as a guide to help you understand your responsibilities and help you answer issues or questions that you might have while conducting the important work we do.

It is important we remain vigilant and keep our eyes and ears open to issues of noncompliance or wrongdoing. If you have an ethics and/or compliance concern, do not hesitate to act and report your concern. We encourage you to first engage and discuss with your leadership. All leaders are expected to have an open door policy for discussing compliance and ethics matters. If you do not feel comfortable bringing your concern to your leadership the Ethics and Compliance team is here for you. Feel free to reach out to us. Additionally, if you wish to be anonymous the Ethics/Compliance Hotline is available anytime day or night throughout the year. You can find the contact information in the Code of Conduct and on MySource. All reports are investigated and are kept confidential to the extent permitted by law and addressed timely.

After reviewing the Compliance Plan, please apply those concepts in your day-to-day work. Remember, compliance is everyone's responsibility!

I encourage you to contact me directly to talk about compliance or if you have concerns about noncompliance. My direct number is 937-631-0324 and my e-mail is [Susan.Anderson@caresource.com](mailto:Susan.Anderson@caresource.com).





# I. Compliance Plan Governance


The Compliance Plan is updated annually and is approved by the CareSource Board of Directors (The Board).

The Compliance Plan is a component of CareSource's overall Ethics & Compliance program and reinforces the Company's commitment to comply with all applicable federal and state regulations as well as the Code of Conduct. The overall Ethics & Compliance program at CareSource maintains the Code of Conduct, a standalone document that accompanies this compliance plan, which is also endorsed and approved by the Board. This Compliance Plan incorporates the federal and/or state requirements and related provisions, as provided by the Centers for Medicare & Medicaid Services (CMS) and other applicable regulatory bodies, related to the establishment and maintenance of an effective Ethics & Compliance Program. The standards apply, as applicable to CareSource's participation in Marketplace programs, Medicaid programs, activities as a Medicare Advantage (Part C) Plan sponsor, a Medicare Advantage Prescription Drug (Part D) Plan sponsor, and as a Dual Eligible Special Needs Plan (D-SNP).

The Ethics & 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 Ethics & Compliance Program is the creation of a Compliance Committee, which is charged with supporting the Corporate Compliance Officer ("Compliance Officer") in review and oversight of the Ethics & Compliance Program. The Compliance Committee is responsible to Senior Management, the Chief Executive Officer, and the Audit Committee for reviewing the effectiveness of the

CareSource Ethics & Compliance program through self-audits and monitoring of metrics and establishment of key compliance indicators in an effort to identify prospective compliance deficiencies and to promote prompt and effective corrective actions are taken where deficiencies are suspected or identified. The Corporate Compliance Officer is responsible for escalating compliance deficiencies and ongoing issues of noncompliance to senior management, the Chief Executive Officer, and the Board of Directors.

CareSource makes this Compliance Plan available to all entities to which it applies, including employees, The Board, as well as contractors, subcontractors, vendors, and first-tier, downstream and related (FDR) entities. The Corporate Compliance Officer reserves the right to amend and update components of the Ethics & Compliance Program at any time to make changes based on regulatory guidance, enhancements to the program to improve effectiveness, or for any other reason as the Corporate Compliance Officer deems appropriate.



All CareSource employees, members of the Board of Directors, and affiliates must read and understand the content of this Compliance Plan and associated policies and procedures. First-tier, Downstream and Related entities (“FDRs”) and other business partners have the option to:

- 1) Adopt the CareSource Code of Conduct, Compliance Plan, and associated compliance policies and procedures;
- 2) With the approval of the Ethics & Compliance Program, 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) With the approval of the Ethics & Compliance Program, adopt the CareSource 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 CareSource, CareSource reserves the right to request and review these documents at any time.

Please contact the Corporate Compliance Officer if you have questions regarding information contained in this Compliance Plan.





## II. Compliance Plan

The Compliance Plan serves as an outline for CareSource's overall Ethics & Compliance Program.

The Ethics & Compliance Program is the framework and foundation by which CareSource articulates our commitment to comply with state and federal laws, regulations, and our internal policies and procedures. CareSource understands that participation in government programs is a tremendous responsibility and has an Ethics & Compliance Program that is structured around the elements of an effective ethics & 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 Marketplace, Medicaid, and 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:

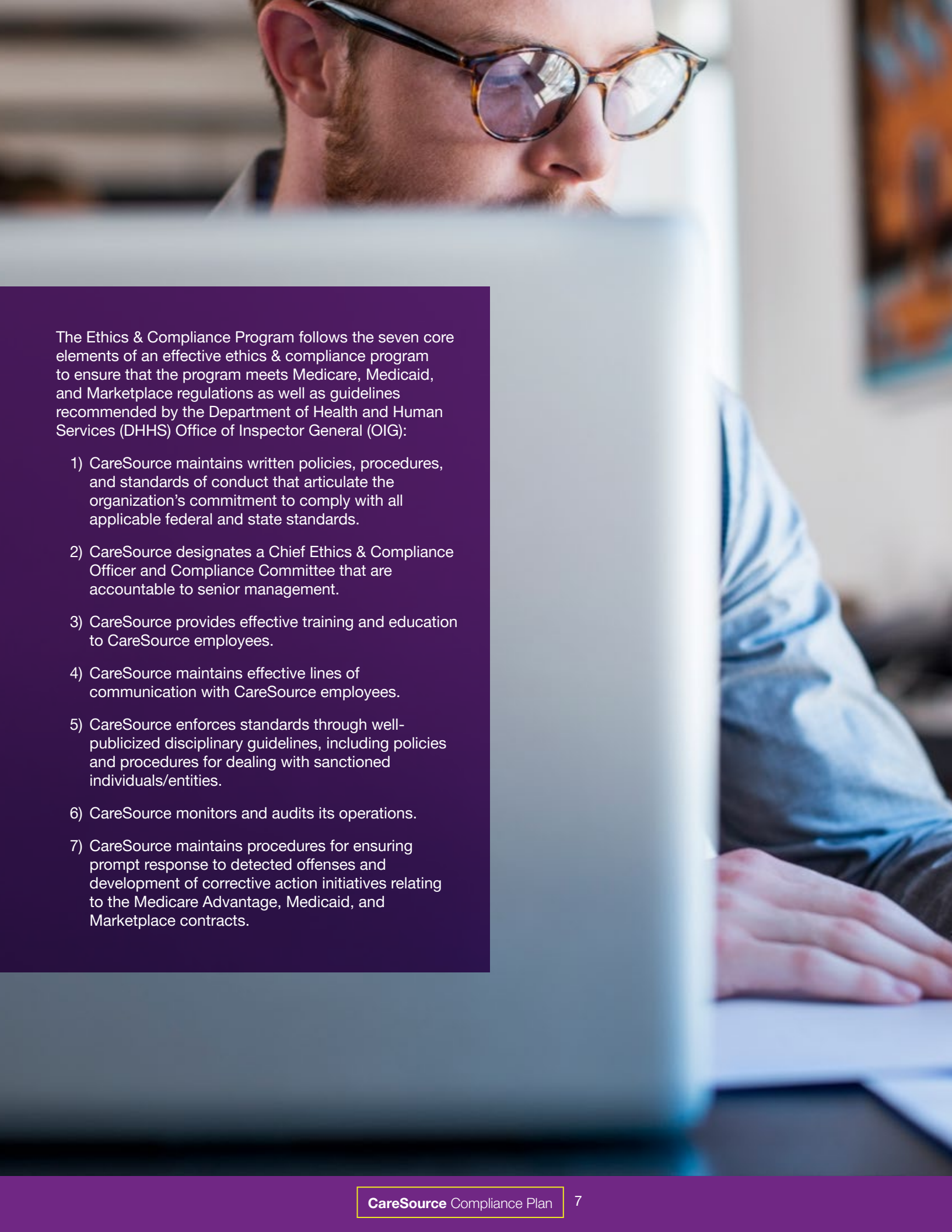
- Federal and state False Claims Acts
- Anti-Kickback Statute
- Prohibition on inducements to beneficiaries
- Health Insurance Portability and Accountability Act (HIPAA)
- Code of Federal Regulations – including 42 C.F.R. § 400, 403, 411, 417, 422, 423, 438, 1001 and 1003; 45 C.F.R. § 144-159
- All sub-regulatory guidance produced by the Centers for Medicare & Medicaid Services (CMS) or other applicable regulatory entity, 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

CareSource 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 CareSource employees, network providers, and contractors, vendors, and FDRs demonstrate the highest ethical standards in performing their daily tasks.

An effective Ethics & Compliance Program contributes to this purpose in the following ways:

- Stating and re-stating CareSource's commitment to regulatory compliance and legal conduct
- Promoting a culture of integrity, ethical conduct, and compliant behavior
- Identifying, investigating, reporting, and preventing non-compliance and illegal activities
- Providing regulatory distribution and oversight to ensure awareness and recognition of the applicable laws and regulations to which CareSource is bound.
- 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, directly addresses problems, and fairly disciplines non-compliant behavior



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

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

### III. Compliance Program Elements

Each component of the Ethics & Compliance Program and CareSource's approach to complying with each component is discussed below.





## 1. Code of Conduct and Written Policies and Procedures

CareSource's Compliance Plan, Code of Conduct, and our corporate policies outline what we must do (compliance) and what we should do (ethics) and provide the overarching values by which the company operates. The Compliance Plan and Code of Conduct are a critical part of our success. Employees, contractors, vendors, and FDRs are expected to:

- Read the Compliance Plan and seek to understand how it applies to their work
- Use the tools available on MySource to maintain high standards of compliance and ethical behavior
- Refer to the Compliance Plan and CareSource policies and procedures in all situations
- Ask questions and report issues
- Complete required training and comprehension of ethics & compliance concepts
- Attest to a commitment to the Compliance Plan and Code of Conduct

CareSource's written policies, procedures, and Code of Conduct include but are not limited to the following components as required by 42 CFR § 423.504(b)(4)(vi)(A):

- Articulate CareSource's commitment to comply with all applicable federal and state standards
- Describe compliance expectations as embodied in the Code of Conduct
- Describe the implementation and operation of the Ethics & Compliance Program
- Provide guidance to employees and others on dealing with potential compliance issues
- Identify how to communicate compliance issues to appropriate compliance personnel
- Describe how potential compliance issues will be investigated and resolved by CareSource
- Include a policy of non-intimidation and non-retaliation for good faith participation in the Ethics & Compliance Program, including, but not limited to: reporting potential issues; investigating issues; conducting self-evaluations, audits, and remedial actions; and reporting to appropriate officials

## Code of Conduct

CareSource has adopted a Code of Conduct, which is intended to serve as a guide to provide standards by which employees, board members, contractors, and vendors shall conduct themselves to protect and promote organization-wide integrity and to enhance CareSource's ability to achieve its mission. The Code of Conduct is designed to assist employees, board members, contractors, and vendors in carrying out their daily responsibilities within the appropriate legal and ethical standards. However, the Code of Conduct cannot possibly encompass all legal and ethical standards, and is not a substitute for exercising good judgment and sense of honesty, integrity, and fairness. While the Code of Conduct is designed to provide overall guidance, it does not address every situation. It provides guidance in making decisions that conform to the ethical and legal standards expected for all.

More specific guidance is provided in CareSource's policies and procedures.

## Distribution of Compliance Policies and Procedures and Code of Conduct

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; and
- Each employee, including officers and temporary employees, at the time of employment and annually thereafter; and
- First tier, downstream and related (FDR) entities, including all providers at the onset of their contract and annually thereafter.

While the Code of Conduct is made available to the above parties at the designated times, it is encouraged to be used as a reference during their time with CareSource.

Providers and first tier, downstream and related (FDR) entities may develop a code of conduct specific to their own organization and that reflects their own commitment to ethical behavior, compliance and detecting, preventing and correcting fraud, waste, and abuse, with CareSource's approval. CareSource ensures this requirement is met through on-going monitoring and audits, as appropriate, of FDRs. 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. P&Ps are reviewed during internal audits to ensure they accurately reflect the processes being followed on a day-to-day basis. These policies address 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.

CareSource has documented 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 calendar year in response to changes in or regulatory requirements that relate to the Medicare Advantage, Medicaid, and Marketplace programs. In addition, CareSource may develop new policies or revise existing policies in response to identified risks or areas for improvement which occur in the general course of plan operations or through monitoring.





## 2. Corporate Compliance Officer, Compliance Committee, and High-Level Oversight

The successful implementation and operation of the Ethics & Compliance Program requires dedicated commitment and diligent oversight throughout CareSource's operations, including, but not limited to, key roles and responsibilities by the Board, the Compliance Officer, the Compliance Committee, and Senior Management.

### Governing Body

The Audit Committee, as the governing body, is responsible for approving, implementing, and monitoring an Ethics & Compliance Program governing CareSource's operations. The Risk committee oversees CareSource's Fraud, Waste, and Abuse program. The Board delegates the Ethics & Compliance Program oversight and day-to-day compliance activities to the Corporate Compliance Officer. The Corporate Compliance Officer handles compliance oversight and activities including oversight of the FWA program. The Corporate Compliance Officer, in conjunction with the Compliance Committee, are accountable for the oversight and reporting roles and responsibilities as set forth in this Compliance Plan. However, the CareSource Board remains accountable for ensuring the effectiveness of the Ethics & Compliance Program within CareSource and monitoring the status of the Ethics & Compliance Program and Fraud Waste, and Abuse program to ensure its efficient and successful implementation.

### Corporate Compliance Officer

The Corporate Compliance Officer coordinates all assigned compliance activities and programs, as well as plans, implements, and monitors the day-to-day activities of the Ethics & Compliance Program. This includes (but is not limited to) issues identified, investigated, and resolved by the Ethics & Compliance Program. The Corporate Compliance Officer reports directly to a member of the CareSource Senior Executive Management team and the Compliance Committee on the activities and status of the Ethics & Compliance Program. The Corporate Compliance Officer reports to the CareSource Audit Committee not less than quarterly and has authority to report matters directly to the Board at any time. Furthermore, the Corporate Compliance Officer oversees that CareSource meets all state and federal regulatory and contractual requirements.

The Corporate Compliance Officer interacts with the Board, CEO, CareSource's executive and departmental management, FDRs, legal, state and federal representatives, and others as necessary. In addition, the Compliance Officer supervises the Ethics & Compliance Department, which includes compliance professionals with expertise and responsibilities for the following areas: Medicare, Marketplace, and Medicaid Compliance, FDR oversight, Policies and Procedures, and training on ethics and compliance activities.

The Corporate Compliance Officer is an employee of CareSource. The Corporate Compliance Officer's responsibilities may not be delegated to first tier or downstream entities. The Corporate Compliance Officer reports directly to a member of the CareSource Senior Executive Management team and meets with the Chief Executive Officer not less than quarterly. The Corporate Compliance Officer has reporting authority to the Audit Committee of the Board.

## Compliance Committee

The Compliance Committee is authorized to fulfill its mission by, and is accountable directly to, the CareSource Board of Directors. The role of the Compliance Committee is to implement and oversee the Ethics & Compliance Program and to participate in carrying out the provisions of this Compliance Plan. The Compliance Committee meets at least on a quarterly basis, or more frequently as necessary, to enable reasonable oversight of the Ethics & Compliance Program. The Compliance Committee is authorized to and is responsible to ensure investigation of reports of suspected noncompliance and fraud, waste, and abuse (FWA) violations or questionable conduct under the Ethics & Compliance Program. Compliance Committee membership shall consist of the Corporate Compliance Officer, clinical personnel, and Management staff including representatives from Operations, Quality, Clinical, Pharmacy Services, Human Resources, Member Services, or others as deemed appropriate by the Corporate Compliance Officer and as outlined in the Compliance Committee Charter.

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

- Review and approve the Code of Conduct consistent with regulatory requirements and/or operational changes, subject to approval by CareSource's Board;

- Maintain written notes, records, correspondence, or minutes (as appropriate) of Compliance Committee meetings reflecting reports made to the Compliance Committee and decisions on the issues raised;
- Review and monitor the effectiveness of the Ethics & 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;
- Recommend and monitor the development of internal systems and controls to implement CareSource's standards and policies and procedures as part of its daily operations;
- Oversee the Fraud, Waste, and Abuse program including the effectiveness of that program;
- Determine the appropriate strategy and/or approach to promote compliance and detect potential violations and advise the Compliance Officer accordingly;
- Ensure the development and maintenance of a system to solicit, evaluate, and respond to complaints and problems;
- Review and address reports identifying areas in which CareSource is at risk for program noncompliance and potential FWA, and ensure that corrective action plans are implemented and monitored for effectiveness;
- Ensure a process to provide effective oversight and monitoring of FDRs providing delegated functions to ensure compliance with all federal, state, and CareSource requirements and
- Suggest and implement appropriate actions necessary to ensure that CareSource and its FDRs conduct activities and operations in compliance with the applicable law and regulations and sound business ethics;





### 3. Effective Training and Education

Education and training are critical elements of the Ethics & Compliance Program. CareSource requires 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.

CareSource utilizes a variety of training methods including but not limited to web-based training courses, in-person training and selected webinars, which are updated regularly to ensure employees are kept fully informed about any changes in procedures, regulations, and requirements. The Corporate Compliance Officer is responsible for coordinating compliance education and training programs with Human Resources and ensuring records of completion are documented and maintained, such as sign-in sheets, attestations, or electronic certifications, as required by law.

#### Code of Conduct

CareSource's training program includes the distribution of the Code of Conduct to board members, employees, and FDRs. 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. Board Members receive training and the Code of Conduct within ninety (90) days of commencement of their term.

#### Mandatory Training Courses (Compliance Oversight and FWA)

CareSource requires board members and employees, regardless of role or position, to complete compliance training. CareSource's training courses cover CareSource's commitment to compliance with federal and state laws and regulations, contractual obligations, internal policies, and ethics. Elements of the Ethics & 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 CareSource's policy on confidentiality, anonymity, and non-retaliation for such reporting.

Mandatory training topics include, but are not limited to, general compliance training; Health Insurance Portability and Accountability Act (HIPAA) and privacy; fraud, waste, and abuse; information security awareness and training; and records and information management. Employees, contractors, and agents must complete the required compliance training courses within ninety (90) days of hire, and annually thereafter. Governing Board Members are required to complete the required compliance training within ninety (90) days of appointment, and annually thereafter.

Adherence to the Ethics & Compliance Program requirements, including training requirements, shall be a condition of continued employment. Any required training not completed will be reported to management and included in the performance evaluation. In addition, completion of required training is expected prior to returning to work duties in examples of extended leave from work.

Employees have access via internal shared drives to CareSource's policies and procedures governing the Ethics & Compliance Program as 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.

## Training and Education for FDRs

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

CareSource requires all FDRs to provide FWA training compliant with CMS requirements. FDRs and their employees must receive general compliance training within 90 days of contracting/hire and annually thereafter as a condition of employment.

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.

CareSource will 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, monitor and audit 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 CareSource Ethics & Compliance Program, are made available to FDRs upon commencement of the FDR contract, with approval from CareSource. 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 CareSource website under resources for FDRs.





#### 4. Effective Lines of Communication

CareSource employs multiple mechanisms to ensure effective lines of communication between the Compliance Officer 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 regulatory requirements and CareSource's Ethics & 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. CareSource 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, including FDRs, 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 Compliance Officer is posted on the intranet portal, included in the Code of Conduct, included on the CareSource website, and posted on signs in break rooms and common areas.

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

- Compliance Committee minutes
- Ethics & Compliance Program and Compliance Department Work Plan
- Auditing & Monitoring results
- Compliance or ethics issues

The Corporate Compliance Officer will keep the Audit Committee of the Board and the Compliance Committee informed and seek its guidance on compliance or ethics issues that represent potential risk to the organization.

The Compliance Officer and Compliance Committee will maintain open lines of communication with CareSource management staff. This includes, but is not necessarily limited to, the following:

- The Compliance Committee is comprised of management staff responsible for the main departments and functions within the organization. The structure of the committee therefore facilitates effective communication with management.
- All management staff shall have access to a copy of the Compliance Plan including all significant revisions. Managers are responsible for understanding the Compliance Plan and ensuring that employees are informed of the Compliance Plan and its location.
- The Corporate Compliance Officer, or their designee serves as the organization's main point of contact with regulatory authorities. The Compliance Officer shall route incoming program information and regulatory guidance to the appropriate individual(s).
- The Compliance Department tracks federal rule changes and all communications from CMS. It 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 Corporate Compliance Officer and Compliance Committee 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 have access to a copy of the Compliance Plan, including the Code of Conduct, at the time of employment and upon revision thereafter, including all significant revisions. 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 Compliance Committee is comprised of senior level 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 Corporate Compliance Officer 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 CareSource departments or committees having established methods of contractor communication.

CareSource will maintain open communication with regulatory authorities. Specifically:

- The Corporate Compliance Officer, or their designee is CareSource's primary point of contact with regulatory authorities. Normal, ongoing communication with regulators will be routed through the Corporate Compliance Officer.
- Individual departments may have such direct communication with regulatory authorities as appropriate to fulfill responsibilities. For example, Enrollment may be required to contact CMS regarding retro-active transactions; Information Technology (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, including the Office of General Counsel
  - Advice of outside counsel

CareSource 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 CareSource's website, etc.



## Ethics & Compliance Hotline

All Workforce Members are required to report, anonymously if desired, known or suspected violations of an applicable law or regulation, or the Code of Conduct, without fear of retaliation. Reports may be made anonymously if desired.

CareSource maintains an easily accessible Ethics & Compliance Hotline, available 24 hours a day, 7 days a week, in which CareSource may receive anonymous issues on a confidential basis via telephone, via email, or online. The Ethics & Compliance Hotline is available to all, including FDRs, and reports made through the Hotline are confidential and addressed timely.

### CareSource Ethics & Compliance Reporting Hotline

Phone: 844-784-9583

Web Reporting: <http://caresource.ethicspoint.com>

Mail: CareSource Ethics & Compliance

P.O. Box 273 Dayton, OH 45401



## Report Directly to the Compliance Officer

The Corporate Compliance Officer 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 Compliance Officer 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 CareSource pursuant to regulatory and contractual requirements.

## Report Directly to a Supervisor

CareSource employees are encouraged to first contact their immediate supervisor 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. Supervisors are expected to have an open-door policy for compliance and ethics matters and are expected to engage by asking questions about the employees' concerns.

The supervisor will promptly escalate the report to the Compliance Officer for further investigation. The Compliance Officer may report the issue to the Compliance Committee (as applicable). If an employee is concerned his or her supervisor did not adequately address his or her report or complaint, is not comfortable reporting a concern to their manager, or does not have a manager, the employee may go directly to the Corporate Compliance

Officer or the CEO. They may also report the compliance issue anonymously, through the Ethics & Compliance Hotline.

## Report Directly to the Compliance Department

Reports may be made directly to CareSource's Compliance Department via mail or email for confidential reporting.

## 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, CareSource 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. Additionally, the non-retaliation policy applies to individuals who, in good faith, participate in compliance investigations, CareSource sponsored self-evaluations, audits, and remedial actions.

CareSource takes violations of its non-retaliation policy seriously, and the Corporate Compliance Officer will review and enforce disciplinary and/or other corrective action plans for violations, as appropriate, with the approval of the Compliance Committee.



## 5. Well-Publicized Disciplinary Standards

CareSource employees are expected to comply with governing laws and regulations, as well as provisions of the CareSource Ethics & Compliance Program, Code of Conduct, and any other applicable company policies. These expectations, as well as the responsibility for reporting compliance issues and assisting in their resolution, are outlined in CareSource's disciplinary standards and procedures. The disciplinary standards and procedures are made available to each employee. Noncompliant or unethical behavior 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 CareSource'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 to take more immediate corrective measures, up to and including termination. Enforcement actions taken in response to noncompliance or unethical behavior will be timely, consistent, and effective.

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

Nothing in this policy or any other Ethics & Compliance policies and procedures is intended to alter the "at-will" nature of the employment relationship between CareSource and its employees as set forth in CareSource'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 be familiar with applicable laws and regulations, CareSource policies, and department requirements so infractions are quickly and accurately identified and addressed. 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 infractions or violations 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 Ethics & Compliance Program;
- Failure of a supervisor 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 they reported what was reasonably believed to be an act of wrongdoing or a violation of the Ethics & 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, Compliance Officer, or outside entity.

If management determines after a thorough investigation that action beyond counseling is warranted, it is the duty of the appropriate supervisor to initiate disciplinary action. Depending on the situation, the supervisor may need to discuss the action with the next level of management, the Compliance Officer, 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 Corporate Compliance Officer, 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 CareSource 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 CareSource’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 CareSource 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 CareSource 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 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 CareSource’s policies and procedures;
- The employee’s misconduct caused significant harm to CareSource;
- 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 CareSource during the investigation or disciplinary process.

## Employment and Contracting with Ineligible Persons

CareSource 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. CareSource shall utilize the DHHS Office of the Inspector General (OIG) List of Excluded Individuals and Entities (LEIE list), the Preclusion List, and the System for Award Management Exclusion List (formerly the GSA Excluded Parties Lists System) 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

The CareSource Ethics & Compliance Program will monitor and audit functions of the organization, to evaluate compliance with applicable laws, regulations and policies, and rapidly detect potential issues, problems, or violations. The compliance work plan will be coordinated, overseen, and executed by the Compliance Officer.

CareSource 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 Compliance Committee is responsible for oversight of CareSource's monitoring and auditing efforts and will receive regular reports regarding performance, updates to systems, staffing, etc.

### Risk Assessment and Monitoring

An effective monitoring and auditing program begins with an internal risk assessment. The Corporate Compliance Officer will conduct a formal baseline assessment of the organization's major compliance and fraud, waste, and abuse areas. Each operational area must be assessed for the types and levels of risks the area presents to the Medicare, Medicaid, or Marketplace programs, and CareSource and its members. Factors considered in determining the risks associated with each area include but are not limited to:

- Direct beneficiary contact
- Potential for fraudulent or abusive activities (i.e., claims, Part D)
- Size of department
- Complexity of work
- Amount of training that has taken place
- Past compliance issues
- Budget

An audit and monitoring work plan is developed annually based upon results of the internal risk assessment and sets forth the audits to be performed, audit schedules, and methodology. The work plan contains a process for addressing all monitoring and auditing results and for conducting follow-up reviews of areas found to be non-compliant to determine if the implemented corrective actions have fully addressed the underlying problems. Corrective action and follow-up activities are conducted by the Corporate Compliance Officer and may include the reporting of such findings to the appropriate regulatory agencies.



## Auditing

The Compliance Department will conduct or facilitate operational audits and, when appropriate, first-tier audits sufficient to evaluate the organization's compliance with applicable laws, regulations, and company policies. All compliance audits will be appropriately planned and structured according to established methodology, using accepted tools and standards (CMS Program Audit Protocols). The Corporate Compliance Officer will arrange focused audits of specific departments 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 Corporate Compliance Officer will periodically schedule routine audits to conduct spot checks of CareSource departments or first tier entities, as necessary and at a frequency to be determined by the Compliance Officer, the Compliance Committee, and/or executive management. The Compliance Officer, executive management, and the Compliance Committee receive the results of all audits performed and take timely and appropriate action in response to findings, including monitoring of remediation activities.

## FDR Annual Risk Assessment

The Corporate Compliance Officer, or their designee, will conduct an annual comprehensive risk assessment to determine FDRs' vulnerabilities and high-risk areas. High-risk FDRs are those that are continually non-compliant or at risk of non-compliance based on identified gaps in processes with regulatory and CareSource requirements. Any previously identified issues, which includes any corrective actions, low service level performance, reported detected offenses, and/or complaints and appeals from the previous year will be factors that are included in the risk assessment. Any FDR deemed high risk or vulnerable is presented to the Compliance Department for a suggested follow-up audit. FDRs determined to be high risk may be subjected to a more frequent monitoring and auditing schedule, as well as additional reporting requirements. The risk assessment process, along with reports from FDRs, will be managed by the Corporate Compliance Officer, or his/her designee, and presented to the Compliance Committee for review and discussion.

## Corrective Actions

Corrective action initiatives as identified through routine monitoring, internal audit activities, investigations or other

avenues are monitored and managed by the Corporate Compliance Officer. Corrective actions are designed to correct the underlying problem that results in Medicare Advantage, Medicaid, Marketplace, or other government program violations 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 Corporate Compliance Officer and include specific implementation tasks, the names of individuals accountable for implementation and required time frames for remediation activities. Once identified, the key attribute to a corrective action plan is the remediation plan.

In some cases, identified issues also require voluntary self-disclosure to the governing regulatory entity, such as the Centers for Medicare & Medicaid Services (CMS). The decision to voluntarily self-disclose is determined by the business and the Corporate Compliance Officer.

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 Corporate Compliance Officer will report corrective actions to the Compliance Committee, the executive leadership team and the Board, no less than quarterly.

## Corrective Actions and Additional Monitoring and Auditing

The Corporate Compliance Officer shall submit regular reports of monitoring, audit, and corrective action activities and trends to the Compliance Committee. In instances where non-compliance is identified, CareSource may require the FDR to develop a corrective action plan, which will be reviewed and approved by the Corporate Compliance Officer 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, CareSource may implement sanctions or require remediation by an FDR for failure to fulfill contractual obligations including development and implementation of a remedial or corrective action plans. Failure to cooperate with CareSource 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

CareSource recognizes violations of its Ethics & 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, state, and private programs. Upon report or reasonable indication of suspected noncompliance, the Corporate Compliance Officer along with management will promptly initiate steps to investigate the conduct in question to determine whether a material violation of applicable law or the requirements of the Ethics & Compliance program has occurred, and if so, take steps to correct the problem.

CareSource has established and implemented procedures and a system for preventing, detecting, and correcting noncompliance within CMS program requirements. These include promptly responding to compliance issues as they are raised, investigating potential compliance problems as identified in the course of self-evaluations and audits, and correcting such problems promptly and thoroughly to reduce the potential for recurrence and ensure ongoing compliance with CMS requirements.

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



## 8. Fraud, Waste and Abuse

CareSource is strongly committed to the correction, detection and prevention of Fraud, Waste, and Abuse (FWA) at the plan level, as well as within its first-tier, downstream or related entities. Fraud, waste, and abuse correction, prevention, detection, and investigation activities are conducted in accordance with an Anti-Fraud Plan and a Fraud, Waste, and Abuse Risk Plan, which serve to compliment the Corporate Compliance plan and strengthens CareSource's capabilities to prevent, detect, and correct, Fraud, Waste, and Abuse. Employees receive guidance on their role and responsibilities in preventing and combatting fraud, waste, and abuse. CareSource 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, Medicaid, and Marketplace benefits, including the compliance plan requirements found at 42 CFR § 422.503(b)(4)(vi); 42 CFR § 423.504(b)(4)(vi)(H). CareSource 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, Chapter 9 – Compliance Program Guidelines. This includes working with first-tier, downstream and related entities to review CMS Fraud Alerts and take necessary action, as applicable. This may include the review of past paid claims from entities identified in the CMS Fraud Alert.

Self-reporting plays a critical role in reducing FWA and maintaining program integrity. Therefore, CareSource should report potential fraud discovered at the plan, first-tier entity, downstream entity, or related entity levels to the appropriate entities. In doing so, CareSource 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 CareSource from doing business with the federal health care programs.

### Law and 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, Chapter 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)
- j. 42 CFR Part 455
- k. 42 CFR Subpart H
- l. 42 CFR Part 1002

## Fraud, Waste, and Abuse Reporting Mechanisms

CareSource works to prevent, detect and correct issues of fraud, waste and abuse in our healthcare system. Anyone acting on behalf CareSource is expected to report any suspected instances of fraud, waste, and abuse. All reports can be made anonymously and will be kept confidential to the extent permitted by law.

- Anonymous Hotline: 877-725-4583
- Internal: x12300
- Email: [fraud@caresource.com](mailto:fraud@caresource.com)
- Fax: 800-418-0248

To Provide a Written Report: Write a letter or use the Fraud, Waste and Abuse Reporting Form at [caresource.com](http://caresource.com) or use the Fraud, Waste, and Abuse Reporting form available on MySource under Employee Reporting Options and send to:

CareSource  
Attn: Program Integrity  
P.O. Box 1940  
Dayton, OH 45401-1940

**You do not have to use your name when you write or call. Non-anonymous options for reporting include:**

- Email: [fraud@caresource.com](mailto:fraud@caresource.com)
- Fax: 800-418-0248

