



**AllyAlign  
Health**

# Compliance Program



The Compliance Program applies to all AllyAlign Health Part C and Medicare Part D lines of business. The Program supports AllyAlign Health's commitment to conducting its business ethically, with integrity, and in compliance with applicable laws, regulations, requirements, and contractual obligations.

## Table of Contents

Overview and Scope.....	3
1. Written Compliance Policies, Procedures, and Standards of Conduct .....	4
2. Compliance Officer, Compliance Committee, and High-Level Oversight .....	7
3. Effective Training and Education.....	11
4. Effective Lines of Communication.....	14
5. Well-Publicized Disciplinary Standards and Enforcement .....	16
6. Effective System for Routine Monitoring, Auditing, and Identification of Compliance Risks... .....	17
7. Procedures and System for Prompt Response to Compliance Issues.....	21
Conclusion.....	23

## OVERVIEW AND SCOPE

AllyAlign Health Inc. (“hereafter referred to as “AAH”), holds Administrative and Management Services Agreements with Medicare Advantage and Prescription Drug Plans (also known as MA-PD plans) to provide certain administrative and management services in support of the MA-PD plans’ Medicare Advantage (Part C) and Prescription Drug (Part D) benefits. AAH is committed to conducting its business ethically, with integrity, and in compliance with applicable laws, regulations, requirements, and contractual obligations.

AAH does not take for granted the opportunity it has for making an impact and delivering excellence in the lives of members, partners, and each other. We understand that to meet the needs of those we serve, we must all be committed to doing what is right. No matter what role we play at AAH, compliance matters to all of us – Every Employee, Every Decision, Every Day.

AAH’s commitment to compliant, lawful, and ethical conduct extends to all employees, temporary employees, independent contractors, volunteers, interns, members of the Board of Directors, vendors, and first tier, downstream and related entities (FDRs) (collectively hereinafter referred to as “associates” for purposes of this document). The Compliance Program has been fundamentally designed to establish a culture that promotes the prevention, detection, and resolution of instances of conduct that do not conform to federal and state law, or to federal healthcare program requirements and is founded on, but not limited to, the following elements:

1. Written compliance policies, procedures and Standards of Conduct;
2. A Chief Compliance Officer (CCO), supported by Compliance Committee that is accountable to the Chief Executive Officer (CEO) and the governing body;
3. An effective training and education program;
4. Effective lines of communication;
5. Well-publicized disciplinary standards and timely, consistent and effective manner enforcement;
6. A system for effective assessment of risks, internal monitoring, and auditing; and
7. Procedures for prompt investigation and correction of compliance incidents, issues involving potential Medicare program noncompliance, or potential FWA.

AAH employees, temporary employees, independent contractors, volunteers, interns, and members of the Board of Directors are responsible for reading and understanding the Compliance Program, related policies and procedures, and Standards of Conduct.

All associates are encouraged to consult with their direct supervisor or anyone in the Compliance department if they have any questions or concerns.

### 1. WRITTEN POLICIES, PROCEDURES AND STANDARDS OF CONDUCT

AAH maintains written policies, procedures, and Standards of Conduct that support its commitment to comply with all applicable federal and state standards. Compliance-specific and operational-specific policies and procedures, and Standards of Conduct are posted in AAH's intranet site. All employees, temporary employees, independent contractors, volunteers, interns, members of the Board of Directors, vendors, and FDRs are provided access to these policies and procedures and the Standards of Conduct within 90 days of hire/contract, when updates are made, and annually.

The Standards of Conduct along with, but not limited to, the following policies, express our commitment to compliant, legal, and ethical conduct:

- Identification of Risk, Monitoring and Auditing,
- Corrective Action Plans,
- Effective Lines of Communication,
- Investigations,
- Exclusion Screening,
- HIPAA Privacy and Security, and
- Fraud, Waste, and Abuse (FWA).

Specific requirements applicable to each operational area shall be set forth in policies and procedures maintained by each operational area. Operational areas are accountable for the development of new or revision of existing policies and procedures when any changes are made to the applicable laws and regulations. Policies and procedures shall be reviewed and revised at least annually, or more frequently if needed, and approved by operational leadership.

The Compliance department shall assist operational areas in interpreting CMS regulations or guidance and shall be available to answer questions regarding the same. Additionally, operational policies and procedures shall be subject to review by the Compliance department.

AAH's Compliance Committee reviews and approves the Compliance Committee Charter, Compliance Program, and related compliance policies and procedures, while the Board of Directors is informed and receives an overview of same.

### **Standards of Conduct**

AAH's *Standards of Conduct* is approved by the Board of Directors and serves as a guide by which all associates shall conduct themselves. The Standards of Conduct is designed to assist associates in carrying out their daily responsibilities according to the appropriate legal,

regulatory, and ethical standards.

Included in the Standards of Conduct is how to report compliance issues and potential FWA using the appropriate mechanisms set forth by AAH for such purpose and that reported issues will be addressed and corrected in a timely manner. The Standards of Conduct also provides details concerning AAH's non-intimidation and non-retaliation policy for good faith reporting of compliance concerns and alleged violations.

AAH's continued success is directly related to each associates' ability to adhere to these compliance and ethical commitments. Therefore, each associate is accountable for their own actions and outcomes. Our collective actions allow AAH to achieve its mission and embody its core values. All associates, including senior leadership and members of the Board of Directors, are expected to be familiar with AAH's Standards of Conduct and always adhere to it.

The Standards of Conduct shall be updated, as necessary, to incorporate changes in applicable laws, regulations, and other program requirements.

### **Conflict of Interest**

The *Conflict of Interest* policy (found within the *Standards of Conduct*) is designed to protect AAH's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an associate or might result in a possible excess benefit transaction. A conflict of interest occurs when an associate allows personal gain to interfere or influence the performance of his or her work duties.

AAH associates are encouraged to avoid situations that may be called into question and to disclose any potential conflict of interest by submitting an email to the AAH compliance mailbox ([compliance@allyalign.com](mailto:compliance@allyalign.com)) or through the Compliance & Ethics Helpline at 1-844-317-9059. Associates are also encouraged to contact the Chief Compliance Officer directly or any member of the Compliance department whenever there is doubt about any activity or relationship that has the potential to create a conflict of interest.

### **HIPAA Privacy and Security**

AAH's *HIPAA Privacy and Security Plan* documents its privacy and security policies and procedures in accordance with the Health Insurance Portability and Accountability Act of 1996. Upon hire and annually thereafter, all employees are required to complete and pass AAH's training program for HIPAA and HITECH privacy and security.

### **Fraud, Waste, and Abuse (FWA) Plan**

AAH's *Fraud, Waste, and Abuse Plan* demonstrates its commitment to protecting the Medicare Trust Fund and commitment to the responsible stewardship of organization resources by maintaining a comprehensive plan for detecting, preventing, and correcting FWA.

The Fraud, Waste, and Abuse Plan includes, but is not limited to:

- review of employees, temporary employees, independent contractors, volunteers, interns, members of the Board of Directors, vendors, and FDRs against the federal exclusion lists (i.e., Office of Inspector General List of Excluded Individuals and Entities (LEIE) and the General Services Administration (GSA) Excluded Parties List System (EPLS)) prior to hire/contract and monthly thereafter, and coordinating any resulting issues with AAH's Human Resources, Legal or other departments as appropriate,
- review of vendors and first-tier entities prior to entering contract to ensure downstream entities are also checked for federal exclusion, and
- data analysis to identify unusual patterns suggesting potential errors and/or potential fraud, waste and abuse.

Additionally, AAH's policies prohibit the use of federal or state funds for the payment of excluded individuals and entities.

All associates play an important role in AAH's FWA program and are required to report suspected fraud, waste, and abuse, whether through their immediate supervisor, Compliance mailbox ([compliance@allyalign.com](mailto:compliance@allyalign.com)), directly to any member of the Compliance team, or through the Compliance & Ethics Helpline at 1-844-317-9059.

Refer to the *Effective Training and Education* section below for information about mandatory FWA training.

### **Vendors and First Tier, Downstream, and Related Entities (FDRs)**

Vendors and FDRs have the option to:

- Adopt and follow AAH's Compliance Program, related policies, procedures, and Standards of Conduct;
- Develop and follow their own equivalent Compliance Program, related policies, procedures, and Standards of Conduct that describe their commitment to comply with applicable laws, regulations and conduct themselves in an ethical manner; or
- Adopt and follow equivalent Compliance Program, related policies, procedures, and Standards of Conduct of another entity contracted with CMS to administer Medicare Advantage (Part C) and Prescription Drug (Part D) plans.

AAH has the right to review and approve vendor and FDR compliance policies, procedures, and Standards of Conduct.

AAH's policies and procedures are provided to vendors and FDRs in the form of manuals, policy and procedure documents, and/or training materials. These documents may be distributed by,

but not limited to, the following methods: e-mail, fax, website, portal, or by other means, as appropriate. Monitoring and auditing of the FDRs, including review of their compliance policies and programs Standards of Conduct and performance, shall be performed based on risk assessment and concerns raised to the Compliance Committee, leadership, and Board of Directors, as appropriate.

## 2. COMPLIANCE OFFICER, COMPLIANCE COMMITTEE AND HIGH-LEVEL OVERSIGHT

The Compliance Program involves engaged participation and oversight at all levels of AAH.

AAH's Chief Compliance Officer and all members of the Compliance department are vested in the day-to-day operations of the Compliance Program. Additionally, the Chief Compliance Officer and Compliance Committee are directly accountable to AAH's CEO and the Board of Directors.

AAH's Board of Directors is knowledgeable of and responsible for oversight of the Compliance Program. The Board of Directors reviews and approves the *Standards of Conduct* and delegates certain compliance oversight activities to the Compliance Committee. However, the Board of Directors remains accountable for ensuring the effectiveness of the Compliance Program and monitoring the status of the Compliance Program to ensure its efficient and successful implementation.

### **Compliance Officer**

The Chief Compliance Officer (CCO) is a full-time senior-level employee and reports directly to the AAH CEO. The CCO is primarily responsible for developing, operating, and administering the day-to-day activities of the Compliance Program and does not hold any operational responsibilities.

The CCO serves as the Chair of the Compliance Committee and oversees implementation and oversight of the Compliance Program with support from the Compliance Committee and Compliance personnel. Additionally, the CCO has express authority to provide unfiltered reports to the CEO and Board of Directors.

Consistent with CMS guidance, the CCO's responsibilities include, but are not limited to:

- Regularly delivering compliance reports to the CEO, Compliance Committee and Board of Directors.
- Ensuring the CEO, Compliance Committee and Board of Directors is aware of Compliance Program activities including risk issues identified, investigated, and resolved. This includes any regulatory enforcement actions, audit results, and corrective action activities implemented.
- Attending and providing (or delegating) compliance support for business and committee

meetings.

- Providing timely and accurate responses to regulatory and internal inquiries.
- Overseeing the creation and maintenance of compliance and FWA policies and procedures.
- Collaborating with the Compliance Committee and management on the development and implementation of effective compliance training.
- Ensuring applicable changes to laws, regulations, and guidance are reviewed and disseminated to the appropriate business areas/staff and FDRs and are monitored for timely and accurate implementation.
- Coordinating and conducting regular compliance monitoring and audit activities to validate contract performance and compliance with applicable standards. Includes coordination with business management and other matrix partners to facilitate activities related to CMS Program Audits and other CMS monitoring, auditing, reporting or validation activities.
- Overseeing the development, implementation, and monitoring of corrective action plans.
- Ensuring compliance training is completed within 90 days of hire/contract and annually thereafter.
- Fostering a culture of accountability and transparency and ensuring there are appropriate mechanisms (including a method for anonymous and confidential reporting) are in place for associates to report known or suspected Medicare program noncompliance and potential FWA in good faith and without fear of retaliation.
- Interviewing or delegating the responsibility to interview employees and other relevant individuals regarding compliance issues.
- Monitoring the completion of required exclusion checks and ensure appropriate actions are taken in response to employed or contracted individuals or entities that are identified on an exclusion list. Includes reasonable assurances that FDRs conduct exclusion checks and take appropriate action.
- Investigating or supporting the investigation of suspected fraud identified through internal or external monitoring and data analysis. Assisting in the development of appropriate corrective or disciplinary actions, as required and ensure timely reporting to the NBI MEDIC, CMS, law enforcement and/or other applicable government authorities as required.
- Reviewing or delegating the responsibility to review plan contracts and other documents pertinent to the Medicare program.
- Reviewing or delegating the responsibility to review the submission of data to CMS to



ensure that it is accurate and in compliance with CMS reporting requirements.

- Recommending policy, procedure, and process changes.
- Independently seeking advice from legal counsel.

### **Compliance Committee**

AAH has established a Compliance Committee to advise and assist the CCO in the implementation and oversight of the compliance program.

The Compliance Committee's responsibilities include, but are not limited to:

- Meeting at least quarterly, and more often if necessary.
- Analyzing the industry environment, legal requirements with which the MA-PD plans must comply, and specific risk areas.
- Assessing existing policies and procedures that address these risk areas.
- Working with appropriate departments to promote compliance.
- Recommending and monitoring the development of internal systems and controls to carry out the AAH's standards, policies and procedures.
- Determining the appropriate strategy/approach to promote compliance with the program and the detection of any potential violations through the Compliance & Ethics Helpline and other compliance and fraud reporting mechanisms.
- Supporting the CCO's needs for sufficient staff and resources to carry out his or her duties.
- Ensuring AAH has appropriate, up-to-date compliance policies and procedures.
- Reviewing and addressing reports of monitoring and auditing of areas in which the AAH is at risk of FWA and ensuring corrective action plans are implemented and monitored.
- Providing reports on the status and activities related to the compliance program with recommendations to the Board of Directors and AAH's senior-most leader (i.e., CEO).

The Compliance Committee is comprised of senior management-level individuals from a variety of backgrounds who have decision-making authority in their respective areas of expertise.

The Compliance Committee periodically reports to the Board of Directors via the CCO on the activities and status of the Compliance Program, including issues identified, investigated, and resolved by the Compliance Committee.

### **Board of Directors**

AAH's governing body is the Board of Directors. As such, the Board is accountable for reviewing the status of the Compliance Program and exercises reasonable oversight of its implementation and effectiveness. When presented with compliance issues, the Board makes further inquiry and takes appropriate action to ensure the issues are resolved.

The Board of Directors receives training and education on the structure and operation of the Compliance Program and is knowledgeable about compliance risks and strategies, understands outcomes, and is able to assess the effectiveness of the Compliance Program.

Reasonable oversight by the Board of Directors (assisted by the Compliance Committee) includes, but is not limited to:

- Approving the Standards of Conduct.
- Understanding the Compliance Program structure.
- Remaining informed about Compliance Program outcomes, including results of internal and external audits.
- Remaining informed about governmental compliance enforcement activity such as Notices of Non-Compliance, Warning Letters, and/or formal sanctions.
- Receiving regulatory scheduled, periodic updates from the CCO and Compliance Committee.
- Reviewing the results of performance and effectiveness assessments of the Compliance Program.

The following are examples of activities in which the Board of Directors may be involved as it relates to the Compliance Program:

- Review and approval of compliance risk assessment.
- Review of internal and external audit work plans and audits results.
- Review and approval of corrective action plans (CAPs) resulting from audits.
- Review and approval of appointment of the CCO.
- Review and approval of performance goals for the CCO.
- Review of dashboards, scorecards, self-assessment tools, etc., that reveal compliance issues.

### **Senior Management Involvement**

AAH's senior leadership, including the CEO and the Board of Directors, recognize the importance of an effective Compliance Program.

Senior leadership plays a highly engaged role in the Compliance Program and ensure the CCO is integrated into the organization and given the credibility, authority, and resources necessary to operate a robust and effective compliance program. The CEO receives periodic reports from the CCO regarding risk areas that the organization may face, the strategies being implemented to address them, and the results of those strategies. The CCO also informs the CEO of all governmental compliance enforcement activity, from Notices of Non-Compliance to formal enforcement activities.

### 3. EFFECTIVE TRAINING AND EDUCATION

#### **General Compliance and Fraud, Waste, and Abuse Training for Employees**

AAH provides general compliance and FWA training and education to all employees, (including the CEO, senior leadership, Board of Directors), contractors, and FDRs using various training mechanisms appropriate to the audience. Training and education mechanisms may include, but are not limited to, computer-based training (CBT) modules, facilitated presentations, policy and procedure manuals, provider manuals, posters, memoranda, mail and e-mail reminder notices, and websites. It is the responsibility of the CCO to ensure that general compliance training and education, including FWA-specific content, is provided to the above audiences.

The content of compliance training and education materials is commensurate with the training needs of the intended audience. In general, formal compliance trainings convey AAH's commitment to conducting business ethically, with integrity, and in compliance with applicable laws, regulations, requirements, and contractual obligations.

General compliance and FWA training are part of new-hire orientation and training must be completed within 90 days of initial hire or appointment, and annually thereafter. If needed, additional training sessions are presented as the result of regulatory changes, policy and procedure revisions, and/or to mitigate compliance-related issues that may arise.

General compliance training includes the following topics:

- Compliance Program description, including a review of compliance policies and procedures, the Standards of Conduct, and AAH's commitment to business ethics and compliance with all Medicare program requirements.
- Instruction on how to ask compliance questions, request compliance clarification, and obligation to report suspected or detected non-compliance and potential FWA. Confidentiality, anonymity, and non-retaliation for compliance-related questions or reports of suspected or actual non-compliance or potential FWA is highlighted.
- Examples of reportable non-compliance that an employee might observe.

- Review of disciplinary guidelines for non-compliant or fraudulent behavior and potential resulting disciplinary actions.
- Participation in compliance and FWA training programs as a condition of continued employment and criterion to be included in employee evaluations.
- A review of policies related to contracting with the government, including laws that govern employee conduct in the Medicare program (i.e., gifts and gratuities for Government employees).
- Review of potential conflicts of interest and AAH's system for disclosure of conflicts of interest.
- An oversight of HIPAA/HITECH and the importance of maintaining the confidentiality of personal health information (PHI).

FWA training program includes the following topics:

- An overview of FWA in the Medicare Program,
- Major laws and regulations pertaining to FWA,
- Detecting FWA, including examples of common types of FWA, including, but are not limited to:
  - Inappropriate marketing schemes.
  - Improper provision of benefits/services to members.
  - Fraudulent billing by providers/entities.
  - Members attempting to improperly obtain services by loaning their Plan member card to a non-member.
  - Failure to provide medically necessary services.
- Methods of preventing FWA,
- How to report FWA,
- How to correct FWA, and
- Potential consequences and penalties associated with violations.

AAH employees also receives a departmental-specific orientation at the time of hire to ensure their understanding of the Medicare requirements related to their job function. If an employee requires additional training, it will be provided. In some cases, employees may not be permitted

to commence work until department management staff deems that the employee meets the expected performance levels.

### **General Compliance and Fraud, Waste, and Abuse Training for FDRs**

FDR agents (e.g., office staff and other personnel associated with or employed by an FDR) who have met the FWA certification requirements through enrollment into the Medicare program or through accreditation as a supplier of Durable Medical Equipment Prosthetics, Orthotics, and Supplies (DMEPOS) are deemed to have met the FWA training and education requirements.

FDR agents who are not deemed to have met the FWA training and education requirement are required to complete the FWA training within 90 days of hire/contracting and annually thereafter. FDRs have the option of using the standardized FWA training and education made available by CMS or their own substantively equivalent training program to meet AAH's FWA training requirements. Regardless of the training program used, AAH requires FDR agents to complete and pass the FWA training within 90 days of hire/contracting and annually thereafter. AAH requires that FDRs maintain thorough and accurate records of all completed training in accordance with their written agreement and present such records to AAH upon request.

All FDR agents who support AAH, whether full-time, part-time, temporary, volunteer or otherwise, are required to complete and pass general compliance training within 90 days of hire/contracting and annually thereafter.

AAH communicates general compliance training and education materials, including content about its Standards of Conduct, to vendors and FDRs through provider manuals and the Plan's website.

Although some FDRs may be deemed to have met the requirements for the Medicare training due to their enrollment into the Medicare Program, these deemed individuals must still receive general Medicare compliance training and specialized compliance training in connection with their job responsibilities.

### **Tracking Mandatory Compliance Training**

Every level of AAH management is responsible for ensuring their employees complete all required compliance training by the required due date. Employees and managers receive regular reminders of their training obligations and are alerted of any overdue training requirements.

Completion of mandatory compliance training courses may be tied to each employee's annual performance goals. Failure to complete required compliance training may subject employees and their managers to performance actions, up to and including termination of employment.

AAH tracks the fulfillment of all required parties to complete their annual general compliance

and FWA training by several means, including but not limited to, sign-in sheets, attestations, and electronic certifications.

AAH reviews and updates, as appropriate, the general compliance and FWA training content annually and whenever there are material changes in regulations, policies, or guidance.

#### 4. EFFECTIVE LINES OF COMMUNICATION

AAH fosters a culture of compliance throughout the entire organization by regularly communicating its expectation of ethical and lawful behavior and the availability of communication channels for reporting.

AAH has implemented lines of communication that encourage effective and confidential, communication between the CCO, the Compliance Committee, Board members, AAH's employees, and FDRs.

AAH has established channels of communication for employees that promote prompt disclosure and investigation of potential violations of law and of the compliance program. Employees are encouraged to discuss their concerns with their supervisor or manager but can also communicate directly with the CCO or Compliance personnel. Such communications will be kept as confidential, to the extent possible.

Mechanisms for raising compliance concerns and reporting suspected and/or actual non-compliance, misconduct, and/or FWA issues are well-publicized to employees through the *Standards of Conduct*, compliance and FWA training, and the website. AAH's published policies for reporting emphasize the following:

- Any employee aware of any violation of the Standards of Conduct has a duty to report the violation either to his/her supervisor, the CCO, Compliance personnel, or anonymously through the Compliance & Ethics Helpline. Further, employees are made aware of the requirement that they assist in the resolution of suspected and/or actual violations.
- AAH does not tolerate intimidation or retaliation against employees who make good-faith reports of unethical behavior, suspected, and/or actual non-compliance or potential FWA violations. AAH's stance on non-retaliation is described in the *Standards of Conduct* and is required in the general compliance/FWA training materials so all employees are aware of the requirements.

Vendors and FDRs are notified via compliance and FWA training, the Plan's website, and other educational materials, of their obligation to and methods to report unethical behavior, suspected, and/or actual non-compliance and FWA violations to AAH and to assist in the resolution of these possible violations. Further, vendors and FDRs are notified of the Plan's "zero-tolerance" policy for intimidation or retaliation against any employee or agent who in good-faith reports suspected and/or actual non-compliance or potential FWA violations.

AAH members (i.e., enrollees) can access the organization’s Standards of Conduct and available reporting mechanism, which includes availability of an anonymous Compliance and Ethics Helpline, via the Plan’s website.

AAH has implemented a process to receive, record, respond to, and track compliance questions, and reports of suspected or detected noncompliance, and/or potential FWA from employees, the Board of Directors, enrollees, vendors, and FDRs. To the greatest extent possible, confidentiality of the report is maintained. All employees, Board members, enrollees, vendors, and FDRs can pose compliance questions and report suspected or detected non-compliance and/or potential FWA 24 hours a day, seven days a week via e-mail or the toll-free anonymous Compliance & Ethics Helpline.

**Communications Channels**

AAH communication channels include, but are not limited to, one-to-one confidential conversations with the Chief Compliance Officer or Compliance personnel, group compliance trainings or departmental meetings, anonymous Compliance & Ethics Helpline, interoffice mail, external mail, email, employee exit interviews, and other forums that promote information exchange.

AAH also maintains various communication channels for members. The annual Evidence of Coverage and Plan’s website direct members to contact the Plan’s Member Services department with any questions or concerns. The Plan website also contains information on reporting compliance and FWA concerns, including availability of and anonymous Compliance & Ethics Helpline.

Lines of communication accessible to all employees, Board of Directors, members, vendors, and FDRs for reporting non-compliance or FWA concerns:

<b>Compliance &amp; Ethics Helpline</b>	
<ul style="list-style-type: none"> <li>• Anonymous</li> <li>• Available 24 hours a day, seven days a week</li> </ul>	1-844-317-9059 (Toll-free)
<b>General Compliance E-mail</b>	<a href="mailto:Compliance@allyalign.com">Compliance@allyalign.com</a>
<b>Compliance Fax</b>	1-833-572-2367

<b>Chief Compliance Officer</b>	Rocio Kirchner (Rosie)
<b>Phone</b>	(615) 504-7120
<b>E-mail</b>	<a href="mailto:Rocio.Kirchner@allyalign.com">Rocio.Kirchner@allyalign.com</a>
<b>Mailing Address</b>	AllyAlign Health Attn: Chief Compliance Officer

	10900 Nuckols Road Suite #110 Glen Allen, VA 23060
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**Regulatory Change Management**

Compliance is responsible for receiving regulatory guidance memoranda from CMS and other applicable government agencies; reviewing, summarizing, and promptly communicating the guidance to business areas and/or FDRs; ensuring business owners and/or FDRs define appropriate action plans to address guidance; and tracking action plans to ensure implementation of new or revised policies/procedures and processes.

**5. WELL-PUBLICIZED DISCIPLINARY STANDARDS AND ENFORCEMENT**

An integral part of AAH’s Compliance Program is the AAH’s published *Standards of Conduct*, which articulates and establishes standards of conduct that all employees, Board members, vendors, and FDRs must follow. Every employee is responsible for abiding by the *Standards of Conduct* and for reporting any situation where an employee believes non-compliant, illegal, or unethical conduct may have occurred. Any employee aware of any violation of the Standards of Conduct, policies and procedures, applicable laws, regulations, requirements, and contractual obligations has a duty to report the violation either to his or her supervisor/manager, the Chief Compliance Officer or Compliance personnel, via the Compliance & Ethics Helpline, or using other available reporting mechanisms. Further, employees are notified through the *Standards of Conduct* of their duty to participate in the resolution of reported compliance issues.

AAH is committed to Standards of Conduct adherence and takes prompt and appropriate investigative and disciplinary action if anyone violates the *Standards of Conduct*. The Plan maintains disciplinary standards which provide for consistent and effective enforcement of AAH’s Standards of Conduct when non-compliant or unethical behavior is substantiated.

Disciplinary action is appropriate to the seriousness of the violation. The policies and procedures that support disciplinary actions are clear and specific. Serious or severe performance or conduct problems may result in immediate written notice and/or termination of employment or contract. For employee conduct problems that do not rise to the level of serious or severe, AAH utilizes a progressive performance improvement process (as defined in the Human Resource *Performance Management* policy), which offers a fair, equitable, and consistent method of guiding employees toward acceptable job performance and conduct.

In training and communication materials, employees are made aware of AAH’s disciplinary and enforcement standards, including that failing to maintain compliance or engaging in FWA could result in disciplinary action up to and including employment termination or contract



termination. The *Standards of Conduct* and supporting training and communication materials include examples of non-compliant conduct that employees might encounter on the job.

FDRs are contractually required to institute AAH's *Standards of Conduct* or substantively equivalent policies specifying the ethical and legal standards of conduct expected of FDR employees/agents. FDRs are made aware that failure to implement and enforce such standards of conduct may result in corrective actions, up to and including contract termination. Further, FDR standards of conduct must notify employees/agents of their duty to report unethical behaviors or suspected and/or actual non-compliance and to participate in the resolution of reported compliance issues as indicated. Lastly, FDR standards of conduct must make employees/agents aware that failure to adhere to ethical and legal behaviors could result in disciplinary action up to and including employment termination or contract termination.

AAH publicizes disciplinary standards for employees and FDRs—including the duty to report issues and concerns—through a variety of mechanisms which may include, but not be limited to:

- Presentations and meetings
- Internet and intranet sites
- Compliance and FWA training

AAH enforces disciplinary standards in a timely, consistent and effective manner. Records are maintained for a period of ten years for all compliance violation disciplinary actions and include the date the violation was reported, description of the violation, date of the investigation, summary of the findings, and any resulting disciplinary action that was taken.

## 6. EFFECTIVE SYSTEM FOR ROUTINE MONITORING, AUDITING, AND IDENTIFICATION OF COMPLIANCE RISKS

AAH's risk assessment, monitoring, and auditing activities are essential to preventing, detecting, and correcting non-compliance and FWA. Business units, FDRs, and Compliance play a critical role in the effective execution of these activities.

### **Risk Assessment**

AAH conducts a formal baseline risk assessment on an annual basis to identify primary compliance and FWA risk areas. Ongoing review of potential risks of non-compliance and FWA and a periodic reevaluation of the accuracy of the baseline assessment is performed, as needed.

The risk assessment is a review of each Medicare operational area for the types and levels of risks that the area presents to the Medicare Advantage and Prescription Drug program and to AAH. Risk areas identified through CMS audits and oversight activities, as well as through the

AAH's monitoring, auditing, and investigation are deemed priority risks.

Compliance uses several inputs to identify compliance and FWA risks. Inputs include, but are not limited to:

- Review of monthly compliance dashboards for key operational performance metrics,
- Results from internal monitoring and auditing activities,
- CAPs,
- Past compliance issues,
- Grievance and CTM trends,
- Consultation with business unit leadership regarding business unit risk,
- Results from CMS monitoring and auditing of AAH,
- CMS issued Compliance Letters and enforcement actions received by AAH,
- Results from internal investigations,
- Review of Part C and Part D enforcement actions taken by CMS in response CMS' audits and evaluations of other industry plan sponsors. Includes a review of CMS' annual Part C and Part D Program Audit and Enforcement Report,
- Information shared by CMS through the CMS Regional Office Account Manager and during CMS industry conferences/webinars,
- Material regulatory/guidance changes affecting functions performed by AAH business units and/or by FDRs,
- Information released by the Office of Inspector General (OIG),
- Changes to CMS audit protocols or CMS ad-hoc audit activities,
- Suspected FWA incidents and CMS fraud alerts,
- Industry insights from sources such as consultant/association newsletters, articles, industry conferences.

Risks identified by the risk assessment are ranked to determine which risk areas will have the greatest impact and to prioritize the monitoring and auditing work plan accordingly. As risks change or evolve throughout the year, the baseline risk assessment is re-evaluated.

### **Monitoring and Audit Work Plan**

The Chief Compliance Officer is a key resource in the development, coordination, and oversight

of the annual monitoring and auditing work plan.

Risk assessment findings approved by the Compliance Committee are used to inform the development of AAH's work plan. The work plan includes a schedule that identifies the monitoring and auditing activities for the calendar year. Internal business units, as well as those functions performed by first tier entities are included in the schedule, as appropriate.

When developing the work plan, AAH considers the types of audits (desktop, virtual, or onsite) to be performed. The work plan is presented to the Compliance Committee for review and approval. Once approved, the Compliance team and Compliance Committee may modify the work plan based on changes or evolution of risks throughout the year.

Internal monitoring activities include regular or on-going review by the business units, FDRs, and Compliance. Each operational business unit is accountable for conducting self-monitoring and conducting monitoring of the functions performed by FDRs on behalf of the business unit. FDRs are also accountable for conducting self-monitoring and promptly informing the AAH business unit of any identified risks. Business units are accountable for promptly informing Compliance of any identified risks (whether internal or FDR).

Compliance is accountable for conducting monitoring and auditing activities which are performed by independent reviewers with subject matter expertise in the area being reviewed. The monitoring and auditing activities performed Compliance are based on, but not limited to:

- CMS Medicare Advantage and Part D Prescription Drug Plan regulations (i.e., 42 C.F.R., Part 422 and 42 C.F.R., Part 423);
- Medicare Managed Care Manual;
- Medicare Prescription Drug Benefit Manual;
- CMS HPMS memorandums;
- CMS audit protocols.

AAH may contract with independent third parties to audit the Plan's business units and Compliance functions against CMS and other regulatory standards, in instances where the Plan lacks sufficient resources to conduct necessary audit activities in-house.

The results of monitoring and auditing activities are reviewed by the CCO, or his or her designee, business unit leaders, and Compliance Committee members.

Corrective action plans are developed to address findings, as appropriate. The findings and corrective action plan are reported to senior management and the Compliance Committee, and in turn, the CCO reports to the Plan's Boards of Directors, as appropriate.

AAH's Compliance Program Effectiveness is also audited on an annual basis and the results of that review are reported to the Compliance Committee and Board of Directors.

## **Compliance Dashboards**

AAH business units produce compliance dashboards for key operating metrics. These dashboards are designed to provide senior leadership, Compliance, and the Compliance Committee a means to readily monitor business unit performance and adherence to compliance measures.

## **OIG/GSA Exclusion**

AAH does not use federal funds to pay for service, equipment, or drugs prescribed or provided by a provider, supplier, employee who is excluded on the Department of Health and Human Services (DHHS) Office of Inspector General (OIG) or General Services Administration (GSA).

AAH reviews the DHHS OIG List of Excluded Individuals and Entities (LEIE list) and the GSA Excluded Parties Lists System (EPLS) prior to hiring or contracting new employees, temporary employees, volunteers, consultants, governing body members, and/or FDRs, and monthly thereafter, to ensure that none of these persons or entities are excluded or become excluded from participation in federal programs.

## **Fraud, Waste, and Abuse Monitoring, Auditing, and Investigations**

AAH's Compliance team is responsible for investigating issues of suspected and/or actual FWA. Plan data is analyzed to identify red flags such as referral patterns, possible payment errors, utilization trends, and other indicators of potential FWA. The Compliance team performs proactive and reactive data analysis of medical and prescription drug claims to detect outliers that may indicate potential fraud, waste, and abuse. This process enables AAH to combat fraud, waste, and abuse.

The Compliance team reports FWA metrics to senior management and the Compliance Committee. In addition, the Compliance team also report FWA investigative findings to and cooperate with the OIG, law enforcement, or other regulatory agencies, as required.

## **Auditing by CMS or its Designee**

AAH is committed to cooperating with audits conducted by CMS or its designees for whether conducted onsite, via webinar, or as a desk review. The Plan allows access to any auditor acting on behalf of the federal government or CMS, as required.

The CCO is the point of contact for CMS audits and may assign a designee for CMS or other audit activities. The CCO is responsible for ensuring the coordination of all CMS audit requests and deliverables. Contracted FDRs must also participate in regulatory audits and are contractually required to comply with access to records and maintaining records to support audit activities.

## 7. PROCEDURES AND SYSTEM FOR PROMPT RESPONSE TO COMPLIANCE ISSUES

### **Investigation**

The Compliance Department is responsible for responding to and investigating suspected or potential violations of the Standards of Conduct, Plan policies, Federal and State laws and regulations that govern our operations, misconduct related to payment or delivery of items or services, FWA issues, and contractual requirements. Incidents of non-compliance may be identified through a variety of sources, such as, but not limited to, employee or FDR self-reporting; internal monitoring and audits; regulatory agency audits including but not limited to CMS and the OIG; hotline (i.e., helpline) calls; external audits; or member complaints. The CCO leads the team that independently evaluates and as warranted, further investigates matters reported to the Compliance Department via all channels or detected by the Compliance Department. All suspected violations are documented and tracked to resolution. It is the Plan's policy to use appropriate procedures, and processes to investigate promptly and fully all reported or detected compliance issues as expeditiously as possible. Any substantiated issues are addressed from a holistic perspective with the appropriate subject matter experts within the Plan, and Human Resources as applicable to ensure appropriate corrective and disciplinary actions are taken.

### **Disciplinary Action**

AAH enforces disciplinary standards in a timely, consistent, and effective manner. Records are maintained for a period of ten years for all compliance violation disciplinary actions and include the date the violation was reported, description of the violation, date of the investigation, summary of the findings, and any resulting disciplinary action that was taken.

### **Corrective Action**

AAH's Compliance department maintains a process for tracking, fact finding, investigating, and responding to reports of suspected and/or actual non-compliance, misconduct, and FWA issues related to the Plan. The CCO and Compliance Committee oversee corrective actions and follow-up activities. Reports of suspected and actual non-compliance, misconduct, FWA allegations are reviewed with the Compliance Committee and senior management, including all credible allegations whether such information concerns actions or omissions by AAH, its employees, Directors, vendors, or FDRs. With respect to identified overpayments, AAH will promptly repay identified overpayments, and when appropriate, timely report the overpayments to the applicable regulatory authority.

Any time an incident of misconduct or non-compliance is discovered or a department's process or system results in non-compliance with regulatory requirements, the department is required to submit a corrective action plan to the Compliance team. Corrective action plans represent a commitment from the department to correct the identified issue in a timely manner and

specify the tasks to be completed, completion dates, and responsible parties. The Compliance Department is responsible for approving the corrective action plan in advance of its implementation, monitoring the action plan to completion and validation of the action steps.

## **Reporting**

The status of open corrective action plans is reported to the CCO and the Compliance Committee. The CCO, or his or her designee, systematically tracks and monitors corrective action plan implementations and requires that the business unit provide interim status updates for corrective action plans. Once a corrective action plan is complete and supporting documentation has been secured, the Compliance team validates the corrective action plan by monitoring individual action items over a period of time to demonstrate sustained compliance was achieved and the corrective action plan was effective.

The Compliance Committee is charged with reviewing ongoing activity to ensure that corrective action plans being undertaken are timely and effective and to report ongoing non-compliance risks to senior management.

The Plan requires that FDRs submit a corrective action plan when deficiencies are identified through oversight compliance audits, ongoing monitoring, or self-reporting. AAH takes appropriate action against any contracted organization that does not comply with a corrective action plan or does not meet its regulatory obligations, up to and including termination of their agreement. FDRs delegated to perform specific administrative or plan functions are bound contractually through written agreements with the Plan that stipulate compliance with CMS and other regulatory requirements and contain provisions for the removal of delegation or termination for failure to cure performance deficiencies.

When appropriate, AAH will notify the regulatory authorities of aberrant findings, including reports to CMS and the OIG. Such reporting includes voluntary disclosure/self-reports of misconduct and fraud and abuse identified within the Plan. Self-reports will be submitted to the respective regulatory agencies in the format prescribed by the applicable agency. The decision to disclose may be made in conjunction with the guidance and advice of legal counsel.

The CCO is primarily responsible for ensuring cases of non-compliance and misconduct are disclosed to regulatory authorities. The CCO may delegate all or a portion of the responsibility for corrective action to the appropriate internal expert.

## **CONCLUSION**

All AAH employees, temporary employees, independent contractors, volunteers, interns, members of the Board of Directors, vendors, and first tier, downstream and related entities (FDRs) own compliance. Every individual is responsible and accountable to know what is required of them to perform their job in a compliant manner.

The Compliance department is here to support and guide you. If you need help in

understanding the rules or regulations that apply to the job you perform, or if you have come across an instance of known or potential non-compliance, FWA, or unethical behavior, please contact the Compliance department through any of the available communication mechanisms.

The AAH Compliance department values the collaboration and partnership with business units and FDRs. Together we support AAH in accomplishing its mission in:

**transforming  
healthcare for seniors  
by improving their  
quality of life and  
bringing peace of mind  
to their families  
and caregivers**