GOVERNMENT PROGRAMS COMPLIANCE POLICY AND PROCEDURE

<table>
<thead>
<tr>
<th>Policy Name:</th>
<th>FDR/DDE Global Compliance Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Group:</td>
<td>Government Programs Compliance</td>
</tr>
<tr>
<td>Date Created:</td>
<td>June 2018</td>
</tr>
<tr>
<td>Effective Date:</td>
<td>June 2018</td>
</tr>
<tr>
<td>Last Review Date:</td>
<td>February 2020</td>
</tr>
<tr>
<td>Next Review Date:</td>
<td>March 2021</td>
</tr>
<tr>
<td>Date Revised:</td>
<td></td>
</tr>
<tr>
<td>Version:</td>
<td>2</td>
</tr>
<tr>
<td>Department(s) or Functional Area(s) Impacted:</td>
<td>Government Programs Compliance</td>
</tr>
<tr>
<td>Products/LOB's:</td>
<td>☒ Medicare Advantage ☒ Asuris ☒ Regence ☒ HMO ☒ PPO ☒ Exchange ☒ BridgeSpan</td>
</tr>
<tr>
<td>Plan State/Region:</td>
<td>☒ Idaho ☒ Oregon ☒ Utah ☒ Washington</td>
</tr>
</tbody>
</table>

**Policy Purpose:**
Cambia contracts with the Centers for Medicare & Medicaid Services (CMS) to provide health care services to Medicare members through our Medicare Advantage Plans and Medicare Part D prescription drug products, and BridgeSpan Exchanges through the QHP program. A condition of our contract requires we provide compliance oversight for first-tier, downstream and related entities (FDRs) and downstream and delegated entities (DDEs).

**Policy Scope/Limitations:** N/A

**Policy**
Cambia retains oversight responsibility for all first-tier, downstream & related entities delegated administrative or health care service functions relating to Cambia’s Medicare Parts C and D products, as well as downstream and delegated entities delegated administrative or health care service functions relating to Cambia’s QHP programs. Cambia has established an FDR/DDE oversight program to ensure that all individuals and entities are in compliance with all applicable laws, rules and regulations for these products.
REQUIREMENTS:

The FDRs/DDEs performing services on behalf of the Cambia Medicare Part C and D and/or QHP products will meet the compliance requirements as stated in the Medicare Compliance Addendum (MCA) and, if applicable, The Qualified Health Plan Program Integrity Rules for Delegated and Downstream Entities Addendum.

https://www.cambiahealth.com/suppliers

FDRs/DDEs must have appropriate oversight processes in place that comply with the following Medicare program requirements:

1. All required training is provided within 90-days of hire and annually thereafter
2. The Standards of Conduct which identifies the compliance responsibilities and publicizes disciplinary & non-retaliation standards for the FDRs/DDEs and includes a conflict of interest (COI) attestation process for the FDR/DDE governing bodies and senior leadership.
3. Current written procedures for compliance-related activities
5. Effective communication with the Compliance Dept. and the Special Investigation Unit
6. Routine monitoring and auditing for downstream contractors
7. Publication of system for confidential, anonymous, 24-hour reporting of suspected or actual incidences of program noncompliance and FWA
8. System for identifying and quickly responding to compliance risks is in place
9. HHS OIG & GSA exclusion lists verification process prior to hire and monthly thereafter. The List of Excluded Individuals/Entities can be found at https://oig.hhs.gov/exclusions/index.asp
   The List of Debarred Contractors can be found at https://www.sam.gov/SAM/.
10. Regular communication via newsletters & intranet regarding disciplinary standards including possible actions for violating standards
11. Downstream contracts that have appropriate language to ensure CMS compliance with subcontractors
12. All materials related to Cambia’s Medicare Advantage program will be retained for a period of ten (10) years from the final date of the contract period or the completion of any audit, whichever is later

MONITORING/AUDITING

Cambia will confirm compliance with the above requirements through routine monitoring and auditing of a sample of FDRs/DDEs. Ad-hoc monitoring and auditing may be requested at any time. Process improvements may be required, even if formal corrective action is not deemed to be necessary. The Government Programs Compliance Director and Business Owner will be notified of audit/monitoring results and any subsequent corrective action plans and documentation.
Regulatory References:
- Medicare Managed Care Manual, Chapter 11, 110
- Prescription Drug Benefit Manual, Chapter 9, 40
- Medicare Managed Care Manual, Chapter 21, 40
- 45 C.F.R. Parts 155 and 156
- 45 CFR § 156.20
- 45 C.F.R. § 156.340

Definitions:
1. First Tier, Downstream and Related Entities (FDRs): As defined by Medicare Advantage and Part D programs.

First Tier Entity – Any party that enters into a written arrangement, acceptable to CMS, with an MAO or Part D plan sponsor or applicant to provide administrative services or health care services to a Medicare eligible individual under the MA program or Part D program. (See, 42 C.F.R. § 423.501).

Downstream Entity – Any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with the MA benefit or Part D benefit, below the level of the arrangement between an MAO or applicant or a Part D plan sponsor or applicant and a first tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services. (See, 42 C.F.R. § 423.501)

Related Entity – Any entity that is related to an MAO or Part D sponsor by common ownership or control and
(1) Performs some of the MAO or Part D plan sponsor's management functions under contract or delegation;
(2) Furnishes services to Medicare enrollees under an oral or written agreement.
(3) Leases real property or sells materials to the MAO or Part D plan sponsor at a cost of more than $2,500 during a contract period. (See, 42 C.F.R. §423.501).

2. Delegated and Downstream Entities (DDEs): As defined by 45 CFR § 156.20.

Delegated entity means any party, including an agent or broker, that enters into an agreement with a QHP issuer to provide administrative services or health care services to qualified individuals, qualified employers, or qualified employees and their dependents.

Downstream entity means any party, including an agent or broker, that enters into an agreement with a delegated entity or with another downstream entity for purposes of providing administrative or health care services related to the agreement between the delegated entity and the QHP issuer. The term “downstream entity” is intended to reach the entity that directly provides administrative services or health care services to qualified individuals, qualified employers, or qualified employees and their dependents.
FDRs/DDEs can include, but are not limited to:

1. **Independent Contractor**: Contracts directly with Cambia to provide services that directly support the Medicare program (e.g. Independent Physician Reviewers).
2. **Vendor**: Contracts with Cambia to provide services to support Medicare member programs or administrative services (refer to FDR definitions).
3. **Temporary Employee**: Hired through a Cambia contracted temporary agency to perform duties to support the Medicare program.
4. **Provider Contractor**: Either individual or clinic provider entities that are joining or part of the Medicare provider network.
5. **Sales Agent or Broker**.

**Procedure**: N/A

**Related Policies**: N/A

**Associated Desk References**: N/A

**Attachment Listing**: N/A

**Revision History**

<table>
<thead>
<tr>
<th>Date</th>
<th>Version #</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2018</td>
<td>v.6.2018.1</td>
<td>No changes</td>
</tr>
<tr>
<td>July 2019</td>
<td>v.7.2019.1</td>
<td>Updated training requirements.</td>
</tr>
<tr>
<td>February 2020</td>
<td>v.2.2020.1</td>
<td>Updated links</td>
</tr>
</tbody>
</table>