



# Compliance Program

---

June 2022

# Introduction

---

CareFree Insurance Services (CIS) is committed to excellence through the services we provide to our business partners, agents, and customers.

We strive to uphold a culture of compliance and integrity. We incorporate legal, business, and ethical standards in all our corporate operations.

We maintain formal processes of ongoing reviews, risk assessments, and improvements. This ensures we have sufficient practices in place in promoting compliance with all applicable federal and state regulations.

# Introduction

---

CIS is a Field Marketing Organization (FMO) in the Medicare senior life and health insurance markets.

We contract as a First Tier, Downstream, and Related Entity (FDR) with Medicare plan carriers offering Medicare Advantage (MA) and Prescription Drug (PD) plans.

Being in the Medicare industry, we know the importance of complying with all applicable federal and state regulations.

# Introduction

---

The CIS Compliance Program is an essential business tool. It promotes legal and ethical business conduct. It also prevents, detects, and resolves non-compliant conduct. This includes fraud, waste, and abuse of government funded programs.

This Compliance Program description outlines ways CIS employees and business partners can operate compliantly. It also incorporates pertinent laws and regulations.

# Program Definition & Elements

---

The *Medicare Managed Care Manual* (MMCM), Chapter 21: Compliance Program Guidelines, lists the requirements for an effective Compliance Program. In addition, the Office of Inspector General (OIG) of the Department of Health and Human Services (HHS) has detailed guidelines on compliance programs accessible for various entities in the health care industry.

We're an organization closely aligned with the health care industry. Our CIS Compliance Program ensures HHS core requirements are maintained through *The 7 Elements of a Compliance Program*.



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

---

Our Code of Conduct (Code) reflects the Company's commitment to the highest standards of ethical business conduct. It's designed to be a clear, concise collection of company-wide standards. It also reflects a commitment to quality in the operations, products, and services CIS provides.

The Code is included as part of the Company's new employee orientation. It's also accessible on the Company's intranet site. After reviewing the Code, new hires attest electronically they've read, understand, and agree to comply with its provisions, and related policies.

Policies are housed in the Company's SharePoint site and accessible by all Company employees. The Code is available to CIS contracted agents on the CIS password-protected agent website. Complying with the Code is a condition to employment by all CIS employees. It must also be reviewed annually by all.

## Implementing Written Policies, Procedures, and Standards of Conduct

---

Our operational policies ensure compliance with applicable regulations and CMS guidelines pertinent to our role as a First-Tier, Downstream, and Related Entity (FDR).

We also have privacy and security policies setting the standards for employees. They safeguard confidential, protected health information entrusted to us. We're committed to complying with applicable regulations related to health information privacy.

All employees are required to complete annually the HIPAA Privacy Awareness training. And they're required to perform their work duties following HIPAA's *minimum necessary* standard. This ensures access to protected health information (PHI) is limited as outlined in the HIPAA Privacy Rule.

## Implementing Written Policies, Procedures, and Standards of Conduct

---

CIS is committed to preventing, detecting, and correcting incidents that could lead to fraud, waste, or abuse (FWA). Our FWA plan begins with a new hire's initial background check. This is done against both the Office of Inspector General (OIG) List of Excluded Individuals and Entities, and the General Services Administration (GSA) Excluded Parties List System.

Background checks are also performed on agents contracted with CIS to sell MA, MAPD, and PDP Medicare products, and Medicare Supplement plans. All employees and contracted agents are subject to monthly verification against the OIG and GSA lists.

Our employees play an important role in our fraud prevention program. All our employees are expected to report suspected FWA incidents.

## Element 2: Designating a Compliance Officer and Compliance Committee

---

We've designated a full-time Compliance Officer (CO). The CO reports directly to our senior management team. The CO oversees CIS ethics and compliance activities with emphasis on ensuring concerns are handled in an objective manner.

The CO carries out the CIS Compliance Program initiatives, including but not limited to:

- Company's Code of Conduct
- Agent compliance oversight
- Compliance with CMS requirements as an FDR to CIS business partners
- Encouraging a culture of ethics and compliance throughout the Company

## Element 3: Conducting Effective Training and Education

---

New employees are required to undergo initial training. This includes the Company's Code of Conduct, HIPAA Privacy and Security, and Medicare FWA.

The CO may also require additional specialized compliance training as deemed appropriate. Such trainings may be developed by the CO, Human Resources, or applicable business units.

It's mandatory all CIS employees attend the Company's annual refresher training sessions. Trainings include – Code of Conduct, Compliance, FWA, and HIPAA Privacy and Security.

## Element 4: Developing Effective Lines of Communication

---

CIS Compliance upholds and adheres to all communication and marketing regulations contained in Chapter 3 of the *Medicare Communications and Marketing Guidelines*.

We have an agent website available for our brokers. It contains a wide variety of videos, trainings, and resources. All materials outline specific CMS and CIS marketing guidelines. Once agents are *ready to sell*, they have full access to the site and its content. All subject matter is reviewed and updated annually, more often as necessary.

Compliance ensures downline partners, and all CIS internal staff receive important compliance messages throughout the year.

## Developing Effective Lines of Communication

---

CIS policy provides a reprisal-free environment. We encourage employees to raise ethical, legal, and compliance concerns without fear of retaliation. Retaliation is prohibited against those who, in good faith, report concerns to management.

Our employees may also report compliance or ethical concerns to their immediate supervisor. Alternatively, employees may discuss any compliance concerns with the CO.

Knowledge of a possible violation of a law or regulation not reported can result in disciplinary action.

## Developing Effective Lines of Communication

---

Employees can report compliance matters directly to the CIS Compliance mailbox [CarefreeCompliance@carefreeinsurance.net](mailto:CarefreeCompliance@carefreeinsurance.net)  
Or employees may contact the CO with any compliance concerns at 224-500-8244.

Issues can also be reported anonymously to the Company, 24 hours/day, 7 days/week, 365 days/year –

- Phone: CVS Health Ethics Line / 1-877-287-2040 (TTY: 711)
- Online: [CVSHealth.com/EthicsLine](https://CVSHealth.com/EthicsLine)
- Email: [Ethics.BusinessConduct@CVSHealth.com](mailto:Ethics.BusinessConduct@CVSHealth.com)

CIS takes compliance matters seriously. All reported concerns are investigated by the CO or other appropriate areas.

## Element 5: Conducting Internal Monitoring and Auditing

---

An important aspect of our internal monitoring is assessing areas of risk in substantive regulatory changes. Input is obtained from CIS management, particularly in areas supporting our MA, MAPD, and PDP Medicare businesses.

Based on the results of our annual risk assessments, the CO develops an audit schedule and other specific targeted activities. This ensures the Company maintains proper oversight, monitoring, and compliance reviews.

## Element 6: Enforcing Standards through Well-Publicized Disciplinary Guidelines

---

Disciplinary guidelines are included in the Code of Conduct distributed to all new employees. It's also accessible through the CIS intranet site to all Company employees. The Company also maintains written policies, other procedures, and workplace rules. Colleagues are expected to read, understand, and follow all various Company materials related to the colleague's position. To better serve our customers, clients, and patients, each colleague should understand why we are in business and how we conduct our business.

CIS disciplinary actions are strictly enforced at all levels within the Company without prejudice. They include corrective actions up through termination.

## Element 7: Responding Promptly to Detected Offenses and Undertaking Corrective Action

---

As previously stated, we provide a reprisal-free environment. We encourage employees to raise ethical or compliance concerns without fear of retaliation. We take ethical and compliance matters seriously. All reported matters are thoroughly investigated.

Disciplinary or corrective action in response to a substantiated allegation is an integral part of the CIS Compliance Program. Corrective actions are implemented whenever there is a confirmed incident of non-compliance. Non-compliance is identified through a variety of sources, such as self-reporting channels, insurance carrier audits, internal reviews, and agent complaints.

## Responding Promptly to Detected Offenses and Undertaking Corrective Action

---

Whenever CIS identifies an incident of misconduct, non-compliance, or FWA, prompt action is taken investigating the matter. We determine the root cause and outline effective corrective action as deemed appropriate.

The CO is responsible for reviewing cases of misconduct and non-compliance related to both employees and agents. When necessary, the CO discloses such incidents and coordinating corrective action to insurance carriers.

Due to the complex nature of some of the cases (particularly fraud investigations), the CO may delegate all or a portion of the responsibility to the Special Investigations Unit (SIU).