





Compliance Program

January 2021

Introduction

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

We strive to maintain a culture of compliance and integrity incorporating 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 for promoting legal and ethical business conduct. It also prevents, detects and resolves non-compliant conduct, including fraud, waste, and abuse of government funded programs.

The intention of this Compliance Program description is to outline ways in which CIS employees and business partners can operate compliantly with all 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.

Being an organization closely aligned with the health care industry, the CIS Compliance Program was developed to ensure HHS' core requirements – *The 7 Elements of a Compliance Program* – are maintained.



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 new employee orientation. It's 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 CIS SharePoint site and accessible by all Company employees. The Code is also available to contracted agents on CIS' password-protected agent website. Complying with the Code is a condition to employment by all CIS employees. And it's 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. And all 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, which 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 that all CIS employees attend annual refresher training sessions. Trainings include: Company's 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 to our brokers containing 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 annually and updated when necessary, more often if required.

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, or 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 that is not reported could result in disciplinary action.

Developing Effective Lines of Communication

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

Issues can also be reported anonymously, 24 hours a day, 7 days a week by –

- Phone: CVS Health Ethics Line / 1-877-287-2040
- Online: cvshealth.com/ethicsline
- Write: Chief Compliance Officer, CVS Health,
One CVS Drive, Woonsocket, RI 02895

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 CIS Code of Conduct distributed to all new employees. It's also accessible through the CIS intranet site to all our Company employees.

The CIS Employee Handbook includes the Company Code of Conduct.

CIS disciplinary actions are strictly enforced at all levels within the Company without prejudice and 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 encouraging employees to raise ethical or compliance concerns without fear of retaliation. We take ethical and compliance matters very 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.

Because of 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).