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Message from Highmark’s Chief Compliance Officer

For more than 75 years, Highmark (Highmark) has served its community with integrity, and is committed to maintaining the highest standards. In today’s business and legal environments, acting ethically, lawfully and with integrity is the only way to operate; it differentiates a company from its competition as an organization that can be trusted.

Highmark recognizes that Third Parties are independent entities and their cultural environments may be different from Highmark; however, Third Parties play a critical role in Highmark’s success and Highmark strives to conduct business with those who share similar values. To that end, we count on our Third Parties to preserve and strengthen our long-standing tradition as an ethical and compliant organization.

Third parties have additional obligations when they are involved in work that relates to the contracts we hold with the Centers for Medicare & Medicaid Services (CMS), to provide Medicare Advantage (Part C) and Medicare Prescription Drug (Part D) Plans. The services that you provide help us fulfill these contractual obligations and as a result, your organization is considered a First Tier, Downstream or Related Entity (FDR). Annually, CMS requires Highmark to ensure that its Third Parties, identified as FDRs, meet compliance program requirements. This packet contains important information on key elements of our compliance program along with your obligations and FDR requirements.

The annual compliance program requirements include:

- General compliance and fraud, waste and abuse (FWA) training
- Code of conduct/compliance policies dissemination
- Office of Inspector General and General Services Administration Exclusion screenings
- Reporting mechanisms for potential fraud, waste, and abuse and potential non-compliance
- Delegate oversight

This packet contains pertinent information related to the requirements above.

Failure to meet the FDR compliance requirements annually may affect your participation status.

Questions/Concerns

For compliance questions or concerns regarding this handbook, you can email the Highmark Compliance Department at gcvendor@highmark.com or call us at 1-800-985-1056.

Thank you for your partnership,

Melissa M. Anderson
Executive Vice President,
Chief Auditor and Compliance Officer
Highmark
Ph: 412-544-7950
Definitions

**Abuse** includes actions that may, directly or indirectly, result in: unnecessary costs to the Medicare Program, improper payment, payment for services that fail to meet professionally recognized standards of care, or services that are medically unnecessary. Abuse involves payment for items or services when there is no legal entitlement to that payment and the provider has not knowingly and/or intentionally misrepresented facts to obtain payment. Abuse cannot be differentiated categorically from fraud, because the distinction between “fraud” and “abuse” depends on specific facts and circumstances, intent and prior knowledge, and available evidence, among other factors.

**Authorized Representative** is an employee or affiliated party of a company who has responsibility directly or indirectly for all employees, contracted personnel, providers/practitioners, and vendors who provide healthcare and/or administrative services for Highmark. This could be your Compliance Officer, Chief Medical Officer, Practice Manager/Administrator, an Executive Officer or similar related positions.

**Compliance** is an act or process of complying with a demand or conformity in fulfilling official requirements.

**Conspiracy** is an agreement between two or more persons to perform together an illegal, wrongful or subversive act.

**Contractor** is an individual to whom Highmark has granted unique user identification so that the person can use the company’s computer network equipment and, by virtue of his or her user identification, gain access to the company’s intranet, internet and other computer systems.

**Delegate** is an authorized vendor or agent being contracted by a First Tier Entity to provide services related to the terms of the First Tier Entity’s Agreement with Highmark and all applicable Statements of Work.

**Downstream Entity** is any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with the Medicare Advantage or Prescription Drug benefit, below the level of the arrangement between a Medicare Advantage Organization or applicant or a Prescription Drug 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).

**FDR** means First Tier, Downstream or Related Entity.

**First Tier Entity** is any party that enters into a written arrangement, acceptable to CMS, with a Medicare Advantage Organization or Prescription Drug plan sponsor or applicant to provide administrative services or health care services to a Medicare eligible individual under the Medicare Advantage program or Prescription Drug program. (See 42 C.F.R. § 423.501).

**Fraud** is knowingly and willfully executing, or attempting to execute, a scheme or artifice to defraud any health care benefit program or to obtain (by means of false or fraudulent pretenses, representations, or promises) any of the money or property owned by, or under the custody or control of, any health care benefit program. (See 18 U.S.C. § 1347).

**FWA** means fraud, waste and abuse.

**MEDIC** (Medicare Drug Integrity Contractor) is an organization assigned by CMS to manage anti-fraud and abuse efforts in the Medicare Part C and D programs. The MEDIC will further investigate referrals, develop the investigations, and make referrals to appropriate law enforcement agencies or other outside entities when necessary.

**Offshoring** means any company providing services that are performed by workers located in offshore countries (any country that is outside of the United States and its territories), regardless of whether the workers are employees of American or foreign companies.

**GSA** means General Services Administration.
**OIG** means the Office of the Inspector General within Department of Health and Human Services (DHHS). The Inspector General is responsible for audits, evaluations, investigations, and law enforcement efforts relating to DHHS programs and operations, including the Medicare program.

**Related Entity** is any entity that is related to a Medicare Advantage Organization or Prescription Drug plan sponsor by common ownership or control and performs some of the Medicare Advantage Organization or Prescription Drug plan sponsor’s management functions under contract or delegation; furnishes services to Medicare enrollees under an oral or written agreement; or leases real property or sells materials to the Medicare Advantage Organization or Prescription Drug plan sponsor at a cost of more than $2,500 during a contract period. (See 42 C.F.R. §423.501).

**Theft by deception** is the act of deceiving through unlawful gain or unjust advantage.

**Waste** is the overutilization of services or other practices that, directly or indirectly, result in unnecessary costs to the Medicare program. Waste is generally not considered to be caused by criminally negligent actions but rather the misuse of resources.
What is an FDR

An FDR is any vendor contracted by Highmark to complete any administrative and/or health care related functions pertaining to Highmark’s Medicare contracts. Services provided by FDRs include but are not limited to:

- Sales and marketing
- Utilization management
- Quality improvement
- Applications processing
- Enrollment, disenrollment and membership functions
- Claims administration, processing and coverage adjudication
- Appeals and grievances
- Licensing and credentialing
- Pharmacy benefit management
- Hotline operations
- Customer service
- Bid preparation
- Outbound enrollment verification
- Provider network management
- Processing of pharmacy claims at the point of sale
- Negotiation with prescription drug manufacturers and others for rebates, discounts or other price concessions on prescription drugs
- Administration and tracking of enrollees’ drug benefits, including TrOOP balance processing
- Coordination with other benefit programs such as Medicaid, state pharmaceutical assistance or other insurance programs
- Entities that generate claims data
- Health care services

FDR Obligations

Written Standards

Per Chapter 21 of the Medicare Managed Care Manual and Chapter 9 of the Medicare Prescription Drug Benefit Manual, all sponsors are required to adopt and implement an effective compliance program, which includes measures to prevent, detect and correct Part C or D program non-compliance as well as fraud, waste and abuse (FWA).

As part of our compliance program, Highmark must communicate all compliance expectations to our First Tier, Downstream, and Related Entities (FDR). Highmark’s compliance expectations are detailed and communicated through our Third Party Code of Business Conduct (COBC), compliance policies and procedures, and required trainings.

This handbook will act as a resource that you and your employees can utilize to understand and follow all Highmark compliance practices. Sections later in this handbook detail Highmark’s Third Party Code of Business Conduct and all applicable Compliance Policies.

As an FDR, you are required to provide either Highmark’s COBC and compliance policies or your own comparable COBC and compliance policies to all of your employees and delegates who provide administrative and/or healthcare services for Highmark’s Medicare Plans. If you are going to provide your own COBC and compliance policies, the materials must be approved in advance and annually by Highmark’s Compliance Department.
These written standards must be distributed at the following times:

- Within 90 days of hire or the effective date of contracting
- When there are significant updates
- Annually thereafter

Additionally, you must retain evidence that these written standards were distributed to all applicable parties for the period under contract plus 10 years. Evidence must be retained according to 42 CFR §422.504 (d)-(e).

**OIG/GSA Federal Exclusion Screenings**

Federal law prohibits Medicare, Medicaid and other federal healthcare programs from paying for items or services provided by a person or entity excluded from participation in these federal programs. Under its contracts with the federal government, Highmark is prohibited by law from contracting or doing business with any person or entity that is currently debarred, suspended, excluded, proposed for debarment or declared ineligible to perform work under any government contract or subcontract.

Prior to hire and/or contract and monthly thereafter, you must check the Office of Inspector General (OIG) and General Services Administration (GSA) “exclusion lists” to confirm that your employees, temporary employees, volunteers, consultants, governing body members, and delegates performing administrative and/or healthcare services for Highmark are not excluded from participating in Federally-funded healthcare programs. You can use these websites to perform the required exclusion list screening (links to the websites are located in the Resources section):

- Office of Inspector General (OIG) List of Excluded Individuals and Entities
- General Services Administration (GSA) System for Award Management (SAM)

You must maintain evidence that you have screened all employees, temporary employees, volunteers, consultants, governing body members and delegates against these exclusion lists for the period under contract plus 10 years. Evidence must be retained according to 42 CFR §422.504 (d)-(e).

**General Compliance and Fraud, Waste, and Abuse Training**

As an FDR you must provide FWA and general compliance training to all your employees and Downstream Entities assigned to provide administrative and/or healthcare services for our Medicare Plans. Highmark utilizes CMS’ Medicare Parts C & D Fraud, Waste, and Abuse Training and General Compliance Training available on the Medicare Learning Network. Until January 1, 2016, you may substitute an equivalent version to satisfy these training requirements, if approved by Highmark’s Compliance Department. On or after January 1, 2016, you must use CMS’ Medicare Parts C & D Fraud, Waste and Abuse and General Compliance Training in accordance with 42 CFR §422.503 (3) and subsequent guidance released on June 17, 2015 (Update – Reducing the Burden of the Compliance Program Training Requirements).


Regardless of the method used, the training must be completed:

- Within 90 days of initial hire or the effective date of contracting
- At least annually thereafter

You must also maintain evidence of training completion for the period under contract plus 10 years. There are certificates of completion included on the last slides of the CMS Medicare Parts C & D Fraud, Waste, and Abuse Training and General Compliance Training. Evidence must be retained according to 42 CFR §422.504 (d)-(e).

The only exception to this training requirement is if you or your organization is “deemed” to have met the FWA certification requirements through enrollment into Medicare Parts A or B of the Medicare program or through accreditation as a supplier of Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS).
Those parties deemed to have met the FWA training through enrollment into the CMS Medicare Program do not have to complete Medicare’s Parts C and D Fraud, Waste, and Abuse Training. However, they are still obligated to Medicare’s Parts C & D Compliance Training.

**Reporting Suspected Fraud, Waste, and Abuse and Non-Compliance**

For compliance questions, requesting compliance clarification or to report suspected or detected non-compliance, fraud, waste or abuse, you can contact the Integrity and Compliance Department in a number of ways. All who report concerns in good faith are protected against retaliation and intimidation. The multiple ways to report a concern are as follows:

CONFIDENTIAL AND ANONYMOUS U.S. POST OFFICE BOX:
Highmark Integrity and Compliance Department
P.O. Box 22492
Pittsburgh, PA 15222

CONFIDENTIAL AND ANONYMOUS HELPLINE
Integrity and Compliance Anonymous Reporting Helpline
Toll Free, 24 Hours a Day, 7 Days a Week
1-800-985-1056

CONFIDENTIAL AND ANONYMOUS FAX:
Pittsburgh: (412) 544-2475
Camp Hill: (717) 302-3650

CONFIDENTIAL AND ANONYMOUS EMAIL
integrity@highmark.com

All inquiries are confidential, subject to limitations imposed by law. If an individual is unwilling to identify himself or herself despite this protection, they may make an anonymous report. If an individual does not identify himself or herself, we ask that he or she provide some method of future contact. This will allow the internal investigator to ask follow up questions. Corporate policy prohibits intimidation or retaliation against individuals who raise questions in good faith.

- For any credible report of potential fraud, waste and/or abuse, Highmark will undertake a reasonable investigation and may refer the issue, as appropriate, to the MEDIC, CMS or law enforcement.

Highmark’s Helpline Poster has been provided to you on the last page of this handbook. You can share the poster with your employees and delegates. You can also keep it as a reference tool and use your own internal processes for reporting and collecting these issues. If you choose to use your own reporting procedures, you must have a process to ensure suspected or detected non-compliance, fraud, waste or abuse are reported to Highmark. Please refer to our Third Party Code of Business Conduct for additional reporting guidelines.

As an FDR, you must also adopt and enforce a zero-tolerance policy for retaliation or intimidation against anyone who reports suspected misconduct. You can adopt our policy, Policy 185: Non-Retaliation, or submit a comparable policy to gcvendor@highmark.com for Highmark Compliance approval.

**Oversight of Delegates**

FDRs must conduct regular monitoring on all its delegates. FDRs are required to provide Highmark with a summary of the results of any such monitoring activities, upon request. Additionally, FDRs must contractually obligate all delegates to comply with the same conditions and restrictions that are applicable to the FDR under its Agreement with Highmark. FDR agrees that prior to contracting with a delegate to fulfill any of its contractual obligations to Highmark under the terms of its Agreement or any applicable Statement of Work, FDR will obtain Highmark’s written consent.
Offshoring
In an effort to ensure we comply with applicable federal and state laws, rules and regulations, Highmark’s FDRs are prohibited from using any delegates to perform services for Highmark if the individual or entity is physically located outside of the United States or one of the United States Territories (i.e., American Samoa, Guam, Northern Marianas, Puerto Rico, and Virgin Islands). The only exception to this is if an authorized Highmark representative agrees in advance and in writing to the use of such Offshore Entity.

You must notify and receive approval from Highmark’s Compliance Department prior to any engagement with an offshore entity to fulfill or partially fulfill your obligations to support Highmark’s Medicare contracts.

If you perform services offshore or use an Offshore Entity to perform services involving the receipt, processing, transferring, handling, storing, or accessing of Medicare Member protected health information (PHI) and personal identifiable information (PII) and we approve the arrangement, Highmark is required to submit an attestation to CMS prior to the performance of any duties offshore by you or your delegate.
Compliance Assessment and Required Monitoring

It is very important that our FDRs are in compliance with the applicable laws, rules and regulations that govern our business; in the end, Highmark is responsible for fulfilling the terms and conditions of our contract with CMS, and meeting all applicable Medicare program requirements.

Therefore, you are obligated to maintain evidence of your compliance with the Medicare Compliance Program requirements (e.g. CMS FWA training completion records, OIG/GSA exclusion screening reports, etc.). Highmark will ensure adherence with Medicare Compliance Program requirements through the administration of the Annual Compliance Evaluation.

In addition to the Annual Compliance Evaluation, FDRs may be subject to other contractual and regulatory requirements including but not limited to information security protocols, established service level agreements, etc. Monitoring and oversight will be conducted throughout the year to ensure compliance with all applicable CMS regulations and service level agreements.

Annual Compliance Assessment Process
Highmark has developed an FDR oversight program whereby we evaluate all FDRs’ compliance with CMS compliance program regulations. Through the Annual Compliance Assessment process, FDRs will be required to respond to a series of questions and provide evidence that all necessary compliance elements have been met in accordance with Chapters 11 and 21 of the Medicare Managed Care Manual and Chapter 9 of the Medicare Prescription Drug Benefit Manual and all Highmark contractual stipulations. The questions that will be asked are detailed in the Compliance Assessment portion of this document.

At least annually you can expect us to ask for the following documentation including, but not limited to:

1. Active employee, temporary employee and volunteer listing.
2. New hire and monthly OIG/GSA exclusion screening reports of new employees and delegates prior to contract/hire and monthly thereafter.
3. Completion of the required CMS FWA and compliance training by all employees, contractors, volunteers, governing body members and subcontractors involved in the monitoring and administrating of Highmark’s Medicare functions.
4. Distribution of an approved Code of Conduct and compliance policies to employees contractors, volunteers, governing body members and subcontractors involved in the monitoring and administrating of Highmark’s Medicare functions.
5. Other documentation as necessary to demonstrate compliance with our obligations to CMS.

If any discrepancies or instances of non-compliance are found, the FDR will be subject to additional evaluations and corrective actions within the same calendar year. As an FDR, you are expected to cooperate and participate in our evaluation process.

Highmark’s FDR Compliance Assessment must be completed by an Authorized Representative your company.

Required Monitoring and Oversight
In order to ensure compliance and verify performance, Highmark will conduct periodic monitoring and oversight of FDRs contracted to perform services for Highmark’s Medicare contracts. FDRs may be subject to weekly, monthly, quarterly, and/or annual monitoring. In addition to the Annual Compliance Evaluation, FDRs may be selected for an audit based upon the FDRs annual compliance evaluation results, the contracted functions, and overall compliance performance.
Highmark Health Third Party Code of Business Conduct

Overview
In today’s business and legal environments, acting ethically and with a high degree of integrity differentiates a company from its competition as an organization that can be trusted. Highmark’s Integrity and Compliance Program requires that compliance be everyone’s responsibility from the top to the bottom of the organization as well as Third Parties. The Integrity and Compliance Program is guided by our Core Values and Principles of Integrity and is designed to promote a culture that encourages ethical behavior and commitment to comply with applicable federal and state laws, rules, regulations and guidance.

The Third Party Code of Business Conduct (“Third Party Code”) applies to those who conduct business with and/or on behalf of any Highmark Health company, such as vendors, consultants, subcontractors, suppliers and producers, herein referred to as “Third Parties.”

We recognize that Third Parties are independent entities and their cultural environments may be different from Highmark Health’s; however, Third Parties have a critical role in our success, and Highmark Health strives to conduct business with those who share similar values in compliance and ethics. Therefore, Third Parties and their employees and agents are expected to comply with standards of conduct as described in the Third Party Code and share and subscribe to our commitment to ethical business practices. The Third Party Code sets the ethical tone for conducting business with Highmark Health. Our Integrity and Compliance Department is available to offer guidance and support.

Highmark Health’s Obligations to Third Parties
The Third Party Code is designed to provide clear guidance of the business conduct expected of all employees. It reflects our commitment to the highest standards of ethical business conduct.

The Third Party Code provides guidance to all Highmark Health employees in carrying out their daily activities within appropriate ethical and legal standards. These obligations also apply to relationships with other employees, customers and Third Parties.

Mission
Highmark Health is an interdependent system designed to deliver high-quality accessible, understandable and affordable experiences, outcomes and solutions for our customers.

Vision
Highmark Health’s dedicated and respected employees will be leaders in the health care industry, working to improve the total health care experience of our customers.

Values
People Matter — Every person contributes to our success. We strive for an inclusive culture, regarding people as professionals and respecting individual differences while focusing on the collective whole.

Stewardship — Working to improve the health of the communities we serve and wisely managing the assets which have been entrusted to us

Trust — Earning trust by delivering on our commitments and leading by example

Integrity — Committing to the highest standards encompassing every aspect of our behavior, including high moral character, respect, honesty and personal responsibility

Customer-focused Collaboration — Because no one person has all the answers, we actively seek to collaborate with each other to achieve the right outcomes for our customers

Courage — Empowering each other to act in a principled manner and to take appropriate risks to do what is right to fulfill our mission

Innovation — Committing to continuous learning and exploring new, better, and creative ways to achieve our vision

Excellence — Being accountable for consistently exceeding the expectations of those we serve

Ethical and Compliance Standards
- Highmark Health aspires to maintain a culture that embraces the principle of not only doing the right things, but also doing things the right way.
• All Highmark Health employees have the responsibility to epitomize Highmark Health’s values and to perform their job with integrity.
• Highmark Health commits to dealing fairly with customers, Third Parties and competitors, and resolves to not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material factors, or any other unfair-dealing practice.

Legal and Regulatory Compliance
• All Highmark Health employees must observe the applicable laws, rules and regulations governing the company’s products and services.
• Highmark Health respects and honors the intellectual property rights of others and will not use any copyrighted or patented materials without a license or approval.

Diversity
• We are committed to diversity and endeavors to make everyone feel welcome.
• Employees respect the unique attributes of others and recognize and embrace the many diverse perspectives and ideas that each brings to the workplace.

Safe, Healthy, and Harassment-Free Work Environment
To continue to keep a safe and healthy workplace, Highmark Health:
• Treats its employees and visitors with professional respect and courtesy.
• Will not tolerate any harassment, which may be of a sexual, physical, written or verbal nature, from our employees, customers, Third Parties, outside business invitees or visitors.
• Maintains a safe and healthy work environment, free of illegal drugs, alcohol and workplace violence.
• Will not tolerate actions or threats by anyone who disrupts business or places employees, customers, Third Parties or visitors at risk of harm.

Highmark Health’s Expectations for Third Parties
Highmark Health strives to provide an environment that promotes fairness and equal opportunity, where differences in backgrounds are to be respected, and discrimination not tolerated. Highmark Health in turn expects its business partners, including Third Parties, to respect and share this commitment.

Third Parties have the responsibility to comply with and are expected to respect the Highmark Health Third Party Code and to conduct business activities and interactions ethically and with integrity. As such, Third Parties must adhere to the following standards when conducting business on behalf of Highmark Health:

Ethical and Compliance Standards
Third Parties are expected to:
• Cooperate with Highmark Health’s commitment to a safe and harassment-free workplace.
• Treat those whom you encounter with professional respect and courtesy — regardless of their position, age, race, sex, religion, national origin, ancestry, creed, sexual orientation, mental or physical disability, veteran status, or any other differences of a personal nature — while conducting business with or on behalf of Highmark Health.

Legal and Regulatory Compliance
Third Parties must:
• Conduct business activities in full compliance with the applicable federal and state laws, regulations, and contractual obligations while conducting business with or on behalf of Highmark Health.
• Comply with all anti-corruption laws, including the United States Foreign Corrupt Practices Act, and not make any direct or indirect payments (including promises to pay, or authorizations to pay) of money, gifts or anything of value to officials of foreign governments.
• Comply with antitrust and fair competition laws and regulations when conducting business with or on behalf of Highmark Health.
• Retain and dispose of Highmark Health’s business records in full compliance with all applicable legal and regulatory requirements.
• Comply with all other applicable laws and regulations.

Government Contract Compliance
A substantial portion of Highmark Health and its subsidiaries’ and affiliates’ businesses relate to their roles as government contractors. As a result, Highmark Health must abide by certain laws and regulations. Therefore, Third Parties are required to abide by additional requirements and
obligations while dealing with Highmark Health’s
government business.

The following government business requirements
apply to Third Parties whose contracts support
Medicare Advantage and Medicare Prescription
Drug programs. Set requirements provide that
Third Parties:

- Are prohibited from doing business with any person or entity that is currently debarred, suspended, excluded, or declared ineligible to perform work under any government contract or subcontract. This will necessitate monthly inquiries to various government databases to ensure continued compliance. Highmark Health reserves the right to audit Third Parties’ screening process to ensure compliance with the Centers for Medicare and Medicaid Services (CMS) requirements.

- Are prohibited from offering or accepting any kickbacks, gifts, entertainment, gratuities or anything of value from suppliers, consultants or government officials in exchange for an unfair competitive advantage.

- Must keep company records that are accurate and complete; appropriately reflect transactions and events; conform to applicable legal, regulatory and accounting requirements; and meet its applicable control procedures. These records are necessary to ensure that Highmark Health meets its contractual obligations with the state and federal government.

- Must cooperate with investigations by government agencies and are prohibited from knowingly making false or misleading statements to a government official.

- Must validate that general compliance and training specific to fraud, waste and abuse (FWA) has been completed for all employees who have involvement in the administration or delivery of Medicare Advantage and the Medicare Prescription Drug program. This training must be completed within ninety (90) days of initial hiring and annually thereafter. Proof of training must be kept for a period of contract year plus 10 years. Highmark Health reserves the right to audit Third Parties’ training programs to ensure compliance with the CMS requirements.

- Must report compliance concerns and suspected or actual violations related to the Medicare Advantage and the Medicare Prescription Drug program.

- Must comply with applicable federal and state laws, rules, regulations and contractual obligations.

Conflicts of Interest

Third Parties:

- Must comply with Highmark Health’s gifting policy and avoid offering gifts or anything of value to our employees where a business decision could be, or could be perceived to be, compromised. Also, avoid offering or accepting gifts or anything of value while acting on behalf of Highmark Health.

- Must report to Highmark Health any and all entertainment, gifts or other items that are received by Highmark Health’s employees. Exempt from reporting are food, beverages and moderately priced meals or tickets to local events that are supplied by and attended in the interest of building positive business relationships.

- Must comply with anti-kickback laws and not request, solicit, receive, offer, give or make payments of any kind, whether directly or indirectly, that would encourage a person to refer a person to another person for the furnishing of any item or service covered by the federal government.

- Must comply with Highmark Health’s expense reimbursement policy applicable to Third Parties.

Gifts, Gratuities, Kickbacks and Expenses

- Must comply with Highmark Health’s gifting policy and avoid offering gifts or anything of value to our employees where a business decision could be, or could be perceived to be, compromised. Also, avoid offering or accepting gifts or anything of value while acting on behalf of Highmark Health.

- Must report to Highmark Health any and all entertainment, gifts or other items that are received by Highmark Health’s employees. Exempt from reporting are food, beverages and moderately priced meals or tickets to local events that are supplied by and attended in the interest of building positive business relationships.

- Must comply with Anti-kickback laws and not request, solicit, receive, offer, give or make payments of any kind, whether directly or indirectly, that would encourage a person to refer a person to another person for the furnishing of any item or service covered by the federal government.

- Must comply with Highmark Health’s expense reimbursement policy applicable to Third Parties.
Safe, Healthy, and Harassment-Free Work Environment
Third Parties:
- Must treat everyone, including Highmark Health employees, with dignity and respect.
- Must not possess, use, and/or distribute illegal drugs and/or alcohol while on Highmark Health-owned or -leased property.
- Must comply with all applicable laws and regulations regarding working conditions and labor laws.

Information Privacy and Security
A significant amount of Highmark Health’s business involves the processing and use of information that is private and sensitive and that is protected by numerous federal and state laws. Both Highmark Health and its Third Parties must abide by these laws to the extent applicable.

Highmark Health’s information systems are the exclusive property of Highmark Health and are to be used for business purposes only. This includes but is not limited to desktop computer equipment; hard drives; printers; peripherals; software and operating systems; telephones; and network and/or Internet-related accounts providing electronic mail (“email”), browsing, newsgroup access, social networking access and/or file-transfer capabilities.

Authorized users must exercise good judgment and professionalism when creating, editing, publishing, storing or transmitting content on Highmark Health’s systems. This applies to all systems and applications, including but not limited to email, video, audio, images or pictures. Third Parties:
- Must protect the security of computer systems.
- Must protect information used to access computers, networks or systems. Protecting information used to access computers ultimately protects Third Parties as well as Highmark Health.
- Must safeguard the confidentiality of personally identifiable information (PII) and Protected Health Information (PHI). Third Parties may also be exposed to confidential and proprietary information. Third Parties may have access to such information only if they need it to perform their job and they may use and disclose it only as permitted or required by law and their contract with Highmark Health.

Any breach of this obligation to maintain the confidentiality of proprietary information, PHI and PII will be viewed very seriously and may result in termination of the contract.

Highmark Health has the right to audit Third Party Security controls to ensure that security compliance meets expectations.

Competitively Sensitive Information (CSI)
CSI is non-public information held by the Highmark Health System, which includes:
- past, present, and future reimbursement rates and rate schedules;
- contracts with providers;
- contracts with payers;
- any term or condition in a payer-provider agreement that could be used to gain an unfair commercial advantage over a competitor or supplier, including but not limited to
  - discounts,
  - reimbursement methodologies, and
  - provisions relating to
    - performance,
    - pay for performance,
    - pay for value,
    - tiering of providers,
    - cost data and methodologies including
      - specific cost and member information and revenue, or
      - discharge information specific to the payer or provider;
- contract negotiations or negotiating positions, including but not limited to
  - offers,
  - counteroffers,
  - party positions, and
  - thought processes;
- specific plans regarding future negotiations or dealings with payers or providers; and
- claims reimbursement data.

All Highmark Health companies have adopted policies for the protection of CSI, and the Pennsylvania Insurance Department requires strict compliance with the policy protecting Competitively Sensitive Information. These policies prohibit the sharing of CSI among certain corporate affiliates of Highmark Health. Third Parties must abide by this policy. The improper sharing of CSI could result in the reduction of competition, competitive innovation, or pricing. Questions concerning specific uses of CSI should be submitted to Infomgmtdecisions@highmarkhealth.org.

Customers and Supplier Relations
Third Parties shall maintain straightforward business relationships with Highmark Health and its customers and suppliers.

Relationships should be based on the cost and the quality of the products and/or services, rather than on personal relationships.
Third Parties shall not take unfair advantage of Highmark Health customers through manipulation, coercion, misrepresentation of information, or abuse of privileged or confidential information.

**Proper Use of Company Assets**

Third Parties should ensure that Highmark Health’s corporate assets are used only for valid business purposes. Corporate assets include not only our equipment, funds and office supplies, but also concepts, business strategies and plans, financial data, and other information about Highmark Health’s business. These assets may not be used to derive personal gain.

**Adherence to Fraud, Waste and Abuse Guidelines**

- Generally, health care fraud is a misstatement of fact knowingly made for the purpose of obtaining health care benefits, services or other things of value.
- Third Parties must not make false or misleading claims, records or statements in order to secure payment of a fraudulent claim on behalf of Highmark Health.
- Highmark Health has policies and procedures in place to detect and prevent FWA, and expects Third Parties to support the efforts of federal and state authorities by identifying and reporting incidents of FWA to the Highmark Health Integrity and Compliance Department.
- Third Parties who raise questions or report concerns regarding potential or actual FWA matters in connection with any of Highmark Health’s government programs are protected from retaliation and retribution for False Claims Act complaints, as well as any other applicable anti-retaliation protections.

**Highmark Health’s Expectations for Appointed Producers**

Appointed Producers have the responsibility to comply with and are expected to respect the Third Party Code and to conduct business activities and interactions ethically and with integrity. As such, Appointed Producers must adhere to the following standards when conducting business on behalf of Highmark Health:

- Seek to truthfully, carefully, and accurately present a true picture of covered benefits by learning about and keeping abreast of all relevant products, benefit plans, and applicable legislation and regulation, to the best of your ability.
- Make a conscientious effort to ascertain and understand all relevant circumstances pertaining to the client in order to recommend appropriate benefit plans.
- Inventory current benefit plans with the client to avoid selling duplicative insurance benefits.
- Honestly assess the likelihood that a client will meet underwriting and financial requirements and discover any adverse factor(s), to reduce false expectations of acceptance and adequacy of benefit plan.
- Possess a comprehensive understanding of products in order to honestly, openly, and effectively portray benefit plans and determine a client understanding of key benefits and limitations.
- Clarify and verify the client’s grasp of information and review pertinent issues.
- Protect proprietary and competitive information.
- Protect protected health information, confidential and financial information in compliance with existing state and federal laws and regulations.
- Obey all laws, including antitrust, governing business and professional activities and represent products in an ethical manner without fraud, misrepresentation, exaggeration, coercion, scare tactics, or concealment of pertinent facts.
- At all times, fully disclose commission and compensation arrangements to the client.
- Ensure appropriate relationships by not offering or accepting any inducements that might compromise a reasonable business decision. Avoid any conflict of interest or the appearance of any conflict of interest.
- Use only authorized promotional materials unless prior written approval has been obtained, and fairly focus your presentation on positive benefit comparisons rather than disparaging remarks about the competition.
- Treat a client or a potential client with courtesy, respect and priority in accordance with thoughtful, ethical and legal business practices.

**Complying With the Highmark Health Third Party Code of Business Conduct**

As a condition of contracting with Highmark Health, Third Parties and their employees and agents are required to be knowledgeable of and adhere to the Third Party Code and be responsible for monitoring compliance with the standards in this Third Party Code.
Code. Third Parties are expected to seek guidance from Highmark Health when questions arise involving unethical business conduct pertaining to company business and inappropriate behaviors. Highmark Health may in its sole discretion amend this Third Party Code and Third Parties must comply with any such amended Third Party Code.

In addition to any other specific contractual requirement, whenever a Third Party provides services on-site at any Highmark Health campus location, Third Parties must conduct themselves in accordance with and comply with all Highmark Health policies and procedures, including, but not limited to, on-site tour guidelines and other policies addressing the confidentiality of all visible and audible Highmark Health proprietary data.

**Contacts and Reporting Concerns**

You are obligated to report any questionable behavior by Highmark Health employees, a Third Party and/or its employees and agents or potential noncompliance situation, or if you suspect potential or actual FWA, you should contact the Highmark Health Integrity and Compliance Department. In addition to being a resource for Highmark Health employees, the Integrity and Compliance Department is available for questions by Highmark Health business partners like you. When a report is made to the Integrity and Compliance Department, appropriate action is taken to review and/or investigate the report to reduce the potential for recurrence and ensure ongoing compliance. Third Parties are expected to cooperate with the investigation of a suspected violation of this Third Party Code or violation of any governmental law or regulation. In addition, as required and/or appropriate, the Integrity and Compliance Department may disclose investigation matters to applicable law enforcement or regulatory entities.

Failure to promptly report a known violation may result in action up to and including termination of the business relationship and is the sole discretion of Highmark Health.

The Highmark Health Integrity and Compliance Department offers various methods for reporting concerns:

- **24/7 Helpline:**
  1-800-985-1056

- **U.S. Post Office Box:**
  Highmark Health Integrity and Compliance Department
  P. O. Box 22492
  Pittsburgh, PA 15222

- **Fax:**
  Camp Hill 717-302-3650 or
  Pittsburgh 412-544-2475

- **Email:**
  integrity@highmark.com

All inquiries to the Integrity and Compliance Department are confidential, subject to limitations imposed by law. When using the Integrity Helpline, you may remain anonymous. If you choose to make an anonymous report, you should provide enough information about the situation to allow the Integrity and Compliance Department to properly perform an investigation. If you do not provide enough details, the ability to pursue the matter will be limited. Highmark Health maintains a reprisal-free environment and has a policy of non-retaliation and non-intimidation to encourage employees, Third Parties and their employees to raise ethical or legal concerns in good faith. Third Parties who raise questions or report concerns regarding potential or actual FWA matters in connection with any of Highmark Health’s government programs are protected from retaliation and retribution for False Claims Act complaints, as well as any other applicable anti-retaliation protections. All inquiries are confidential, subject to limitations imposed by law.

The Third Party Code sets forth general principles with which Third Parties must comply. More restrictive requirements may be set forth in the contracts between Third Parties and Highmark Health.
Policy #185: Non-Retaliation

Effective Date: 12/04/2012
Last Reviewed Date: 06/30/2015
Last Revised Date: 06/30/2015

Highmark (referred to hereafter as Highmark or the “Company”) is committed to providing individuals with a workplace free of retaliation and intimidation. The Company regards all reports and allegations of retaliation and intimidation seriously, investigates them promptly and thoroughly, and takes appropriate responsive action.

Administration
The Company does not tolerate retaliation or intimidation. Any individual found to have engaged in retaliation or in acts of intimidation against another individual will be subject to corrective action, up to and including termination of employment.

The term “retaliation,” as used in this policy, refers to any form of adverse treatment that is directed toward an individual because the individual has asserted a claim protected by any federal, state or local law, or because the individual has filed a charge, testified, assisted or participated in any manner in an investigation, proceeding, or hearing concerning reports or allegations of unlawful conduct, or good faith participation in compliance programs, including but not limited to raising compliance-related questions, reporting potential issues, investigating issues, and conducting self-evaluations, audits and remedial actions.

- All members of management have a responsibility to be aware of this policy and to promote compliance with this policy in their areas of responsibility.
- Any employee or member of management who observes or learns of conduct that may constitute retaliation or intimidation should report it immediately to Employee Relations and/or the Integrity Office.

Violations
Appropriate action will be taken to remedy all violations of this policy. Violations of this policy and/or failure to comply with related procedures may result in corrective action up to and including termination of employment.

Approval Authority
Highmark Board of Directors delegates policy review and policy adoption approval authority to the executive committee named below:

- Executive Vice President, Chief Human Resource Officer
- Executive Vice President, Chief Legal Officer
- Executive Vice President, Chief Auditor and Compliance Officer

Exceptions
There are no exceptions to this policy.
Highmark and its subsidiaries and affiliates (referred to hereafter as “Highmark” or the “Company”) is committed with complying will all applicable federal and state regulatory requirements. This policy describes the Company’s processes related to the prevention, detection, correction, and reporting of fraud, waste and abuse (FWA) which also support the procedures performed in accordance with the requirements issued by the Centers for Medicare & Medicaid Services (CMS). It is the intent of the Company to promote consistent organizational behavior on the prevention, detection, correction and reporting of FWA.

This policy is applicable to any allegations of FWA related to employees, consultants, contractors, volunteers, providers, facilities and/or any other third parties with a business relationship with the Company.

**Administration**

**Roles & Responsibilities**

*Management* – Management is responsible for establishing a culture of compliance related to the detection and prevention of FWA serving as a control in the prevention of FWA and is responsible for reporting any suspected incidents in a timely manner.

*Employees* – Employees are responsible for completing mandatory FWA compliance training, complying with the Code of Business Conduct, laws, regulations, and all applicable Company policies and procedures. Each employee is responsible for respecting, protecting and preserving company assets. Any employee with knowledge of a suspected situation involving FWA is obligated to report the activity in a timely manner to either their immediate supervisor or the Integrity and Compliance Department Helpline.

*Contractors/First Tier, Downstream Related Entities (FDRs)* – Contractors/FDRs are responsible for completing mandatory FWA compliance training, complying with the Third Party Code of Business Conduct, laws, regulations, and all applicable Company policies and procedures. Any contractor/FDRs with knowledge of a suspected situation involving FWA is obligated to report the activity in a timely manner to either their immediate supervisor at the Company or the Integrity and Compliance Department Helpline.

*Financial Investigations & Provider Review (FIPR)* – The FIPR Department is responsible for the detection, prevention and investigation of provider FWA for the Company. FIPR tools and processes include the maintenance of a Fraud hotline for the reporting of any potential provider fraudulent occurrences. This hotline is publicized to employees, contractors and external parties including FDRs, providers and members. FIPR is also responsible for data screening tools to identify aberrant claims that require investigation for potential FWA. FIPR implements processes to ensure communication of Medicare C & D related cases and/or Government Program and referral to the appropriate departments, as well as assists the Government Compliance Department with referrals of potential FWA cases to the CMS Medicare Integrity Contractor.

*Integrity and Compliance Department* – The Integrity and Compliance Department is responsible for the oversight of the Highmark Code of Business Conduct and the Highmark Code of Business Conduct, maintenance of the Integrity and Compliance Department Helpline for employees to report in confidence any suspected incidents of FWA, investigation of employee and contractor FWA allegations, development of appropriate action plans and a process to insure appropriate reporting of any Medicare C & D and/or Government Program-related FWA to the Government Compliance Department, FIPR and the Executive Compliance Committee as necessary. Finally, the Department develops and delivers FWA training to all employees involved in the Medicare C & D program.

*Government Compliance* – The Government Compliance department is responsible for the establishment and coordination of all activities of the Medicare FWA Workgroup, establishment and maintenance of systems to track FWA case activity and referrals as necessary, processes to ensure appropriate reporting to the required departments, committees and governing bodies as necessary, reporting of potential FWA cases and
data to the CMS Medicare Integrity Contractor, monitoring of any new FWA guidance from CMS and communication to various Company departments.

**Employee Relations** – The Employee Relations Department is responsible for collaborating with the Integrity and Compliance Department to investigate and address all suspected incidents of FWA.

**Legal** – The Legal Department is responsible for providing guidance, advice and counsel to the investigation teams regarding the risks and legal ramifications of suspected and actual cases of FWA.

**Corporate Communications** – The Corporate Communications department will be provided with information regarding criminal and civil proceedings when deemed necessary to prepare them for any questions from local media.

**Annual Training**

All Board of Directors members, Officers and employees are required to complete ethics and compliance training at the time of hire or upon appointment with the company and to complete the refresher training annually. Employees supporting the Medicare Advantage and Part D programs are required to complete a focused refresher training annually. In addition, contractors are required to participate in the applicable training programs.

In addition, volunteers and FDRs that support Medicare C and D contracts, complete a general Medicare Compliance training on annual basis.

**Reporting Procedures**

Allegations of FWA must be reported by using one of the following methods:

FIPR Hotline (Provider FWA)
- **Phone** – 1-800-438-2478
- **Email** – fipr@highmark.com
- **Highwire Form** – HW 4285 (Financial Investigations and Provider Review Complaint Referral)

Integrity and Compliance Department’s Help Line (Employee/Contractor FWA)
- **Phone** – 1-800-985-1056
- **Email** – integrity@highmark.com
- **Mail** – Integrity and Compliance Department  
  P.O. Box 22492  
  Pittsburgh, PA 15222

Reports may be made anonymously; however, employees are encouraged to identify themselves so that concerns can be adequately investigated. Every effort will be made to maintain confidentiality. There may be circumstances, such as the involvement of law enforcement authorities, when confidentiality cannot be guaranteed.

Anyone who suspects suspicious activity related to FWA are obligated to report it to the appropriate channel and must not attempt to investigate the activity themselves.

**Protection from Retaliation and Intimidation**

The Company maintains a reprisal and intimidation-free environment that encourages employees to raise good faith concerns about suspected incidents of FWA. Any individual found to have engaged in retaliation or in acts of intimidation against another individual will be subject to corrective action, up to and including termination of employment.
Investigation Responsibilities

The Company engages in activities such as auditing, monitoring and other oversight activities to identify non-compliance and potential FWA and has procedures for conducting a timely, reasonable investigation into potential non-compliance issues, FWA or violations to ensure prompt response to compliance concerns and develops corrective actions as needed.

Each case is investigated on an individual basis and is conducted without regard to the suspected wrongdoer’s length of service, position/title or relationship to the Company. FIPR has the primary responsibility for the investigation of all suspected fraudulent, wasteful or abusive acts committed by Providers and the Integrity & Compliance Department has the primary responsibility for acts committed by employees and contractors. If the allegations have any impact to CMS regulations, the investigation is conducted by the Government Compliance area. As necessary, FIPR and the Integrity & Compliance Department will collaborate with other departments that have the appropriate expertise needed.

Decisions to refer the investigation results to the appropriate law enforcement and/or regulatory agencies will be made in conjunction with legal counsel and senior management.

Confidentiality

All information received during the investigation will remain confidential. However, if a matter necessitates the involvement of law enforcement, information may be shared as required by law. Investigation results will only be disclosed or discussed with those members of the Company who needs to know.

Federal and State Laws

All employees and contractors must comply with any applicable federal and state laws, policies or statutes that relate to FWA.

Violations

Violations of this policy and related procedures may result in corrective action up to and including termination of employment.

Definitions

**Fraud** – Any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain. To obtain, by means of false or fraudulent pretenses, presentations, or promises, any of the money or property owned by, or under the custody or control of, any health care benefit program. Is knowingly and willfully executing, or attempting to execute, a scheme or artifice to defraud any health care benefit program or to obtain (by means of false or fraudulent pretenses, representations, or promises) any of the money or property owned by, or under the custody or control of, any health care benefit program.

**Waste** – To spend or use carelessly. Behavior or practices that result in unnecessary costs or misused resources.

**Abuse** – Improper or excessive use or treatment. Abuse is a form of fraud which does not require intent.

**Contractor** – Individuals to whom the Company has granted a unique User Identification so that the person can use the company’s computer network equipment and, by virtue of his or her User Identification, gain access to the Company’s intranet, internet and other computer systems. This may include temporary employees, and independent contractors, authorized and granted to use unique user identification.

**First Tier Entity** - Any party that enters into a written arrangement, acceptable to CMS, with a Medicare Advantage Organization (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.

**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.

**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; or
(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.

**Approval Authority**
Highmark Board of Directors delegates policy review and policy adoption approval authority to the executive committee named below:

- Executive Vice President, Chief Human Resource Officer
- Executive Vice President, Chief Legal Officer
- Executive Vice President, Chief Auditor and Compliance Officer

**Exceptions**
There are no exceptions to this policy.
Policy #191: Integrity and Compliance Plan

Effective Date: 08/01/2014
Last Reviewed Date: 08/06/2015
Last Revised Date: 08/06/2015

To affirm Highmark’s commitment to the highest level of ethical conduct and compliance with the law, Highmark and its subsidiaries and affiliates (referred to hereafter as “Highmark” or the “Corporation”) maintain the Integrity and Compliance Program which is intended to provide a formal process to identify and correct activities that do not adhere to the highest standards of conduct and establish mechanisms for educating, monitoring, prevention and reporting unethical behavior. All employees, vendors, contractors and volunteers are expected to comply with applicable federal and state laws, rules, regulations and guidance and the Code of Business Conduct. This document is intended to provide a broad overview of the Integrity and Compliance Program as a whole and will be supplemented by other documents, which support its compliance activities.

Administration
The following seven elements are fundamental to the integrity and compliance program:

1. Written Policies, Procedures and Code of Business Conduct;
2. Designation of a Compliance Officer(s) and a Compliance Committee(s);
3. Effective Training and Education;
4. Effective Lines of Communication;
5. Well Publicized Disciplinary Standards;
6. System for Auditing and Monitoring of Organizational Compliance, and Identification of Compliance Risks; and
7. Procedures and System for Prompt Response to Identified Issues.

1. Written Policies, Procedures and Standard of Conduct

Highmark has developed and distributed written standards of conduct, as well as written integrity and compliance standards. At Highmark, this includes the Code of Business Conduct and corporate policies and procedures.

Code of Business Conduct:
The Code of Business Conduct (hereafter referred to as “Code”) reflects the company’s commitment to the highest standards of ethical business conduct. The Code is distributed upon hire, annually and when there are important updates. Employees, volunteers, officers, and members of the Board are required to attest to having read, understand and agree to comply with the Code upon hire/appointment and annually thereafter. In addition, certain contracted personnel and vendors are informed of and must attest to the Code at the time of engagement/affiliation with Highmark. The Code will be reviewed and approved annually by the Board of Directors.

Compliance Policies and Procedures:
Highmark is committed to developing and maintaining policies and procedures that promote clarity and uniformity as well as uphold its mission, vision and values.

Policies specifically associated with the Highmark Integrity and Compliance Program include, but are not limited to, those which promote its commitment to compliance; the prevention, detection and reporting of fraud, waste and abuse; describe elements of the integrity and compliance program; require compliance with all applicable federal, state rules and regulations; or provide guidance on business practices that embody the highest legal and ethical standards.

To report an ethics or compliance concern, call the Integrity Helpline at 1-800-985-1056
Last Update 01/2016
The Chief Audit and Compliance Officer, Government Compliance and the Integrity and Compliance Department will manage key compliance policies for program implementation, management and education across Highmark Departmental policies are reviewed and revised to accommodate legislative or regulatory changes.

Highmark has delegated Corporate Policy review and policy adoption approval authority to an Executive Committee comprised of the Executive Vice President, Chief Human Resources Officer, Executive Vice President, Chief Legal Officer and Executive Vice President, Chief Auditor and Compliance Officer.

2. Designation of a Compliance Officer and a Compliance Committee

Highmark has designated the Chief Audit and Compliance Officer as the individual responsible for the overall implementation and operation of the Integrity and Compliance Program. In addition, Highmark employs a Government Compliance Officer who is responsible for ensuring compliance program requirements are met with regard to the Medicare Advantage and Prescription Drug Program. The Chief Audit and Compliance Officer reports to the President and has direct access to the Board of Directors. The Government Compliance Officer also has the express authority to appear before the Board of Directors and report directly on any matter the Government Compliance Officer determines to be relevant or appropriate. Annually, all Highmark Board of Directors ratifies the Code of Business Conduct, the Chief Audit & Compliance Officer’s appointment and the Integrity and Compliance Program. The Chief Audit & Compliance Officer will be provided with the resources necessary to fulfill his/her responsibility for oversight of an effective integrity and compliance program.

The Chief Audit and Compliance Officer reports quarterly to the Executive Compliance Committee (ECC) and Board Audit & Compliance Committees, and provides annual education to the Board of Directors, which includes pertinent updates or activities related to the Integrity and Compliance Program. The Executive Compliance Committee is chaired by the Chief Audit & Compliance Officer and is the most senior focal point for business integrity and compliance matters. Membership is comprised of senior executive management. The ECC may appoint or delegate specific tasks or oversight responsibilities to the certain other subgroups, committees or compliance departments.

The Government Compliance Officer reports at least four times a year to the Highmark Executive Compliance Committee and the Audit Committee of Highmark on the activities and status of the government compliance programs, including issues identified, investigated, resolved and corrective actions issued.

3. Effective Training and Education

At the time of hire and annually thereafter, Highmark provides generalized training to help employees understand the policies and procedures related to the Integrity and Compliance Program. In addition, employees learn guidelines to follow when confronted by difficult ethical dilemmas and disciplinary guidelines for non-compliant behavior. Training material also identifies resources available to respond to questions specific to compliance issues as well as ways to report compliance issues or concerns. Specialized training is provided based on identified risk areas or as required by Highmark or regulatory bodies (e.g. on an annual basis, employees supporting Medicare contracts are required to complete refresher training). For example, Medicare Compliance training for volunteers, related, first tier and downstream entities is mandatory and includes information on how to contact the Government Compliance Officer to report compliance issues, ask compliance-related questions and report any ethical concerns confidentially without fear of intimidation or retaliation.

All new board members receive general compliance training as part of their board orientation and annually thereafter. General Medicare Compliance and Fraud, Waste & Abuse training is required annually to volunteers, related, first tier and downstream entities that support the Medicare C and D contracts.

The Integrity & Compliance Department is responsible for implementing and tracking completion of mandatory compliance training requirements and reports any delinquencies to the responsible Management. Management is responsible for ensuring their employees, volunteers, related, first tier, and downstream entities complete all mandatory training within the required timeframes. Failure to complete training within designated time frames may result in corrective action.
4. Effective Lines of Communication

Highmark is committed to fostering dialogue between management and employees about integrity and compliance. Highmark has an open-door policy in which employees are encouraged to communicate compliance-related questions or concerns. All employees should feel free to discuss such questions or concerns with their own manager, or other members of the management or the Integrity and Compliance Department. In addition, employees may also utilize the anonymous Integrity and Compliance Department's toll free helpline (1-800-985-1056), which is available, 24 hours a day, 7 days a week.

Other methods include:

- Email – integrity@highmark.com
- Mail – Integrity and Compliance Department
  P.O. Box 22492
  Pittsburgh, PA 15222

If the individual wishes to remain anonymous, the individual should contact the Integrity and Compliance helpline or Post Office box. Highmark maintains a reprisal-free environment and has a policy of non-retaliation and non-intimidation to encourage employees to raise compliance, ethical or legal concerns in good faith. Retaliation or intimidation against those who, in good faith, report wrongdoing is prohibited.

5. Well-Publicized Disciplinary Standards

Disciplinary standards are designed to provide a structured corrective action process to improve and prevent recurrence of unlawful and unethical behavior and/or performance issues. Highmark is responsible for maintenance and consistent enforcement of its disciplinary policies and procedures. Disciplinary policies will be well publicized and will be accessible by all employees.

Failure to comply with established integrity and compliance policies, procedures and the Integrity and Compliance Program will be treated as a breach of company policy and will result in appropriate disciplinary action, up to and including termination. Although each situation is considered on a case-by-case basis, we will consistently take appropriate disciplinary action to address non-compliance and deter future violations.

6. System for Auditing and Monitoring of Organizational Compliance, and Identification of Compliance Risks

The Integrity and Compliance Program includes ongoing efforts to assess risk, evaluate, monitor, and audit compliance with the company's integrity and compliance policies and procedures. Consistent with the Office of Inspector General (OIG) Guidance, Highmark takes a number of factors into consideration when determining the nature, extent, and frequency of our compliance monitoring and auditing activities. New legal requirements, developments in business practices, and similar considerations may result in new or revised compliance-related monitoring and auditing activities. Auditing, monitoring, and assessment activities are conducted annually and as needed. Highmark is charged with reviewing compliance-related monitoring and auditing activities on a regular basis to help ensure that significant compliance-related risks are appropriately addressed. As required, results as well as corrective actions are reported to management and applicable committees.

7. Procedures and System for Prompt Response to Identified Issues

Highmark has implemented procedures to respond to compliance issues as they are raised. The Integrity and Compliance staff will promptly investigate reported allegations and take the appropriate corrective action to enhance its controls and to prevent further violations. The Compliance area that leads the investigation is responsible for maintaining complete and accurate documentation associated with the report. Corrective Action Plans are executed as appropriate to ensure corrective action initiatives are taken, implemented, and the detected offenses are corrected. This method tracks and documents the correction of any underlying problems and helps to prevent future issues.

Further, Highmark coordinates and cooperates with requests and inquiries from CMS, OIG, law enforcement, and other enforcement or oversight bodies with regard to audits, data requests, investigations and information...
requests. Highmark is committed to responding to such requests within the timeframes identified by the regulatory body. If a compliance and/or FWA concern impacts an Account Services Provider (ASP), disclosure to the appropriate Plan may result, depending on the ASP contractual requirement.

Violations
Violations of this policy and related procedures may result in corrective action up to and including termination of employment.

Definitions
Compliance - Compliance is an act or process of complying with a demand or conformity in fulfilling official requirements. Compliance management is the integrative process that links knowledge, structure and processes together throughout the Medicare Advantage and Prescription Drug Program organizations to assess and improve compliance. Corrective action initiatives are those activities that the organization undertakes to improve compliance.

First Tier Entity - Any party that enters into a written arrangement, acceptable to CMS, with a Medicare Advantage Organization (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.

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.

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; or
(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.

Approval Authority
Highmark Board of Directors delegates policy review and policy adoption approval authority to the executive committee named below:

- Executive Vice President, Chief Human Resource Officer
- Executive Vice President, Chief Legal Officer
- Executive Vice President, Chief Auditor and Compliance Officer

Exceptions
There are no exceptions to this policy.
## Compliance Assessment

*Compliance Assessment is completed when vendor is deemed an FDR and annually thereafter.*

<table>
<thead>
<tr>
<th>Question Text</th>
<th>Answers</th>
<th>Additional Information Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does your organization have all employees, contractors, volunteers, governing body members, and subcontractors involved in the monitoring and administration of Medicare functions complete the annual Centers for Medicare &amp; Medicaid Services (CMS) Fraud, Waste and Abuse Training within 90 days of hire/contracting/appointment and annually thereafter?</td>
<td>Yes</td>
<td>Please provide policy, procedure, and method for distribution and tracking.</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>Please explain why this is not completed and provide any pertinent policies and procedures.</td>
</tr>
<tr>
<td>Does your organization track the distribution and completion of the annual CMS Compliance and Fraud, Waste, and Abuse Training to ensure 100% completion?</td>
<td>Yes</td>
<td>Please provide last annual training completion date, total number of employees trained, proof of training at time of hire and the most recent annual training for the sample of employees selected.</td>
</tr>
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<td></td>
<td>No</td>
<td>Please explain why this is not completed.</td>
</tr>
<tr>
<td>Does your organization complete and have evidence that it completes the Office of Inspector General (OIG)/ General Services Administration (GSA) screenings for its employees, contractors, volunteers, governing body members, and subcontractors prior to hire/contracting/appointment and monthly thereafter?</td>
<td>Yes</td>
<td>Please provide all applicable policies/procedures, and proof of screening at time of hire and the two most recent monthly screenings for the sample of employees selected.</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>Please explain why this is not completed and provide any pertinent policies/procedures.</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>Please provide your company’s Code of Conduct, compliance program policy, non-retaliation policy, fraud, waste and abuse policy, and all other applicable policies/procedures, and method for code of conduct and policy distribution.</td>
</tr>
<tr>
<td>Does your organization have evidence that the Code of Conduct / compliance policies are made available to all employees and that employees have read and agreed to abide by the Code of Conduct (typically captured through attestation)?</td>
<td>Yes</td>
<td>Please provide last date of distribution, number of employees that received, and proof of receipt at time of hire and the most recent annual receipt for the sample of employees selected.</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>Please explain why the organization does not have evidence of this requirement.</td>
</tr>
<tr>
<td>Does your organization utilize any offshore employees or systems to complete the contract requirements?</td>
<td>Yes</td>
<td>Please explain for what processes these employees/systems are used.</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Does your organization employ a downstream vendor to complete the contract requirements?</td>
<td>Yes</td>
<td>Please list the vendor and the processes it completes.</td>
</tr>
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<td></td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Question Text</td>
<td>Answers</td>
<td>Additional Information Requested</td>
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</tr>
<tr>
<td>Does your organization employ a downstream vendor that uses offshore employees or systems to complete the contract requirements?</td>
<td>Yes</td>
<td>Please list the vendor(s) and the processes it completes.</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Does your organization have policies and procedures to audit and monitor all downstream vendors for performance and compliance?</td>
<td>Yes</td>
<td>Please provide policies and procedures.</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>Please explain why this is not completed.</td>
</tr>
<tr>
<td></td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Has your organization entered into a relationship with a subcontractor to complete functions related to its contract without prior written approval from Highmark?</td>
<td>Yes</td>
<td>Please list the vendor, the processes it completes, and the date of contracting.</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Has the organization received any letter of deficiency issued by as well as any Corrective Actions requested or required by any federal or state regulatory entity within the last twelve (12) months that relate to Medicare?</td>
<td>Yes</td>
<td>Please explain.</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>In the past twelve (12) months has your organization or have any of your employees, contractors, sub-contractors, temporary employees, and/or board members ever been convicted of a crime related to Medicare?</td>
<td>Yes</td>
<td>Please explain.</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Has your organization had any debarment or suspension, regulatory action, or sanction, including both monetary and non-monetary sanctions imposed by any federal or state regulatory entity against the Supplier or Material Subcontractor(s) within the last twelve (12) months?</td>
<td>Yes</td>
<td>Please explain.</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Does your organization have sound and achievable acceptable financial performance to recognized professional standards and are there no immediate or foreseeable concerns over the organization’s financial performance, including becoming unable to meet its financial commitments, or will it be unable to continue providing contracted services for the next 12 months?</td>
<td>Yes</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>Please explain.</td>
</tr>
<tr>
<td>Does your organization retain any/all Medicare-related records for a period of the contract year plus 10 years?</td>
<td>Yes</td>
<td>Please provide your record retention policy.</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>Please explain why this is not completed.</td>
</tr>
<tr>
<td>In the past 6 months, has your organization changed or updated your processes and/or procedures that relate to the contracted service you provide to Highmark?</td>
<td>Yes</td>
<td>Please explain what and how processes/ procedures changed, how they changed, and provide a copy of the impacted policies.</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>I hereby attest that the answers and information provided for this assessment are true to the best of my knowledge; should I discover any error that would change the accuracy of this assessment I will notify Highmark.</td>
<td>Yes</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>N/A</td>
</tr>
</tbody>
</table>
## Resources

<table>
<thead>
<tr>
<th>Resource</th>
<th>URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highmark Integrity &amp; Ethics Site</td>
<td><a href="https://www.highmark.com/hmk2/about/vision/integrity.shtml">https://www.highmark.com/hmk2/about/vision/integrity.shtml</a></td>
</tr>
<tr>
<td>Office of Inspector General (OIG) LISTSERV via the OIG Website:</td>
<td><a href="http://exclusions.oig.hhs.gov/">http://exclusions.oig.hhs.gov/</a></td>
</tr>
<tr>
<td>entities</td>
<td></td>
</tr>
<tr>
<td>Integrity &amp; Compliance Confidential and Anonymous Hotline</td>
<td>1-800-985-1056</td>
</tr>
<tr>
<td>Integrity &amp; Compliance Confidential Email Address</td>
<td><a href="mailto:integrity@highmark.com">integrity@highmark.com</a></td>
</tr>
<tr>
<td>Integrity &amp; Compliance Confidential and Anonymous Online Form</td>
<td><a href="https://www.highmark.com/hmk2/about/vision/integrityContact.shtml">https://www.highmark.com/hmk2/about/vision/integrityContact.shtml</a></td>
</tr>
<tr>
<td>Integrity &amp; Compliance Confidential and Anonymous Post Office Box</td>
<td>Highmark Integrity &amp; Compliance Department</td>
</tr>
<tr>
<td></td>
<td>P.O. Box 22492</td>
</tr>
<tr>
<td></td>
<td>Pittsburgh, PA 15222</td>
</tr>
<tr>
<td>Integrity &amp; Compliance Confidential and Anonymous Fax</td>
<td>Pittsburgh: 1-412-544-2475</td>
</tr>
<tr>
<td></td>
<td>Camp Hill: 1-717-302-3650</td>
</tr>
<tr>
<td>Fraud, Waste, and Abuse Confidential Hotline</td>
<td>1-800-438-2478</td>
</tr>
<tr>
<td>Highmark General Vendor Email Address</td>
<td><a href="mailto:gcvendor@highmark.com">gcvendor@highmark.com</a></td>
</tr>
</tbody>
</table>

Please print out the last page of this document for reference.
Do the right thing.
You have an obligation to report integrity, fraud, waste and abuse concerns.

Integrity and Compliance Helpline
If you have knowledge of misconduct, contact the Integrity and Compliance Department Helpline at:
1-800-985-1056

Employees, temporary workers and third party entities are required to report ethical or compliance concerns in the workplace or suspicions of improprieties related to claim submissions. Reports can be made anonymously and confidentially.

E-Mail to: integrity@highmark.com

You may also use the Integrity and Compliance Department’s Confidential Post Office Box:
Highmark Health
Integrity and Compliance Department
P.O. Box 22492
Pittsburgh, PA 15222

Fraud, Waste and Abuse Hotline
If you suspect potential Fraud, Waste or Abuse, call or email Financial Investigations and Provider Review at:
1-800-438-2478 – fipr@highmark.com

The Highmark Health enterprise maintains a reprisal-free environment and has a policy of non-retaliation and non-intimidation to encourage employees, third parties and their employees to raise ethical or legal concerns in good faith. Anyone who raises questions or reports concerns regarding potential or actual fraud, waste and abuse matters in connection with any of our government programs is protected from retaliation and retribution for False Claims Act complaints, as well as any other applicable anti-retaliation protections. All inquiries are confidential, subject to limitations imposed by law.

All phone numbers are available 24 hours a day/seven days a week.