

# Policy

<b>DEPARTMENT:</b> Compliance	
<b>TITLE:</b> Disciplinary Standards	<b>VERSION:</b> 2.0
<b>APPROVED BY:</b> Allen Chrisman	<b>DATE:</b> 09/28/2021
<b>DEPENDENCIES:</b> <i>Written Policies, Procedures and Standards of Conduct Policy</i>	

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## Purpose

The purpose of the policy is to provide Perennial Advantage employees with an overview of the disciplinary standards as required by the Medicare Managed Care Manual, Section 50.5 and the Prescription Drug Benefit Manual, Chapter 9, Section 50.5.1, 50.5.2, 50.5.3 This policy describes expectations for:

- Reporting noncompliance, unethical, or illegal behavior, including suspected Fraud, Waste and Abuse (FWA);
- Participating in required training activities; and
- Participating in resolution of compliance issues.

The policy is also intended to inform Perennial Advantage employees about the consequences associated with violating the standards of conduct or ethical requirements.

**Note:** Within this document, the term “employee” refers to all permanent, temporary, full-time, part-time and volunteer employees who: 1) have primary job duties related to Perennial’s Part C and Part D operations and/or sales; and/or 2) are members of the Perennial Board of Directors. The terms “employee” or “staff member” includes all these types of workers.

## Definitions, Abbreviations, and Acronyms

Term/Acronym	Meaning
<b>CMS</b>	Centers for Medicare & Medicaid Services
<b>Downstream Entity</b>	Any party that enters into a written arrangement, acceptable to the CMS, with persons or entities involved with the MA (Medicare Advantage) benefit or Part D benefit, below the level of the arrangement between a MAO (Medicare Advantage Organization) 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. ( <i>See 42 C.F.R. §, 423.501</i> ).
<b>Employee</b>	Means any full time, part time, or temporary employee of the Plan who works directly or indirectly on the Medicare Advantage and/or Prescription Drug (Part D) plans. Additionally, for the purposes of this Program, the term employee includes the Plan volunteers who work directly or indirectly on the Medicare Advantage and/or Prescription Drug (Part D) plans.
<b>FDR</b>	First Tier, Downstream, or Related Entity
<b>First Tier Entity</b>	Any party that enters into a written arrangement, acceptable to the CMS, with an MAO or Part D plan sponsor or applicant to provide administrative services or health care services to a Medicare eligible individual under the MA program or Part D program ( <i>see 42 C.F.R. § 423.501</i> ).

Term/Acronym	Meaning
<b>FWA</b>	Fraud, Waste, and Abuse
<b>HIPAA</b>	Health Insurance Portability and Accountability Act of 1996
<b>MA</b>	Medicare Advantage
<b>MAO</b>	Medicare Advantage Organization
<b>Related Entity</b>	Any entity that is related to an MAO or Part D sponsor by common ownership or control and: <ul style="list-style-type: none"> <li>• Performs some of the MAO or Part D plan sponsor’s management functions under contract or delegation;</li> <li>• Furnishes services to Medicare enrollees under an oral or written agreement; or</li> <li>• Leases real property or sells materials to the MAO or Part D plan sponsor at a cost of more than \$2,500 during a contract period (see <i>42 C.F.R. §423.501</i>).</li> </ul>

## Policy

It is Perennial Advantage’s policy to establish disciplinary standards as an integral part of all business activities. Furthermore, it is critical for such rules to be widely publicized to all Perennial employees, and presented within the *Standards of Conduct*, which is distributed upon hire and annually as outlined in the *Written Policies, Procedures and Standards of Conduct* policy.

To assist Perennial Advantage employees with understanding how the disciplinary policies could impact them, the following scenarios are provided as examples of when disciplinary action may occur:

- Failure to take required compliance and FWA training within the required timeframes as outlined in *Training and Education* policy.
- Failure to perform assigned job duties that results in compliance violations.
- Engaging in or supporting misconduct or unethical behavior, including failure to take reasonable steps to prevent and detect misconduct and/or noncompliance.

**Note:** This list is not exhaustive of all unethical or non-compliance activities subject to disciplinary action:

Upon receiving a report of suspected misconduct, unethical behavior or non-compliance, the Perennial Advantage Compliance Officer, or designee, will undertake investigative activities to validate the report. Investigative activities may include but are not limited to:

- employee interviews,
- document review,

- data analysis.

Investigations will be clearly documented. Documentation of investigations are retained by Perennial Advantage for a minimum of 10 years.

Perennial Advantage ensures that disciplinary action is timely, consistent, effectively enforced, and appropriate to the seriousness of the substantiated incident or violation.

Disciplinary actions may include any or all of the following:

- Retraining/reeducation,
- Progressive Performance Plans,
- Suspension,
- Termination.

Descriptions of what is expected of Perennial employees can be found in multiple places, including the *Standards of Conduct*, the required training activities involving FWA, General Compliance, and as policies and procedures.

### **Methods for Notifying Employees**

To encourage good faith participation in the compliance program, Perennial Advantage will widely and prominently publicize the disciplinary standards for all employees. Mechanisms that may be used to notify employees include, but are not be limited to, general compliance training activities, regular presentations at staff meetings, and e-mails.

### **Proof of Enforcement**

In compliance with CMS requirements, Perennial Advantage shall maintain records of all compliance violation disciplinary actions for a period of ten years. At a minimum, each record must include the following information:

- Date the violation was reported,
- Description of the violation,
- Date(s) of investigation,
- Summary of findings,
- Description of the disciplinary action taken,
- Date the disciplinary action was taken.

As part of reviewing its Compliance Program effectiveness, Perennial Advantage will review the disciplinary actions to ensure that the actions taken were appropriate to the seriousness of the incident, consistently administered, and carried out in a timely manner.

## Change Log

Document Version	Major or Minor Revision?	Date	Name	Comments
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				Compliance Officer Approval Sandra Ferguson
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