

Policy

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| DEPARTMENT: Compliance | |
| TITLE: Written Policies and Standards of Conduct | VERSION: 1.0 |
| APPROVED BY: Sandra Ferguson | DATE: 07/01/2021 |
| DEPENDENCIES: <i>Approval and Distribution of Compliance Policies and Standards of Conduct</i> | |

Contents

| | |
|---|----------|
| Purpose | 2 |
| Definitions, Abbreviations, and Acronyms | 2 |
| Policy..... | 3 |
| Change Log | 4 |

Purpose

The purpose of this policy is to ensure that Perennial Advantage maintains and distributes its standards of conduct (SOC), Compliance Plan and compliance policies, which include the Fraud, Waste and Abuse (FWA) program to all Plan employees upon hire and annually thereafter. The written policies and SOC comply with Element I in the Medicare Managed Care Manual guidelines.

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 Advantage’s Part C and Part D operations and/or sales; and/or 2) are members of the Perennial Advantage Board of Directors. The terms “employee” or “staff member” includes all these types of workers.

Definitions, Abbreviations, and Acronyms

| Term/Acronym | Meaning |
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| Abuse | 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 not 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. |
| CMS | Centers for Medicare & Medicaid Services |
| Compliance Plan | Describes Perennial Advantage’s commitment, framework, and activities to assure compliance with all application state and federal laws and regulations with an emphasis on Medicare Advantage and Medicare Part D compliance. |
| Downstream Entity | 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> |
| FDR | First Tier, Downstream, or Related Entity |
| First Tier Entity | Any party that enters into a written arrangement, acceptable to CMS, with a 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> |
| Fraud | 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 |

| Term/Acronym | Meaning |
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| | owned by, or under the custody or control of, any health care benefit program. <i>(See 18 U.S.C. § 1347.)</i> |
| FWA | Fraud, Waste, and Abuse |
| Policy | Documentation stating CMS regulations with the paired applicable team(s) and the processes that support those regulations. |
| Related Entity | Means any entity that is related to a MAO or Part D sponsor by common ownership or control and: <ul style="list-style-type: none"> • Performs some of the MAO or Part D 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 MAO or Part D plan sponsor at a cost of more than \$2,500 during a contract period. <i>(See 42 C.F.R. §423.501).</i> |
| SOC | Standards of Conduct |
| Waste | 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. |

Policy

This policy establishes Perennial Advantage’s commitment to fully comply with the requirements established in the Medicare Managed Care Manual, Chapter 21, Section 50.1 and the Prescription Drug Benefit Manual, Chapter 9, Section 50.1, regarding written policies and SOC.

Perennial Advantage maintains and publicizes a SOC, Compliance Plan and compliance policies, which include the FWA program description.

Perennial Advantage’s SOC, Compliance Plan and compliance policies:

- Articulate Perennial Advantage’s commitment to comply with all applicable federal and state standards;
- Describe the compliance expectations as embodied in the SOC;
- Implement the operation of the compliance program;
- Provide guidance to employees and others on dealing with suspected, detected or reported compliance issues;
- Identify how to communicate compliance issues to appropriate compliance personnel;
- Describe how suspected, detected, or reported compliance issues are investigated and resolved by Perennial Advantage; and
- Include a policy of non-intimidation and non-retaliation for good faith participation in the compliance program, including, but not limited to, reporting potential issues,

investigating issues, conducting self-evaluations, audits and remedial actions and reporting to appropriate officials.

Perennial Advantage’s SOC, Compliance Plan and compliance policies are maintained by the Compliance Officer and Compliance team, and are reviewed, revised and approved by the Compliance Committee at least annually to incorporate regulatory changes. The SOC is also approved by the Perennial Advantage Board of Directors.

The SOC, Compliance Plan and Compliance program policies are posted on the Perennial Advantage SharePoint site, and Plan employees are notified when these documents are revised and updated.

All team members who have primary job duties related to Perennial Advantage are provided with, and acknowledge to having received, Perennial Advantage’s SOC and Compliance policies within 90 days of hire, assignment and/or appointment and annually thereafter.

Change Log

| Document Version | Major or Minor Revision? | Date | Name | Comments |
|------------------|--------------------------|------------|-----------------|---|
| 1.0 | New | 06/01/2021 | Sandra Ferguson | Initial creation |
| | | | | Compliance Officer Approval: Sandra Ferguson: 07/01/2021 |
| | | | | Compliance Committee Approval: 07/02/2021 |
| 1.0 | New | 07/12/2021 | Perennial Board | Approval |
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