

# Policy

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<b>DEPARTMENT:</b> Compliance	
<b>TITLE:</b> Perennial Advantage Standards of Conduct	<b>VERSION:</b> 01
<b>APPROVED BY:</b> Sandra Ferguson	<b>DATE:</b> 10/20/2021
<b>DEPENDENCIES:</b> <i>Written Policies and Standards of Conduct; Fraud, Waste and Abuse Policy; Disciplinary Standards Policy; PA Compliance Plan; Distribution of Protected Health Information and Sensitive Information; and Perennial Advantage Required Trainings and Plan</i>	

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## Definitions, Abbreviations, and Acronyms

Term/Acronym	Meaning
<b>Abuse</b>	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.
<b>CMS</b>	Centers for Medicare & Medicaid Services
<b>Downstream Entity/ Contractor</b>	Any party that enters 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 PA 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 PA 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 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>
<b>Fraud</b>	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. <i>(See 18 U.S.C. § 1347.)</i>
<b>FWA</b>	Fraud, Waste, and Abuse
<b>Related Entity</b>	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"> <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.</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. <i>(See 42 C.F.R. §423.501).</i></li> </ul>
<b>MMCM</b>	Medicare Managed Care Manual

Term/Acronym	Meaning
<b>PA</b>	Perennial Advantage
<b>Waste</b>	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.

## Introduction and Purpose

Perennial Advantage (PA) maintains certain policy and reference documents for guidance with respect to day-to-day conduct and performance.

This document represents PA’s Standards of Conduct (hereafter referred to as “Standards”). These Standards describe the overarching principles and values of the organization. Compliance with these Standards is the responsibility of all PA employees, as well as first tier, related entities, and downstream entities performing services on behalf of PA and conduct themselves in an ethical manner, and to report all instances of noncompliance and potential fraud, waste, and abuse (FWA) through appropriate mechanisms. This document outlines expectations of conduct in areas where improper activities could damage PA’s reputation and otherwise result in serious adverse consequences to PA.

These Standards identify how issues can be reported and that such reporting can be done anonymously and confidentially, and without fear of retaliation. Reported issues will be addressed and corrected in a timely manner. In addition, compliance and ethics are valued at the highest levels of authority within the organization.

As PA continues to grow, and as federal and state laws change, the need may arise and PA reserves the right to revise, supplement, or rescind any policies or portion of these Standards as it deems appropriate, in its sole and absolute discretion.

As a condition of employment, all new employees and entities will receive these Standards along with the required compliance training and policies within the first 90 days of hire and they will comply with all the elements in their day-to-day activities. Existing employees and entities will receive these Standards at least annually or upon revisions. Both new and existing entities will receive trainings in accordance with the *Required Trainings and Plan Policy*.

An employee’s actions under these Standards are significant indications of the individual’s judgment and competence. Correspondingly, insensitivity to or disregard of these Standards’ principles will be grounds for appropriate management disciplinary action per the *Disciplinary Standards* policy.

## Business Ethics and Conduct

The successful business operation and reputation of PA is built upon the principles of fair dealing and ethical conduct. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of

conduct and personal integrity. PA's success is dependent upon our customers' and members' trust, and PA is dedicated to preserving that trust. PA will comply with all applicable laws and regulations. As such, all are expected to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, the use of good judgment, based on high ethical principles, will guide each with respect to lines of acceptable conduct. If a situation arises in which it is difficult to determine the proper course of action, the matter should be discussed openly with an immediate supervisor and, if necessary, with the Compliance Officer, Compliance staff and/or Human Resources staff. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

## **Conflict of Interest**

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. Conflict of interest is defined as a situation in which a person has a financial interest, personal activity, or relationship that could impair the person's ability to act impartially and in the best interest of PA when performing his or her duties. These Standards establish the framework and general direction within which PA wishes the business to operate. Where necessary, anyone should seek further clarification on issues related to the subject of acceptable standards of operation. Contact the Compliance Program at [compliance@perennialadvantage.com](mailto:compliance@perennialadvantage.com) for more information or for any questions concerning conflicts of interest.

Transactions with outside firms must be conducted within a framework established and controlled by the executive level of PA. Business dealings with outside firms should not result in unusual gains for those firms. Unusual gains refer to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the employer, the employee, or both. An actual or potential conflict of interest occurs when an employee can influence a decision that may result in a personal gain for that employee or for a relative because of PA's business dealings. For the purposes of these Standards, a relative is any person who is related by blood or marriage, or whose relationship with the employee is like that of persons who are related by blood or marriage.

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if one has any influence on transactions involving purchases, contracts, or leases, it is imperative they disclose any such relationships to PA management as soon as possible so that safeguards can be established to protect all parties. Personal gain may result not only in cases where an employee or relative has a significant ownership in a firm with which PA does business, but also when an employee or relative receives any reward, bribe, substantial gift, or special consideration because of any transaction or business dealings involving PA.

## **Prohibition of Improper Payments**

PA expects all to use only legitimate practices in commercial operations and in promoting PA's position on issues before governmental authorities. As stated below, "kickbacks" or "bribes" intended to induce, or reward favorable buying decisions and governmental actions are unacceptable and prohibited.

According to the Anti-kickback Statute 42 U.S.C. § 1320a-7b(b), no employee of PA or any Network or Representative acting on PA's behalf shall, in violation of any applicable law, offer or make directly or indirectly through any other person or firm any payment of anything of value (in the form of compensation, gift, contribution, or otherwise) to:

- Any person or firm employed by or acting for or on behalf of any customer, whether private or governmental, for the purpose of inducing or rewarding any favorable action by the customer in any commercial transaction; or any governmental entity, for the purpose of inducing or rewarding action (or withholding of action) by a governmental entity in any governmental matter.
- Any governmental official, political party or official of such party, or any candidate for political office, for the purpose of inducing or rewarding favorable action (or withholding of action) or the exercise of influence by such official, party or candidate in any commercial transaction or in any governmental matter.

In utilizing consultants, agents, sales representatives or others, PA will employ only reputable, qualified individuals or firms under compensation arrangements, which are reasonable in relation to the services performed. Consultants, agents, or representatives retained in relation to the provision of goods or services to the federal government must agree to comply with all laws, regulations, and PA policies governing employee conduct.

The provisions of this section are not intended to apply to ordinary and reasonable business entertainment or gifts not of substantial value, customary in local business relationships and not contrary to the law as applied in that environment. Managers are expected to exercise sound discretion and control in authorizing such business entertainment and gifts.

When customer organizations, governmental agencies, or others have published policies intended to provide guidance with respect to acceptance of entertainment, gifts, or other business courtesies by their employees, such policies shall be respected.

## **Political Contributions**

PA will not make any contribution to any political party or to any candidate for political office in support of such candidacy except as provided in these Standards and as permitted by law.

In the United States, federal law strictly controls corporate involvement in the federal political process. Generally, federal law provides that no corporation may contribute anything of value to any political party or candidate in connection with any federal election.

While similar laws apply in some states and their political subdivisions, in many jurisdictions in the United States, corporate contributions to candidates and political parties in connection with state and local election campaigns are lawful.

These Standards are not intended to prevent the communication of PA views to legislators, governmental agencies, or to the public with respect to existing or proposed legislation or governmental policies or practices affecting business operations. Moreover, under these Standards, reasonable costs incurred by PA to establish or administer political action committees or activities organized to solicit voluntary

political contributions from individual employees are not regarded as contributions to political parties or candidates, where PA may lawfully incur such costs.

## Reporting Potential or Detected Noncompliance or Fraud, Waste, and Abuse

PA is committed to complying with all applicable laws, including but not limited to those addressing noncompliance and FWA. Employees are expected to immediately report any potential false, inaccurate, or questionable issues to their supervisors or the PA Compliance Officer in accordance with PA's policies. Any individual who is requested to engage in any activity which is or may be contrary to the intent and spirit of these Standards must promptly report such information to his or her manager, or, if the employee was so directed by the manager, then to the PA Compliance team. Likewise, any individual who acquires information that gives the individual reason to believe that another is engaged in conduct forbidden by these Standards must promptly report such information to his or her manager or, if the manager is engaged in such conduct, then to the PA Compliance Officer.

PA can use the following information to submit questions or reports of suspected or detected noncompliance or potential FWA.

<b>Methods for Reporting Potential and Detected Noncompliance and Fraud, Waste, and Abuse (FWA)</b>	
<b>Anonymous Hotline</b>	1-844-317-9059
<b>Confidential E-mail</b>	<a href="mailto:compliance@perennialadvantage.com">compliance@perennialadvantage.com</a>
<b>Mailing Address</b>	Compliance Perennial Advantage 9200 Worthington Road 3 <sup>rd</sup> Floor Westerville, OH 43082

PA does not tolerate fraudulent or other dishonest behavior and will take appropriate investigative and corrective action upon receiving such reports. PA is prohibited by law from retaliating in any way against any employee or contractor who in good faith reports a perceived problem, concern, or issue involving noncompliance or FWA, and will not take punitive action against an employee who reports such information.

## Required Training and Education Activities

These Standards are referenced in *Perennial Advantage Required Trainings and Plan Policy*, which describes required training activities and the attestation of trainings. PA's expectation is that all employees conduct themselves in an ethical manner. To assist employees with understanding potential issues and to comply with Centers for Medicare and Medicaid Services (CMS) requirements, certain training and education activities are required. In compliance with CMS requirements, all employees and governing body members must complete training within 90 days of initial hiring or appointment, and annually thereafter.

**Fraud, Waste, and Abuse:** PA is committed to the responsible stewardship of our resources, and maintaining a comprehensive plan for detecting, preventing, and correcting FWA. To that end, PA encourages any individual who is aware of, or suspects acts of FWA of PA resources in any departmental area, by any provider, or with any entity that PA contracts with, such as in the Medicare program, to report such acts to the PA Compliance Officer.

**General Compliance Plan:** General compliance training addresses preventing, detecting, and correcting noncompliance issues, a description of the compliance program, and methods for reporting potential issues of noncompliance that ensure confidentiality and anonymity. Moreover, such training efforts highlights that PA adheres to a standard of non-retaliation for compliance-related questions or reports of potential noncompliance or FWA.

**Violations of the Standards of Conduct:** Violations of these Standards are grounds for discharge or other disciplinary action, adapted to the circumstances of the violation and having as a primary objective furtherance of PA’s interest in preventing violations and making clear that violations are neither tolerated nor condoned.

Disciplinary action will be taken, not only against individuals who authorize or participate directly in a violation of these Standards, but also against:

- Any employee who may have deliberately failed to report a violation of these Standards.
- Any employee who may have deliberately withheld relevant and material information concerning a violation of these Standards.
- The violator’s managerial superiors, to the extent that the circumstances of the violation reflect inadequate leadership and lack of diligence per the *Disciplinary Standards* policy.

### Compliance Hotline and Compliance Contact Information

<b>Phone</b>	1-844-317-9059
<b>Fax</b>	1-833-572-2367
<b>E-mail</b>	<a href="mailto:compliance@perennialadvantage.com">compliance@perennialadvantage.com</a>

## Change Log

Document Version	Major or Minor Revision?	Date	Name	Comments
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