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Policy Name:	**Medicare Programs: Compliance Element V Enforcement of Standards**	**Policy No.:**	**HR329-83126**

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This Policy is applicable to the following:

Department(s):	All Departments
Business Unit(s):	HN Life, HNAZ, HNCA, HNCS, HNCSAZ, HNI, HNOR, HNPS, MHN
Products/LOB's:	Dual Eligible, Medicare Advantage and Medicare Part D

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Policy Statement:

Health Net, Inc. follows the Centers for Medicare & Medicaid Services (CMS) requirements contained in the Medicare Compliance Program Guidance as well as Parts 422 and 423 of Title 42 of the Code of Federal Regulations (CFR).

Note: For purposes of this policy and procedure, the term “Medicare programs” includes the Medicare Advantage (“MA”), Part D Prescription Drug (“Part D”), and Medicare-Medicaid Plan (“MMP”) lines of business.

Health Net has implemented a Compliance Program that includes the Code of Business Conduct and Ethics, which articulates Health Net’s compliance and ethical standards. The Code of Business Conduct and Ethics encourages good faith participation in the compliance program by all affected individuals. To this end, Health Net has implemented policies that:

• Articulate expectations for reporting compliance issues and assist in their resolution;
• Identify noncompliant or unethical behavior through examples of violative conduct that individuals may encounter in their jobs; and
• Provide for a timely, consistent, and effective enforcement of the standards when noncompliance or unethical behavior is determined.

Health Net does not tolerate retaliation against those who report potential violations in good faith. A description of Health Net's policy on non-retaliation for reports made in good faith is described in Health Net's Code of Business Conduct and Ethics and is reinforced in a number of policies, procedures, guidelines, and training materials.

All Health Net associates are informed that violations of standards, policies, regulations or laws may result in appropriate disciplinary action. Serious/severe performance or conduct problems may result in immediate written notice or termination of employment. For associate conduct problems that do not rise to the level of serious/severe, Health Net utilizes a progressive coaching and performance improvement process, which offers a timely, fair, equitable and consistent method of guiding associates toward acceptable job performance and conduct.

The Chief Compliance Officer, Compliance Officer, Ethics Officer, and Privacy Officer meet with Organization Effectiveness representatives on a regular basis to review disciplinary reports to ensure actions taken against associates in regard to noncompliant or unethical behavior are timely, consistent, and appropriate.

Compliance trainings as well as articles and videos published on the company's intranet website, Health Net Connect, provide examples of noncompliance, ethics violations, and fraudulent, wasteful, and abuse behavior that are prevalent in the health care industry.

Any Health Net officers, directors, managers, or associates who suspect a potential violation has occurred may report the potential violation to a department supervisor or manager, the Chief Compliance Officer, the Ethics Officer, the Privacy Officer, the Compliance Officer, the Special Investigation Unit (SIU), Medicare Compliance department staff, the Health Net Integrity Line, the Health Net Fraud, Waste and Abuse Hotline or by submitting a completed Report Fraud, Waste and Abuse form either through the mail or email.

Health Net uses several methods for publicizing its disciplinary guidelines to its officers, directors, managers, and associates and for encouraging the reporting of incidents of unethical or noncompliant behavior. These methods include, but are not limited to:

· Policies and procedures;
· Compliance trainings;
· Articles and videos published on Health Net Connect;
· Posters displayed in common work areas;
· Electronic newsletters; and
· Live presentations.

Health Net first tier, downstream, or related entities (FDRs) must also comply with standards Health Net has established or demonstrate that they have implemented similar standards of conduct. FDRs that suspect a potential compliance or ethical violation has occurred may report the potential violation via the Health Net Integrity Line or the Health Net Fraud, Waste and Abuse Hotline. Health Net uses provider updates, newsletters and other methods to publicize the Health Net Integrity Line and the Health Net Fraud, Waste and Abuse Hotline to FDRs.

Record Retention:

Records are maintained for 10 years from the end of the final contract period or completion of

an audit, whichever is later. If there is a termination, dispute, or allegation of fraud or similar fault by Health Net, the record retention requirements may be extended to 6 years from the date of any resulting final resolution of the termination, dispute, or fraud or similar fault. Records may be maintained longer if the records are potentially relevant to an investigation of a violation of the law, a violation of Health Net's policies and procedures or a government investigation.

Policy Purpose:
To ensure the enforcement of standards through well-publicized disciplinary guidelines.

Scope/Limitations:
This policy and procedure applies to all individuals employed, contracted, or otherwise representing HNI and its subsidiaries and those of any FDRs, who participate in the administration of Health Net's Medicare programs..

Related Policies:
· Associate Policy: Designation of Chief Compliance Officers and Obligation of Associates to Support the Compliance Mission (MP927-9829)
· Associate Policy: Reporting and Investigating Violations / Non-Retaliation (MP86-145819)
· Associate Policy: Performance Improvement (MP829-74055)
· Issue Identification, Tracking, Escalation & Resolution (MD321-154443)
· Issue Identification, Tracking, Escalation & Resolution – First Tier, Down Stream and Related Entities (MD45-124554)
· Medicare Programs: Compliance Element I Written Policies and Procedures and Standards of Conduct (PS729-65015)
· Medicare Programs: Compliance Element II Compliance Officer and Compliance Committee (HR328-133757)
· Medicare Programs: Compliance Element III Training and Education (HR329-83615)
· Medicare Programs: Compliance Element IV Effective Lines of Communication (HR329-81145)
· Medicare Programs: Compliance Element VI Monitoring and Auditing (HR810-84520)
· Medicare Programs: Compliance Element VII Prompt Response to Detected Offenses (EJ44-83932)
· Medicare Programs: Medicare Compliance Plan (HR328-1543)
· Medicare Programs: Medicare Medicaid Plan Compliance Plan (PS69-115231)
· Special Professional Associate Policy: Designation of Chief Compliance Officers and Obligation of Associates to Support the Compliance Mission (SS1112-94822)
· Special Professional Associate Policy: Reporting and Investigating Violations / Non-Retaliation (SS1112-9523)
· Special Professional Associate Policy: Performance Improvement (NK1112-94845)

References:
Title 42 Code of Federal Regulations (CFR)
· 42 CFR § 422.503(b)(4)(vi)(E)
· 42 CFR § 423.504(b)(4)(vi)(E)

CMS Medicare Managed Care Manual
· Chapter 11 - Medicare Advantage Application Procedures and Contract Requirements – Section 20.1
· Chapter 21 – Medicare Compliance Program Guidelines §50.5

Prescription Drug Benefit Manual
· Chapter 9 – Medicare Compliance Program Guidelines §50.5

Health Net's Medicare Compliance Plan

Health Net's Medicare-Medicaid Plan Compliance Plan

Health Net Code of Business Conduct and Ethics

Contract Between United States Department of Health and Human Services Centers for Medicare & Medicaid Services In Partnership with California Department of Health Care Services and Health Net Community Solutions, Inc. - §2.1.2

Definitions:

Associate
For purposes of this policy and procedure, the term "associate" includes regular employees, temporary employees, volunteers, and interns.

Abuse
Abuse may, directly or indirectly, result in unnecessary costs to the Medicare Program, improper payment for services, which fail to meet professionally recognized standards of care, or 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.

Centers for Medicare & Medicaid Services (CMS)
The Federal agency within the U.S. Department of Health and Human Services (HHS) that administers the Medicare and Medicaid programs.

Chief Compliance Officer
The associate responsible for the overall compliance program for Health Net.

Compliance Officer
A Health Net associate responsible, either directly or through delegation, for overseeing the company's compliance program.

Compliance Plan
A written document that defines the specific manner in which the compliance program is implemented across the organization.

Compliance Program
A program that promotes regulatory compliance and legal conduct to provide guidance to prevent, detect and help resolve non-compliant and illegal conduct, including fraud, waste or abuse.

Downstream Entity
Any party that enters into a written arrangement, acceptable to CMS, below the level of the arrangement between Health Net and a first tier entity. These written arrangements continue down to the level of ultimate provider of health, pharmacy and/or administrative services to members.

First Tier Entity
Any party that enters into a written arrangement acceptable to CMS with Health Net to provide administrative services or health care or pharmacy services for a Medicare eligible individual under a MA or Part D Plan.

Health Net
The term Health Net for the purpose of this policy and procedure is applicable for Health Net, Inc. and its various subsidiaries. The term will also include delegates, such as providers, third party administrators, or other entities who have been delegated responsibility for activities defined in this policy. Health Net Inc. is the ultimate parent company of all Health Net subsidiaries.

Medicaid
A joint federal and state program that helps with medical costs for some people with low incomes and limited resources. Medicaid programs vary from state to state as each state manages its own program, and is able to set different requirements and other guidelines.

Medicare
The Federal health insurance program for people 65 years of age or older, certain younger people with disabilities, and people with End Stage Renal Disease (ESRD).

Medicare Advantage (MA)
A program offered to Medicare beneficiaries by private companies that work in conjunction with Medicare and cover the full range of hospital and doctor services covered under Original Medicare. Also referred to as Medicare Part C.

Medicare Advantage (MA) Organization
An organization that is a public or private entity organized and licensed by a state as a risk-bearing entity that is certified by CMS as meeting the requirements to offer an MA plan.

Medicare Advantage Prescription Drug Plan (MA-PD)
An MA plan that provides qualified prescription drug coverage.

Medicare-Medicaid Plan (MMP)
A managed care organization that enters into a three-way contract with CMS and the state to provide covered services and any chosen flexible benefits and be accountable for providing integrated care to Medicare-Medicaid enrollees. Also known as Capitated Financial Alignment.

Medicare Compliance Officer
The Health Net associate responsible, either directly or through delegation, for overseeing the MA and Part D compliance program and operations and for developing, operating, and monitoring the fraud, waste and abuse program.

Medicare Programs
For purposes of this policy and procedure, the term “Medicare programs” includes the Medicare Advantage, Part D Prescription Drug, and Medicare-Medicaid Plan lines of business.

Part D
Also referred to as Medicare prescription drug coverage, is a voluntary program offered to Medicare beneficiaries by private companies to subsidize the cost of prescription drugs.

Part D Plan Sponsor
An entity that has a contract with the Federal Government to offer Medicare prescription drug

coverage.

Prescription Drug Plan (PDP)
Prescription drug coverage that is offered under a policy, contract, or plan that has been approved as specified in 42 C.F.R. 423.272 to offer qualified prescription drug coverage.

Related Entities
Any entity that is related to Health Net by common ownership or control and performs some of Health Net's management functions under contract or delegation, and furnishes services to Medicare enrollees under an oral or written agreement.

Special Investigations Unit (SIU)
A department within Health Net that is responsible for detecting, investigating and deterring issues of possible Fraud, Waste and/or Abuse (FWA) in compliance with the laws, rules and regulations applicable to healthcare.

Subsidiaries
Legal entities that report to, or are owned, by a parent company.

U.S. Department of Health and Human Services (HHS)
The U.S. government's principal agency for protecting the health of all Americans and providing essential human services, especially for those who are least able to help themselves. CMS is a federal agency within the HHS.

Disclaimer:

Deviations:

Approvers:
Policy Author: Jamee E Sunga - Approved on 02/23/2016
Functional Owner: Sheryl D Pessah - Approved on 02/23/2016
Executive Owner: Donovan L Ayers - Approved on 02/24/2016
Mgr Compliance & ReportingCorp: Sheryl D Pessah - Approved on 02/23/2016

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