



Compliance Plan 2017

Compliance & Regulatory Affairs

The purpose of this document is to outline the authority and scope of the Compliance Program function within Community First Health Plans. The overall objective of the Compliance Plan is to advance an organizational culture of ethics, integrity, and compliance with all applicable laws and regulations.

I. Compliance Plan Governance

The Community First Health Plans, Inc. (CFHP) Compliance Plan is reviewed annually by the Director of Compliance and Regulatory Affairs, the Quality Council and the Board of Directors and adopted as a part of CFHP's Compliance program. The Compliance Plan benefits the company, its employees, members, providers, payors and regulators by increasing efficiency, reducing waste, minimizing confusion, and improving the quality of services. The Compliance Plan also re-enforces the company's commitment to an ethical Code of Conduct and commitment to abide by and uphold the internal policies and external laws that govern CFHP. The Compliance Plan builds on the foundation established by the Compliance Program, including measures related to mandatory compliance training, Health Insurance Portability and Accountability Act (HIPAA) training, Fraud, Waste and Abuse (FWA) detection and prevention, FWA initiated corrective action plans, and appropriate regulatory agency referral.

The Director of Compliance & Regulatory Affairs reserves the right to amend and update components of the Compliance Program, including the Compliance Plan, at any time, in order to make changes based on updates in the law and/or regulatory changes. All other changes will require approval of the Compliance Committee and the Quality Council. Compliance & Regulatory personnel have access, at all reasonable times, to all CFHP properties, records and personnel relevant to the fulfillment of the Compliance Program responsibilities.

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II. Statement of Goals

- A. CFHP seeks to ensure compliance with all applicable Federal and State rules, laws, regulations, standards and policies that govern CFHP's activities.
- B. CFHP seeks to implement the operation of the Compliance Plan by ensuring and assisting CFHP employees in understanding and performing their legal and contractual responsibilities by:
 - 1. Informing CFHP employees of their duty to adhere to this Compliance Plan, all laws governing the activities of CFHP and all requirements of government plans in which CFHP participates;
 - 2. Providing education and training to all CFHP employees regarding compliance requirements;
 - 3. Designating the Director of Compliance & Regulatory Affairs and a Compliance Committee to service as resources to CFHP employees regarding compliance matters;

4. Instituting a system of monitoring, auditing, inquiring, and investigating compliance matters;
 5. Developing processes to facilitate and improve compliance when deficiencies are identified;
 6. Providing for consistent enforcement and discipline in appropriate instances of non-compliance;
 7. Establishing mechanisms that permit and facilitate anonymous, good faith reporting of instances of suspected non-compliance with federal and/or state laws, government program requirements or company policies and procedures; and,
 8. Communicating, educating and demonstrating that retaliation against persons who make good faith reports of instances of suspected non-compliance is not tolerated.
- C. CFHP seeks to ensure that requirements set forth in HIPAA and associated rules and regulations are met in an accurate and timely manner.

III. Code of Conduct

The Code of Conduct articulates CFHP's commitment to conducting business in a lawful and ethical manner. All employees are expected to follow the standards set forth in the Code of Conduct and the Compliance Plan as well as all applicable Federal and State laws. All CFHP employees must read the Code of Conduct and sign an acknowledgement that they agree to abide by the Code of Conduct. A copy of the Code of Conduct is provided to all newly-hired employees and is available to review on the CFHP intranet site.

The Code of Conduct requires that all of CFHP's business transactions be carried out in accordance with management's general or specific directives. In support of this requirement, no employee shall make, file, or use any false, fictitious, or fraudulent statements or documents in connection with the delivery of, or payment for, health care benefits, items, or services. Additionally, no employee shall falsify, conceal, or cover up a material fact in the performance of their duties. All employees are expected to follow the business rules and procedures as published in corporate and departmental policies and procedures.

On an annual basis, CFHP reviews the Code of Conduct for possible revisions that may result from a change in company policy or changes in applicable laws or regulations.

IV. Structure of Compliance Plan

A. Element 1: Written Policies and Procedures

CFHP's Policies and Procedures represent its commitment to honest and responsible business conduct. Because risk areas are constantly evolving, CFHP's policies and procedures are reviewed every three years or as needed to incorporate changes in the law, changes in the company and changes in health care. A complete list of company policies is located on the

company intranet site and in the Compliance & Regulatory Affairs department. All CFHP employees are to conduct business in compliance with all policies and procedures.

B. Element 2 – Designation of a Compliance Officer and Compliance Committee

1. **Board of Directors.** The Board of Directors shall regularly receive reports from, and consider recommendations of, the Director of Compliance & Regulatory Affairs concerning matters of compliance. The Board of Directors may, at its discretion, issue directives concerning compliance to the Director of Compliance & Regulatory Affairs, who shall carry out such directives.
2. **Director of Compliance and Regulatory Affairs.** The Director of Compliance & Regulatory Affairs shall have the day to day responsibility for implementation of the Compliance Plan.
 - a. **Reporting.** The Director of Compliance & Regulatory Affairs shall report to the Board of Directors as needed but not less than annually. For purposes of performance assessments and reviews, the Director of Compliance shall report to CFHP's Chief Executive Officer (CEO).
 - b. **Responsibilities.** The responsibilities of the Director of Compliance & Regulatory Affairs shall include but are not limited to:
 - i. Providing leadership for the compliance function;
 - ii. Budgeting for activities related to implementation of the Compliance Plan;
 - iii. Coordinating development of written policies and procedures regarding compliance with local, state and federal requirements;
 - iv. Facilitating delivery of specialized education and training concerning compliance responsibilities;
 - v. Responding to inquiries and reports concerning compliance or non-compliance;
 - vi. Investigating instances of suspected non-compliance and suspected fraud, waste and abuse;
 - vii. Assisting management with enforcement and discipline in appropriate instance of non-compliance;
 - viii. Developing and implementing a compliance assessment, auditing and monitoring program;
 - ix. Documenting all compliance issues and coordinating corrective action plans as needed;
 - x. Establishing active relationships with third parties who have specific experience conducting fraud investigations;
 - xi. Informing the Board of Directors of the status and activities pertaining to compliance on a regular basis;
 - xii. Ensuring the components of the Compliance Program are implemented to reduce fraud, waste, and abuse;
 - xiii. Facilitating the review of all documents and other information relevant to compliance;
 - xiv. Encouraging the reporting of suspected fraud, waste and abuse (without fear of retaliation) through education and training;

- xv. Keeping employees informed of applicable regulations, procedures and guidelines; and,
 - xvi. Reporting to the Compliance Committee on a regular basis on the progress of the Compliance Program. Similarly, reporting the results of audits, fraud, waste and abuse investigations, non-compliance investigations and any resulting employee discipline to the Compliance Committee.
3. **Compliance Committee.** The Compliance Committee shall advise and support the Director of Compliance & Regulatory Affairs with respect to implementing the Compliance Plan.
- a. **Responsibilities.** The Compliance Committee’s responsibilities shall include, but not limited to, assisting the Director of Compliance & Regulatory Affairs in:
 - i. The distribution of the Code of Conduct and written policies and procedures that promote and pertain to compliance;
 - ii. The development and implementation of regular, effective education and training programs addressing compliance issues and responsibilities;
 - iii. The creation and maintenance of processes that permit persons to make anonymous and/or confidential, good faith reports of instances of suspected non-compliance;
 - iv. The development of a system to consider, investigate and respond to good faith reports of instances of suspected non-compliance or fraud, waste and abuse;
 - v. The development of protocols for consistent enforcement of appropriate disciplinary action, including termination, against persons who have engaged in acts or omissions of suspected non-compliance;
 - vi. The use of audits, investigations and other evaluation techniques to identify areas of non-compliance, to monitor ongoing compliance and corrective action plans (CAPS) and to assess the effectiveness of CAPS and any other compliance corrective measures.
4. **Membership.** The membership of the Compliance Committee shall be selected by the Director of Compliance & Regulatory Affairs who shall consider the input of the CEO in the selection process. The membership shall be comprised of Senior leadership who oversee key business and operational areas across CFHP. The Director of Compliance & Regulatory Affairs shall serve as the chair of the Compliance Committee and shall have the final decision making authority on recommendations made by the Compliance Committee.
5. **Meeting Schedule.** The Compliance Committee shall meet monthly.

C. Element 3 – Education and Training

Education and training concerning compliance matters shall be conducted on an annual and as needed basis. Education and training is to become a regular aspect of work activities and routine of CFHP. Education and training shall be mandatory for all employees and attendance will be documented by sign-in logs. Compliance training shall be considered in employees’ performance evaluations.

To ensure an effective compliance program, CFHP workforce and contractors must have an understanding of the laws, regulations, and policies of which they must adhere. Additionally, employees need to be informed when laws and regulations change and what those changes mean to them and the organization as a whole. The Compliance & Regulatory Department is responsible for the development and maintenance of a training and education program that encompasses compliance with all local, state and federal laws and regulations. The training and education component of the Compliance & Regulatory Affairs department includes the following:

1. The Code of Conduct;
2. The Compliance Plan;
3. The regulatory requirements affecting the Health Plan;
4. The responsibility to report instances of suspected non-compliance and how to make these reports;
5. The importance of compliance and consequences of non-compliance both for the Health Plan (sanctions, cancellation of contract with HHSC) and the individual (enforcement and discipline up to and including termination);
6. The necessity of adhering to CAPs as they are developed;
7. Fraud, Waste and Abuse training both general and department specific;
8. Compliance training both general and department specific;
9. HIPAA training;
10. Vendor Compliance and FWA training, either by CFHP or approved training by each vendor.

D. Element 4 – Effective Lines of Communication

CFHP works diligently to foster a culture of compliance throughout the organization. This is done by regularly communicating to employees the importance of conducting their job duties in compliance with all regulatory requirements and reinforcing the expectation of ethical behavior. CFHP has systems in place to receive, record, and respond to compliance inquiries or reports of potential acts of non-compliance from employees and vendors. The areas below are key areas of the Department of Compliance & Regulatory Affairs communication approach:

1. **Compliance & Regulatory Affairs Intranet Website.** The Compliance & Regulatory Affairs department maintains an intranet website dedicated to educating employees in compliance areas related to the Texas Medicaid Program, Texas Department of Insurance, the Texas Employee Retirement System and the Centers for Medicare and Medicaid Services (the Health Insurance Exchange) lines of business. On the intranet site, employees can find, among other things:
 - a. The Compliance and & Regulatory Compliance Plan and Code of Conduct;
 - b. HIPAA privacy and breach reporting policies;
 - c. An email link for submitting questions to the Director of Compliance & Regulatory Affairs;
 - d. Instructions for reporting potential incident of non-compliance, fraud, waste or abuse;

- e. Links to Texas Medicaid and Texas Department of Insurance compliance-related websites.
2. **Communicating Compliance Concerns.** CFHP strives to create an environment where employees can seek and receive prompt guidance on compliance issues they bring to the attention of the Compliance & Regulatory Affairs department. Whenever an employee questions the compliant or ethical nature of a particular situation, the employee is encouraged to seek guidance from any number of sources, including:
- a. CFHP Policies & Procedures;
 - b. Their direct supervisor or manager;
 - c. Director of Compliance & Regulatory Affairs;
 - d. The Integrity Hotline; and,
 - e. The CFHP Compliance staff.

The Director of Compliance & Regulatory Affairs and all Compliance staff shall maintain an open door policy in order to encourage good faith reporting. The Director of Compliance or designee will be available at all times for any issues that may arise. Confidentiality between the Director of Compliance and all other staff, management and entities is ensured upon request.

Any employee aware of a violation of either the Compliance Plan or Code of Conduct, has a duty to report the violation to either his/her direct supervisor or manager, the Director of Compliance & Regulatory Affairs, or through the Integrity Hotline.

Contractors and subcontractors have the responsibility to report Compliance violations to CFHP.

3. **Retaliation.** CFHP does not tolerate retaliation against employees who make good-faith reports of potential incidents of non-compliance. CFHP's stance on non-retaliation is communicated through company policy and procedure, in the Code of Conduct and in required training materials.
4. **Integrity Hotline.** The Integrity Hotline is a confidential and toll-free resource available to all CFHP employees twenty-four hours a day, seven days a week to report violations, concerns, or questions relating to the Code of Conduct, the Compliance Plan and suspected instances of Fraud, Waste and Abuse. Calls made to the Integrity Hotline can be made anonymously and are never traced or recorded. The Integrity Hotline is operated by a third-party vendor in order to ensure confidentiality. All CFHP calls to the Integrity Hotline are investigated by the Director of Compliance & Regulatory Affairs and/or designee.

Integrity Hotline

1-877-225-7152

E. Element 5 - Enforcement and Discipline

Enforcement of compliance is conducted through a variety of methods, including, but not limited to, dealing consistently and appropriately with violations and implementing and revalidating corrective action plans. Non-compliant staff, including Directors or Managers who excuse or fail to prevent improper conduct, are subject to disciplinary action, up to and including termination of employment. The Director of Compliance & Regulatory Affairs is accountable for

ensuring disciplinary actions are timely, fair and consistent by working with Human Resources and the applicable department directors in the effectuation of all acts of disciplinary action for non-compliance.

CFHP communicates and provides the Code of Conduct to all staff and vendors so as to convey the requirements and expectations for compliance with all local, state and federal laws. The disciplinary policy is communicated through the compliance and FWA training provided to vendors and includes the possibility of contract termination.

In order to discourage an incident of unethical or noncompliance behavior, all CFHP employees are reminded of disciplinary guidelines in the initial and annual compliance and FWA training.

F. Element 6 - Effective Internal Auditing and Monitoring

Contractual requirements found in the Uniform Managed Care Contract Manual and the CFHP contract with HHSC are used to develop metrics for assessing CFHP's operational performance against regulatory standards. Additionally, monitoring and auditing allows CFHP to identify areas that require corrective action in order to achieve compliance with the appropriate regulatory requirement. This process of self-identification and corrective action, along with monitoring such actions to ensure their effectiveness, is a key element of the CFHP Compliance Program. The Director of Compliance & Regulatory Affairs will do the following to help identify areas of non-compliance:

1. **Annual Risk Assessment.** An annual risk assessment will be performed by the Director of Compliance & Regulatory Affairs by reviewing operational processes and documentation and conducting interviews of personnel in the various operational areas. The data obtained will be used to assess the potential risks to members, physicians/providers, vendors, and CFHP.
2. **Internal Auditing and Monitoring.** Auditing and monitoring will be based on several factors: the annual risk assessment; areas of past non-compliance; previous audit findings, both internal and external; the Federal OIG Work Plan; TX HHSC Compliance Recommendations; new rules and regulations; recommendations of the Compliance Committee and the Quality Committee; and, high risk areas as noted by both regulatory agencies and Compliance best practices.
3. **Third Party Audits.** In order to maximize internal resources, Compliance & Regulatory Affairs may engage third party vendors to audit the CFHP's processes and operations. Similar to audits conducted by internal compliance staff, the findings are reported to executive management, the Compliance Committee, and to the Board of Directors.
4. **Monitoring and Auditing of Delegated Entities.** CFHP contracts with various parties to administer and/or deliver services to its members on behalf of CFHP. These entities must abide by specific CFHP contractual and regulatory requirements. The various CFHP departments are responsible for overseeing the ongoing compliance of these entities and ensuring that appropriate corrective actions are implemented on a timely basis.
5. **Auditing by Regulatory Agencies and External Parties.** Regulatory audits should be viewed as an opportunity to confirm that our ongoing compliance efforts are

effective. In those instances where an audit finding indicates that we have not met a regulatory requirement, CFHP uses the audit finding to perform root cause analysis and develop corrective action plans to address these areas of non-compliance. CFHP may, from time to time, contract with a third party vendor to perform compliance reviews and to assist with implementing necessary changes to help support CFHP's compliance effort. CFHP will cooperate with all federal agencies and external parties that may audit the plan. This includes providing auditors with access to requested information and records related to CFHP's business processes and those of our third party vendors.

- a. The Compliance & Regulatory Affairs Department serves as the point of contact for all audits related to State and Federal agency reviews and coordinates auditor requests with all internal departments.

G. Element 7 - Prompt Response to Detected Violations

1. **OIG Exclusion.** The first line of defense against non-compliant behavior and/or possible FWA is to ensure that new employees, vendors and providers have not been debarred, excluded, or otherwise become ineligible for participation in federal and/or state healthcare programs. To ensure this, the Human Resources department (employees and vendors) and the Credentialing department (providers) conduct background checks, which includes review of the Office of Inspector General's (OIG) list of excluded individuals/entities. This is conducted on initial hire and periodically thereafter. If it is determined that any employee, provider or vendor appears on any exclusion list, CFHP will take immediate action to terminate the employment/contract for that individual/entity.
2. **Suspected Fraud and Compliance Investigations.** CFHP employees, management, and members of the Board of Directors must report any instances of non-compliance and suspicions of fraud, waste and abuse directly to the Director of Compliance & Regulatory Affairs. All reports of suspected fraud, improper conduct, non-compliance, and/or fraud, waste and abuse, regardless of point of contact are investigated promptly and thoroughly by the Compliance & Regulatory Affairs department under the direction of the Director of Compliance & Regulatory Affairs. The reporter of any suspected instance of FWA or non-compliance can elect to remain anonymous. Once an allegation has been received by the Director of Compliance & Regulatory Affairs, an investigation will be initiated. When the investigation is complete, the Director of Compliance & Regulatory Affairs will coordinate a corrective action plan, including but not limited to, education and training, auditing and monitoring and/or disciplinary action. Any employee instances of conduct determined to be fraudulent will be reported to Human Resources.
3. **Referral to Government Agencies and/or Law Enforcement.** In the event that a Compliance investigation substantiates FWA or a high likelihood that the activity is fraudulent, the Director of Compliance & Regulatory Affairs reports/self reports the case to the relevant government and/or law enforcement entities. These include, but are not limited to, the Office of Inspector General (OIG), the Office of the Attorney General (OAG), the Medicaid Fraud Control Unit (MFCU), the Federal Bureau of

Investigation (FBI), the Texas Department of Insurance (TDI), Health and Human Services (HHSC) and Centers for Medicare and Medicaid Services (CMS). CFHP participates in and cooperates with all investigations by such agencies.

H. Element 8 – Health Insurance Portability and Accountability Act of 1996 (HIPAA) and Health Information Technology for Economic and Clinical Health Act (HITECH)

CFHP personnel will comply with requirements as mandated by HIPAA/ HITECH and will complete annual HIPAA/HITECH compliance training. This training will include, but not limited to, privacy and security of protected health information (PHI) and standard electronic transactions.

I. Element 9 - Fraud, Waste and Abuse Plan

Through its Special Investigations Unit (SIU), CFHP maintains an Anti-Fraud Plan that demonstrates the company’s commitment to prevent, detect and correct incidents that could lead to fraud, waste or abuse. The SIU conducts audits to monitor compliance and to identify possible program violations. Upon hire, and annually, all employees must agree to comply with the CFHP Code of Conduct and complete all mandatory compliance and FWA training requirements.

CFHP uses a number of system edits and programmatic reviews of data designed to detect potential fraud. Additionally, the SIU maintains a FWA hotline for anonymous reporting of potential fraud, waste or abuse. Fraudulent activity may involve an employee, member, vendor or provider.

Reviewed by the Community First Health Plans, Inc, Board of Directors on January 27, 2017