



2017

AmeriHealth Caritas Corporate
Compliance Program





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This compliance program is applicable to the AmeriHealth Caritas Family of Companies, which includes, but may not be limited to, Medicaid managed care health plans, Medicare-Medicaid health plans, Medicare special needs plans, behavioral health managed care plans, and pharmacy benefit managers. The lines of business may change periodically but currently include AmeriHealth Caritas District of Columbia, AmeriHealth Caritas Northeast, AmeriHealth Caritas Louisiana, AmeriHealth Caritas Pennsylvania, AmeriHealth Caritas Iowa, Keystone First, Select Health of South Carolina, Blue Cross Complete of Michigan, AmeriHealth VIP Care, Keystone VIP Choice, AmeriHealth Caritas VIP Care Plus, First Choice VIP Care Plus, PerformCare, PerformCare of New Jersey, PerformRx, PerformSpecialty, and Prestige Health Choice.



I. Introduction

The AmeriHealth Caritas Family of Companies (AmeriHealth Caritas) has established a comprehensive Corporate Compliance Program (Compliance Program) committed to ensuring all organizational areas of AmeriHealth Caritas are, and remain, compliant with applicable contractual obligations as well as state and federal regulatory requirements. The Compliance Program has been designed and implemented to prevent, detect, and correct in a timely manner any suspected incidences of noncompliance. AmeriHealth Caritas works collaboratively with state and federal regulatory agencies to achieve the mutual goals of providing quality health care; evidencing compliant performance; and identifying and eliminating fraud, waste, and abuse.

The Compliance Program and all efforts surrounding it are designed to promote a culture within AmeriHealth Caritas of integrity, ethical behavior, and transparency. The AmeriHealth Caritas Board of Directors and executive leadership are fully knowledgeable and engaged in overseeing the content and operation of the Compliance Program.

The Compliance Program outlined below implements each of the elements set forth by the U.S. Department of Health and Human Services, Office of Inspector General, for an effective Compliance Program and thus incorporates the requirements of a fraud, waste, and abuse program within each of the elements.

Application of the Compliance Program

The AmeriHealth Caritas Corporate Compliance Program is ambulatory, allowing it to be responsive to the changing needs of a highly regulated landscape. As such, AmeriHealth Caritas reviews the Compliance Program at least annually, and more frequently as may be mandated by contractual or other regulatory requirements.

Following any such revision, and adoption by the Audit and Compliance Committee of the Board of Directors, all updates are posted in a timely manner to the AmeriHealth Caritas corporate intranet site. In addition, all revisions, as appropriate, are built into the compliance policies and procedures, an ongoing compliance communications plan, and are specifically addressed within the annual Compliance Program training initiative.

II. Compliance Program elements

Each component of the Compliance Program and the AmeriHealth Caritas approach to complying with each are discussed below.

1. Code of Conduct and Ethics and written policies and procedures

A. Code of Conduct and Ethics

AmeriHealth Caritas maintains a Code of Conduct and Ethics that provides comprehensive information and guidance on standards of ethical behavior and compliance with applicable federal and state laws. Through its Code of Conduct and Ethics, AmeriHealth Caritas communicates its expectations for the actions and behaviors of its Board of Directors, its officers, and its associates at all levels, including contingent workforce members; subcontractor-vendors; and first-tier, downstream, and related entities. The Code of Conduct and Ethics also provides ramifications for not following those expectations.

This Code of Conduct and Ethics is made available to:

- The members of the Board of Directors, at the time of appointment and annually thereafter.
- Each associate, including contingent workforce members, at the time of employment and annually thereafter through a formal training process.
- Subcontractor-vendors and first-tier, downstream, and related entities, upon engagement and annually thereafter.



B. Policies and procedures

AmeriHealth Caritas maintains a body of policies and procedures that govern operational functions, maintenance, and oversight of delegated functions, and clinical services for its health plans, pharmacy benefit manager, and Compliance Program.

Each operational and clinical business unit of AmeriHealth Caritas is responsible for developing, maintaining, and implementing policies and procedures for activities performed in its area. These policies must address all statutes, rules, and contractual requirements applicable to each unit's area of responsibility. All policies and procedures are maintained electronically, updated at least annually or when a change in guidance may occur, and made available through the AmeriHealth Caritas intranet.

The Compliance department is accountable for developing and appropriately implementing written policies and procedures to support the Compliance Program, including the compliance; privacy; and fraud, waste, and abuse functional oversight within the organization.

C. Compliance with federal and state requirements

AmeriHealth Caritas is committed to complying with applicable federal and state statutory, regulatory, contractual, and other requirements and has incorporated the following into the annual Compliance training:

- The federal and state False Claim Acts.
- The Anti-Kickback Statute.
- The Deficit Reduction Act.
- The Fraud Enforcement and Recovery Act (FERA).
- The Health Insurance Portability and Accountability Act (HIPAA).
- The Health Information Technology for Economic and Clinical Health Act (HITECH).

This commitment is further articulated in the AmeriHealth Caritas policies and procedures, in the Code of Conduct and Ethics, and in all required training initiatives.

2. Designation of a Compliance Officer and the Corporate Compliance, Audit, and Risk Committee

A. Corporate Compliance Officer

The AmeriHealth Caritas Corporate Compliance Officer is responsible for oversight and management of the Compliance Program. The Corporate Compliance Officer reports to the organization's Chief Administrative and Compliance Officer. The Corporate Compliance Officer also reports regularly, and no less than quarterly, to the Audit and Compliance Committee of the Board of Directors.

B. Corporate Compliance, Audit, and Risk Committee

AmeriHealth Caritas has established the Corporate Compliance, Audit, and Risk Committee, which meets at least quarterly, to advise the executive and senior operational, clinical, and legal leadership team on the status of AmeriHealth Caritas compliance metrics, standards of operation, and areas of risk concern that may require remediative actions. The committee reports to the Audit and Compliance Committee of the Board of Directors and functions in accordance with its approved charter. The Chief Administrative and Compliance Officer serves as chair of this committee.



3. Conducting effective training and education

To achieve and ensure compliance with contractual obligations and applicable regulations, AmeriHealth Caritas requires the Board of Directors; associates; contingent workforce members; subcontractor-vendors; and first-tier, downstream, and related entities to receive training and education related to the Compliance Program. Therefore, AmeriHealth Caritas has implemented a comprehensive training program that includes compliance; Code of Conduct and Ethics; privacy; security; and fraud, waste, and abuse. In addition to annual trainings, the Compliance Program provides ongoing, informal trainings through the corporate compliance communications plan, by sponsoring an annual Compliance Week, by providing timely email alerts on rising compliance and privacy issues, and by posting timely educational materials on the company intranet site. The time frame for conducting training includes:

- At the time an associate or contingent workforce member is hired, and annually thereafter.
- Upon appointment of a Board member, and annually thereafter.
- Upon completion of the contracting process for subcontractor-vendors and first-tier, downstream, and related entities, and annually thereafter.

A. Compliance training

The annual Compliance Program training addresses pertinent laws related to compliance with federal and state regulations; privacy and security; fraud, waste, and abuse; and the statutory and legislative provisions provided in 1.C. above.

Core compliance training includes:

- A description of the AmeriHealth Caritas Corporate Compliance; Privacy; Security; and Fraud, Waste, and Abuse Programs and the Code of Conduct and Ethics.
- An overview of the policies and protocols to ensure ongoing compliance and the communication mechanisms available to request guidance and how to escalate concerns related to noncompliance; suspected incidences of fraud, waste, or abuse; and any potential privacy or security matter that may arise.

4. Maintaining effective lines of communication

AmeriHealth Caritas uses multiple mechanisms to build and maintain effective lines of communication between the organization and the Compliance Officer and Compliance; Privacy; and Fraud, Waste, and Abuse departments. These established mechanisms allow for reporting potential instances of noncompliance; privacy or security concerns; and allegations of fraud, waste, and abuse.

The organization has adopted and enforces a strict nonretaliation policy for any reporting of such concerns made in good faith.

A. Anonymous hotline and online reporting

AmeriHealth Caritas maintains two anonymous reporting mechanisms: online and telephonic. Both allow the organization to receive, record, and respond to compliance questions and concerns; reports of improper conduct; privacy issues; or suspected incidents of fraud, waste, and abuse. Both avenues provide a means of confidential communication for associates; contingent workforce members; subcontractor-vendors; and first-tier, downstream, and related entities who wish to seek an additional level of confidentiality. The telephonic hotlines are available 24 hours a day, seven days a week, at:

- **800-575-0417** for compliance, privacy, or ethics concerns.
- **866-833-9718** for any suspected incidences of fraud, waste, or abuse.



Online reporting tools are available at www.amerihealth.ethicspoint.com for compliance, privacy, and ethics or at home.kmhp.com/index.asp?go=/fraud for suspected incidences of fraud, waste, or abuse.

In addition, timely, electronic access to the Compliance; Privacy; and Fraud, Waste, and Abuse teams is always available at the following:

- Compliance: corpcompliance@amerihealthcaritas.com.
- Privacy: privacy@amerihealthcaritas.com.
- Fraud: fraudtip@amerihealthcaritas.com.

All mechanisms for reporting are publicly posted throughout AmeriHealth Caritas facilities and are periodically distributed through ongoing educational initiatives and compliance communications. All reported concerns are investigated following established protocols as defined within the policies and procedures for processing suspected reports of misconduct; noncompliance; privacy incidents; or fraud, waste, and abuse.

B. Other mechanisms for recording and reporting issues

Grievances, both oral and written, from members, potential members, providers, and other individuals may contain complaints that must be escalated due to allegations of potential misconduct; privacy or compliance concerns; or suspected fraud, waste, or abuse. Grievance procedures maintained by AmeriHealth Caritas require that complaints categorized as such be forwarded to the appropriate department for timely investigation, resolution, and reporting.

5. Routine monitoring and auditing

AmeriHealth Caritas adopts the philosophy that routine monitoring and auditing are critical elements to an effective compliance oversight program. Procedures for routine monitoring and auditing include both initial testing for compliance metrics and validation reviews to confirm ongoing compliance and appropriate resolution of remediation and corrective actions.

A. Annual risk review

The Compliance department is responsible for performing an annual risk assessment of the compliance; privacy; and fraud, waste, and abuse functions within the organization. Together with the engagement of plan compliance leadership, Internal Audit, and the Enterprise Risk Management team, the Compliance department seeks to identify areas of the organization that may present risk to AmeriHealth Caritas' compliance with its contractual obligations and to the integrity of the Compliance Program.

This review takes into account:

- Program areas identified by the Office of Inspector General in its annual work plan as well as other published reports and white papers.
- The results of prior performance monitoring of AmeriHealth Caritas internal business units and of subcontractor-vendors and first-tier, downstream, and related entities.
- Results from audits and findings identified by Internal Audit.
- Issuance of warning letters and a review of past performance issues as addressed through internal remediation action plans (iRAPs); corrective actions issued by regulatory agencies (aCAPs); and external corrective action plans (eCAPs) issued to subcontractor-vendors and first-tier, downstream, and related entities.
- The final audit reports of regulatory reviews by the Centers for Medicare & Medicaid Services (CMS), the state Departments of Health and Insurance, accreditation agencies, and other third parties.



This annual risk review is used to define, develop, and implement appropriate oversight during each calendar year as documented within the Compliance and Privacy and Fraud, Waste, and Abuse work plans, which are reviewed and approved annually by the Audit and Compliance Committee of the Board of Directors.

B. Routine monitoring and auditing

The Compliance Data and Analytics team is responsible for developing and implementing the dashboard reporting required to monitor the ongoing performance of the AmeriHealth Caritas plans and lines of business. This reporting is prioritized according to risk (e.g., potential member impact) and distributed to plan compliance leadership and plan management. This monitoring provides the ongoing oversight required to assist both corporate and plan compliance personnel in validating and ensuring compliance with AmeriHealth Caritas state and federal contracts and other regulatory requirements.

AmeriHealth Caritas is also responsible for monitoring subcontractor-vendors and first-tier, downstream, and related entities for regulatory requirements and contractual obligations. Routine monitoring reviews are included as part of AmeriHealth Caritas' contractual agreement with its subcontractor-vendors and first-tier, downstream, and related entities. Results of monitoring are effective in identifying the need for potential contractual and/or corrective actions.

AmeriHealth Caritas uses a combination of techniques and methodologies for its monitoring reviews, including desk and on-site audits, data analysis, and statistical sampling.

C. Program integrity

Program integrity and the implementation of a comprehensive fraud, waste, and abuse oversight program are integral to the effectiveness of the Compliance Program. AmeriHealth Caritas has implemented a hybrid model that includes both monitoring and auditing tools to ensure the timely detection and mitigation of suspected fraud, waste, and abuse. Such tools consist of the proactive validation of a provider's eligibility to participate in federal and state health care programs through monthly monitoring of all federal (OIG-LEIE and GSA-SAM) and state exclusion and sanction lists, the Social Security Death Master (SSDM) file, and the National Plan and Provider Enumeration System (NPPES); ongoing monitoring of claims (both prospectively and retrospectively) to trend behavior and detect aberrant patterns in billing, prior authorizations, and utilization; pre-payment review of providers suspected of fraud, waste, and abuse to ensure the documentation presented for review supports the services billed; and the retrospective review (both random and focused) of claims to determine and validate the propriety of payments through sophisticated data mining efforts.

6. Enforcing standards through well-publicized disciplinary guidelines and policies regarding dealings with ineligible persons or entities

A. Consistent enforcement of disciplinary policies

AmeriHealth Caritas enforces its compliance and ethical standards through well-publicized disciplinary guidelines. These guidelines reflect clear and specific disciplinary policies and provide the consequences of violating the AmeriHealth Caritas Code of Conduct and Ethics.

These policies are made available upon hire and annually thereafter by various means, including the AmeriHealth Caritas formalized training program, and are continually available on the corporate intranet.

B. Employment of and contracting with ineligible persons

AmeriHealth Caritas prohibits hiring or entering into contracts with individuals or entities identified as debarred, excluded, or otherwise ineligible for participation in state or federal health programs.

AmeriHealth Caritas does not pay for medical services or prescription drugs prescribed or provided by a provider excluded by the Office of Inspector General, the General Services Administration, or a relevant state regulatory agency.



All associates; contingent workforce members; subcontractor-vendors; first-tier, downstream, and related entities; and contracted providers are monitored, upon hire or engagement, and monthly thereafter, to ensure no exclusions to participation exist.

7. Responding to detected offenses, developing corrective action initiatives, and reporting to government authorities

AmeriHealth Caritas has developed policies and protocols to ensure prompt responses to identified areas of noncompliance, including the development of internal and external warning letters; internal remediation and corrective action initiatives; investigation protocols for fraud, waste, and abuse; and affirmative reporting, as necessary or appropriate, to regulatory agencies.

A. Remediation and corrective action initiatives

Remediation and corrective actions result from routine monitoring and ongoing auditing activities within the organization. Remediation and corrective action plans are designed and implemented to address root cause analyses and to qualify:

- Any potential impact to members and/or providers.
- The immediate steps taken to ameliorate the issue identified.
- The safeguards being implemented to ensure the issue does not recur (including timelines, internal controls and policies, and validation activities to provide ongoing monitoring).

The Compliance department tracks the status of all remediation and corrective actions and provides a quarterly report on these ongoing activities to the Audit and Compliance Committee of the Board of Directors.

B. Investigations of potential misconduct

Compliance leadership is responsible for investigating reports of potential compliance or privacy infractions by officers; associates; contingent workforce members; subcontractor-vendors; and first-tier, downstream, and related entities. The Program Integrity team is accountable for the timely investigation of all allegations of fraud, waste, or abuse.

If, in the investigation of potential issues, it is determined that disciplinary or other corrective measures need to be taken, this action will be applied consistently; will be coordinated with Human Resources and Legal Affairs, as appropriate; and will be undertaken in accordance with the protocols defined in the policies and procedures that address these measures. Policies and procedures on investigations are maintained and reviewed annually.

C. Self-reporting to government authorities

AmeriHealth Caritas is fully committed to ensuring appropriate and timely self-reporting when investigations of suspected compliance; privacy; or fraud, waste, or abuse infractions have been substantiated. Timely self-reporting will be provided to Medicare and Medicaid program leadership, the Medicaid Fraud Control Units (MCFUs), law enforcement, and other state and federal regulatory agencies, as may be appropriate or required.

