UNIVERSAL AMERICAN

A Healthy Collaboration®

Medicare Compliance and Fraud, Waste and Abuse Detection and Prevention Program

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Message from Executive Leadership

A Commitment to Compliance

The Universal American (UAM) Medicare Compliance Program provides a framework for helping ensure this organization is in compliance with applicable Medicare regulations, other federal requirements and established organizational policies and procedures. Executive leadership fully supports all compliance efforts and expects that each of our employees, temporary employees, providers, and first tier, downstream and related entities are active participants in this Compliance Program.

It is fully expected that this commitment to Medicare compliance be woven into the fabric of our daily activities so that the Medicare health and prescription drug plans we offer best serve Medicare beneficiaries. Everyone who contributes to our Medicare plans – the Governing Body, executives, management, employees, temporary employees and all contractors and vendors – must foster and demonstrate compliance with Medicare requirements in carrying out our duties. We support this commitment through outreach, communication, education and oversight. We also commit to working constructively day-in and day-out with our service partners and our regulators.

We believe our program of compliance strengthens the quality of services we provide to Medicare beneficiaries.

Richard Barasch
Chairman and Chief Executive Officer

Erin Page
President, Medicare Advantage

I. Introduction

Universal American Corp. (UAM) has established a Medicare Compliance Program (Compliance Program) and is committed to ensuring that all organizational areas of UAM are, and remain, compliant with applicable State and Federal regulatory requirements. UAM's Compliance Program is an organizational value-based and actionable system that identifies, detects, prevents, corrects and reports suspected non-compliance with State and Federal regulatory requirements. UAM works collaboratively with State and Federal regulatory agencies to achieve the mutual goals of providing quality health care, compliant performance, and the elimination of fraud, waste and abuse. This Compliance Program incorporates the requirements and related provisions, as provided by the Centers for Medicare and Medicaid Services (CMS), for a Medicare Advantage Organization (MAO) to establish and maintain an effective Compliance Program for both a Medicare Advantage (MA Plan sponsor) and a Medicare Advantage Prescription Drug (MA-PD Plan sponsor), hereinafter collectively referred to as Parts C & D.

The Compliance Program and all efforts surrounding this program are designed to promote a culture within UAM of integrity, ethical behavior and compliance with applicable laws and regulations. In practice, UAM's Compliance Program effectively articulates and demonstrates the Plan's commitment to legal and ethical conduct.

The UAM Governing Body and Executive Leadership are fully knowledgeable about the content and operation of the Compliance Program and provide active oversight of the Program through the Medicare Compliance Officer. The Medicare Compliance Officer reports to the Chief Executive Officer but also has authority to directly communicate to the Compliance and Quality Committee of the Governing Body. The Medicare Compliance Officer is responsible for the day-to-day administration of the Medicare Compliance Program and also has authority to directly communicate with the Chief Executive Officer and the Governing Body.

The Compliance Program outlined below implements each of the Compliance Program elements set forth in the CMS regulatory requirements and Federal guidance. Because many of the CMS requirements for the Fraud, Waste and Abuse (FWA) Program are similar to the elements of a Compliance Program, the FWA program is incorporated within each of the elements of the Compliance Program as well as supported by the FWA Committee, FWA training and policies and procedures.

Benefits of a Compliance Program

UAM has established this Compliance Program to provide a mechanism to achieve the goals of compliance with regulatory requirements: detecting, preventing and reducing fraud, waste and abuse; continually improving operational performance; and ensuring the provision of high quality, cost-effective care. In addition to fulfilling the regulatory responsibility, UAM also benefits through:

- Formulating effective internal controls that assure compliance with Federal and State regulations and internal guidelines;

- Encouraging employees to commit to honest and responsive corporate conduct;
- Improving both clinical and non-clinical quality of care and service;
- Improving assessment tools that affect many or all of the departments;
- Providing a centralized source for distributing information on health care statutes, regulations, and other program directives and guidelines related to compliance issues;
- Implementing procedures that allow the prompt and thorough investigation of possible misconduct by corporate officers, managers, employees, temporary employees and persons who are employed by first tier, downstream and related entities; and
- Protecting Medicare beneficiaries from potential fraud, waste, and abuse and from unethical conduct from any UAM employee or contractor.

By implementing an effective Compliance Program, UAM is investing in the operations of the Medicare Advantage Program and enhancing the efficiency and effectiveness of the organization.

Application of UAM's Compliance Program

The UAM Compliance Program is ongoing and responsive to the changing needs of UAM's members and regulatory requirements. UAM reviews the Medicare Compliance Program at least annually, or as needed, and makes revisions if necessary based on changes in its members' needs, business, the market and regulatory requirements.

Following any such revisions, and following adoption by the Corporate Compliance Committee and Governing Body, all updates are posted timely to the UAM Corporate Intranet site and addressed in various methods, as appropriate, throughout the year and during the annual Compliance training initiative (i.e., Compliance Week, Annual Compliance training, etc.).

II. Medicare Compliance Program Elements

Each component of the Medicare Compliance Program and UAM's approach to complying with each component is discussed below.

1. Code of Conduct and Written Policies and Procedures

   A. Code of Conduct

      UAM maintains a Code of Conduct that provides comprehensive information and guidance on standards of ethical behavior and compliance with applicable Federal and State laws. Through its Code of Conduct, UAM communicates its expectations for the actions and behaviors of the Governing Body Members and; employees at all levels (including temporary employees and first tier,

downstream contractors and any related entities, collectively known as FDRs). The Code of Conduct also includes the ramifications for not following those expectations, up to and including termination from the organization or termination of contract. The UAM Code of Conduct is reviewed, revised (as necessary) and approved at least annually by the Governing Body. Information in the Code of Conduct is presented in a readable format. However, because it is important that employees and others understand the information and interpretations of laws contained in the Code of Conduct, UAM also provides a Code of Conduct Overview that is written in a summary format that is easier to read and understand.

This Code of Conduct is made available to:

- The members of the Governing Body at the time of appointment and annually thereafter;
- Each employee, including officers and temporary employees, at the time of employment and annually thereafter through formal training processes; and
- First Tier, Downstream and Related Entities (FDRs), including all contractors and providers, at the onset of their contract and annually thereafter.

Providers and FDRs are required to adopt either UAM's Code of Conduct or follow a code of conduct particular to their own organization that meets or exceeds UAM's Code and reflects their own commitment to ethical behavior; compliance; and detecting, preventing and correcting fraud, waste and abuse. The organization ensures this requirement is met through on-going monitoring and audits, as appropriate.

B. Compliance with Federal and State Requirements

UAM is committed to complying with applicable Federal and State statutory, regulatory, contractual and other requirements related to the Medicare program including, but not limited to:

- Federal and State False Claims Acts
- Anti-Kickback Statute
- Health Insurance Portability and Accountability Act (HIPAA)
- Federal regulations for the Medicare Program
- Sub-regulatory guidance produced by CMS for the (MA), MA-PD and Medicare Prescription Drug Plan (PDP) programs such as manuals, memoranda, training materials and guides

- Applicable provisions of the Federal Food, Drug and Cosmetic Act (applicable to MA-PD plans)
- Applicable State laws and regulations
- Contractual terms and conditions
- Other applicable criminal statutes, including as examples, conspiracy to commit fraud; theft or embezzlement in connection with health care; false statements related to health care; health care fraud; obstruction of Federal health care; fraud investigation, etc.

This commitment is articulated in UAM's policies and procedures, the Code of Conduct as well as in required compliance trainings and demonstrated through the UAM Compliance Program.

If a more stringent State regulation exists that is not otherwise pre-empted by Federal law, UAM follows State regulation.

C. Policies and Procedures

UAM maintains a body of policies and procedures (P&Ps) that govern operational functions; maintenance and oversight of delegated functions; and clinical services for its Medicare Advantage health plans and prescription drug plans, as well as its Medicare Compliance Program. Included are P&Ps for the identification of potential or actual fraud, waste and abuse in the operation of its Medicare Advantage health plans and prescription drug plans.

Each operational and clinical business unit of UAM is responsible for developing, maintaining and implementing P&Ps for activities performed in their respective area. In addition, the Governing Body may elect to participate in development of P&Ps as part of its oversight duties. These policies address all statutes, rules, contractual requirements and program instructions applicable to their area of responsibility and are distributed to employees upon hire, but no later than ninety (90) days after hire; when there are updates to the policies; and annually thereafter and are made available on the UAM Intranet timely.

The Compliance Department, with support from other applicable functional areas of UAM, develops and implements written P&Ps to support the compliance functions of the organization. In addition, the Fraud, Waste and Abuse/Special Investigation Unit (FWA/SIU) has developed P&Ps to prevent and detect fraud, waste and abuse.

A P&P is maintained to define the process for the development, revision, review, approval, maintenance, storage and communication of P&Ps. P&Ps are reviewed at least annually and are revised during the contract year in response to changes in Medicare or other Federal requirements that relate to the MA program. In addition, new policies may be developed or current ones revised in response to identified risks or areas for improvement which occur in the general course of

plan operations or through monitoring. New and revised P&Ps are made available to appropriate employees, FDRs, contractors and vendors. All P&Ps are maintained electronically, updated at least annually or as guidance changes, whichever occurs first, and are available to employees, FDRs, contractors, vendors, officers and directors both through the UAM intranet, as appropriate, and through direct requests to the Compliance Department.

2. Designation of a Compliance Officer and Compliance Committee

A. Medicare Compliance Officer

The UAM Medicare Compliance Officer is responsible for the continuous administration and oversight of the Medicare Compliance Program. The Medicare Compliance Officer reports to the Chief Executive Officer of UAM, and provides information to the Corporate Compliance Committee, executive leadership, and the Compliance and Quality Committee of the Governing Body. The Medicare Compliance Officer has authority to communicate directly with the Governing Body through this Committee, as well as the Chief Executive Officer.

The Medicare Compliance Officer is a full-time employee of UAM; the individual in this position has no conflicts of interest, meets the job requirements, and fulfills the job description for this position on an ongoing basis. Duties include but are not limited to overseeing and administering the Compliance Program, encouraging and supporting the ethical performance of duties within UAM and by delegated entities; managing annual compliance planning and evaluation; directing and managing the Compliance Committee, directing or overseeing the management of Compliance work groups and Compliance subcommittees; overseeing the production and distribution of reports; reviewing reports; initiating action in response to reported information; working with managers in operational and business areas to identify and correct compliance issues; providing assistance in the development of Compliance and FWA training content and managing and making an assessment of the resources dedicated to the Compliance Program.

B. Compliance Department

UAM has established an organizational structure for the Compliance Department that supports the successful fulfillment of Federal and State requirements; fosters ethical behavior across the Company and within delegated entities; and promotes the detection, identification and prevention of FWA. MA compliance responsibilities are integrated across the following Compliance-related areas:

- Internal Audit
- Compliance Operations
- Monitoring and Delegation Oversight
- Compliance Sales & Marketing Oversight

- Privacy and Security (in collaboration with the leadership of Internal Audit)

Regularly scheduled staff meetings are held to promote communication and coordination within the Compliance Department and to support the strong performance of the Department in carrying out the Compliance Program. Department staff and managers are encouraged to communicate and support each other at all times.

C. Corporate Compliance Committee

UAM has established a Corporate Compliance Committee which meets at a minimum, quarterly, to advise the executive and senior operational, clinical and legal leadership team of the status of UAM compliance metrics, standards of operation and areas of risk concern that require corrective actions. The Committee reports to the Compliance and Quality Committee of the Governing Body and CEO and functions in accordance with its approved charter.

The members of the Corporate Compliance Committee include members of UAM executive and senior management; employees with clinical expertise; compliance professionals; and representatives from operational, legal, human resources and internal audit departments as outlined in the UAM Corporate Compliance Committee Charter.

The Committee is chaired by the Medicare Compliance Officer, who establishes the agenda and, through the assigned recorder for the meeting, records attendance and ensures that meeting minutes are recorded, approved and maintained. Responsibilities of the Committee include, but are not limited to, assisting in the development of the annual Compliance work plan; participating in the annual Compliance Program evaluation; reviewing reports of internal monitoring and auditing initiatives; overseeing corrective actions; fulfillment of the Compliance Program; and reporting to the CEO, MA President, and the Compliance and Quality Committee of the Governing Body.

D. Compliance Subcommittees

The Corporate Compliance Committee utilizes Compliance Subcommittees, as appropriate, to support the responsibilities and efforts of the Committee. A Compliance Subcommittee, once established, is chaired by the Medicare Compliance Officer or their designee. Designees are usually selected from the managers responsible for one of the Compliance Department areas. Members of Compliance Subcommittees may include Compliance Department staff and representatives from the operational areas as outlined in the Compliance Subcommittee charters or scope of work.

Subcommittees are either an ad hoc group established to address a specific short-term project, reporting back to the Compliance Committee on its findings or a standing group that is established to be responsible for an on-going operational event. Descriptions of the Compliance Subcommittees roles and responsibilities, as well as standard operating procedures, are found in the charters for each.

Copies of the charters are maintained by, and available through, the Medicare Compliance Officer.

3. Conducting Effective Training and Education

UAM believes that in order to achieve and ensure compliance with applicable laws and Medicare guidance, it is important that the Governing Body, officers, employees, providers, FDRs and contractors receive training and education. Therefore UAM maintains a comprehensive training program that includes formal, educational sessions conducted by an established training unit; informal training through Company communications and posted materials on the Company Intranet; business unit/job training; and ad hoc training based on identified needs. UAM training is comprehensive in content and focus. Training and education addresses program requirements in laws and regulations; changes in the law or Medicare guidance; special topics; job responsibilities and task instructions; and Compliance training, including Privacy & Security and FWA. The timeframe for conducting training includes:

- At the time an individual is hired, but no later than 90 days after hire.
- At the time that new Federal or State requirements are issued, as required and appropriate.
- At certain times of the year, such as prior to the Annual Election Period (AEP).
- For the Governing Body, at the time of appointment to the Governing Body and annually thereafter.
- For delegated entities, at the time of, and prior to, initiation of the contract and annually thereafter.
- Annual training for certain topics such as privacy and security; compliance; and the detection, identification and prevention of FWA.
- Annual training for temporary contractors and vendor employees, as required and appropriate.
- Specialized Compliance training as may be required.

First tier, downstream and related entities (FDRs) that have met the FWA certification requirements through enrollment into the Medicare program are deemed to have met the training and education requirements for FWA. Furthermore, FDRs who have met the FWA certification requirements, through enrollment into the Medicare program or accreditation as a Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS), are deemed to have met the training and educational requirements for FWA.

A. Training Processes, Format and Documentation

UAM maintains a Training and Development Department which, in turn, maintains P&Ps regarding training.

Formal training sessions are administered through interactive on-line courses; in-class courses; or through external seminars. Internal courses include end-of course test questions to assess the employee's comprehension of the course taken. Governing Body-level and senior-level executive training may also be administered via computer-based training or through presentation materials and handouts.

Formal training modules are documented and the documentation is retained on file by the operational/business unit. Documentation includes the topic or topics covered in the training, the name of the trainer, the training date(s), a copy of the sign-in sheet to record attendance and/or attestation forms to document and verify attendance, and any materials used in conjunction with the training, e.g., a PowerPoint presentation.

UAM managers are encouraged to keep documentation of informal training conducted within the business unit, such as training that occurs during a staff meeting or in ad hoc meetings. Documentation should follow the guidance above.

B. Compliance Training

Compliance training addresses pertinent laws related to Medicare Advantage, FWA, the Anti-Kickback Statute, the False Claims Act, the UAM Code of Conduct, etc.; and includes a discussion of risk areas as identified by UAM, CMS, the Office of Inspector General (OIG), the Department of Justice (DOJ) and other Federal and State agencies. UAM has established general compliance training for the Governing Body, all full-time employees, contractors/temporary employees and first tier, downstream and related entities.

All persons involved with UAM's administration or delivery of MA benefits receive general compliance training. To the extent that it is feasible and reasonable, FDR staff are permitted to attend UAM training, or the FDRs may agree to conduct their own compliance training as described below. Additionally, FDR FWA training is made available on the UAM public website to ensure availability of material and to include consistent Medicare contractual provisions.

General compliance training includes topics such as:

- A description of the UAM Compliance Program and the Code of Conduct.
- Overview of the process and lines of communication for asking compliance questions or reporting potential non-compliance actions and a review of the disciplinary guidelines.

- Overview of HIPAA and the importance of maintaining the confidentiality of Personal Health Information (PHI).

Attendance and participation in formal training programs is a condition of continued employment and a performance element included in annual employee evaluations.

Compliance training is conducted upon initial hiring with in the first 90 days for all employees and annually thereafter as a condition of employment. With Directors appointed to the Governing Body, it is upon appointment and annually thereafter. For delegated entities, it is at the time of contracting and annually thereafter.

Supervisors are trained to respond appropriately to compliance inquiries and reports of potential non-compliance actions. Training includes treating each question/report confidentially; non-retaliation against any employee asking a question or making a report; and knowing when to refer the incident to the Medicare Compliance Officer.

The Medicare Compliance Officer reports the status of compliance training at least annually, or more frequently if necessary, to the Compliance Committee.

C. Informal and Ongoing Compliance Training

UAM also supports ongoing compliance training efforts through various informal methods. These methods include, but are not limited to:

- Inserting compliance topics into employee communications;
- Inserting compliance topics into member and Agent communications; and
- Posting information on the Company Intranet website specific to compliance and compliance education.

D. Specialized Training

Business areas also provide specialized training to employees, as appropriate, to enable the individual to perform his/her job and meet the Medicare Program requirements associated with the job; when job requirements change (such as when new regulations are issued); and/or when an employee works in an area that has been found to be non-compliant with Medicare Program requirements. Training may be required when the employee has been found or implicated in past misconduct and may be part of the disciplinary process. Employees are informed that, as a condition of employment, specialized training (formal, informal and general) may be required, as well as annual Compliance and FWA training.

Employees and delegated entities who are involved in operational areas identified as compliance risk areas or areas targeted because of the impact on Members may be required to attend specialized training related to their roles and responsibilities. For example, employed marketing agents and brokers are

required to complete training on market conduct, enrollment, disenrollment, Privacy, UAM products and anti-kickback policies.

Because risk areas evolve and change over time, general and specialized compliance training materials are reviewed and revised as needed but no less than annually.

4. Maintaining Effective Lines of Communication

UAM employs multiple mechanisms to ensure effective lines of communication between the Compliance Officers and all levels of employees; contractors; temporary employees; Providers; first tier, downstream or related entities; and individuals serving on the Governing Body. These established mechanisms allow for the reporting of improper conduct, suspected non-compliance, FWA allegations and/or any other impropriety. The organization expects reporting of issues to be able to occur without the involvement of supervisors or other personnel and/or the fear of potential retaliation or retribution.

A. Open Door Policy

UAM adheres to an "Open Door Policy". This means that UAM encourages employees and temporary employees to discuss any concerns and suggestions with their immediate supervisor.

Additionally, any employee, temporary employee, provider or other person associated with a first tier, downstream or related entity may bring their concerns and suggestions directly to the Medicare Compliance Officer verbally or in writing. Information on how to contact the Medicare Compliance Officers is:

- posted on UAM's Intranet and websites;
- included in the Code of Conduct; and
- included in periodic compliance communications.

B. Hotlines

UAM maintains a reporting hotline as a mechanism to receive, record and respond to compliance questions and concerns, reports of improper conduct, reports of suspected non-compliance, and FWA allegations. This hotline provides a means of confidential communication for individuals seeking an additional level of confidentiality and/or anonymity.

The success of this reporting hotline is built on a foundation of ethical decision-making and a commitment by everyone to uphold the highest standards of professional conduct on the job. The goal is to sustain an ethical culture with integrity at all times and – ***Doing the Right Thing*** when it comes to personal behavior, being aware of what activities are taking place at all times and being willing to speak up when someone sees or suspects misconduct.

In order to keep all communication lines open, UAM has a Fraud/Waste/Abuse & Ethics Hotline that includes an online option for reporting your concerns. UAM has retained the services of an independent reporting service that allows an individual to communicate their concerns via an online form or a toll-free telephone call, 24 hours a day/7 days a week, without fear of retaliation, by one of the following two mediums:

1) Report online: tnwgrc.com/UniversalAmerican

2) Call toll-free: 800-388-1563

All individuals are encouraged to make the right choice if they see or suspect misconduct. Examples of unethical, illegal or unsafe activity include:

- Conflicts of Interest
- Accounting or auditing irregularities
- Theft and fraud
- Misuse of proprietary information
- Misuse of assets
- Insider Trading
- Equal Employment Opportunity (EEO) and code of conduct violations
- Antitrust and competition violations
- Improper dealings with customers or vendors
- Use or sale of illegal drugs
- Creating or ignoring safety hazards

The Fraud/Waste/Abuse and Ethics Hotline allow employees and temporary employees to report issues without the involvement of supervisors or other personnel and the fear of potential retaliation or retribution. The telephone number is posted throughout UAM facilities and on the intranet, is included in the Code of Conduct, and is periodically distributed to employees through communications from the Medicare Compliance Officer.

All reported compliance issues are logged for investigation, tracking and compilation and are reported to the Corporate Compliance Committee and Governing Body, as needed. The process following a call to the hotline allows the organization to provide the complainant with information and progress reports, as appropriate, and on a confidential basis. Logging, tracking, investigating and reporting the results of investigations and implementing required corrective action

plans follow established procedures and time frames as outlined in the P&P for processing suspected reports of misconduct, non-compliance and/or FWA.

C. Other Mechanisms for Recording and Reporting Issues

UAM's Compliance Department may directly receive communications from external or internal sources regarding potential Compliance and FWA issues. The Medicare Compliance Officer may assign the complaint to the appropriate unit (e.g., SIU) and ensures that all such communications are logged and documented, maintained in files and undergo appropriate investigation and follow-up.

The Compliance Department receives, maintains and appropriately disseminates information and documented warnings with respect to FWA, and uses this information in the prevention and detection (e.g., fraud alerts) of FWA. UAM maintains files that contain documented warnings and mitigation activities, the results of previous investigations and copies of complaints resulting in investigations.

Grievances, both oral and written, from Members; potential Members or prospects; and the public may contain complaints or allegations of possible misconduct, compliance issues and/or FWA concerns. Grievance procedures maintained by UAM require that complaints categorized as possible FWA and marketing/sales issues be forwarded to the appropriate department area (e.g., CSO, FWA/SIU, QI, etc.) for investigation, resolution and appropriate reporting.

Complaints received via the Complaint Tracking Module (CTM) from CMS that involve misconduct, suspected non-compliance, sales/marketing allegations and/or potential FWA are forwarded to the appropriate department for investigation, resolution and internal reporting.

D. Routine Communications

UAM Compliance periodically disseminates compliance communications to all employees, contractors (as appropriate), FDRs, Providers and the Governing Body. Examples of communication mechanisms used may include, but are not limited to, compliance posters, Intranet postings, periodic e-mails, compliance alerts, staff meetings and compliance training. UAM also uses communication methods such as posting information on its website and Member communications to educate Members on how to identify detect and report suspected FWA.

UAM also utilizes exit interviews with employees, conducted by Human Resources, to identify potential non-compliance, misconduct and/or FWA.

5. Monitoring and Internal Audit

UAM supports that monitoring and internal auditing are critical elements to a successful Compliance Program to detect non-compliance and potential FWA. UAM

has assessed various monitoring and oversight methods and developed a monitoring and auditing work plan that addresses the risks associated with the MA and MAPD programs as described below. Procedures for routine monitoring and auditing include on-going monitoring of compliance metrics as well as testing to confirm correction and on-going compliance performance. Compliance elements for monitoring tests and audits are drawn from MA and MAPD regulations and guidance, contractual agreements, and all applicable State and Federal laws, as well as internal policies and procedures.

A. Routine Risk Assessment

The Internal Audit Department in collaboration with Compliance and the Corporate Compliance Committee, as appropriate, conducts an annual risk assessment of all applicable MA program areas and ranks the results according to risk. Together, with the Medicare Compliance Officer and other UAM senior leadership, Compliance determines which risk areas will most likely affect access to, and quality of, services for members of UAM plans; the compliance of UAM with its contractual obligations; and the integrity of payment-related and financial processes.

The risk assessment takes into account:

- Program areas identified by the OIG in its annual work plan and other published reports on the MA program;
- Results of prior monitoring reviews by UAM or first tier, downstream and related entities;
- Results from internal audits;
- Internal and external Corrective Action Plans (CAPs);
- Results of regulatory reviews by CMS and State Departments of Insurance;
- Analysis of appeals, grievances and complaint data; and
- Resources developed by the industry that identify high risk areas for MA and MAPD Plans, for example
    - Section 70, Potential Risks for Fraud, Waste and Abuse, of Chapter 9 in CMS' Prescription Drug Benefit Manual; and
    - Aberrant behavior identified through various techniques including techniques to identify aberrant claim trends.

As explained below, this risk assessment impacts the types of monitoring reviews and internal audits to be performed by UAM during the calendar year as documented in its monitoring work plan and internal audit work plan.

B. Routine Monitoring

The Monitoring and Delegation Oversight teams within Compliance develop, on an annual basis, a monitoring work plan that, at a minimum, addresses risk areas that will most likely affect UAM Members and UAM Compliance as identified in the risk assessment described above. The unit uses this work plan to identify, develop and initiate monitoring reviews during the year.

These monitoring reviews help ensure all departments are compliant with the requirements of the MA and MAPD Programs and UAM's P&Ps. Monitoring reviews also evaluate the performance of the Medicare Compliance Program, including review of training; reporting mechanisms (e.g., hotline); investigations; potential sanction screenings; certifications for receipt of standards of conduct; record retention and delegation oversight activities.

UAM also monitors and audits FDRs for compliance with regulatory requirements and follows the guidance and recommendations in Chapter 21 of the Medicare Managed Care Manual. Routine monitoring reviews are included as part of UAM's contractual agreement with its FDRs. Results of monitoring reviews are designed to identify potential compliance issues and may result in internal or external corrective actions.

UAM uses a combination of techniques for its monitoring reviews including desk and on-site audits, unannounced reviews, direct observation, inquiry, data analysis and statistical sampling methods.

- Another form of monitoring review is data analysis. Data analysis permits the Compliance Department to identify and review variations from defined standards. Variations may trigger an investigation to determine the cause of the deviation. In determining the types of data analysis to perform with respect to monitoring and FWA reviews of its MA and MAPD Plans, UAM considers the recommended audit scheduling and the data analysis methodologies prescribed in Chapter 21 of the Medicare Managed Care Manual. UAM also uses edits in its claims systems designed for the detection and prevention of FWA for its MA Plans.

The results of the monitoring reviews are summarized in a standard monitoring report that outlines the monitoring review's objective; scope and methodology; findings and recommendations. The corrective actions required to respond to monitoring findings are documented according to the CAP processes described below.

The Compliance Department routinely provides updates on the monitoring results to the Corporate Compliance Committee, senior leadership of the organization and the Compliance and Quality Committee of the Governing Body, no less than quarterly.

C. Internal Audit Program

UAM's Internal Audit Department provides independent, objective risk assessment and evaluation to add value; improve the organization's operations; and identify compliance risks. It supports the organization in accomplishing its objectives of bringing a systematic disciplined approach to the evaluation of risk areas and corrective actions that improve the effectiveness of risk management, control and governance processes as it relates to highly regulated Federal programs.

The scope of work of the Internal Audit Department is to assist senior management and the Compliance and Quality Committee of the Governing Body in determining whether the organization's program of risk management, operational controls and governance processes, as designed and utilized by management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed;
- Significant financial, managerial and operating information is accurate, reliable, timely and adheres to the appropriate guidelines;
- Employees' actions are in compliance with policies, standards, procedures and applicable laws and regulations;
- Resources are acquired economically, used efficiently and adequately protected; and
- Quality and continuous improvement are fostered in the organization's control processes.

Opportunities for organizational, administrative and management improvement may be identified during audits. These opportunities are communicated to the appropriate level of management.

Internal Audit is accountable to senior management and the Compliance and Quality Committee of the Governing Body to:

- Provide advice and observations on the adequacy and effectiveness of the organization's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work;
- Report significant issues related to the processes for controlling the activities of the organization and its affiliates, including potential improvements to those processes, and provide information concerning such issues through resolution;
- Periodically provide information on the status and results of the annual audit plan and the adequacy of department resources; and

- Coordinate with other control and monitoring functions (risk management, compliance, security, legal, ethics, environmental, and external audit), as appropriate.

Internal Audit's responsibilities include but are not limited to:

- Assist the Compliance and Quality Committee of the Governing Body in developing a flexible annual audit plan;

- Implement the annual audit plan, as approved by the Compliance and Quality Committee of the Governing Body;

- Maintain professional audit resources with sufficient knowledge, skills, experience and professional certifications to implement the internal audit program outlined in this document;

- Issue periodic reports to the Compliance and Quality Committee of the Governing Body and management summarizing results of audit activities;

- Provide a list of significant measurement goals and results to the Compliance and Quality Committee of the Governing Body;

- Assist in the investigation of significant suspected fraudulent activities within the organization and notify management and the Compliance and Quality Committee of the Governing Body of the results; and

- Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to the organization at a reasonable overall cost.

D. Internal Audit is authorized to:

- Have unrestricted access to all functions, records, property and personnel;

- Have full and free access to the Compliance and Quality Committee of the Governing Body;

- Allocate resources, set frequencies, select subjects, determine scopes of work and apply the techniques required to accomplish audit objectives; and

- Obtain the necessary assistance of personnel in units of the organization where they perform audits as well as other specialized services from within or outside the organization.

E. Regulatory Reviews

- UAM maintains a policy that allows CMS or any auditor acting on behalf of the Federal government or CMS to access its records, access to its facilities and to conduct onsite and off-site audits. UAM will provide records to CMS or its designee (e.g., MEDICs) and will cooperate in allowing them access to its facilities as reasonably requested.

- UAM also requires that the contracts with first tier, downstream and related entities contain a provision as described above.

6. Enforcing Standards through Well-Publicized Disciplinary Guidelines and Policies Regarding Dealings with Ineligible Persons

   A. Consistent Enforcement of Disciplinary Policies

      UAM 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 UAM's Code of Conduct.

      UAM has established disciplinary guidelines for all employees who have failed to comply with the Code of Conduct, policies and procedures, requirements established by State and Federal entities, laws and statutes that govern health plans, or those who have otherwise engaged in wrongdoing.

      These policies are made available to each employee as a part of new employee orientation and annually thereafter through various forms, including the UAM Intranet site.

      UAM consistently undertakes appropriate disciplinary actions across the organization so that the disciplinary policy has a deterrent effect. All employees are advised that disciplinary action may be appropriate where a responsible employee fails to detect a violation and is thus attributable to his or her negligence or reckless conduct. Disciplinary actions range from verbal warnings and can lead to suspension, termination or other disciplinary actions as deemed appropriate by the situation. Each detected violation is considered on a case-by-case basis to determine the appropriate action. Intentional or reckless noncompliance is subject to significant disciplinary action including, but not limited to, termination.

      UAM also includes a provision within its contracts with providers and FDRs that indicates violations may result in termination of the contractual relationship with UAM.

      The Code of Conduct provides extensive information on standards of conduct and the processes for handling disciplinary problems. The Code of Conduct also identifies who is responsible for taking appropriate action. Managers and supervisors are held accountable to implement the disciplinary policy consistently so that the policy has the required deterrent effect.

B. Employment of and Contracting with Ineligible Persons

UAM prohibits hiring or entering into contracts with individuals and/or entities who have been recently convicted of a criminal offense related to health care or who are listed as debarred, excluded or otherwise ineligible for participation in Federal health programs. UAM uses government resources and a history of complaints to determine whether such individuals or entities are debarred or excluded. These sources are used for both candidate employees and for periodic checks of current employees, providers and first tier, downstream and related entities.

UAM will not pay for medical services or prescription drugs prescribed or provided by a provider excluded by the OIG or the System for Award Management (SAM). If UAM discovers any claims that were submitted for medical services or prescription drugs that were provided by or prescribed by an excluded provider, UAM does investigate to determine whether other claims have been submitted for services or items provided or prescribed by the excluded provider and report the claims to the MEDIC (for prescription drug claims).

UAM also maintains files on its direct contract providers who have been the subject of complaints, investigations, violations, and prosecutions. This includes enrollee complaints, MEDIC investigations, OIG and/or DOJ investigations, US Attorney prosecution, and any other civil, criminal or administrative action for violations of Federal health care program requirements. This information assists in monitoring and delegation oversight efforts and risk assessments.

C. Involvement of Chief Executive Officer (CEO) and Other Senior Management

The Chief Executive Officer and other senior management participate on the Corporate Compliance Committee and the Compliance and Quality Committee of the Governing Body.

D. Compliance as an Element of a Performance Plan

All members of the workforce are evaluated annually on the fulfillment of their Compliance Program training and education requirements. Additionally, the annual evaluations of officers and managers have a line item for evaluating contribution, responsiveness and completion of responsibilities toward the Compliance Program.

As noted earlier, employees receive training on an annual basis on existing and new compliance P&Ps. All managers are required to:

- Discuss with all appropriate employees the compliance policies and legal requirements applicable to their business area;
- Inform all appropriate personnel that strict compliance with these policies and requirements is a condition of their employment; and

- Disclose to all personnel that UAM takes disciplinary action up to and including termination for violations of compliance policies or requirements, and the Code of Conduct.

7. Responding to Detected Offenses, Developing Corrective Action Initiatives, and Reporting to Government Authorities

   UAM has processes for ensuring prompt responses to identified areas of non-compliance and detected offenses including the development of corrective action initiatives, investigation protocols and reporting procedures to government authorities.

   A. Corrective Action Initiatives

      Corrective action initiatives, as identified through routine monitoring and internal audit activities, are monitored and managed byCompliance. . Corrective actions are designed to correct the underlying problem that results in MA program violations and to prevent future violations.

      Corrective Action Plans (CAPs) are implemented for both internal initiatives, as well as when necessary, for actions of an FDR. CAPs are documented in a format determined by the Medicare Compliance Officer and include specific implementation tasks; the names of individuals accountable for implementation; and required time frames for remediation activities.

      Corrective action initiatives may include actions such as the repayment of identified overpayments and making reports to government authorities, including CMS or its designees (e.g., MEDIC) and law enforcement, as necessary or required.

      The Compliance Department maintains a log to track the status of corrective actions and routinely reports on the status of corrective actions to the Corporate Compliance Committee, the senior leadership team and the Compliance and Quality Committee of the Governing Body, on a quarterly basis.

   B. Investigations of Potential Misconduct

      The Medicare Compliance Officer and senior management, as appropriate, investigate any report of potential compliance misconduct by employees. The SIU conducts investigations into any FWA-related misconduct by first tier, downstream and related entities and providers for UAM's MA Plans. Sources of reports of potential compliance misconduct include reports received through the hotline, monitoring reviews and/or internal audits.

      The following steps are taken during the investigation process:

      - Conduct a timely, reasonable inquiry of any report of misconduct;

- If after reasonable inquiry, it has been determined that the misconduct may violate criminal, civil or administrative law, it is reported promptly to the Medicare Compliance Officer who is responsible for any disclosures to government agencies or law enforcement of noncompliance or misconduct within not more than 60 days after the determination a violation may have occurred; and

- Initiate and implement appropriate corrective actions to ensure that procedures have been modified to ensure the misconduct does not recur.

Conducting an investigation into misconduct includes, but is not limited to, the following processes:

- Interviews and a review of relevant documentation;

- Consideration to engage the services of outside counsel, auditors and/or other experts to assist in the inquiry; and

- Documented record of the inquiry containing documentation of the alleged violation, a description of the process (including the objectivity of the investigators and methodologies utilized), copies of interview notes and key documents, a log of the witnesses interviewed and any corrective action implemented.

- Records are maintained for a period of ten (10) years, or a greater period, as required.

If the Compliance Officer, or any investigator, believes at any time during the investigation, that the integrity of the inquiry may be at risk because of the presence of employees under investigation, those individuals will be removed from their current work activity until the inquiry is completed.

Appropriate steps will be taken to ensure the confidentiality of all documentation. If, after the investigation is completed, the findings of the investigation warrant disciplinary action, the action will take place promptly and be commensurate with the findings.

P&Ps on investigations are maintained and reviewed at least annually. UAM's SIU, with support from the Compliance Department as appropriate, will investigate potentially fraudulent activity so they can make a determination whether potential fraud or misconduct has occurred. UAM’s SIU will coordinate with other Plan Sponsors, State Medicaid programs, Medicaid Fraud Control Units (MCFUs), MEDICs, commercial payers and other organizations when a fraud, waste or abuse issue is discovered to involve multiple parties.

C. Self-Reporting to Government Authorities

The Medicare Compliance Officer directs the responsibility for any disclosures of non-compliance or misconduct to government agencies, including CMS, the OIG,

the DOJ, or law enforcement, within 60 days after the determination a violation may have occurred.

D. Referrals to MEDICs

If after conducting a reasonable inquiry, the SIU determines that potential fraud, waste and abuse or misconduct related to the UAM Medicare Advantage plans has occurred, the conduct is referred to the MEDIC promptly, but no later than 60 days after the determination that a violation may have occurred. To the extent that potential fraud is discovered at a first tier, downstream and related entity, the SIU Unit refers the conduct to the MEDIC sooner so that the MEDIC can help identify and address any alleged fraudulent activities.

Once it is determined that a referral should be made to the MEDIC, the SIU unit, with guidance from the Compliance Officers as needed, develops a referral package that includes, to the extent available and applicable, the following:

- Provider name
- All known billing and tax identification numbers, and addresses
- Type of provider involved in the allegation and the perpetrator, if an employee of the provider
- Type of item or service involved in the allegation
- Place of service
- Nature of the allegation(s)
- Timeframe of the allegation(s),
- Narration of the steps taken and information uncovered during SIU unit's investigation process
- Date of Part C and/or D services
- Drug code(s)
- Beneficiary name
- Beneficiary Health Insurance Claim number (HICN), address and telephone number
- Name and telephone number of the UAM employee who received the complaint
- Contact information of the complainant, if not the beneficiary

- All documents pertaining to prior sanctions and/or compliance history and corrective actions taken, if any

If the MEDIC requests additional information the SIU unit furnishes the requested information within 30 days, unless the MEDIC otherwise specifies. UAM also provides updates to the MEDIC when new information regarding the matter is identified.

III. Conclusion

This Compliance Program is essential for ensuring that all employees at UAM and its FDRs understand, agree to and enforce the continued compliance of the organization with Federal, State and UAM requirements.

Because UAM is committed to Compliance, the Compliance Program is reviewed on an annual basis or more frequently, should regulatory requirements change or if the needs of the business alter. When changes occur to the Compliance Program, the Medicare Compliance Officer ensures that all officers, FDRs, contractors, directors and employees receive appropriate and timely training on the changes that occur and make available updated copy of the Compliance Program. Following the annual review of this document, it is provided to the Compliance and Quality Committee of the Governing Body for final approval and adoption.