

Medicare Compliance Addendum

To the extent Supplier or Independent Contractor is deemed a first tier, downstream or related entity in accordance with 42 C.F.R. Parts 422 and 423, Supplier or Independent Contractor (the “FDR”) hereby agrees to this Medicare Compliance Addendum (the “Compliance Addendum”). In the event of any conflict or inconsistency between the terms of the Compliance Addendum and the terms of the Agreement or any applicable Medicare Advantage Addendum, the terms of the Compliance Addendum shall apply. Any term not defined herein shall have the meaning set forth in the Agreement.

Customer (the “Plan”) has contracts to administer Medicare Advantage Plans and/or Medicare Part D plans (collectively “Medicare”) for the Centers for Medicare & Medicaid Services (“CMS”) of the U.S. Department of Health and Human Services (“HHS”) to administer Medicare benefits within certain counties. FDR’s performance of the Services under the Agreement shall include the provision of healthcare and or administrative services related to the Plan’s Medicare business.

FDR agrees as follows:

1. Compliance with Medicare Laws, Regulations, and CMS Guidance: FDR agrees to comply with all applicable Medicare laws, regulations, and CMS guidance. 42 C.F.R §§ 422.504(i)(4)(v) and 423.505(i)(4)(iv).
2. Medicare Standards of Conduct and Policies and Procedures: FDR agrees to make available Standards of Conduct and policies and procedures to all of its employees who provide administrative services or health care services for the Plan’s Medicare business pursuant to the Agreement at the time of hire and annually thereafter. FDR may either provide (a) the Plan’s Standards of Conduct and policies and procedures to FDR’s employees, or (b) FDR’s own comparable Standards of Conduct and policies and procedures to FDR’s employees. Medicare Managed Care Manual (“MMC Manual”), Chapter 21, §§ 50.1.3 and 50.3.1; and Medicare Prescription Drug Benefit Manual (“PDB Manual”), Chapter 9, §§ 50.1.3 and 50.3.1.
3. Conflict of Interest: FDR agrees to comply with the Plan’s Conflict of Interest Policy or its own Conflict of Interest Policy that complies with CMS requirements. FDR will require its governing body, officers, and senior leadership (as applicable) to sign a conflict of interest at the time of hire and annually thereafter certifying that they are free from any conflict of interest related to Medicare. 42 C.F.R. §§ 422.503(b)(4)(vi)(A) and 423.504(b)(4)(vi)(A).
4. Fraud, Waste, and Abuse (“FWA”) and General Compliance Training: FDR agrees that that all of its employees who provide administrative services or health care services for the Plan’s Medicare business pursuant to the Agreement participate in Medicare Parts C and D FWA training and Medicare Parts C and D General Compliance training within ninety (90) days of hire and annually thereafter. Required FWA and General Compliance training is developed and provided by CMS and is available through the CMS Medicare Learning Network (MLN) at <http://www.cms.gov/MLNProducts>. 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 fraud, waste, and abuse only. FDR must maintain documentation sufficient to demonstrate to the Plan that FDR fulfilled the FWA

and General Compliance training requirement. MMC Manual, Chapter 21, § 50.3.2; PDB Manual, Chapter 9, § 50.3.2; 42 C.F.R. §§ 422.503(b)(4)(vi)(A) & (C) and 423.504(b)(4)(vi)(A) & (F).

5. Reporting Compliance and FWA Concerns: FDR agrees to report compliance or FWA concerns to CMS or the Plan. Reporting should occur within five (5) days of discovery; if there is an immediate impact to beneficiary access to care and/or a financial strain, please report immediately but at least within twenty-four (24) hours. The Plan has a no-tolerance policy for retaliation or retribution against any employee or FDR for good-faith reporting of FWA. 42 C.F.R. §§ 422.503(b)(4)(vi)(D) and 423.504(b)(4)(vi)(D).
6. Enforcement of Disciplinary Standards: FDR agrees to establish and publish its own disciplinary standards, which include its expectation that employees report compliance issues and unethical or illegal behavior. FDR's disciplinary standards must state that any violation of these standards will result in appropriate disciplinary action, up to and including termination of employment. FDR's violation of this provision may result in the Plan's termination of the Agreement. 42 C.F.R. §§ 422.503(b)(4)(vi)(E) and 423.504(b)(4)(vi)(E).
7. Excluded Individuals or Entities: Pursuant to Federal law, FDR certifies that neither it nor any of its employees or governing body members are on any list of excluded individuals or entities, or its equivalent (collectively, "LEIE"), maintained by the: (a) U.S. Treasury Office of Foreign Assets Control (OFAC); (b) Office of Inspector General (OIG); or (c) U.S. General Services Administration (GSA). If an employee or governing body member is on any LEIE, FDR will immediately remove that person from any work related directly or indirectly to any Federal healthcare program. FDR agrees to check the LEIE prior to hire and on a monthly basis to ensure that none of its employees have become excluded from participation in Federal programs. The term "employees" includes temporary employees, volunteers, and consultants. If applicable, FDR will establish a process to identify and prevent payment for claims at point-of-sale for any drugs or services prescribed, dispensed or delivered by excluded providers. 42 C.F.R. §§ 422.503(b)(4)(vi)(F), 422.752(a)(8), 423.504(b)(4)(vi)(F), and 423.752(a)(6), and 42 C.F.R. § 1001.1901.
8. Record Retention and Audit Rights: FDR agrees to retain any books, contracts, records, and documents related to the Plan's contract with CMS for a period of ten (10) years from the final date of the contract period or the completion of any audit, whichever is later. FDR agrees to comply with any document requests by the Plan pursuant to an audit or to monitor FDR's compliance with the terms of the Agreement or Compliance Addendum. FDR will provide these documents to the Plan without charge. 42 C.F.R. §§ 422.504(d), 422.504(e), 422.504(i)(4)(iii), 423.504(d)(2), and 423.505(i)(4)(iii).
9. HHS Audit Rights: FDR agrees to allow HHS, the Comptroller General, or their designees to audit and inspect any books, contracts, computer or other electronic systems, including medical records and documentation, related to the Plan's contract with CMS. This right to audit and inspect any pertinent information for any particular contract period will exist through ten (10) years, from the final date of the contract period or from the date of completion of any audit, whichever is later. 42 C.F.R §§ 422.504(i)(2) and 423.505(i)(2). FDR's failure to comply with this section could result in referral to law enforcement and/or implementation of corrective action. 42 C.F.R. Subpart O.

10. Enrollee Protections: FDR agrees that it will not hold any of the Plan's Medicare enrollees liable for the payment of any fees that are the legal obligation of the Plan. The Plan agrees to indemnify its Medicare enrollees for the payment of any fees that are the legal obligation of the Plan for services furnished by providers who do not contract, or who have not entered into an agreement with the Plan, to provide services to the Plan's members. 42 C.F.R §§ 422.504(g), 422.504(i)(3)(i), and 423.505(g).
11. Credentialing: The Plan will either (a) review the credentials of medical professionals affiliated with FDR; or (b) review and approve a credentialing process, which the Plan may audit on an ongoing basis. 42 C.F.R § 422.504(i)(4)(iv).
12. Accountability Provisions: The Plan agrees that it may only delegate functions to FDRs in a manner consistent with 42 C.F.R §§ 422.504(i)(3)(ii), 422.504(i)(4), 423.505(i)(3)(ii) and 423.505(i)(4).
13. Monitoring and Termination: The Plan will monitor FDR's performance under the Agreement on an ongoing basis. The Plan has the option to terminate the Agreement with FDR if CMS or the Plan determines that FDR has (a) not performed satisfactorily under the terms of the Agreement or Compliance Addendum, (b) failed to maintain compliance, or (c) engaged in FWA. 42 C.F.R §§ 422.504(i)(4)(ii), 423.505(i)(4)(ii), and 423.505(i)(4)(iii).
14. Flow-Down Provision: FDR shall incorporate the terms of this Compliance Addendum into all subcontracts entered into with any downstream or delegated entity that performs any of FDR's obligations under the Agreement or Compliance Addendum. 42 C.F.R §§ 422.504(i)(3), 422.504 (i)(4)(v), 423.505 (i)(3)(iii), and 423.505(i)(4)
15. Confidentiality and Accuracy of Records: FDR shall comply with the applicable confidentiality and enrollee accuracy requirements, including: (a) all applicable Federal and State laws regarding confidentiality and disclosure of medical records, including disclosures pursuant to court orders and subpoenas; and (b) timely access by enrollees to their records and information. 42 C.F.R. §§ 422.118 and 422.504(a)(13).
16. Dual-eligibles: If FDR is a health care provider, FDR agrees that all enrollees eligible for both Medicare and Medicaid will not be held liable for Medicare Part A and B cost sharing when the State is responsible for paying such amounts. As a provider, FDR will be informed of Medicare and Medicaid benefits and rules for enrollees eligible for Medicare and Medicaid, and may not impose cost-sharing that exceeds the amount that would be permitted for an individual under Medicaid if the individual were not enrolled in such a plan. Provider will (a) accept the Plan's payment as payment in full, or (b) bill the appropriate State source. 42 C.F.R. §§ 422.504(g)(1)(iii) and 422.504(i)(3)(i).
17. Prompt payment: If FDR is a health care provider, the Plan's contract or written agreement with FDR will include a prompt payment provision consistent with 42 C.F.R. §§ 422.504(c) 422.520, 422.520(b), 423.505(i)(3)(v), and 423.520.
18. Plan's contractual obligations: FDR's services and activities pursuant to the Agreement are consistent and comply with the Plan's contractual obligations. 42 C.F.R. §§ 422.504(i)(3)(iii) and 423.505(i)(3)(iii).

19. Delegation: If the Plan delegates to another organization the selection of providers, contractors, or subcontractors, the Plan retains the right to approve, suspend, or terminate any such arrangement. 42 C.F.R. § 422.504(i)(5).
20. Amendments required by law: If Medicare laws, regulations, or CMS guidance require a change to any provision of this Compliance Addendum, this Compliance Addendum will be deemed amended to conform with the law, regulation, or guidance on the date said requirements become effective. The Plan will make reasonable business efforts to notify FDR of those changes, but in no event does any lack of notice change the applicability of federal law.
21. Termination Notice: If FDR is a health care provider, at least ninety (90) days' prior written notice is required to be given the Plan before terminating the contract without cause. 42 C.F.R. § 422.202(d)(4).
22. Location of Services: FDR agrees that it shall not perform functions offshore, or delegate functions to offshore entities or persons, without obtaining advanced approval in writing from the Plan and demonstrating compliance with CMS guidelines and Plan policies, terms, and conditions. Additionally, in no event shall Plan or Protected Health Information leave the United States or be accessible or viewable outside of the United States.