

MCS HEALTHCARE HOLDINGS, LLC

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Related Departments: Compliance, Human Resources and Legal	Effective Date: 01/01/2009
Policy Title: Effective Lines of Communication	Most Recent Revision Date: 12/17/2019
Approved by: Corporate Compliance Committee	Applies to: <input checked="" type="checkbox"/> MCS Advantage, Inc. <input checked="" type="checkbox"/> MCS Life Insurance Company <input checked="" type="checkbox"/> MCS General Insurance Agency <input checked="" type="checkbox"/> MCS Healthcare Holdings, LLC

POLICY

MCS establishes and implements effective lines of communication, ensuring confidentiality between the compliance officers, members of the compliance committees, employees, senior management, and members of the Board of Directors, and first tier, downstream and related entities (FDRs). The MCS lines of communication are accessible to all, and allow for compliance questions and/or reports of suspected and detected compliance and fraud, waste or abuse (FWA) issues to be reported, including a method for anonymous and confidential good faith reporting.

A. Confidential Reporting Lines

1. Immediate supervisor or manager
2. Chief Compliance Officer (CCO) or any member of the Compliance Department
3. Hotline and Web Reporting Lines (available 24 hours/7 days): ACTright: 1.877.627.0004 / mcs.com.pr
4. Email: mcscompliance@medicalcardsystem.com
5. The Human Resources Department
6. Members of the Board of Directors

B. Communication with the MCS Compliance Officer

1. MCS has an effective way to communicate information from the Compliance Officer to employees, senior management, members of the Board, and FDRs. Such communication mechanisms may include:
 - a. Compliance Education and Trainings to employees, providers, and/or First Tier entities
 - b. Distribution of compliance policies and/or procedures and Code of Conduct
 - c. General and specialized compliance trainings
 - d. General and specialized compliance alerts
 - e. Awareness Campaign (Poster, Pagers, etc.)
 - f. Participation in CMS Webinars and User Calls
 - g. Individual and group meetings for discussion of CMS communications
 - h. Compliance Committee's (Board Compliance Committee, Corporate Compliance Committee, Delegation Oversight Committee, and Special Investigations Committee)
2. MCS's CCO serves as a consultant to all employees, FDRs, beneficiaries, and members of the Board of Directors to ensure that compliance concerns are handled according to federal, local, and other applicable laws, regulations, and policies and/or procedures.
3. MCS employees, FDRs, beneficiaries, and members of the Board are encouraged to contact the CCO via telephone, e-mail, or visits to her office whenever a concern or question arises regarding compliance. MCS maintains an "open door" policy and encourage communication among MCS operational areas and FDRs.

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C. Communication and Education with the Members

1. MCS educates its members about identification and reporting of potential FWA. Education methods include: newsletters, brochures, flyers, letters, pamphlets, awareness campaigns and/or Explanation of Benefits ("EOB"), and information published on MCS's websites.

D. Communication and Reporting Mechanisms

1. MCS requires all employees, members of the Board, and FDR's to report compliance concerns and suspected or actual violations related to the MCS Compliance Program through the MCS lines of communication.

E. Confidential Reporting

1. MCS strives to preserve the confidential nature of the reports it receives, including the identity of the person making the report, if requested, except when a disclosure becomes necessary for a proper investigation, and even then, disclosure will be made solely on an as-needed basis, or when disclosure is legally required by subpoena or court order. MCS conducts investigations of any actual, potential, or suspected misconduct with utmost discretion, being careful to protect the reputations and identities of those being investigated.
2. When a suspected compliance issue is reported, MCS provides the complainant with information regarding expectations of a timely response.

F. Investigation of Compliance Concerns

1. Upon receipt of a report of suspected or actual non-compliance and/or FWA through the reporting mechanism, MCS will initiate an investigation as quickly as possible, but no later than two (2) weeks after the date when the potential noncompliance or potential FWA incident was identified or reported. Investigation activities include, but are not limited to, review of all related documentation, and interviews of appropriate individuals. A determination will be made, and cases of confirmed non-compliance may result in employee disciplinary actions, up to and including employment termination and, with respect to contractors, in corrective actions, monetary penalties and/or contract termination.
2. MCS adopts and enforces a no-tolerance policy for retaliation or intimidation against any employee, enrollee, or FDR who in good faith reports suspected FWA and non-compliance issues.

DEFINITIONS

1. **ACTright** – mechanism implemented by MCS to receive, record, respond, and track compliance, FWA and/or security and privacy issues. It is a web based application customized for MCS and designed to gather data from the Hotline, Web Reporting and MCS internal reporting by its users. It is a confidential line and allow anonymity if desired.
2. **FDRs: First Tier, Downstream and Related Entities:**
 - **First Tier Entity:** Any party that enters into a written arrangement, acceptable to CMS, with an MAO or Part D plan sponsor or applicant to provide administrative services or health care services to a Medicare eligible individual under the MA program or Part D program.

- Downstream Entity: Any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with the MA benefit or Part D benefit, below the level of the arrangement between an MAO or applicant or a Part D plan sponsor or applicant and a first tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.
- Related Entity: Any entity that is related to an MAO or Part D sponsor by common ownership or control and (1) Performs some of the MAO or Part D plan sponsor's management functions under contract or delegation;(2) Furnishes services to Medicare enrollees under an oral or written agreement; or (3) Leases real property or sells materials to the MAO or Part D plan sponsor at a cost of more than \$2,500 during a contract period.

REFERENCES

Federal:

- Sentencing Guidelines, Chapter 8 – Sentencing for Organizations, Part B – Remedying Harm from Criminal Conduct, Effective Compliance and Ethics Program.
- Medicare Managed Care Manual Chapter 11- Medicare Advantage Application Procedures and Contract
- Prescription Drug Benefit Manual, Chapter 9 and Medicare Managed Care Manual Chapter 21 – Compliance Program Guidelines; Section 50.4 – Element IV: Effective Lines of Communication
- 42 C.F.R. § 422.503(b)(4)(vi)(D) and
- § 423.504(b)(4)(vi)(D)

RELATED MCS PROCEDURE(S)

- CA-COMP-004 MCS Compliance E-Mail Management
- CA-COMP-030 HPMS Memos Management
- CA-COMP-031 Procedure for Compliance Investigations
- CA-COMP-041 Procedure for Administration and Utilization of Compliance Reporting Confidential Line - ACTright
- CA-COMP-068 Procedures of Non-Retaliation and Non-Intimidation
- CA-COMP-070 Privacy Complaints and Events Reporting and Documentation Procedures
- CA-COMP-039 Delegation Oversight

POLICY REVISIONS:

DATE	CHANGE(S)	REASONS
7/30/2014	Segregation between policy and procedure	Annual Review
1/30/2015	Included Compliance Circles	External Auditors recommendations
8/25/2015	Review to reflect recommendations from the Annual Compliance Audit.	Annual Review
8/17/2016	To change Holding company and add a new subsidiary.	Annual Review
11/08/2017	Minor language corrections	Annual Review

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12/21/2018	Clarification on the investigation of compliance concerns language and minor corrections.	Annual Review
12/17/2019	Delete reference to the Legal department and make minor corrections in language.	Annual Review