

POLICY Priority Health Compliance Program

This Policy is Applicable to the following Corewell Health sites:

Priority Health

Applicability Limited to: N/A

Reference #: 23968

Version#: 11

Effective Date: 05/20/2025

Functional Area: Compliance, Health Plan

Priority Health

Department Area: Compliance

1. Purpose

Corewell Health follows the highest standards of business and professional ethics and adheres to all applicable federal, state, and local laws and regulations. In doing so, the organization endeavors to build and sustain trust with the communities it serves. The Corewell Health Board of Directors is charged with ensuring the organization develops and maintains a culture of compliance and a compliance program designed to support Corewell Health's mission, vision and values and commitment to integrity.

In alignment with the U.S. Department of Health and Human Services Office of Inspector General compliance program guidance, Corewell Health's compliance program incorporates the following seven elements:

- Compliance leadership and board and senior leadership oversight.
- Written policies and procedures, including a Code of Excellence.
- Effective education and training.
- Effective lines of communication with the Compliance & Privacy Officer(s) and disclosure program(s).
- Enforcement of standards and incentives for compliance.
- Risk assessment, auditing and monitoring activities.
- Responding to detected offenses and developing corrective action initiatives.

Priority Health, Priority Health Managed Benefits, Inc., and their respective subsidiaries (collectively "Priority Health") are subsidiaries of Corewell Health and as such they adhere to its systemwide standards and culture of compliance. Priority Health provides health care coverage, wellness services, and other related services through its suite of Medicare, Medicaid, Dual Special Needs Plan (DSNP), Federal Employee Health Benefits Plan (FEHBP) and individual and employer health plans

- In compliance with all laws and regulations governing its operations; and
- Consistent with the highest standards of good business and professional ethics.



Subject to oversight by the Corewell Health Board of Directors and its Compliance & Risk Committee, Priority Health has responsibility for ensuring maintenance of an effective compliance program, as outlined in this Compliance Program policy. The Priority Health Board of Directors has the responsibility to exercise reasonable oversight and as such, has established the Quality, Equity and Compliance Committee to assist the Board in carrying out its responsibilities of oversight of the Priority Health Compliance Program.

Priority Health's Compliance Program is annually reviewed, approved, and adopted by Priority Health's Quality, Equity and Compliance Committee as delegated by the Board of Directors to promote an overall culture of compliance to prevent, detect and correct noncompliance, as well as actual or potential fraud, waste and abuse. This Compliance Program applies to all products offered by Priority Health (including but not limited to Medicare Part C and Part D, Medicaid, Qualified Health Plans (QHP), and the FEHBP) and Priority Health Managed Benefits, Inc., through all Priority Health legal entities including, but not limited to, Priority Health, Priority Health Managed Benefits, Inc., Priority Health Choice, Inc., Priority Health Insurance Company, and Physician's Health Plan of Northern Indiana.

Priority Health Choice, Inc., Physician's Health Plan of Northern Indiana, and all other Priority Health and Priority Health Managed Benefits, Inc., subsidiaries have delegated their responsibilities to administer an effective compliance program to Priority Health through service and management agreements.

In order to ensure the effectiveness of the Compliance Program, Priority Health is committed to devoting adequate resources to the program in order to:

- Promote and effectively enforce the Code of Excellence and Compliance Program;
- Effectively train and educate governing body members, employees, and contracted staff (employees and contracted staff hereafter referred to collectively as team members),
- Ensure training of First Tier, Downstream and Related Entities, Subcontractors, and Delegated and Downstream Entities (hereafter referred to collectively as vendors).
- Effectively establish lines of communication within itself and between itself and its vendors;
- Oversee vendor compliance with all Federal and State regulatory requirements;
- Establish and implement an effective system for routine auditing and monitoring; and
- Identify, investigate and promptly respond to risks and findings.

The Priority Health Compliance Program has adopted the seven elements of an effective compliance program in accordance with the Corewell Health Compliance Program policy. In addition, Priority Health has adopted an eighth element of compliance – a comprehensive fraud, waste and abuse plan. These eight elements are described in detail below.

2. Definitions

- **2.1. Employed Team Member:** an individual on Corewell Health/Priority Health/Physician's Health Plan of Northern Indiana payroll who may also receive benefits, if eligible, directly from Corewell Health/Priority Health/Physician's Health Plan. May also be referred to as employee.
- 2.2. Non-employed Team Member: an individual who is not employed by a Corewell Health/Priority Health entity but who works or provides services on behalf of Corewell Health/Priority Health/Physician's Health Plan or on behalf of another organization affiliated with Corewell Health; may also be referred to as a contractor, contingent staff member, or a non-employee.



- **2.3. Priority Health**: Priority Health, Priority Health Managed Benefits, Inc., and their respective subsidiaries
- **2.4.** Team Member(s): refers collectively to all employed and non-employed team members, as described above.
- **2.5. Vendor:** used in this document to include first tier entities, downstream entities and related entities under the Medicare Part C and Part D program, Administrative and Transportation Subcontractors under the Michigan Medicaid Health Plan, and Delegated and Downstream Entities under Qualified Health Plans.

3. Policy

3.1. Priority Health Board Duties

<u>Board of Directors:</u> The Quality, Equity and Compliance Committee, as delegated by the Board of Directors approved and adopted this Compliance Program, resolved to allocate the corporate resources required to implement it, and empowered the Compliance & Privacy Officer to take the actions necessary and appropriate to accomplish it, including the authority to investigate and resolve compliance issues that may be identified from time to time. The Board of Directors is knowledgeable about the content and operations of the Compliance Program and is accountable for reviewing the status of the Compliance Program.

The Board is responsible for reasonable oversight with respect to the implementation and effectiveness of the Compliance Program. The Board carries out this responsibility by delegating the oversight, authority, and accountability to ensure the goals of the Compliance Program are met to the Quality, Equity and Compliance Committee (QEC) and to the Compliance Committee, which reports to the QEC. (See Exhibit B for an organizational chart of the oversight of the Compliance Program.) On behalf of the Board of Directors, the QEC or the Chair of the QEC:

- Receives, reviews, and takes appropriate action on the dashboards, reports, findings, and recommendations of the Compliance & Privacy Officer and Compliance Committee;
- Reports violations that involve a financial risk to the Board's Finance and Audit Committee:
- Participates in Board meetings to educate its members as to compliance issues, concerns, and methods;
- Oversees an annual review of the effectiveness of the Compliance Program; and
- After consultation with management, ensures corporate resources (financial, human, and physical) are allocated as necessary to operate a robust and effective Compliance Program.

3.2. Compliance & Privacy Officer Role and Reporting Structures

The Priority Health Compliance & Privacy Officer is appointed by the Priority Health Board of Directors. The Chief Executive Officer, President, Chief Financial Officer, Chief Operating Officer, or any other individual operating in these roles, may not operate in the capacity of the Priority Health Compliance Officer. The Priority Health Compliance & Privacy Officer is a dedicated role and the individual in this role is responsible for the overall management and day-to-day operation of the Compliance Program for all Priority Health lines of business. The



Priority Health Compliance & Privacy Officer reports to and is accountable to the President & Chief Health Plan Officer of Priority Health and the Chief Compliance Officer of Corewell Health. The Compliance & Privacy Officer also maintains an independent line of communication with and is accountable to the Priority Health Board of Directors.

The Compliance & Privacy Officer communicates and coordinates with other departments for all compliance and fraud, waste and abuse activities, including but not limited to human resources, information security, internal audit, legal, and operational departments. The Compliance & Privacy Officer develops relationships with, and uses the resources of, other Priority Health departments, law enforcement and government agencies, professional associations as well as the Corewell Health compliance department and the special investigations unit of Priority Health.

The Priority Health Medicare Compliance Officer leads the specific compliance activities related to the Medicare compliance work plan and provides Medicare program subject matter expertise to the Medicare line of business. The Medicare Compliance Officer reports to the Priority Health Compliance & Privacy Officer with a dotted line to the Priority Health Vice President of Senior Markets (considered the divisional President & Chief Health Plan Officer for the Medicare line of business).

The PHPNI Compliance Officer leads the specific compliance activities related to PHPNI and its subsidiaries and reports to the Priority Health Compliance & Privacy Officer.

On compliance matters, access to the President & Chief Health Plan Officer of Priority Health, the QEC, and the Board of Directors is facilitated through the Priority Health Compliance & Privacy Officer. The Medicare Compliance Officer and the PHPNI Compliance Officer provide unfiltered reports to the Board through the Compliance & Privacy Officer and may also relay these reports through senior operational management.

Anyone serving Priority Health in the role of compliance officer must be an employee of Priority Health or Corewell Health and may not be an employee of a vendor. This includes the Priority Health Compliance & Privacy Officer, the Medicare Compliance Officer who is vested with the day-to-day operations of the Medicare compliance program, and the PHPNI Compliance Officer, who is vested with the day-to-day operations of the PHPNI compliance program. The Priority Health compliance infrastructure is depicted in Exhibit B.

The Compliance & Privacy Officer routinely reports compliance activities and incidents of suspected or identified noncompliance or fraud, waste and abuse to the Compliance Committee and to the Board of Directors through the QEC. The Compliance & Privacy Officer has direct access to the President & Chief Health Plan Officer and to the Chair of the QEC and has the authority to meet with the President & Chief Health Plan Officer, Board of Directors and/or the QEC at any time the Compliance & Privacy Officer may deem it necessary. The Compliance & Privacy Officer may also escalate compliance issues directly to the executive management team, the President & Chief Health Plan Officer, or the QEC or the Board of Directors, who are accountable for ensuring that Priority Health's compliance goals are met.

The Compliance & Privacy Officer ensures that compliance risk areas applicable to Priority Health are adequately addressed through auditing and monitoring processes. In addition, the Compliance & Privacy Officer is responsible for establishing key performance measures, metrics, and reporting protocols as part of the organization's audit and monitoring of key risk areas. It is the responsibility of the Compliance & Privacy Officer to monitor and report key



compliance and performance metrics for the purpose of resolving any identified patterns and trends, work with operational areas on any internal corrective actions, and assess the effectiveness of the compliance program.

The Compliance & Privacy Officer is responsible for protecting the assets of Priority Health and its members and customers by detecting, identifying, and deterring fraud, waste and abuse by conducting audits of internal and external sources of information. The Compliance & Privacy Officer ensures that policies and procedures relating to compliance and fraud, waste and abuse promote effective interdepartmental and external lines of communication. With the support of Priority Health's senior management and the Compliance Committee, the Compliance & Privacy Officer ensures consistent disciplinary guidelines are enforced for incidents of noncompliance with company standards.

The Compliance & Privacy Officer creates and maintains thorough and objective documentation of all findings and develops and recommends appropriate case strategies to bring cases to a timely and successful close. All investigations comply with the fraud, waste and abuse reporting requirements under applicable state and federal laws.

The Compliance & Privacy Officer is a regular attendee of the QEC and provides verbal updates. Written reports are provided to the QEC and the Board of Directors each quarter. The President & Chief Health Plan Officer also reviews quarterly reports and meets in-person with the Compliance & Privacy Officer on a quarterly basis. The Compliance & Privacy Officer or designee provides a report of the identification and resolution of suspected, detected or reported instances of noncompliance and Priority Health's compliance oversight and audit activities. The Compliance & Privacy Officer or designee also provides to the Compliance Committee, QEC, and the President & Chief Health Plan Officer a summary of material violations of state and/or federal laws or the Code of Excellence, and/or the applicable policies and procedures, the nature of the alleged violation, the department involved, the findings of any investigation and the action taken, as well as a summary of Help Line calls and their disposition.

The Compliance & Privacy Officer's responsibilities are to:

- Serve as a facilitator for compliance activities;
- Chair the Compliance Committee;
- Monitor the Compliance Program on an ongoing basis to ensure effectiveness;
- Develop an annual compliance work and training plan;
- Continually monitor and update the Compliance Program to reflect changes in applicable regulatory and contractual requirements;
- Provide oversight of, and ensure that team members are informed and educated on the compliance education and training program and changes in state or federal requirements related to their respective job responsibilities;
- Support and assist appropriate leaders to develop and disseminate compliance materials for customers, employer groups, agents, vendors, physicians and other providers;
- Assess compliance risk and include the areas of risk identified in the OIG's annual work plan in this assessment;
- Develop an annual risk-based monitoring plan and auditing plan;
- Monitor the completion status of the corrective actions;
- Monitor compliance efforts throughout the organization;



- Set up and maintain a confidential hotline for employees, contingent labor, physicians and other providers, customers, employer groups, vendors, members of the Board of Directors and agents to use to anonymously report concerns about misconduct;
- Oversee the special investigations unit in the development and implementation of the fraud, waste and abuse plan;
- Update the Board of Directors by providing dashboards, reports and materials to the QEC on a regular basis (no less than quarterly) regarding compliance issues and activities;
- Attend QEC meetings regularly to answer questions or to review compliance issues and activities as requested;
- Attend executive sessions with QEC twice annually, or when required to address specific compliance issues;
- Meet with the President & Chief Health Plan Officer and SVP, Chief Compliance Officer as necessary to review compliance issues;
- Conduct investigations of reported violations and suspected violations, including actual or potential instances of fraud, waste and abuse, and take appropriate action with respect to the same;
- Coordinate investigations with legal counsel (internal and external), human resources, the special investigations unit or other appropriate party as necessary or appropriate;
- Help ensure disciplinary standards for compliance violations are appropriate to the seriousness of the violation and enforced in a timely, consistent and effective manner; and
- Maintain documentation of all violations, corrective action, and disciplinary action.

3.3. Management Compliance Committee

The Priority Health Compliance Committee is responsible for the oversight of the Compliance Program and the annual compliance work and training plan. In addition, the Compliance Committee is responsible to provide guidance, direction and support to the Compliance & Privacy Officer with the implementation and enforcement of compliance policies and the Code of Excellence, and with the resolution of compliance issues as needed. The Compliance Committee will provide oversight to ongoing auditing and monitoring and will review the results of such auditing and monitoring. The Compliance Committee may provide oversight of monitoring and audit plans, results and corrective actions through appropriate subcommittees or committees.

The Compliance Committee shall, to the extent practicable, be comprised of a permanent core group of high-level personnel in key positions in the organization. The Compliance & Privacy Officer, in consultation with the President & Chief Health Plan Officer and Corewell Health Chief Compliance Officer, will appoint members of the Compliance Committee. The Compliance Committee shall be chaired by the Compliance & Privacy Officer and shall convene no less than quarterly. The Compliance Committee shall be guided in the discharge of its responsibilities by the Compliance Committee Charter.

Duties of the Compliance Committee include, but are not limited to:

 Reviewing reports and recommendations of the Compliance & Privacy Officer regarding compliance activities. Based on these reports, the Committee makes recommendations regarding future compliance priorities and resources;



- Reviewing reports from investigations when agreement upon disciplinary action and/or corrective action plans cannot otherwise be reached. In these cases, the Compliance Committee makes the final decision;
- Approving the annual compliance work and training plan, which addresses areas of focus for each year;
- Ensuring that Priority Health has up-to-date compliance policies and procedures based on regulatory guidance changes;
- Meeting at least on a quarterly basis, or more frequently as necessary to enable reasonable oversight of the compliance program;
- Reviewing effectiveness of the system of internal controls designed to ensure compliance with regulations (i.e. Federal and State) in daily operations;
- Ensuring that there is a system in place for team members, providers and other relevant downstream entities to ask compliance questions and report potential instances of noncompliance and potential fraud, waste and abuse confidentially or anonymously (if desired) without fear of retaliation;
- Ensuring that there is a method for members to report potential fraud, waste and abuse; and
- Reviewing and addressing reports of monitoring and auditing of areas that are at risk for noncompliance or potential fraud, waste and abuse and ensuring that corrective action plans are implemented and monitored for effectiveness.

In addition to participation in the Compliance Committee, the President & Chief Health Plan Officer and other senior management are engaged in the Compliance Program. The President & Chief Health Plan Officer receives regular reports from the Compliance & Privacy Officer regarding any areas of risk facing the company, any strategies being implemented to address them and the results of those strategies. The President & Chief Health Plan Officer also receives regular reports of all compliance enforcement activities.

3.4. Written Policies and Procedures

To establish clear expectations for conduct that align with Corewell Health's values and the highest professional standards of ethics and integrity, Corewell Health has adopted a Code of Excellence. The Code of Excellence serves as the standard of conduct for all Team Members and governing Board Members.

The Corewell Health Board of Directors has approved the Code of Excellence and delegates approval of any additional revisions or updates to the President & CEO. The Corewell Health Code of Excellence is reviewed annually and revised as needed. Substantive changes are approved by the President & CEO of Corewell Health and the Corewell Health Board of Directors. The Code of Excellence includes a resolution of the full governing body affirming the commitment to compliant, lawful and ethical conduct. The Priority Health Board of Directors has an annual opportunity to review and provide input into the Corewell Health Code of Excellence.

In addition to the Code of Excellence, Corewell Health maintains compliance-related policies and procedures designed to ensure compliance with applicable laws, regulations and ethical standards of conduct. the compliance policies and procedures listed in Exhibit A support the Compliance Program and work together with department policies developed in conjunction with and used on a day-to-day basis by Priority Health's operational areas and/or business units. Policies and procedures can be found in the electronic policy database and those applicable to vendors can be found on the Priority Health website at https://www.priorityhealth.com/vendor/compliance-training. In addition, the Compliance &



Privacy Officer distributes in writing, posts in conspicuous places, and posts to the Priority Health Intranet any modifications of or amendments to the Compliance Program, Code of Excellence or applicable compliance policies.

The Compliance Program includes statements of policy in a number of specific areas. However, the Compliance Program does not cover all civil and criminal laws, professional standards, or ethical principles applicable to Priority Health and its businesses. Questions as to whether an action violates Priority Health's compliance policies or applicable law should be raised either with a leader or directly with the Compliance & Privacy Officer. In those instances where there is a question of whether an action implicates or violates a particular law, the Compliance & Privacy Officer confers with legal counsel.

All team members must carry out their duties at Priority Health in accordance with the letter and the spirit of this Compliance Program, including its related policies, procedures and the Code of Excellence. Any violation of applicable law, or deviation from Priority Health's compliance policies or standards, may result in disciplinary action, up to and including termination.

The Code of Excellence and compliance policies and procedures are available to all applicable individuals and entities (team members, vendors, and board members) within 90 days of when they begin work with Priority Health and are regularly redistributed through the annual training initiative (for team members and board members) and available online to ensure that individuals and entities are familiar with the ethical and legal standards with which they are required to comply. The Code of Excellence is posted at https://www.priorityhealth.com/about-us/compliance-code-of-excellence and notification is sent to team members when the Code of Excellence is updated.

The Priority Health compliance policies and procedures that support the Compliance Program are reviewed and revised annually, or more often, when Priority Health processes or applicable laws, regulations, or government program or contractual requirements necessitate a change.

Priority Health requires that all vendors adopt its Code of Excellence and related policies and procedures or maintain similar policies, procedures and standards of conduct that comply with current regulations or sub-regulatory guidance. Vendor policies, procedures, and standards of conduct are subject to review and approval by Priority Health.

3.5. Education and Training

Priority Health's compliance education and training program is designed to be an effective tool to inform all team members, members of the Board of Directors, agents and vendors of the Compliance Program, and of their compliance responsibilities, and to foster commitment to the Code of Excellence. The education and training program includes initial orientation, annual education, and may include additional training that is provided throughout the year. The Compliance & Privacy Officer is responsible for planning, coordinating and implementing the training efforts of the Compliance Program.

All team members are provided mandatory general compliance education and training, which includes the Code of Excellence. Also provided is fraud, waste and abuse, and HIPAA privacy and security training. As a condition of employment, all team members must sign an acknowledgement form confirming they have received the Code of Excellence and understand it represents mandatory policies. The acknowledgement form is signed and



stored electronically with the documentation of training. Copies of the Compliance Program, the Code of Excellence, and other compliance resources are made readily available to all team members. The Compliance & Privacy Officer must not perform their own training and education.

The compliance education and training program is included within the compliance work plan, which is approved annually by the Compliance Committee.

3.6. Lines of Communication

Priority Health encourages team members to proactively ask questions to prevent mistakes and to ensure compliance. However, mistakes occur, and no concern is too small or unimportant to be reported. Priority Health has a policy and process to ensure that actual or potential compliance or ethics violations, including instances of actual or potential fraud, waste and abuse, are appropriately reported and assessed as follows:

- Team members have the opportunity and obligation to report actual or potential concerns. Those who do not report conduct violating Priority Health's compliance policies may be subject to disciplinary action. Team members may make a report in person, by telephone or in writing to their leader, human resources, the special investigations unit, legal, compliance or to the Compliance & Privacy Officer. Team members may also use the Integrity Help Line or website to anonymously report actual or potential concerns to the Compliance & Privacy Officer (877.319.0266 or this link).
- Members of the Board of Directors, physicians and other providers, vendors and agents have the opportunity and obligation to report actual or potential violations. These individuals may use the Compliance Help Line to anonymously report actual or potential violations to the Compliance & Privacy Officer by calling 800.560.7013, or they may report in person, by telephone or in writing to the Compliance & Privacy Officer:

Cindy Rollenhagen
VP, Compliance and Privacy Officer
Priority Health
1231 East Beltline NE, MC 3230 Grand Rapids, MI 49525
cindy.rollenhagen@priorityhealth.com
616.464.8424

Members and employer groups have the option and are encouraged to report actual
or potential violations by telephone or in writing to the Compliance & Privacy Officer.
These individuals may use the Compliance Help Line at 800.560.7013 to make an
anonymous report.

The Integrity Help Line and the Compliance Help Line offer the option to report a concern anonymously. The Help Lines are staffed 24 hours a day, seven days a week by independent vendors with specialists who are trained to obtain complete and accurate information in a confidential manner. The Help Lines have a process to provide a caller with a response from the Compliance & Privacy Officer (or appropriate individual) at a future callback date established during the initial call.



The process to report actual or potential compliance violations is designed to ensure that confidentiality is maintained, and anonymity is protected. All persons making a report are assured that confidentiality will always be maintained insofar is legal, practical, and consistent with a reasonable investigation.

Additional reporting options are available to report actual or potential fraud involving Medicare, Medicaid, or the Federal Employees Health Benefits Program directly to government officials. See the <u>Priority Health website</u> and search "fraud" for reporting information.

Whistleblower Protection and Non-Retaliation: Priority Health has a policy of non-intimidation and non-retaliation for good faith participation in the compliance program, including, but not limited to, reporting potential issues, investigating issues, conducting self-evaluations, audits and remedial actions, and reporting to appropriate officials. This policy protects an individual who reports a concern in good faith from any type of intimidation or retaliation, regardless of whether the report is ultimately substantiated.

Priority Health complies with all state and federal requirements for government-sponsored programs, including the Federal False Claims Act, the Deficit Reduction Act of 2005, the American Recovery and Reinvestment Act of 2009, applicable Whistleblower Protection laws, and any state false claims statutes.

Priority Health does not retaliate against an employee for reporting or bringing a civil suit for a possible False Claims Act violation. Priority Health does not discriminate against any employee that initiated or otherwise assisted in a False Claims Act action.

Priority Health does not retaliate against any of its agents and vendors for reporting suspected cases of fraud, waste, or abuse to us, the federal government, state government, or any other regulatory agency with oversight authority. Federal and state law also prohibits Priority Health from discriminating against vendors because the vendor initiated or otherwise assisted in a False Claims Act action.

3.7. Enforcement of Standards

Enforcement of standards is an essential element of the Compliance Program, and it is essential to Priority Health's efforts to prevent noncompliance and fraud, waste and abuse. Priority Health enforces standards through well-publicized disciplinary guidelines. To encourage the reporting of unethical or non-compliant behavior, multiple methods are used to publicize disciplinary guidelines, including the Code of Excellence, announcements, compliance training, and *priorityhealth.com*. Orientation and training of team members and policies and procedures include statements about disciplinary guidelines and the importance of enforcement standards.

Priority Health will take timely, appropriate, consistent and effective disciplinary actions, up to and including termination, against a team member, customer, provider, employer group, vendor, or agent who authorizes or participates directly in a violation of applicable state or federal law, the Code of Excellence or compliance policy or standard and any team member who may have deliberately failed to report such a violation or who hinders an investigation by destroying evidence, withholding relevant and material information, or by misrepresentation. In addition, Priority Health takes appropriate actions to prevent reoccurrence.



Performance correction may include actions such as performance feedback discussion or performance correction levels, including termination. These performance correction actions also apply to a leader who directs or approves an individual's improper actions, or is aware of those actions, but does not act appropriately to prevent, curtail, or correct him/her, or who otherwise fails to exercise appropriate supervision.

In cases in which disciplinary action may be appropriate, the Compliance & Privacy Officer (or designee) will work with human resources and the relevant supervisor to implement such actions. If agreement cannot be reached on a disciplinary action, the matter will be discussed with the relevant senior and/or executive management, as applicable. If agreement cannot be reached at the executive manager level, the matter may be referred to the Compliance Committee for resolution. The Compliance Committee recommends any appropriate remedial or other action as warranted under the circumstances if agreement cannot be reached between the appropriate business owner, Compliance & Privacy Officer and human resources.

Year-end aggregate results of actions taken to address noncompliance or misconduct are shared with the organization to maintain confidence in Priority Health's commitment to the Code of Excellence and to build our culture of compliance.

Priority Health provides the Code of Excellence and Compliance Program at *priorityhealth.com* to vendors and other third parties and encourages them to adopt standards of conduct which reflects a commitment to ensuring legal and ethical standards are met. Misconduct by a third party may result in the termination of the contract with Priority Health and/or notification to the appropriate governmental agency.

3.8. Monitoring, Auditing and Risk Assessment Activities

Priority Health has a system in place to help ensure effective monitoring and auditing is conducted on a regular basis to test and confirm compliance with internal policies and procedures and federal, state and local laws and regulations governing its operations and to prevent, detect and correct actual or potential fraud, waste and abuse. This system includes policies and procedures, an annual compliance risk assessment and a risk-based monitoring plan and auditing plan.

<u>Risk Assessment:</u> On an annual basis, the compliance department conducts a formal risk assessment of compliance and operational issues based on, but not limited to, the following criteria:

- Contractual obligations
- Centers for Medicare & Medicaid (CMS) areas of concern
- Health Plan Management System (HPMS) memos and other CMS tools
- New/updated laws, regulations and guidance
- Office of Inspector General (OIG) Work Plan
- Business owner feedback
- Past compliance issues
- Internal Corrective Action Plans (CAPs)
- Department size, resources, structure, business mode
- Complexity of work



Interviews are conducted with business owners to assess their areas of concern and to incorporate those areas into the work plan when appropriate. Areas of concern are ranked by risk, using a high/medium/low ranking system.

<u>Compliance Work Plan:</u> Based on the risk assessment of operational areas, the Compliance & Privacy Officer develops a work plan. The work plan is inclusive of the monitoring plan and audit plan, and contains, but is not limited to, monitoring and audit activities to be conducted for that year. The Compliance & Privacy Officer oversees and executes ongoing monitoring and audit activities in selected high-risk areas and oversees corrective actions and implementation plans pursuant to a compliance finding.

The risk assessment and compliance work plan is submitted to the Compliance Committee for comment and approval. The work plan reflects efforts to assess and mitigate current risks to the organization. It also includes a special focus on the risks associated with government program requirements and oversight of vendors to prevent harm to members. Since operational and compliance risks and the regulatory landscape are constantly changing, the risk assessment and work plan are routinely reviewed and revised to meet the changing needs.

<u>Monitoring:</u> Priority Health conducts monitoring activities of key areas, as determined by evaluating the results of the risk assessment. When deficiencies are detected pursuant to monitoring, follow-up monitoring or auditing may be conducted to measure the effectiveness of any corrective action. Services of independent external auditors may be retained to assist in the auditing of high-risk areas.

<u>Auditing:</u> Audits are generally performed by the compliance department, by the internal audit department or by external auditors. Staff dedicated to the audit function are responsible for auditing Priority Health's operational areas to ensure compliance with applicable state and federal regulations and as needed to assist with monitoring to ensure corrective actions have been effective.

Participants in the audit function are knowledgeable about the operational requirements for the areas under review (e.g. Medicare, Medicaid, etc.). At times, external auditors may be utilized to provide the requisite subject matter expertise. Auditors may include, as needed, pharmacists, nurses, physicians, certified public accountants, fraud investigators, quality improvement staff, SIU staff, compliance staff with operational backgrounds and other highly skilled staff. These specific roles may not reside within the compliance department or internal audit department. Rather, they may reside in other departments provided their services are accessible to perform the necessary audit responsibilities.

Although these roles may reside in operational departments, the Compliance & Privacy Officer ensures that auditors are independent and do not engage in self-policing. Operations staff may assist in audit activities provided the assistance is compatible with the independence of the audit function. For example, operations staff may gather data for samples requested by the auditor and may provide other types of information to auditors. The Compliance & Privacy Officer ensures that audit staff have access to the relevant personnel, information, records and areas of operation under review, including the operational areas at the plan and vendors.

Monitoring and auditing results are used to help evaluate the effectiveness of the Compliance Program. Outside consultants may be engaged to perform audits or assist with compliance activities or the investigation of compliance issues, as determined by the Compliance &



Privacy Officer. The Compliance & Privacy Officer will receive all final compliance audit reports, including audit results, deficiencies and related management action plans to remediate the risks of noncompliance. Priority Health will conduct follow-up reviews of areas found to be non-compliant to determine if corrective actions were taken timely and effectively.

<u>Auditing Compliance Program Effectiveness:</u> At least annually, Priority Health audits the effectiveness of the compliance program and the results are shared with the Board of Directors. In order to avoid self-policing, the compliance department staff does not conduct the formal audit of the effectiveness of the compliance program. However, compliance staff does administer less formal measures of compliance program effectiveness, such as self-assessment tools and dashboards in support of the compliance program effectiveness audit.

Monitoring Government Exclusion Lists: All prospective team members undergo preemployment screenings, including exclusion and background checks, prior to employment or contracting with Priority Health as well as monthly screening thereafter. In addition, Priority Health screens all entities including providers, agents, and vendors prior to engagement and monthly thereafter.

Vendors are required to screen all employees and downstream entities as described above, to maintain records of screening results, to notify Priority Health of any confirmed exclusion list matches and to remove matched individuals or entities from performing work associated with Priority Health's contracted functions.

Team members and vendors must notify management of any material change in their ability to be employed and perform services for Priority Health.

Monitoring and Auditing Vendors: Priority Health retains responsibility for the lawful and compliant administration of its program benefits under its contracts (including with Centers for Medicare & Medicaid (CMS) and Michigan Department of Health and Human Services (MDHHS)), including for those functions for which it has delegated in whole or in part to vendors. Priority Health maintains an oversight strategy to monitor and audit its vendors for compliance with applicable laws and regulations, and to ensure that the vendors are monitoring the compliance of the entities with which they contract (delegated and downstream entities). Priority Health also monitors related entities. Vendors are assessed for risk on an annual basis and will be identified for auditing based on the results of this risk assessment.

Reporting: All monitoring and auditing activities are reported to the Compliance Committee, and applicable members of the executive management team. The Board of Directors also receives a summary of the monitoring and auditing activities. Significant issues uncovered during monitoring and auditing may be reported to applicable regulatory bodies as appropriate and/or required.

3.9. Responding Promptly to Detected Offenses and Developing Corrective Action Initiatives

Priority Health's policies and processes are designed to help ensure prompt and reasonable investigations are conducted of suspected offenses (internal and external) by appropriate individuals/departments and that appropriate corrective actions are taken to resolve detected offenses and prevent reoccurrence. Corrective actions may include actions such as repayment of overpayments and making reports, including voluntary self-reports, to appropriate governmental agencies or their designee.



When instances of noncompliance are detected, the appropriate operational department, in collaboration with the Compliance & Privacy Officer or designee, conducts a root cause analysis to determine the cause of the issue. In addition, a corrective action plan is initiated to correct deficiencies and prevent them from recurring.

Actions to correct deficiencies may include revision or creation of policies and procedures, system improvements, training, monitoring, disciplinary actions, and other actions that the Compliance & Privacy Officer and/or management may deem appropriate. The Compliance & Privacy Officer may add issues to the risk assessment and compliance work plan as appropriate.

When appropriate, Priority Health cooperates with law enforcement authorities in the prosecution of health care and insurance fraud cases and reports fraud related data as specified by Federal and State laws and regulations and self-reports to the State Departments of Insurance, State Agencies, State Licensing Boards, NBI MEDIC and Federal Agencies. The Compliance & Privacy Officer is responsible for ensuring Priority Health's compliance with all contractual obligations as well as Federal and State laws and regulations that apply to the reporting of fraud, waste and abuse. The Compliance & Privacy Officer concludes investigations of fraud, waste and abuse within a reasonable time after the activity is discovered. The Compliance & Privacy Officer makes every effort to complete investigations timely, however factors such as communications with subject of the investigation, collection of evidence (e.g., records), etc. impact this time frame.

3.10. Comprehensive Fraud, Waste and Abuse Plan

Priority Health's fraud, waste and abuse plan encompasses all aspects of the business including providers, members, agents, and employer groups, addressing any potentially fraudulent acts impacting the health plan. The plan is guided by the compliance program, regulatory guidelines, policies, and procedures. Each element of the Compliance Program includes a focus to prevent, detect and correct actual or potential fraud, waste and abuse. Priority Health will monitor and audit vendors as required or appropriate for possible wasteful, abusive and fraudulent activities. Priority Heath will allow authorized governmental agencies (or a designee) timely access, upon reasonable request, to appropriate records. Appropriate corrective actions will be taken to resolve detected offenses and to prevent reoccurrences, including voluntary self- reports to appropriate governmental agencies or their designee.

<u>Special Investigations Unit (SIU)</u>: The Priority Health SIU is an internal investigation unit responsible for conducting surveillance, interviews, and other methods of investigation relating to potential fraud, waste and abuse. The SIU refers matters indicative of fraud, waste and abuse to the compliance and legal departments and may escalate issues as appropriate to the NBI MEDIC, appropriate regulatory bodies or law enforcement.

In addition to the dedicated staff working within the SIU, the SIU is also supported by and relies on the expertise and professional skills of other individuals and departments. These departments may include, but are not limited to compliance, legal, payment integrity, medical, provider credentialing, and pharmacy. In addition, the SIU works collaboratively with the applicable Pharmacy Benefits Manager.

SIU responsibilities include:

Reducing or eliminating benefit costs due to fraud, waste and abuse;



- Reducing or eliminating fraudulent or abusive claims paid for with federal and/or state dollars:
- Preventing illegal activities;
- · Identifying enrollees with overutilization issues;
- Coordinating with vendor SIUs to address fraud, waste and abuse in specialty areas such as pharmacy, dental and vision;
- Identifying and recommending providers for exclusion, including those who have defrauded or abused the system to the NBI MEDIC and/or law enforcement;
- Referring suspected, detected or reported cases of illegal drug activity, including drug diversion, to the NBI MEDIC and/or law enforcement and conducting case development and support activities for NBI MEDIC and law enforcement investigations; and
- Assisting law enforcement by providing information needed to develop successful prosecutions.
- Providing dashboards and reports to the Compliance & Privacy Officer, Compliance Committee, QEC, and Board of Directors.

The SIU is accessible via phone, email, mail, and the Compliance Help Line. Suspicions of fraud, waste and abuse can be reported anonymously to the SIU. The SIU and compliance department communicates and coordinates closely to ensure that the services and benefits provided by Priority Health are protected from fraudulent, abusive and wasteful schemes throughout the administration and delivery of benefits.

In addition, Priority Health performs, monitors and analyzes data in order to prevent and detect fraud, waste and abuse. Data analysis is performed to identify unusual patterns suggesting potential errors and/or potential fraud and abuse.

3.11. Reports and Record Keeping

The Compliance & Privacy Officer maintains records of compliance activities, including educational activities, audits and the investigation, and resolution of complaints or reported violations or suspected violations. All such records, including data, recorded information, and reports, are maintained in the strictest confidence at all times insofar as is legal and practical, in order to protect the confidentiality of those making reports or complaints. To the extent that an individual makes a report pursuant to compliance policies, communication with that individual will be kept confidential and will not be made available to persons or entities not involved in the compliance issue except as required by state or federal law or ordered by lawful court or governmental process.

Priority Health maintains all books, documents, papers and/or records relating to their government program enrollees for up to ten (10) years from the final date of the contract period or ten (10) years from the date of any audit if later. Priority Health agrees to permit CMS, the U.S. Department of Health and Human Services, and the Comptroller General, or their designees the right to inspect any pertinent information related to the contract during the contract term, for up to ten (10) years from the final date of the contract period, and in certain instances described in applicable regulation(s) (i.e. Medicare Part C or Part D regulations), periods in excess of ten (10) years, as appropriate, (ten (10) years from the date of any audit, if later.) If a contract contains more stringent record retention requirements than those described in this section those timeframes are followed as required in the contract.



Priority Health and Priority Health's vendors will allow authorized governmental agencies (or a designee) timely access, upon reasonable request, to appropriate records for auditing purposes.

3.12. Adoption; Amendments and Revisions

Except as set forth below, neither this Compliance Program, nor any supplement, amendment, nor revision of it, shall be effective unless and until approved by the Quality, Equity and Compliance Committee. Such supplements, amendments, or revisions may be initiated by the Board, the QEC, the President & Chief Health Plan Officer, the Corewell Health Chief Compliance Officer, the Compliance & Privacy Officer, or the Compliance Committee. The Compliance Committee is given the authority from time to time, to make clarifying revisions to the Compliance Program to reflect changes that are not material and do not adversely affect Priority Health's overall strong commitment to compliant, lawful and ethical conduct.

4. Revisions

Corewell Health reserves the right to alter, amend, modify, or eliminate this document at any time without prior written notice.

5. Policy Development and Approval

Document Owner:

Cecily Heaton (Mgr, Compliance)

Writer(s):

Cindy Rollenhagen (VP, Compliance & Privacy Officer)

Reviewer(s):

Priority Health Compliance Committee

Approver:

Priority Health Quality, Equity and Compliance Committee, Leah Voigt (SVP, Chief Compliance & Privacy Officer)

6. Keywords:

PH, Compliance, Program



Exhibit A - Key Compliance Program Documents

- Priority Health Compliance Program **
- Code of Excellence *
- Compliance & Privacy Officer job description
- Compliance Program Work Plan ***
- Compliance Program Audit Plan ***
- Compliance Committee Charter **
- Compliance Investigation and Corrective Action procedure
- Compliance Lines of Communication procedure
- Prevention and Detection of Fraud, Waste and Abuse policy
- Fraud, Waste and Abuse policy
- Federal and State Laws related toFraud, Waste and Abuse
- · Fraud, Waste and Abuse procedure
- Records Management, Retention and Destruction policy
- Medicare First Tier, Downstream, and Related Entities policy
- Non-Retaliation policy
- Compliance Risk Assessment policy

- Compliance Risk Assessment procedure
- Compliance Monitoring & Auditing policy
- Compliance Monitoring procedure
- Compliance Auditing procedure
- Regulatory Screenings: Excluded Individual, Entities, Debarment
- Regulatory Screenings: Excluded Individuals, Entities, Debarment, OFAC
- Prevention & Detection of Fraud, Waste and Abuse
- Compliance Disciplinary Actionpolicy
- Reporting Compliance Concernspolicy
- Conflicts of Interest Management& Governing Boards policy
- Compliance Education and Training policy
- Compliance Policy & Procedure Development policy
- Reporting and Investigating Compliance Concerns policy

Note: Exhibit A will be updated as changes in the documents occur. Exhibit A last revised 3.01.2024.

^{*} Requires approval by the Corewell Health Board of Directors

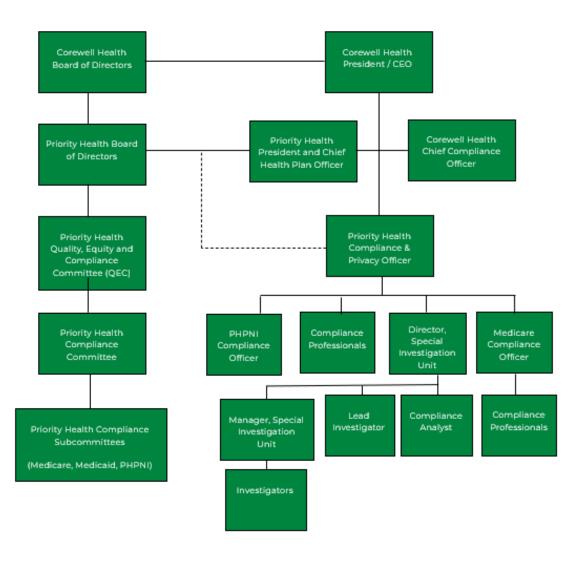
^{**} Requires approval by the Compliance Committee and the Quality, Equity and Compliance Committee (QEC)

^{***} Requires approval by the Compliance Committee



Exhibit B – Organizational Chart for the Oversight of the Compliance Program

Updated March 2025



The VP, Compliance and Privacy Officer:

- is accountable to the President & Chief Health Plan Officer and the Corewell Health Chief Compliance Officer,
- has direct access to the President & Chief Health Plan Officer and the Chair of the QEC, and
- may meet with the President & Chief Health Plan Officer, the Board of Directors or the QEC at his/her discretion.



Exhibit C - Key Laws and Regulations

Priority Health requires all team members, providers, agents, and vendors to comply with all applicable laws and regulations. In addition, Priority Health expects all team members, providers, agents, and vendors to actively participate in the prevention and detection of fraud, waste and abuse. While not inclusive of all federal and state regulations, below is a list of key federal and state laws to ensure that all required parties are aware of applicable federal and state laws designed to prevent and detect fraud, waste and abuse. For more information on these federal and state laws, please contact the compliance department.

Age Discrimination Act American Disabilities Act Anti-Kickback Statute Bankruptcy Code Civil Rights Act **Exclusion Statute** Federal False Claims Acts False Claims Act Qui Tam "Whistleblower" Provisions Freedom of Information Act Genetic Information Nondiscrimination Act of 2008 Medicare Improvements for Patients and Protections Act (MIPPA) Michigan Medicaid False Claims Act Michigan Medicaid False Claims Act Qui Tam "Whistleblower" Provisions Patient Protection and Affordable Care Act Program Fraud Civil Remedies Act Rehabilitation Act Social Security Act Stark Law