



First-Tier, Downstream, and Related (FDR) Entity Code of Conduct

Introduction

Group Health Cooperative of Eau Claire (the Cooperative) is committed to comply with all Wisconsin Office of the Commissioner Insurance (OCI), Wisconsin Department of Health Services (DHS), U.S. Department of Health and Human Services (HHS) (including the Office of the Inspector General (OIG)), Centers for Medicare and Medicaid Services (CMS), and any other applicable governing body requirements. In addition, we hold ourselves to the highest ethical standards on behalf of our stakeholders and members.

Our FDRs and business partners are important to our success and play a critical role in providing services to our members. This FDR Code of Conduct is an easy way to communicate our expectations as your company fulfills the terms of the contract held with the Cooperative.

Although this Code of Conduct does not cover every situation that may arise, it is designed to provide general guidelines and direct you to appropriate channels of information when needed.

As a Cooperative FDR, you must provide either the Cooperative's Code of Conduct and applicable compliance program policies or your own comparable Code of Conduct and applicable compliance program policies to all employees and Downstream Entities. FDRs must be able to show proof that they provided the Code of Conduct. FDRs must provide these documents:

- Within 90 days of hire or the effective date of contracting
- When there are updates to the Code of Conduct
- Annually thereafter

Code of Conduct

The Cooperative is committed to ethical behavior and full compliance with all laws and regulations that apply to our health care business. We have an obligation to act in a way that merits the trust, confidence, and respect of those we serve. We have a Compliance Program to support our commitment to operating with the highest degree of integrity. The Program includes the Cooperative's policies and procedures regarding compliance

training and education, auditing and monitoring, and mechanisms for individuals to raise issues and concerns without fear of retaliation. Individuals working on Medicare Part D business will be required to complete (at hire and annually) the CMS Medicare Part C & D General Compliance Training and Fraud, Waste and Abuse Training.

This Code of Conduct applies to all business associates, agents, contractors, subcontractors, and FDRs of the Cooperative. Everyone is expected to understand the laws, regulations, policies, procedures, and contractual obligations and abide by the requirements in the Code of Conduct. This document is intended to describe those responsibilities.

Complying with the Code of Conduct

Everyone is accountable for understanding and complying with the Code of Conduct and for reporting any possible violations. This document cannot address every specific circumstance you may encounter. Therefore, the Cooperative relies on your good judgment, honesty, business ethics, and regulatory compliance. The failure to comply with all statutes, regulations, and guidelines applicable to federal and state health care programs and company policies and procedures, or the failure to report non-compliance, can result in civil and criminal liability, sanctions, and penalties. Noncompliance is conduct that does not conform to the law, Federal health care program requirements, or an organization's ethical and business policies. You are required to report suspected noncompliance.

Ethical Violations

Ethical violations include, but are not limited to:

- any suspicious activity
- conflicts of interest
- criminal misconduct
- dishonest or unethical behavior
- fraud
- questionable accounting and internal controls
- violations of laws or policies

The above list is intended to be a guide to ethical behavior and not an exhaustive set of rules to follow. Every organization should have its own set of business ethics requirements related to the type of business it performs, including a formal program for ethics compliance and ongoing training. The Cooperative's Code of Conduct should not

be relied upon or used as a substitute for consultation with your own legal advisors.

Upon becoming aware of a known or potential violation, the matter must be reported within one (1) business day through any one of the methods described below. It is important to remember that having knowledge of a potential compliance violation and choosing not to report it equally implicates the person who refrains from coming forward.

An individual may remain anonymous when reporting but should provide enough specific information about the incident or situation, including location, so the investigation can begin. All reports are treated confidentially. The Cooperative prohibits any person from retaliating against or engaging in harassment of any person who has reported a potential violation. All potential violations are logged, and the appropriate action is taken to review and/or investigate the report promptly.

Upon discovery of any potential violations, FDRs are also expected to report the incident to the Cooperative. All FDRs should do what is permissible, acceptable and expected. That means using common sense, good judgment and appropriate behavior. Ethical violations could compromise the Cooperative's reputation and may result in termination of the contract held with an FDR. Also, depending on the type of violation, it may require reporting to the appropriate authorities. It is expected that FDRs will take appropriate disciplinary actions for those employees, representatives and subcontractors found to be in violation, up to and including termination of the contract or employment.

The Cooperative assumes the responsibility to report Medicare program noncompliance, violations of law, criminal misconduct and fraud, waste and abuse to the Centers for Medicare and Medicaid Services (CMS), CMS designee, other regulatory agencies and/or law enforcement, as applicable, for any violations related to the Cooperative.

Conflicts of Interest

All business associates, agents, contractors, subcontractors, and first-tier, downstream, and related entities (FDRs) are required to avoid conflicts of interest. A conflict of interest is any behavior that might compromise or give the appearance of compromising your integrity, creating a situation in which your personal interests are, or appear to be, favored over legitimate business interests.

No individual shall use their position, or the knowledge gained therefrom, in such a manner that would compete with any of the Cooperative's lines of business. All health care providers, business associates, agents, contractors, and subcontractors and FDRs must be sensitive to these relationships and avoid creating situations that encourage an individual to violate these policies. A good general rule is to avoid any action or association that would be embarrassing to you, your organization, or the Cooperative if

it were disclosed to the public, or that could be perceived as a conflict of interest or appear improper.

FDRs must effectively screen their governing bodies and senior leadership for any actual or conflicts of interest at the time of hire and on an annual basis thereafter.

Ineligible Parties

As a health care organization, the Cooperative is subject to strict governmental regulation and oversight. Various regulatory agencies require the Cooperative to refrain from contracting with FDRs and their employees, representatives and subcontractors who have engaged in certain types of activities. FDRs and their employees, representatives and subcontractors will be ineligible for any contractual relationship if they have been or are:

- convicted of a criminal offense related to health care
- convicted of any felony involving dishonesty or a breach of trust (Violent Crime Control and Law Enforcement Act of 1994)
- identified and listed on the Office of the Inspector General (OIG) Exclusion List or the General Services Administration System for Award Management
- listed as debarred, excluded or otherwise ineligible for participation in federal health care programs*

The exclusion lists are checked upon initial engagement and monthly thereafter. The Cooperative reserves the right to obtain attestations from all FDRs to verify the FDR and their employees, representatives and subcontractors are not on any exclusion lists. In addition, FDRs must notify the Cooperative if any of their employees, representatives or subcontractors has been excluded from any federal program.

* There may be instances where a person or entity was previously listed as excluded, but that status has been removed. In such a case, the Cooperative should be contacted so it can determine whether the involved party(ies) may support the Cooperative.

Compliance with Federal and State Laws

The Cooperative is firmly committed to complying with all applicable Federal and State laws. The list below is not exhaustive and other FWA laws may apply to commercial business and/or a given scenario. These laws are simply selected statutes which are applicable to Federally- and State-funded programs.

Anti-Inducement Statute of the Civil Monetary Penalties Law

The Anti-Inducement Statute prohibits anyone from offering or giving anything that has value to a Medicare or Medicaid beneficiary that is likely to influence the beneficiary to

use a particular provider for Medicare- or Medicaid-covered items or services.

Anti-Kickback Law

The federal Anti-Kickback Law prohibits anyone from asking for or receiving, or offering or giving, anything that has value in exchange for any of the following:

- Referrals for goods or services paid for (even in part) by a federal healthcare program
- Buying, leasing or ordering a facility, service or item paid for (even in part) by a federal healthcare program
- Recommending or arranging for someone else to buy, lease or order a facility, service or item paid for (even in part) by a federal healthcare program. Value means the value of an item or service in the marketplace; it is not the cost of the item or service to the giver.

False Claims Act

The False Claims Act is a federal statute that imposes liability on any individual who knowingly, recklessly or with deliberate ignorance:

- Submits or causes someone else to submit to the government a false or fraudulent claim for approval or payment
- Makes, uses or causes someone else to use a false record or statement to get a claim paid or approved by the government
- Has possession or control of the government's money or property and delivers or causes someone else to deliver less than all of the government's money or property
- Makes a false record or statement related to an obligation to pay the government or conceals, avoids or decreases an obligation to pay or transmit money or property to the government
- Conspires to do any of the above

The Federal and State False Claims Act have what is known as whistleblower protections. Individuals with specific knowledge of false claims submissions have the right to file a claim and will be protected under both the Federal and the State False Claims Act for doing so. A whistleblower is someone who reports suspected or detected misconduct that would be considered an action against company policy or federal or state rules, laws or regulations. In the context of the False Claims Act, whistleblower protections apply to actions taken to prevent False Claims Act violations. These whistleblower protections prevent retaliation against the whistleblower. If any retaliation does occur, the whistleblower has a right to obtain legal counsel to defend the actions he or she has taken.

Stark Law (Physician Self-Referral Prohibition Statute)

This federal statute prohibits a physician from making a referral for certain health services to an entity in which the physician (or a member of his or her family) has an ownership/investment interest or with which he or she has a compensation arrangement. The government has carved out specific exceptions to this prohibition that must be strictly followed, otherwise, any claim tainted by an arrangement that does not fit within an exception is not payable.

Identifying Fraud, Waste, and Abuse (FWA)

The detection, correction and prevention of FWA is essential to maintaining a healthcare system that is affordable for everyone. State and federal law enforcement agencies are increasingly focused on investigating healthcare FWA. Examples of FWA include but are not limited to:

Fraud:

- A person makes a material statement of fact.
- The statement is false and the person making the statement knows that it is false.
- The person making the false statement intends to deceive or mislead the person to whom the statement was made with the expectation of receiving something of value.
- The person to whom the false statement is made is expected to rely on the statement to his or her detriment.

Waste:

- Overutilization of items or services or other practices that result in unnecessary cost.

Abuse:

- Any activity that unjustly robs the health care system but does not constitute fraud. In abuse, a provider or consumer may obtain money or health care services to which he/she is not entitled, but there is not the intent to deceive that is necessary for fraud to have occurred. This includes provision of services that are not medically necessary.

Everyone who performs a function that in some way supports the Cooperative business is required to report suspected FWA to one of the designated contacts at the end of this document.

Investigation of Suspected Violations

The Cooperative's Compliance Officer or other staff from the Compliance Department will initiate prompt and reasonable steps to investigate the concern in question to determine whether a violation of applicable law or requirements of the Compliance Program has occurred, and if so, take steps to correct the problem.

An investigation may include any of the following procedures, but is not limited to these:

- Interviews with parties involved
- Risk analysis
- Root cause analysis
- A review of processes and systems
- Impact assessments to the Organization or other external constituents

At the conclusion of an investigation, all findings will be documented, and if the incident warrants, formal corrective action will be taken. Serious matters may be referred to state and/or federal agencies, including law enforcement.

Non-Retaliation Statement

The Cooperative has a policy of non-retaliation. This means the Cooperative will not retaliate against those who report concerns in good faith that they believe violate policy, HIPAA, or other applicable laws. This includes, but is not limited to: reporting potential issues; assisting in investigation of issues, audits, and remedial actions; and reporting to appropriate officials. This does not preclude disciplinary action when appropriate for staff, or contract termination for contractors/vendors, who have violated applicable company policies and procedures or applicable laws. Anyone who has concerns about retaliation should contact the Cooperative's Compliance Department immediately.

Contact Information for Reporting Violations, Noncompliance, and FWA Concerns

Whether you are a business associate, agent, contractor, subcontractor, or FDR, **you are expected and required to:**

- Act with honesty and integrity in all of your business activities.
- Follow all laws and regulations that apply to your work activities, including the requirements of Medicare, Medicaid, and other federal health care programs. The

requirements generally include maintaining complete and accurate documentation, and medical records, and submitting only complete and accurate claims for services provided.

It is the expectation that everyone will read, understand and be accountable for following the Code of Conduct. This document will help provide guidance if there is a question or concern about a particular behavior, practice or activity. Even if you are unsure about the right course of action to take, you should still report the incident.

The following resources are available to you to report incidents regarding legal/regulatory compliance issues, violations of the company policy or the Code of Conduct:

1. Speak with your department manager/director/supervisor/team leader
2. Contact the Executive Director of Compliance (toll free at 888-203-7770)
3. Contact the Director of Compliance (toll free at 888-203-7770)
4. Contact the Executive Director of Human Resources (toll free at 888-203-7770)
5. Use the Cooperative's **anonymous** toll-free hotline phone number, fax, email, or internet reporting tools. **The Syntrio Lighthouse reporting mechanisms are absolutely anonymous, and your identity will not be disclosed to the Cooperative unless you request it to be.**

SYNTRIO LIGHTHOUSE ANONYMOUS REPORTING CONTACT INFORMATION:

Telephone:

English speaking USA and Canada: (877) 472-2110 (not available from Mexico)

Spanish speaking North America: (800) 216-1288 (from Mexico user must dial 001-800-216-288)

E-mail: reports@lighthouse-services.com

Website: <http://www.lighthouse-services.com/group-health>

Fax: (215) 689-3885

***If reporting via Syntrio Lighthouse, please include the details of the issue (who, what, when, how, why) as anonymous reports are very hard to investigate.**

Application of the Code of Conduct

It is the responsibility of the Cooperative's FDRs to demonstrate behavior consistent with the Code of Conduct. Should a provider, sales agent, vendor, supplier, customer, volunteer, or affiliate exhibit behavior inconsistent with the Code of Conduct, a thorough investigation will be conducted in accordance with the Cooperative's policy.

Depending on the severity and circumstances of the situation, the Cooperative will take action to remedy the situation, which may result in termination of contract, potential indemnification to the Cooperative for the Cooperative's payment of regulatory agency financial penalties, and potential reporting of the conduct to law enforcement and the appropriate regulatory agencies.

Your Responsibilities and Resources

As a Cooperative Advantage FDR, you must provide either the Cooperative's Code of Conduct and applicable compliance program policies or your own comparable Code of Conduct and applicable compliance program policies to all employees and downstream entities. All FDRs also must provide General Compliance and FWA training to all employees and downstream entities assigned to provide administrative and/or health care services for the Cooperative Advantage business. The required training must be completed within 90 days of initial hire or the effective date of the contract and annually thereafter.