Code of Conduct and Compliance Program

Focus on Integrity and Ethics

UNIVERSITY OF MICHIGAN HEALTH PLAN
UNIVERSITY OF MICHIGAN HEALTH

University of Michigan Health Plan has a long-standing tradition of excellence, which is personified in the honest and ethical conduct of our board members, associates, and independent contractors. Every Plan representative is expected to honor our individual and collective commitment to the highest standards of integrity.

The University of Michigan Health Plan Compliance Program, which includes this Code of Conduct, includes policies and expectations relative to compliance and ethics in the workplace.

A successful compliance process requires active participation by everyone within the organization to ensure University of Michigan Health Plan's ability to provide the best care to every member, every time.

Please familiarize yourself with the Code of Conduct and speak up without fear of retaliation if you see a problem or an opportunity to improve.

Thank you for earning the trust of all who rely upon us through your commitment to honesty, transparency, and ethical behavior.

Dennis Reese
President and CEO
University of Michigan Health Plan

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Overview

University of Michigan Health Plan's Compliance Program is made up of the following key elements:

- Code of Conduct
- Policies and procedures
- Raising concerns
- Compliance Plan and resources

The Code of Conduct and Compliance Program (Program) were developed to outline University of Michigan Health Plan's commitment to integrity and ethical behavior clearly. The Code of Conduct and Program apply to all University of Michigan Health Plan Entities and associates, including Board members, providers, agents, contractors, consultants, students, vendors, suppliers, and volunteers (collectively "Workforce").

The legal entity University of Michigan Health Medicare is a Medicare Advantage Organization (MAO). This Code of Conduct addresses the requirements of the Centers for Medicare & Medicaid Services (CMS) regarding an effective compliance program and fraud, waste, and abuse, as well as, prevention, detection, and correction.

What is Compliance?
Compliance is about following the rules. Compliance programs are particularly important for healthcare organizations, which must comply with numerous laws, regulations, and accreditation standards. Focusing on compliance helps us raise awareness of these rules and measure how well we follow them.

Truths

Associates and independent contractors at University of Michigan Health Plan are expected to model the following behaviors and adhere to the Standards of Conduct in all their work behaviors, interpersonal interactions, contributions and in the decisions they make.

We Put People First

As a provider sponsored health plan, we are committed to making health care more accessible for the diverse communities we serve. Together, with our extensive network of provider partners and hospitals, we help our members access high-quality affordable healthcare so they can live their best lives. This means that we value and embrace the diversity of others; we openly and honestly communicate; we treat each other with respect.

We Lead with Integrity

We have an unwavering commitment to hold ourselves and each other accountable to follow through on our commitments. This means that we do the right thing, even when no one is looking; we own our mistakes; we know and live our Why.

We Work Together to Solve Problems

We work together to solve complex problems within our company and across the healthcare system to make lives better. We share information, identify gaps in processes, and collaborate to develop solutions. This means we work across the organization, not in silos, to solve problems; we seek efficiencies; we share lessons learned.

We Empower Ourselves and Each Other

We use our skills and collective resources to achieve greater productivity and better outcomes. We seek clarity, share responsibility, and give and receive feedback to ensure our collective success. This means we challenge the status quo; we continually learn and grow; we own the solution.

We Do This to Make Lives Better

We help people access high quality, affordable healthcare throughout their health journey to help them live their best life.

Code of Conduct

Business Relationships

University of Michigan Health Plan is committed to the highest standards of business ethics and integrity. To achieve this commitment, the organization's associates and workforce must accurately and honestly represent it and shall not engage in any activity that compromises our ethical culture.

University of Michigan Health Plan associates should not offer or solicit gifts, favors, or other improper inducements when conducting business with physicians, vendors, or other third parties. This section of the Code of Conduct addresses:

- Conflict of Interest
- Vendor Interactions
- Contracts/Kickbacks

Conflict of Interest

What is it?

A "conflict of interest" exists whenever personal, professional, commercial, or financial interests outside of University of Michigan Health Plan can influence the judgment of a University of Michigan Health Plan associate regarding any of their work at the organization.

We are expected to act with honesty, integrity, and in the best interest of University of Michigan Health Plan when performing work on behalf of the organization. Therefore, associates must avoid situations in which their interest could conflict, or reasonably appear to conflict, with the interests of University of Michigan Health Plan. Some examples of potential conflicts include personal interest in:

- An entity with which University of Michigan Health Plan conducts business (e.g., vendors we purchase from or customers we sell to)
- An entity with which University of Michigan Health Plan is negotiating a business transaction or arrangement
- An entity that provides services competitive with University of Michigan Health Plan

Associates should avoid outside employment or involvement in activities that could negatively impact their job performance, conflict with their obligation to University of Michigan Health Plan, or negatively impact University of Michigan Health Plan's reputation in the community.

What is our policy?

University of Michigan Health Plan's Conflict of Interest Policy protects the company's interests when entering a transaction that might benefit the private interest of an insider (such as a Board member, executive, director, manager, or other related person with a financial interest in the contracting company).

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Our policy requires disclosing and ethically resolving potential conflicts of interest. A conflict of interest can create an appearance of impropriety that can undermine confidence in an individual's ability to act appropriately in his/her position. No matter how insignificant the conflict may appear, it must be acknowledged as a conflict. Conflicts may occur so long as disclosure and review processes are followed.

Where do I get more information?

The full policy can be located in PPM using the following search terms: Board of Directors Conflict of Interest or Administrative Conflict of Interest Policy.

Vendor Interactions

What is it?

Vendors play a significant role in providing the goods and services our members need daily. The Vendor Policy establishes standards for Vendors doing business at University of Michigan Health Plan and provides guidelines for associates when interacting with current or potential vendors. Vendors will interact with associates and University of Michigan Health Plan members in a manner that meets ethical standards, protects confidentiality, and encourages appropriate, efficient, and cost-effective use. They will also comply with all Medicare rules.

What is our policy?

Key aspects of Vendor Interactions that University of Michigan Health Plan has developed guidelines around are:

- Vendor Check-In Process (Vendors must check-in and wear an ID badge)
- Vendor Supported Education at University of Michigan Health Plan
- Vendor Supported Education Offsite (with limitations—see policy)
- Travel for Product and Equipment
- Evaluation (not allowed – exceptions must be approved by an Executive)
- Vendor Donations for Health System Fundraising Events (allowed with approval)
- Gifts from Vendors (as per Conflict of Interest Policy)
- Displays/Promotional Materials

Gifts & Entertainment

Never give or accept a gift that could be perceived as a bribe or an attempt to influence business decisions. Bribery is illegal and prohibited by policy.

The safest course of action is not to give or receive gifts. However, circumstances may arise where that's not possible. If you must provide or receive a gift, expensive or promotional items are appropriate if the item is widely available to others and if the exchange is legal. Even inexpensive gifts should not be given or accepted if they are intended as, or could be perceived as, a bribe or an attempt to influence business decisions. Ask the Compliance department for help anytime you are unsure about giving or receiving a gift.

Generally, gifts valued at more than$50.00 to or from one person are not appropriate. Group gifts – those meant for, or received on behalf of, multiple people, e.g., a unit, office, department, etc.— can exceed this limit but must be reasonable in relation to the size of the group and purpose for the gift. Also, regardless of the amount, we cannot accept or give cash or cash equivalent gifts, such as non-merchant-specific gift certificates or gift cards (e.g., VISA® or American Express®). If you are offered or receive an expensive or inappropriate gift, politely refuse by explaining the organization's policy on accepting gifts.

Any gifts given must be accurately and fully disclosed in the appropriate expense report with enough detail to reflect the true nature of the expense and the full names and business affiliations of those involved.

If you use a University of Michigan Health Plan supplier or contractor for personal purposes, you must pay full market value for the services and materials. You may only accept discounts or preferential treatment offered because of your position at University of Michigan Health Plan if the same treatment is openly offered to all our associates.

Contracts/Kickbacks

What is it?

Federal and State laws govern relationships between healthcare organizations and physicians or other individuals closely related to the organization.

Anti-Kickback Statute

The Anti-Kickback Statute (AKS) is a criminal law that prohibits the knowing payment to induce or reward patient referrals or the generation of business (e.g., drugs, supplies, or healthcare services) for members. This includes anything of value and can take many forms besides cash, such as free rent, expensive hotel stays and meals, and excessive compensation for medical directorships or consultancies. In some industries, rewarding those who refer business to you is acceptable. However, in Federal healthcare programs, paying for referrals is not allowed.

What is our policy?

The Business Transaction Authorization Policy—including a Business Transaction Review Worksheet—outlines what transactions are subject to review and who must review various business transactions at University of Michigan Health Plan.

Taxpayer Bill of Rights (TBOR) Policy — outlines the definition of a disqualified person and the appropriate controls in contracts with them.

Ethical Decisions

Beyond the situations outlined in the preceding business policies, associates sometimes face ethical situations and decisions not defined in one of University of Michigan Health Plan's policies. Because University of Michigan Health Plan is a community-based healthcare organization, addressing ethical decisions appropriately helps the organization uphold the public's trust. Healthcare ethics is about more than compliance; it is about fulfilling the role of a community-based healthcare organization and balancing being an organization that is a health plan, an employer, and a citizen.

What is it?

Organizational Ethics: Questions or conflicts regarding healthcare business issues, particularly related to being a community-based entity and employer.

Some examples of ethical conflicts in healthcare are:

- Requests for providers of a certain race/sex
- Fair hearings/appeals for denied care
- Objection to participation in treatment options
- Downsizing
- Responsible advertising
- Environmental responsibility
- Mergers and acquisitions

Preventing Fraud, Waste, and Abuse

University of Michigan Health Plan is committed to preventing and detecting fraud, waste, and abuse. We are also committed to the highest standards of business ethics and integrity. To achieve this commitment, University of Michigan Health Plan associates must accurately and honestly represent the organization and shall not engage in any activity that compromises our ethical culture. We promote an ethical culture of compliance with all Federal and State regulatory requirements and requires the reporting of all suspected fraud, waste, or abuse.

Associates and workforce should be diligent to ensure that services that are not performed and/or not documented are not billed and paid. This section of the Code of Conduct addresses:

- False Claims
- Documentation
- Exclusions

False Claims

What is it?

Claims to Medicare and Medicaid for payment make up the majority of healthcare claims paid by the U.S. Government. Violating the Federal False Claims Act includes:

- Knowingly presenting a false or fraudulent claim for payment or approval.
- Knowingly making or using a false record to get a false or fraudulent claim paid.

Violations of the Federal False Claims Act can result in penalties of not less than $5,000 and not more than $10,000 per claim, plus three times the amount of damages that the government sustains.

University of Michigan Health Plan will make every reasonable effort to report accurate information, including but not limited to encounter data, financial statements, Medicare premium bids, and member status. If associates discover that they reported inaccurate information, they must contact their supervisor or the Compliance or Medicare Compliance departments for consultation about correcting the inaccuracy. University of Michigan Health Plan does not knowingly make any false verbal or written statements to government agencies.

What is our policy?

University of Michigan Health Plan has established policies to prevent fraud, waste, and abuse of the Medicaid and Medicare programs. This Code of Conduct and the Compliance Program help to ensure appropriate claims are made to government programs through:

- Development of policies on appropriately documenting, coding, and billing for services
- Education of these policies through the Compliance Plan
- Monitoring and auditing to prevent or detect errors in documentation, coding, or billing
- Investigating all reported concerns and correcting errors that are discovered
- Promoting the Compliance Hotline for reporting, including protection from retaliatory action when associates report genuine concerns.

Exclusion List

What is it?

Screening associates and subcontractors against the Office of Inspector General (OIG) and General Service Administration (GSA) exclusion lists must be conducted by University of Michigan Health Plan and contracted healthcare providers and business partners before hire/contract and at least monthly after that. Records of screening activities must be retained for ten years. An individual or entity appearing on either list must be promptly removed from supporting University of Michigan Health Plan business, and this must be reported to University of Michigan Health Plan.

Reasons for exclusion include fraud, patient abuse or neglect, felony convictions for other healthcare-related fraud, theft, or other financial misconduct, and felony convictions relating to unlawful manufacture, distribution, prescription, or dispensing of controlled substances.

The effect of an exclusion is that no payment will be made for anything that an excluded person furnishes, orders, or prescribes. This payment prohibition applies to the excluded person, anyone who employs or contracts with the excluded person, and any hospital or other provider for which the excluded person provides services. The exclusion applies regardless of who submits the claims and applies to administrative and management services furnished by the excluded person.

What is our policy?

University of Michigan Health Plan will not employ, credential, enter into contracts with, or purchase from any individual or entity that the OIG or other relevant Federal agencies currently exclude. Verification is performed at various points of employment or contracting with associates or workforce

- At employment by Human Resources
- At credentialing by Medical Staff Services
- At contracting with outside entities
- At the point of setting up new vendors in purchasing.
- Monthly verifications for current associates, physicians, sales agents, and other identified vendors are performed

Protecting our Members

University of Michigan Health Plan's mission is to provide our members access to high-quality, affordable care so they can live their best life. This section of the Code of Conduct addresses:

- Member Rights and Responsibilities
- Quality and Member Safety
- Privacy of Member Information

Safeguarding Information

Privacy of Personal Health Information

The Health Insurance Portability and Accountability Act (HIPAA), as amended by HITECH, is a law enacted by the Federal government with three parts that address the privacy, security, and the use and disclosure of health information.

Privacy Rules apply to the protection of a member's health information. The HIPAA privacy rules and stricter Michigan law dictate how and when protected health information (PHI) can be used or disclosed, whether written, verbal, or electronic.

Everyone's job, not everyone's business.

What is it?

HIPAA Privacy is not a new concept for University of Michigan Health Plan. We have always been committed to keeping member information confidential and obeying State laws that address confidentiality. HIPAA privacy rules require restrictions on the use and disclosure of member information and the reporting of inappropriate disclosures or breaches of PHI. HIPAA privacy and HITECH regulations include personal and business consequences for non-compliance, such as penalties and fines.

It is the responsibility of every University of Michigan Health Plan associate, physician, volunteer, and contractor or vendor to adhere to regulations, policies/procedures, and member rights for privacy, including:

- Right to confidential communication.
- Right to receive a Notice of Privacy Practices to help understand how their PHI is used throughout the Health Plan.
- Right to access or receive a copy of their medical records.
- Right to request restrictions on how PHI is used.
- Right to request changes (amendments to their records).
- Right to receive a listing of who viewed their PHI (accounting of disclosures), if requested.

What can I do?

- Understand the rules regarding personal information. If you are unsure how to handle personal information appropriately, ask.
- Fulfill your job obligations. When accessing or using personal information in your job, take care of it!
- Keep it private; keep it secure.
- Always ensure you access, store, or disclose personal information only as necessary for your job and to the extent required for business purposes.

Protecting Data

University of Michigan Health Plan is committed to protecting information from unauthorized disclosure and modification and ensuring information is available to the appropriate individuals. Information Security has identified the following goals to protect information:

- Confidentiality — limiting information access and disclosures to authorized individuals and preventing access to unauthorized individuals.
- Integrity — protecting the quality of information and preventing data from being changed inappropriately.
- Availability — ensuring information is available in a timely and reliable manner to appropriate parties.

Secure data is safe data.

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What is it?

Information Security protects information from unauthorized access, use, disclosure, disruption, modification, perusal, inspection, recording, or destruction. Every University of Michigan Health Plan associate, physician, volunteer, and contractor is responsible for being aware of University of Michigan Health Plan 's HIPAA Security policies and having a strong understanding of their impact on member information and daily activities.

- Create strong passwords and do not share.
- Lock workstations when unattended.
- Encrypt email messages and portable devices.
- Use University of Michigan Health Plan approved portable devices to protect and secure those devices.
- Exercise caution when using mobile devices.
- Do not store PHI on third-party sites or services.

All information must be protected during creation, storage, and disposal. Regardless of how data is sent or handled, you are responsible for protecting that information by following appropriate policies and procedures.

What is our policy?

University of Michigan Health Plan has established policies to safeguard the security of our protected information as required by regulatory guidelines. University of Michigan Health Plan associates, physicians, and volunteers who violate these policies will be subject to disciplinary actions up to and including termination as directed by Human Resources policies. In addition to any disciplinary action, any individual involved in illegal activity will be reported

High-Risk Compliance Areas

Based on a risk analysis process, the appropriate Compliance Committees annually endorse the most significant risks that require focused compliance efforts at the department level.

The current high-risk compliance areas are:

- **Medically Necessary:** approval or denial of services based on policies and procedures, including appropriate consideration of benefit coverage and medical necessity.
- **Appeals and Grievances:** ensuring accurate classification and timely processing of appeals and grievances.
- **Coding:** ensuring accurate coding on claims representing inpatient, outpatient, and physician services.
- **Clear, Accurate, and Appropriate Marketing Information:** Ensuring members and potential members are provided with clear, accurate, and appropriate information about services and members' rights.
- **HIPAA Privacy:** ensuring privacy of each member's protected health information.
- **Information Security:** ensuring the safety of our information.

Reporting Suspected or Detected Noncompliance

Suspected or detected violations of University of Michigan Health Plan's Code of Conduct and Compliance Program or any related law or policy must be immediately reported to the organization through the reporting process.

Reporting Process

- Discuss questions or concerns with your supervisor.
- If you are not comfortable talking with your supervisor, or you do not feel the response adequately addresses your concern, contact a higher-level manager, or the **Corporate Compliance Officer (CCO) at 517-364-8203** or **Medicare Compliance Officer (MCO) at 517-364-8384**.
- If you would like to report a concern confidentially or anonymously, use the **Compliance Hotline, 866-747-2667**

Suspected or detected violations must be reported to University of Michigan Health Plan.

Non-Retaliation Policy

University of Michigan Health Plan shall, to the extent possible, protect the confidentiality of all persons filing reports through the Hotline and/or through other communication methods established under the Compliance Program.

Non-Retaliation Policy: This policy protects associates, independent contractors, and volunteers who, in good faith, report known or suspected instances of inappropriate conduct or activities. University of Michigan Health Plan prohibits retaliatory action against those who report compliance concerns in good faith. Any person who participates in retaliating against an individual because of their good faith reporting under the Compliance Program is subject to discipline.

Concerns about possible retaliation or harassment should be reported immediately to the Compliance Officer.

Frequently Asked Question:

Q: When should I call the Compliance Hotline?

A: Use the Compliance Hotline to report concerns or to raise questions about business ethics, billing, contracting, conflicts of interest, privacy, and other similar business/regulatory issues. It is not intended to report human resources concerns. Please get in touch with your Human Resources Partner to report these issues.

Compliance Resources

Compliance Officer

The Corporate Compliance Officer (CCO) has been assigned responsibility for implementing and managing the Compliance Program. The CCO reports to the President and Chief Executive Officer (CEO) of University of Michigan Health Plan on significant compliance issues. The CEO and the CCO are both responsible for communicating with the University of Michigan Health Plan Board of Directors directly or through an appropriate committee of the Board.

The CCO is supported in their efforts by the Compliance Committee, the Compliance department staff, and internal/external legal counsel.

The Medicare Compliance Officer (MCO) has been assigned to implement and manage the Medicare Compliance Program. The MCO reports to the President and CEO of University of Michigan Health Plan on significant compliance issues. The CEO and MCO are both responsible for communications with the Board of Directors of University of Michigan Health Medicare directly or through an appropriate committee of the Board.

The MCO is supported in its efforts by the Medicare Compliance Committee, subcommittees, and internal/external legal counsel.

Corporate Compliance Officer
Mike Krupnik
Michael.Krupnik@PHPMM.org
517-364-8203

Medicare Compliance Officer
Michelle Coberly
Michelle.Coberly@PHPMM.org
517-364-8384

Compliance Staff

The CCO and MCO are supported in their efforts by Compliance departments. The CCO, MCO, and Compliance departments, with the assistance of legal counsel where appropriate, perform the following activities

- Ensure that University of Michigan Health Plan has policies in place to guide activities related to the appropriate handling of other regulatory matters;
- Ensure that appropriate departments and subsidiaries have developed High-Risk Compliance Plans, including detailed policies, and that the plans are continually updated for regulatory changes;
- Ensure that comprehensive training regarding applicable rules and regulations is provided to all applicable associates;

- Provide oversight related to compliance reviews conducted by both internal and external auditors/consultants;
- Establish a uniform method for associates to raise questions and report areas of potential non-compliance;
- Review any compliance inquiries or reports of non-compliance and develop an appropriate response or refer to the appropriate department for follow-up;
- Develop appropriate process improvement plans to address any compliance issues;
- Establish required records and reporting systems necessary to support the program;
- Modify the program periodically in light of changes in the organization, laws, or policies;
- Ensure that independent contractors who furnish services are aware of the requirements of the Compliance Program.

Compliance Committee

The purpose of the Compliance Committee is to provide oversight for University of Michigan Health Plan's Compliance Programs. This oversight is designed to ensure a multi-disciplinary and executive-level focus on compliance risk for the organization and ensure the integrity and reliability of information assets. The Compliance Committee is advisory to both the Corporate Compliance Officer and Medicare Compliance Officer, and serves as the primary forum to advise on Compliance, Privacy, and Information Security at University of Michigan Health Plan.

The Compliance Committee is guided by the Compliance Committee Charter, which outlines key responsibilities, including:

- Approval of the Compliance Program.
- Approval of identifying high-risk areas and the compliance risk assessment methodology, with CCO, MCO and applicable Executive approval of the specific risk assessments in each area.
- Annual approval of the High-Risk Compliance Focus Areas and related High-Risk Metrics to be reported at each Compliance Committee meeting.
- Approval of recommendations to mitigate the potential risks and vulnerabilities as defined in the Information Security Program.
- Approval of assignment of responsibility for implementing significant new or modified compliance regulations.
- Approval and enforcement of the mandatory Compliance education requirements.
- Approval and enforcement of Compliance monitoring requirements.
- Approval and enforcement of Compliance auditing requirements.
- Approval and enforcement of process improvement plans related to significant compliance issues, ethical breaches, and external audit findings.
- Approval of recommendations concerning repayment obligations for errors and omissions identified as part of the compliance program.
- Approval of recommendations to mitigate breaches requiring notification to the Department of Health and Human Services and the Privacy access monitoring program.

The Compliance Committee Supports:

The Compliance Committee supports the Corporate Compliance Officer and Medicare Compliance Officer, and the Compliance Committee in achieving the responsibilities outlined here. In particular, the Compliance Committee makes recommendations concerning the following:

- Annual risk assessment process
- Significant new regulations
- Process improvement plans
- Mandatory education
- Auditing and monitoring activities

Other Compliance Program Elements

Policy and Procedure Manager (PPM)

University of Michigan Health Plan's policies and guidelines are referenced throughout this Code of Conduct. To review them in more detail, please access them through the Policy and Procedure Manager (PPM) system.

Simply use PPM's "search for" feature to locate policies related to your topic of interest.

Education and Training

University of Michigan Health Plan believes that properly educating all associates and workforce members is a significant element of an effective compliance program. All associates, as identified by the Corporate Compliance Officer, Medicare Compliance Officer, or department Managers, must attend/complete training on hire, annually thereafter, and on an as-needed basis.

The Compliance department periodically conducts general training on the Code of Conduct and Compliance Program and general information on fraud, waste, and abuse investigations and principles.

The department also ensures that new associates are trained on the Code of Conduct and Compliance Program as part of the orientation process.

Individual departments and subsidiaries conduct periodic training on more specific policies, rules, laws, and regulations applicable to that department or subsidiary.

First-tier, downstream, or related entities (FDR) employees and contracted entities that perform administrative or healthcare service functions relating to University of Michigan Health Medicare's CMS Parts C and D contracts are required to complete general healthcare compliance and fraud, waste, and abuse (FWA) training within 90 days of hire/contract and annually thereafter. The FDR may create its own Compliance and FWA training materials, utilize training materials provided by CMS and/or University of Michigan Health Plan, or purchase appropriate training content for use in their training program. Documentation of all compliance and FWA training, which includes (at a minimum) participant names, topics, completion dates, and test scores (if applicable), must be retained for at least ten years, per CMS guidance, and provided to University of Michigan Health Plan or CMS upon request.

Failure to attend/complete required training sessions will result in disciplinary action, up to and including termination.

Ethical Decisions

Active oversight of those resources is a vital step to ensuring an effective compliance program. Managers are expected to regularly monitor their operations to ensure compliance with laws, regulations, policies, and procedures. Any concerns identified during monitoring activities must be reported immediately to the Compliance department, which supplements these activities with additional monitoring and auditing activities.

In addition to the Compliance department's audit process, the individual departments and subsidiaries perform self-audits and self-monitoring.

FDRs are expected to:

- Monitor for fraud, waste, and abuse within their organizations and downstream entities.
- Comply with any monitoring or auditing requests from University of Michigan Health Plan.
- Develop and implement monitoring and auditing work plans for any functions supporting University of Michigan Health Plan business, including those performed by downstream entities.

Investigating Compliance Issues

Whenever the Compliance department receives a report of any activity that may be inconsistent with University of Michigan Health Plan's policies or legal requirements, the Corporate Compliance Officer (CCO) or Medicare Compliance Officer (MCO) (or designee) performs a preliminary evaluation of the facts received. Then determines whether the issue should be subject to further investigation, what management level should be notified (Manager, Director, Executive, and CEO), or any other appropriate responses to the complainant. The CCO or MCO discusses the issue with the Compliance Committee and the Board as they deem appropriate.

The Compliance staff, acting alone or with external investigative support, performs a timely investigation of all the facts and circumstances surrounding any issue the CCO or MCO have determined to be an area of genuine concern. A factual report is prepared and provided to the CEO, Compliance Committee, legal counsel, or the Board as deemed appropriate. Instances of possible criminal conduct will not be ignored. Upon review by internal and external legal counsel, self-reporting to the appropriate government agency may be required, and if so, such reporting is done in a timely fashion.

The Compliance department periodically summarizes compliance issues and any investigations and their dispositions for the Compliance Committee and the CEO in a manner that preserves confidentiality and the relevant privileges.

University of Michigan Health Plan associates and FDRs must cooperate fully with any investigations undertaken by the Compliance.

Definitions:

- Audit refers to a formal review of compliance with a set of internal (e.g., policies and procedures) and / or external (e.g., laws and regulations) standards used as base measures.
- Monitoring refers to reviews that are repeated regularly during the normal course of operations.

These activities may occur to confirm:

- Ongoing compliance, even in the absence of identified problems; or
- Corrective actions are undertaken and effective.
- FDR is a first-tier, downstream, or related entity of University of Michigan Health Plan that supports the organization's products and services. This is a contracted party that performs business functions University of Michigan Health Plan is otherwise responsible for performing.
- First Tier Entity is any party that enters an acceptable written arrangement with a University of Michigan Health Plan entity to provide administrative or healthcare services to a Medicare individual under a University of Michigan Health Medicare-administered Medicare Advantage or Medicare Prescription Drug Benefit plan.
- Downstream Entity is any party that enters into a written arrangement with persons or entities involved with a University of Michigan Health Medicare-administered Medicare Advantage or Medicare Prescription Drug Benefit plan. This continues down to the level of the ultimate provider of a service or product.
- Related Entity is any entity that is related to University of Michigan Health Plan by common ownership or control and meets one of the following criteria:
    - Performs some of University of Michigan Health Plan's management functions under contract or delegation or
    - Furnishes services to members under an oral or written agreement or
    - Leases real property or sells materials to University of Michigan Health Plan at a cost of more than $2,500 during a contract period.

Process Improvement Plans Following Investigations

The CEO and Board of Directors have given the Compliance department the authority to prepare and/or approve Process Improvement Plans (PIPs) for any identified instances of non-compliance. Process Improvement Plans are developed with the guidance of legal counsel as needed.

All associates, including Board Members, are subject to the conditions of a PIP if there is a non-compliance issue related to their duties as University of Michigan Health Plan associate.

Enforcement and imposition of disciplinary action will be consistent across the board, regardless of who is in violation. The Corporate Compliance Officer (CCO) may consult with the Human Resources department, the CEO, and others in the development of an appropriate PIP.

Process Improvement Plans are designed to ensure that the specific issue is addressed and that similar problems do not exist in the future. PIPs may require that policies be developed, certain training and monitoring occur, restrictions be imposed on billing, repayment be made, or the matter be disclosed externally. Sanctions or discipline, in accordance with University of Michigan Health Plan policies, may also be recommended. If it appears that certain individuals have a demonstrated history of engaging in practices that raise compliance concerns, the PIP should identify actions that will be taken to prevent such individuals from exercising substantial discretion with regard to those areas.

The Compliance department periodically summarizes PIP disposition/ completion for the Compliance Committee and CEO.

Responding to a Government Investigation

If any University of Michigan Health Plan associate receives notice that University of Michigan Health Plan is being investigated by the government (defined broadly as any agency or instrumentality of the Federal, State, or local government), this information should immediately be provided to the Corporate Compliance Officer (CCO), who will confer with legal counsel. The CCO or Medicare Compliance Officer (MCO) intends to deal directly and forthrightly with the government in case of any investigations.

Associates have the following responsibilities in responding to an investigation conducted by the government

- To cooperate with and assist the CCO or MCO in responding to the inquiry.
- To respond in a timely fashion.
- To be truthful when being interviewed by government investigators.
- To cooperate with the CCO or MCO to make documents available for review, including ensuring prior review of documents that may be protected by privilege (e.g., attorney-client privilege) as determined by legal counsel.
- To cooperate with the investigators.
- To keep accurate records of all information provided to the investigators and to whom they were provided

Associates must **NOT** do any of the following:

- Destroy documents in anticipation of a government request for those documents.
- Alter any documents.
- Lie or make misleading statements to anyone.
- Pressure anyone else to hide information from or provide false information to government investigators.

Revisions to the Program

The Code of Conduct and Compliance Program is intended to be flexible and readily adaptable to changes in regulatory requirements in the healthcare industry. The Program is regularly reviewed to assess its effectiveness and modified as experience shows that a certain approach is not effective or suggests a better alternative. To facilitate appropriate revisions to the Program, the Corporate Compliance Officer and Medicare Compliance Officer prepare an annual report that describes the general compliance efforts undertaken during the preceding year and identifies changes that might be made to improve compliance. This report is circulated to the members of the Compliance Committee, the President and CEO, legal counsel, and others with an interest in compliance for their comments about possible revisions to the Program. Changes to this Program are approved by the Compliance Committee.

Applicable Human Resources Policies

Current Human Resources policies include references to and/or support University of Michigan Health Plan's Compliance Program. They are incorporated into the University of Michigan Health Plan Compliance Program by reference.

HR Policy Standards of Conduct
HR Policy Responsibility Based Performance
HR Policy Verification of Licensure and Certification Process

University of Michigan Health Plan
1301 N. Hagadorn Rd., Ste 1E
East Lansing, MI 48823

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