
Optima Health Plan
Optima Health Insurance Company
Sentara Health Plans, Inc.
Sentara Holdings, Inc.

# Operational Compliance Program Plan

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## ORGANIZATIONAL OVERVIEW

Optima Health is the trade name for Sentara Health Plans, Inc. (SHP), Sentara Health Plans of Ohio, Inc., (SHP of Ohio), Optima Health Plan (OHP), Optima Health Insurance Company (OHIC), and Optima Health Group, Inc.(OHG). SHP is a wholly owned subsidiary of Sentara Holdings, Inc. OHP is a first tier subsidiary of Sentara Health Care (SHC). OHIC and OHG are wholly owned subsidiaries of SHP. SHP of Ohio is a wholly owned subsidiary of Sentara Holdings, Inc. OHP, OHIC, and OHG have Administrative Services and Marketing Agreements with SHP to provide substantially all of the plans' administrative and support functions. SHP also provides TPA services for self-funded employer health plans in Virginia. SHP also holds a TPA license in the state of North Carolina and West Virginia.

Optima Health Plan is a not-for-profit Health Maintenance Organization licensed in the Commonwealth of Virginia in 1984. OHP currently offers HMO and POS to individuals and group products to Virginia small and large employers, on and off the Exchange. The Exchange is a competitive marketplace where individuals and small businesses can find information and compare health plans; determine eligibility for tax credits for private or health programs like Medicaid and CHIP; and easily enroll in a health insurance plan that meets their insurance needs. OHP also makes available coverage to employees of the federal government under FEHBP. Medicare Advantage plans are Medicare HMO products regulated by the Centers for Medicare and Medicaid Services (CMS). Optima Family Care and Optima FAMIS are Medicaid HMO products regulated by DMAS.

OHIC was licensed in 1992 in the Commonwealth of Virginia as a for-profit stock life and health insurance company. OHIC offers PPO plans in the large and small employer group market, as well as plans for the individual market. Optima Medicare products are also housed under the OHIC license.

OHG is a for-profit HMO licensed by the Commonwealth of Virginia in 1998. The OHG license is currently dormant.

OHP, OHG, and OHIC are subject to regulation in this Commonwealth by both the State Corporation Commission Bureau of Insurance (BOI) pursuant to Title 38.2 and the Virginia Department of Health (VA DOH) pursuant to Title 32.1and federal regulations, including the Affordable Care Act (ACA). The service areas for OHP and OHIC includes cities and counties across the Commonwealth of Virginia.

## COMPLIANCE PLAN PROGRAM GOVERNANCE

It is the policy of OHP, OHIC, OHG, and SHP (hereinafter collectively referred to as "Optima Health") to comply with all laws governing its operations and to conduct business in keeping with legal and ethical standards. It is also the policy of Optima Health to deal with employees and customers using the highest clinical and business ethics.

Optima Health entities that participate in the Federally Facilitated Marketplace (FFM) will follow all state and Federal regulations to successfully participate in the FFM offering Qualified Health Plans (QHPs). Optima Health will establish and maintain internal policies, procedures, and operational guidance to comply with all specific FFM and QHP requirements.

Optima Health strives to maintain a corporate culture which promotes the prevention, detection and resolution of possible violations of laws and unethical conduct. Optima Health supports the government in its goal to decrease financial loss from false claims and has as its own goal, the reduction of potential exposure to criminal penalties, civil damages, and administrative actions. Optima Health believes that a compliance program guides the Board of Directors, managers, employees, physicians and other health professionals in the efficient management and operation of the company and in improving the quality of its services.

Optima Health Board of Directors has responsibility for the oversight of the Compliance Program Plan to ensure that Optima Health is upholding its commitment to compliant, lawful, and ethical conduct. This oversight requires the Board of Directors to be knowledgeable about, and either approve or delegate approval, of the content and operation of the Compliance Program, Code of Compliance, Compliance policies and procedures, and all applicable statutory and regulatory requirements. The Board of Directors has responsibility to review reports by the Compliance Officer and Compliance Committee on the activities and status of the Compliance Program, including issues of non-compliance identified, investigated, and resolved; Compliance Program outcomes and effectiveness; results of internal and external audits; exclusion list matches; hotline calls; root cause analyses and corrective actions; notices of non-compliance, warning letters, and formal sanctions; fraud, waste, and abuse goals and actions; and risk assessment and reduction activities.

The Board of Directors, through periodic resolutions, gives authority to the Compliance Officer to provide the Optima Health President and the Board with unfiltered, in-person reports, depending upon the immediate situation(s). The Board gives authority to the Compliance Officer to implement needed compliance actions and activities without waiting for their approval, provided those actions and activities are reported in the next Board meeting.

The Board of Directors delegates the following responsibilities to Optima Health Senior Leaders, Compliance Officer and to the Compliance Committee:

1. Development, implementation and approval of Compliance policies and procedures;
2. Review and approval of compliance and fraud, waste and abuse training;
3. Review and approval of compliance risk assessments;
4. Review of internal and external audit work plans, audit results, and corrective action plans;
5. Review and approval of appointment and performance goals for the Compliance Officer;
6. Evaluation of the senior management team's commitment to ethics and the Compliance Program;
7. Review of dashboards, scorecards, self-assessment tools, and other evaluative tools.

The Board of Director meeting minutes and related documents provide evidence of their active engagement in the oversight of the Compliance Program and include documentation of the Board's questions, follow-up on issues and actions taken to ensure an effective Compliance Program.

The Compliance Officer and Compliance Committee are responsible to Senior Management, the Chief Executive Officer and the Board of Directors for reviewing the effectiveness of the Compliance Program through self-audits and monitoring of metrics and key indicators and to ensure prompt and effective corrective actions are taken where deficiencies are noted. The Compliance Officer, who oversees day-to-day operations, and the Compliance Committee,

employees of Optima Health, are responsible for escalating compliance deficiencies and ongoing issues of non-compliance to Senior Management, the Chief Executive Officer and the Board of Directors.

Optima Health actively promotes management and individual commitment to ethical standards. All employees have an affirmative obligation to report any suspected problem, abuse or violation. Management also has an obligation to provide an environment that encourages ethical behavior and which ensures that all employees are trained in their duties in a manner that upholds all laws and regulations. Employees and/or management may be subject to disciplinary action up to and including termination if they violate applicable law or Company policies. Optima Health is committed to the highest ethical standard which also extends to those who represent the Company. Company agents, representatives, and consultants must comply with the Code of Compliance in order to work with or at the Company.

In order to fulfill our mission statement, Optima Health has established and will maintain an Organization Compliance Program that, to the extent applicable, conforms to the standards in the Sentencing Guidelines for Organizational Defendants; the various Compliance Program Guidance issued by the Office of the Inspector General of the U.S. Department of Health and Human Services; and other relevant compliance program guidelines that directly affect the operations of Optima Health. The Compliance Program is designed, implemented, and enforced with the purpose of detecting, responding, and preventing violations of laws and regulations affecting Optima Health business.

## THE OPTIMA HEALTH COMPLIANCE PROGRAM

Organizational integrity is at the core of values at Optima Health and begins with each individual Employee. At Optima Health, each Employee is required to observe the spirit and letter of all applicable laws and regulations, as well as demonstrate the highest standards of proper compliance and personal integrity. Employees are expected to conduct themselves in an ethical and lawful manner, both inside and outside of the workplace, by refraining from any non-compliant, illegal, dishonest or unethical activities, Proper compliance is an individual responsibility. The *Optima Health Code of Compliance* expresses these commitments as key values of our Company.

In order to maintain the confidentiality of Optima Health information and integrity of the Compliance Program, Compliance Committee Members sign a "*Confidentiality and Non-Disclosure Agreement*" form. A signature on this form documents the individual's agreement to disclose confidential information only to authorized individuals and to use confidential information only in a manner consistent with Compliance Program obligations.

Optima Health considers its Compliance Program to be an essential tool for promoting regulatory compliance and ethical conduct; preventing, detecting and resolving non-compliant and illegal conduct, including fraud, waste or abuse of government programs, whether committed by Optima Health Employees or by those outside of the Company.

The Optima Health Compliance Program includes, but is not limited to, the following elements:

1. Written Policies and Procedures and Standards of Compliance;
2. A Compliance Officer hired by Optima Health and Compliance Committee;
3. Training and Education;
4. Effective Lines of Communication;

5. Auditing and Monitoring;
6. Enforcement of Standards through well-publicized disciplinary guidelines;
7. Detecting and responding to offenses and developing Corrective Action Plans.

An effective Compliance Program has a Compliance Plan, which is a written document that describes the specific manner in which the Compliance Program elements are met for each of our lines of business. The Compliance Plan also clearly states that the Company expects Employee compliance and provides employees with guidance in abiding by the elements of the Compliance Program.

The Compliance Program Plan and employee policies and procedures are reviewed at least bi-annually and revised when there are changes in regulatory requirements or business needs. The Compliance Program Plan includes ongoing risk assessment(s) so the program evolves in response to issues that arise with resources for oversight deployed based on business circumstances of the Company.

The Compliance Officer is responsible for oversight of the Compliance Program Plan, providing Compliance Program guidance, and reporting incidents of suspected or identified non-compliance to Senior Management and the Board of Directors. Optima Health senior leaders and the Board of Directors are accountable for the effectiveness of the Compliance Program.

The Compliance Program Plan includes processes for assessing its effectiveness, through the use of effective, two-way communications and reporting metrics. While not limited to the following, the Compliance Program may be evaluated for effectiveness by review of:

1. Structure indicators such as compliance-related hotline calls investigated within two (2) working days and resolved within sixty (60) days; annual Compliance Effectiveness Survey; reports to the Board; Code of Compliance provided yearly to 100% of staff;
2. Process indicators such as 100% of staff trained annually on Compliance/HIPAA/FWA; 100% of staff, vendors, and Board members checked monthly against LEIE/System for Award Management (SAM) database; annual survey of staff to determine training needs.

## WRITTEN POLICIES, PROCEDURES AND STANDARDS OF COMPLIANCE

The Optima Health overall expectation for employee compliance begins with commitment to comply with all Federal and State regulations, standards and sub-regulatory guidance. Compliance training occurs as part of the new hire process and is conducted annually thereafter, as determined by the Optima Health Compliance Department. In addition, Optima Health has policies and procedures that establish expectations that Optima Health employees are expected to follow. Optima Health maintains an extensive library of policies and written guidelines so all employees know and understand their individual responsibility for compliant and ethical business practices.

The Optima Health core standards are described below.

## *Optima Health Code of Compliance*

The *Code of Compliance* articulates the commitment to doing business in a lawful and ethical manner in compliance with Federal and State requirements. The *Code of Compliance* is approved by the Compliance Committee. *The Code of Compliance* is designed to guide Optima Health employees and business partners in upholding our high standards of fair and ethical practices.

All Optima Health employees must read the *Code of Compliance* and electronically sign an acknowledgement that they agree to abide by the *Code of Compliance*. A hard copy of the *Code of Compliance* is provided to all newly-hired employees and is available to review on the Optima Health intranet (https://wavenet.sentara.com/Pages/home.aspx) and Internet (https://optimahealth.com).

Each Optima Health manager, director and officer of the company is responsible for reinforcing the *Code of Compliance* in their respective departments. In support of the *Code of Compliance*, Optima Health has developed written policies, which provide employees with practical guidance in meeting standards of acceptable behavior. Employee policies are stored in Microsoft products, WaveNet, Wintergrate and Compliance 360, which are available to all employees.

On a bi-annual basis, Optima Health reviews the *Code of Compliance* for possible revisions that may result from a change in Company policy or changes in applicable laws or regulations.

## *Health Insurance Portability and Accountability (HIPAA) Privacy Program*

The HIPAA Privacy Program sets the standards for employees in safeguarding confidential and protected health information. Optima Health is committed to complying with applicable laws, regulations and policies related to privacy of health information. All employees are required to complete training on the Privacy Program policies and are required to perform their work duties with a conscious regard for the privacy rights of all Optima Health members.

Under the direction of the Optima Health Director of Compliance, the Privacy Program focuses on educating employees on their ongoing responsibility to protect member privacy and secure member information. The Compliance Department manages and updates the privacy policies and procedures, which are available to all Optima Health employees via the electronic repository.

## *Fraud, Waste and Abuse (FWA) Plan*

Optima Health maintains a FWA Plan that demonstrates a commitment to prevent, detect and correct incidents that could lead to fraud, waste and/or abuse. The FWA Plan includes initial background checks for all potential employees, Board members, physicians, and First, Down-Stream, and Related Entities (FDRs) to review for felony convictions and Office of Inspector General (OIG) or General Services Administration (GSA) sanctions or exclusions. Upon hire or initiation of a contract, all individuals listed above must agree to comply with the *Optima Health Code of Compliance* and complete all mandatory FWA training courses. FWA training must include laws and regulations related to Medicare FWA (False Claims Act, Anti-Kickback Statute, etc.). Employees (including temporary workers and volunteers), and governing body members must receive FWA training:

1. Upon appointment of a new job or new product;
2. When requirements, regulations or laws change;
3. When employees are found to be noncompliant;

4. As a corrective action to address a noncompliance issue;
5. When an employee works in an area implicated in past FWA activities.

Optima Health uses a number of system edits and programmatic reviews of data designed to detect potential fraud. Optima Health maintains a FWA hotline for anonymous reporting and a Special Investigations Unit (SIU) that investigates all reports of potential fraud, waste and/or abuse. The SIU works with designated State and Federal agencies, the National Benefit Integrity Medicare Drug Integrity Contractor ("MEDIC"), and law enforcement to pursue individuals or organizations who may be involved in activities that fall under the FWA umbrella and will pursue prosecution of health care fraud and abuse.

Fraudulent activity may involve an employee, member, subscriber, or health care provider who is involved in inappropriate schemes, behaviors, false documentation, inappropriate prescriptions, or falsification of conditions in order to help an individual receive an otherwise uncovered service.

All Optima Health employees and directors play an important role in the Optima Health fraud prevention program and are required to report suspected fraud, waste and/or abuse through the channels provided.

### *Optima Health Compliance and FWA Policies*

Optima Health policies and procedures represent its response to laws and regulations and day-to-day risks to help reduce the prospect of fraudulent, wasteful and abusive activity. Because risk areas evolve and change over time, Optima Health policies and procedures are reviewed bi-annually and revised when there are changes in regulatory requirements or business needs. Optima Health policies demonstrate to employees, business partners, and the community at large, our strong commitment to honest and responsible business compliance. Optima Health published policies establish procedures and provide direction to employees to promote compliance with laws and regulations, and to reduce the prospect of fraudulent, wasteful, or abusive activities in our daily work.

### *Delegated Entities, Vendors, Agents and First Tier, Downstream & Related Entities (FDRs)*

Subcontractors, vendors, agents and consultants who represent Optima Health are expected to adhere to the Compliance Program; all local, state and federal laws governing operations; conduct its affairs with the moral, legal and ethical standards of our industry; and to support the government's efforts to reduce healthcare fraud, waste and abuse. Compliance validation may be achieved through audits and monitors based on identified risks and the development of corrective action plans, if necessary. Communication reports are submitted and maintained by appropriate departmental managers.

## TRAINING AND EDUCATION

Training and education are important elements in the Optima Health overall compliance program. Optima Health requires that employees at all levels of the company, (including temporary workers and volunteers), and governing body members must complete mandatory compliance training courses, which are made available online through the OneLink learning

system. The compliance training courses listed below must be completed within ninety (30) days of employment and may be repeated annually.

1. Code of Compliance;
2. General Compliance;
3. HIPAA;
4. Fraud, Waste and Abuse;
5. Specialized Trainings as needed (Medicare, Medicaid, etc.).

### *Compliance Training for FDRs*

All first tier, downstream and related entities that provide services to Medicare Advantage and/or Part D enrollees are required to complete compliance and fraud, waste and abuse training. Contracted providers and FDRs have the option of taking the Optima Health Compliance and Fraud, Waste and Abuse Compliance training on-line via the Optima Health provider website, request a hardcopy version of the training, complete CMS' online training or conduct their own training. Although some FDRs may be deemed to have met the requirements for the Medicare FWA training due to their enrollment into the Medicare Program, these deemed individuals must still receive general compliance training and specialized compliance training in connection with their job responsibilities. Proof of these trainings must be supplied if requested by Optima Health.

### *Tracking Required Compliance Training*

At Optima Health, each member of management is responsible for ensuring their employees complete all required compliance training.

Required training courses are delivered electronically via the Sentara University OneLink Learning System, which tracks training completion rates by employees and alerts managers to any overdue training requirements. Through OneLink, attendance logs, training materials and test results are maintained for reference.

Employees and managers receive regular reminders of their training obligations, as well as personalized email reminders of outstanding compliance training requirements. Failure to complete required compliance training subjects employees and their managers to performance actions, up to and including termination of employment.

## EFFECTIVE LINES OF COMMUNICATION

Optima Health works diligently to foster a culture of compliance throughout the organization by regularly communicating the importance of performing jobs in compliance with regulatory requirements and reinforcing the company expectations of ethical and lawful behavior.

Optima Health has systems in place to receive, record and respond to compliance questions, or reports of potential or actual non-compliance from employees, members, providers and FDRs.

The areas listed below are key to the Compliance Department communications strategy:

### *Sentara Compliance, Ethics and Privacy Hotline*

The Sentara Integrity Hotline is a confidential, toll-free resource available to employees twenty-four (24) hours a day, seven (7) days a week to report violations or raise questions or concerns relating to the *Optima Health Code of Compliance*.

## Sentara Compliance, Ethics & Privacy Hotline
## 1-800-981-6667

Calls to the Sentara Hotline may be made anonymously. Calls are never traced or recorded. The Sentara Integrity Hotline is operated by a third-party vendor to ensure confidentiality.

The Corporate Compliance Department regularly promotes awareness of the Sentara Integrity Hotline through a variety of materials, published at various intervals throughout the year, including:

1. Articles on Optima Health Connect, the intranet website;
2. Posters displayed in common work areas;
3. Electronic newsletters and emails.

Optima Health tracks calls to the Sentara Compliance, Ethics and Privacy Hotline to ensure proper investigation and resolution of reported matters; and to identify patterns and opportunities for additional training or corrective action.

All calls to the Sentara Compliance, Ethics and Privacy Hotline are investigated internally. Results of investigations are normally not provided to callers other than the fact that the investigation has been closed.

### *Optima Health Fraud, Waste and Abuse Hotline and Email Box*

The Optima Health Fraud, Waste and Abuse Hotline is a confidential, toll-free resource available to employees, members, and providers twenty-four (24) hours a day, seven (7) days a week to report violations, or raise questions or concerns relating to, fraud, waste and abuse. A 24 (twenty-four) hour confidential email box is also available for this same purpose. Employees, members, providers and FDRs may call or email:

## Optima Health Fraud, Waste and Abuse Hotline
## 1-866-826-5277 or
## www.compliancealert@sentara.com

These calls and emails may be made/sent anonymously. These communications are never traced or recorded. Anyone can make a report without fear of intimidation or retaliation.

Optima Health tracks calls to the Optima Health Fraud, Waste and Abuse Hotline and email complaints to ensure proper investigation and resolution of reported matters and to identify patterns and opportunities for additional training and/or corrective action. All calls to the Optima Health Fraud, Waste and Abuse Hotline are investigated by the Optima Health Special Investigations Unit (SIU).

Optima Health educates employees about the Optima Health Fraud Hotline and email box through:

1. Fraud, Waste and Abuse Training;
2. The employee intranet website;
3. Posters displayed in common work areas;
4. Optima Health Policies and Procedures;
5. Newsletters and emails.

Members and Providers are educated regarding the Optima Health Fraud Hotline and email box through

1. The Optima Health internet website;
2. The Fraud, Waste and Abuse Compliance training for Providers and FDRs;
3. Provider Newsletters and Updates;
4. The Optima Health Medicare Advantage Member Explanations of Benefits (EOBs).

### *Compliance Awareness Week*

Each year Optima Health targets an entire week to deliver focused, all-employee communications designed to build compliance, privacy, information security, and ethics awareness. The week-long schedule of activities includes creative education methods and other activities designed to increase awareness of compliance expectations and rewards employees for their ongoing compliance efforts.

## ENFORCEMENT OF STANDARDS

Optima Health, as part of the compliance program, has published the *Code of Compliance*, which established standards of compliance that all employees must follow. Every employee is responsible for abiding by the *Code of Compliance* and for reporting any situation where he/she believes illegal or unethical compliance may have occurred. Employees are also responsible for cooperating and/or assisting with an investigation that might occur. FDRs must also comply with standards Optima Health has established or demonstrate that they have implemented similar standards of compliance.

Optima Health takes its commitment to the *Code of Compliance* very seriously and takes appropriate and immediate investigative and disciplinary action if anyone violates the *Code of Compliance*, Optima Health policies or the law.

The strong commitment to ethical values and compliance of Optima Health includes:

### *Involvement of Chief Executive Officer, Senior Management and Board of Directors*

The President and Chief Executive Officer (CEO) of Optima Health, Executive Vice President and Chief Operating Officer (COO) of Optima Health, and the Board of Directors are involved in establishing Optima Health standards of Compliance.

### *Enforcing Standards of Compliance*

Optima Health policies provide specific instructions for handling reports of potential violations of company policies, administrative rules, regulations, or law. Any Optima Health employee who suspects a potential violation of policy or law is required to report the matter to any of the following:

1. Their department supervisor or manager;
2. The Director of Compliance;
3. The Sentara Compliance, Ethics and Privacy Hotline;
4. The Optima Health Fraud, Waste and Abuse Hotline;
5. The email box at www.compliancealert@sentara.com.

Optima Health does not tolerate intimidation or retaliation against employees who report potential violations in good faith. A description of the Optima Health policy on non-intimidation/non-retaliation is found in the *Code of Compliance*, and is reinforced in a number of policies, procedures, guidelines, and training materials.

### *Publicizing Disciplinary Guidelines*

All Optima Health employees are informed that violations of the *Code of Compliance,* Optima Health policies, regulations or laws may result in appropriate disciplinary action, up to and including termination of employment. Disciplinary and Sanction policies are posted on the intranet for all employees.

## MONITORING AND AUDITS

Monitoring and auditing are critical elements in the Medicare Compliance Program. Compliance-related elements are used to develop metrics for evaluating performance against regulatory standards. Monitoring and auditing allows Optima Health to identify areas that require corrective action in order to achieve compliance with specific regulatory requirements. This process of self-identification and corrective action, along with monitoring that such actions are effective, is a key element of our program.

Optima Health will ensure that the Compliance Department auditors:
1. Are independent and do not audit areas where they have responsibility or have been involved in implementation or policy development;
2. Do not audit their own processes, policies, or actions; and
3. Have access to relevant information of the company.

Compliance risks are separately reviewed through a variety of oversight audits, including:
1. Internal Audits;
2. Third Party Data Validation Audits;
3. Business Unit Self-Audits and Monitoring;
4. Delegation Oversight Audits;
5. Vendor Oversight Audits;
6. Credentialing Audits;
7. Special Investigations Unit (SIU) Monitoring, Audits and Investigations;
8. Auditing by regulators or other external parties.

The various components that make up Optima Health monitoring and audit activities include:

### *Special Investigations Unit Monitoring, Audits and Investigations (Fraud, Waste and Abuse Issues)*

The Optima Health Special Investigations Unit ("SIU") is responsible for investigating issues of possible Medicare fraud, waste and/or abuse. The SIU also develops and implements training and awareness programs to promote commitment to ethical compliance for all employees, contracted Providers, and FDRs. The SIU is the focal point for FWA investigations and works with the Medicare Drug Integrity Contractor ("MEDIC"), law enforcement and other agencies, as required.

The SIU employs analytical data mining to identify referral patterns, possible payment errors, utilization trends and other indicators of potential fraud, waste, and abuse.

Results of SIU investigations are reported to the FWA Committee, the Director of Compliance, the Compliance Committee and the Compliance Officer. The SIU Director and the Director of Compliance work together to report all applicable fraud, waste and abuse issues to the Compliance and Senior Leadership Committees.

### *Auditing by Federal Agencies or External Parties*

Optima Health views regulatory audits and reviews as an opportunity to confirm that our ongoing compliance efforts, supported by the Board, are effective and successful. In cases where an audit outcome indicates we have not met a regulatory requirement, Optima Health will use the audit findings to perform root cause analysis and develop corrective action plans to address identified areas of non-compliance. Optima Health may also contract with external companies to perform compliance related reviews and assist with programmatic changes to help drive compliance.

Optima Health cooperates with federal agencies and external parties when audits are completed and provides auditors access to information and records related to business processes. Optima Health allows access to all documentation and records for audits and maintains all records for ten (10) years.

The Compliance Department serves as the point of contact for all audits and coordinates auditor requests with all internal departments. Staff from other Optima Health departments are charged with coordinating state audits or reviews, and the Compliance team may assist in those audits to the extent they apply to specific issues.

### *Monitoring, Auditing and Oversight of First Tier, Downstream and Related Entities (FDRs)*

Optima Health contracts with various first tier parties and their downstream contractors to abide by specific Optima Health contractual and regulatory requirements. Various Optima Health departments are responsible for overseeing the ongoing compliance of the FDRs.

Optima Health will perform internal auditing, monitoring, external audits and oversights, as appropriate, to evaluate the FDRs' compliance with regulatory requirements as well as overall effectiveness of the compliance program.

### *Sales Producers & Broker Monitoring and Auditing*

Sales Producers and Brokers are audited through review of member complaints, secret shopping, review of company websites for unapproved advertising, ride-alongs, review of exclusion databases, disenrollment rates, and review of BOI complaints or licensure issues. Complaints against a Sales Producer may be received through a variety of sources including beneficiary complaints filed with the BOI, CMS, Member Call Center, Customer Service Department, the hotline or through the Appeals and Grievance Department. An "at fault" finding requires Optima Health to implement prompt corrective action with the Sales Broker, such as re-training, re-testing or ride-along, or it may involve specific sanctions such as suspension of sales production, or termination of employment or the Broker Agreement.

## CORRECTIVE ACTION PROCEDURES

Optima Health takes corrective actions whenever there is a confirmed incident of non-compliance. Optima Health may identify the incident of non-compliance through a variety of sources, such as self-reporting channels, internal audits, hotline calls, external audits, regional collaborative work groups or member complaints. Whenever Optima Health identifies an incident of non-compliance or fraud, waste and abuse, it is followed through the risk assessment process.

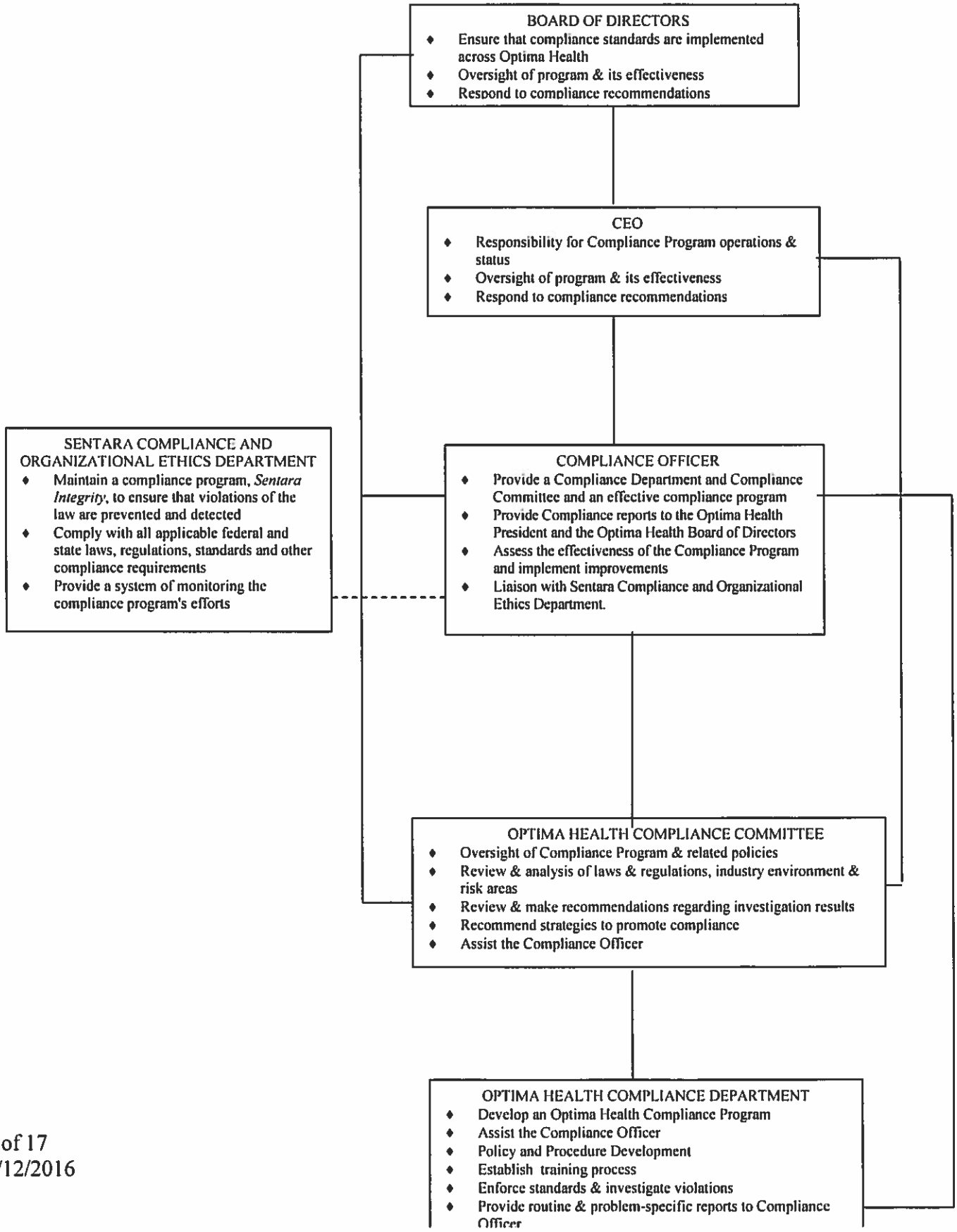
The Director of Compliance (in conjunction with SIU and other key staff) is responsible for reviewing cases of non-compliance and, when applicable, for disclosing such incidents to the appropriate agency. Because of the complex nature of some of the cases that may be involved, particularly fraud investigations, the Director of Compliance may delegate all or a portion of this responsibility to the appropriate internal expert, for example to the SIU, for the detailed reporting to the MEDIC or law enforcement.

Any time an incident of non-compliance is discovered or a department's process or system results in non-compliance, the business area is required to submit a Corrective Action Plan (CAP) to the Compliance Department. A CAP represents a commitment from the business unit to correct the identified issue in a timely manner. Corrective actions may include revising processes, updating policies or procedures, retraining staff, reviewing systems edits and other root causes. The CAP must achieve sustained compliance with the overall CMS requirements for that specific operational department.

The status of open Corrective Action Plans is reported to the Director of Compliance and the Compliance Committee on a monthly basis or a frequency determined by the Compliance Director. The Compliance Department monitors CAP implementation and requires that the business department regularly report the completion of all interim action steps. Once a CAP is complete, the Compliance Department validates the CAP by monitoring individual action items over a period of time to demonstrate sustained compliance was achieved, and the CAP was effective.

The Compliance Committee is charged with reviewing ongoing activity to ensure that CAPs being undertaken are timely and effective and to report ongoing non-compliance risks to Senior Management.

**OPTIMA HEALTH**
**COMPLIANCE PROGRAM ORGANIZATIONAL CHART**



## APPROVAL SIGNATURES

| | |
|---|---|
| President, Optima Health | 20 Apr 2016<br>Date |
| SVP, Operations, SHP | 4/18/16<br>Date |
| Director of Compliance, Optima Health | 04/12/2016<br>Date |
| Legal Counsel | 4/18/16<br>Date |