

Compliance Program Manual



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Overview

Triangle Medical Group IPA (TMGIPA) has a comprehensive, values-based Compliance Program, which reflects a fundamental part of the way business operations are conducted at Accountable. Because Accountable recognizes that our employees and affiliates are the key to providing quality health care services, we are committed to managing our business operations with ethical standards, in accordance with contractual obligations, and consistent with all applicable statutes, regulations and rules. The Compliance Program consists of the Compliance Plan, the Code of Conduct, Policies and Procedures, Ethics and Integrity, HIPAA regulations, and elements of Fraud, Waste and Abuse which was developed and adopted by Accountable to promote, monitor and ensure that Accountable operations and practices and the practices of its Board members, Employees and Contractors comply with applicable law and ethical standards. The Compliance Program incorporates the fundamental elements of the laws, regulations and ethical rules that govern health care service delivery and the conduct of those associated with Accountable. The Compliance Program is a dynamic process that is continually evolving based on compliance monitoring and new areas of business or legal risk. While the Code of Conduct provides overall guidance to all Accountable employees and affiliates to assist in carrying out daily activities within appropriate ethical and legal standards, the Compliance Plan provides a framework for a policy of compliance with all applicable standards.

The Compliance Program applies to all Accountable personnel, its Board members, contractors and participating providers and suppliers. The term "Contractor" means all non-employed personnel and/or entities who have been engaged by Accountable to perform certain tasks or fulfill duties on behalf of Accountable or its Members and their subcontractors who perform such tasks or fulfill such duties including, but not limited to, a third party administrator, pharmacy, seller, supplier or provider of services and/or supplies and any consultant. For purposes of this Compliance Plan, the term Contractor also includes participating providers and suppliers regardless of whether they are authorized to furnish items or services by written contract with Accountable and/or registration with Accountable or otherwise.

VISION STATEMENT

Triangle Medical Group IPA is a physician owned and directed independent physician association. Our core values are based on integrity, compassion and the delivery of quality medical services for our members. Our team of management professionals fosters a culture among our employees that supports collaboration and accountability in service to our members. We provide professional administrative support to our contracted providers on an accurate and timely basis. Together, we strive to become the leading integrated health service organization dedicated to promoting members personal health through improved communication, health maintenance, and coordinated delivery of care.

Elements for an Effective Compliance Program

The Office of the Inspector General (OIG) has published guidelines for the creation of compliance programs for the health care provider industry. In the Federal Register/Vol. 64, No 219/ November 15, 1999 pg. 61893, it states “Fundamentally, compliance efforts are designed to establish a culture within an organization that promotes prevention, detection and resolution of instances of conduct that do not conform to Federal and State law and Federal health care program requirements, as well as the organization’s ethical and business policies.” Our comprehensive Compliance Program contains the seven fundamental elements identified by OIG, to an effective compliance guidance program.

1. The development and distribution of written standards of conduct, as well as written policies and procedures, that promote the organization’s commitment to compliance and that address specific areas of potential fraud (e.g., the marketing process and utilization).
2. The designation of a chief compliance officer and other appropriate bodies, e.g., a corporate compliance committee, charged with the responsibility and authority of operating and monitoring the compliance program and who report directly to the CEO and the governing body.
3. The development and implementation of regular, effective education and training programs for all affected employees.
4. The development of effective lines of communication between the compliance officer and all employees, including a process, such as a hotline to receive complaints (and the adoption of procedures to protect the anonymity of complainants and to protect callers from retaliation).
5. The use of audits or other risk evaluation techniques to monitor compliance and assist in the reduction of identified problem areas.
6. The development of disciplinary mechanisms to consistently enforce standards and the development of policies addressing dealings with sanctioned and other specified individuals.
7. The development of policies to respond to detected offenses, to initiate corrective action to prevent similar offenses, and to report to Government authorities when appropriate.

Code of Conduct

The purpose of the Code of Conduct (hereinafter referred to as “The Code”) is to provide guidance for all TMGIPA employees and affiliates and to assist us in carrying out daily activities within appropriate ethical and legal standards. These obligations apply to our relationships with patients, affiliated physicians, third-party payers, subcontractors, independent contractors, vendors, consultants, and one another. The Code was developed to ensure we meet our ethical standards and comply with applicable laws and regulations.

The Code is intended to be comprehensive and easily understood. Often, the Code covers the subject matter fully. However, in some cases the subject material is complex necessitating more detailed direction, which is included in a comprehensive set of compliance policies and procedures. These policies expand on or supplement many of the principles articulated in the Code.

All TMGIPA employees and contractors are expected to comply with the following Code. For purposes of the Code, employees and contractors include Board Members, employees, contracted affiliates, participating providers and suppliers, and other persons who are contracted with or working on behalf of TMGIPA.

Compliance with the Law

TMGIPA is committed to conducting all activities and operations in compliance with applicable law.

Obeying the Law

Board members, Employees and Contractors shall not lie, steal, cheat or violate any law in connection with their employment and/or engagement with TMGIPA.

Fraud and Abuse

TMGIPA shall refrain from conduct, which would violate the fraud and abuse laws. TMGIPA is committed to the detection, prevention, and reporting of fraud and abuse. TMGIPA expects and requires that its Board members, Employees, and Contractors do not participate in any conduct that may violate the fraud and abuse laws. Generally, these laws prohibit direct or indirect payments (whether in cash or kind) in exchange for the referral of patients or services, which are paid by Federal and/or State health care programs.

Anti-Trust

All Board members, Employees, and Contractors must comply with applicable antitrust, unfair competition and similar laws, which regulate competition. Such persons shall seek advice from legal counsel if they encounter any business decisions involving a risk of violation of antitrust laws. The types of activities that potentially implicate antitrust laws include, without limitation, agreements to fix prices, bid rigging and related activities; boycotts, certain exclusive dealings and price discrimination agreements; unfair trade practices; sales or purchases conditioned on reciprocal purchases or sales; and discussion of factors determinative of prices at trade association meetings.

Member Rights

TMGIPA is committed to meeting the health care needs of its members by providing access to quality health care services.

Access

Employees and Contractors shall comply with TMGIPA policies and procedures and applicable law governing member choice and access to health care services. Employees and Contractors shall comply with all requirements for coordination of medical and support services for persons with special needs. Employees and Contractors shall provide culturally, linguistically and sensory appropriate services to TMGIPA members to ensure effective communication regarding diagnosis, medical history and treatment, and health education.

Emergency Treatment

Employees and Contractors shall comply with all applicable guidelines, policies and procedures and law governing TMGIPA member access and payment of emergency services including, without limitation, the Emergency Medical Treatment and Active Labor Act (“EMTALA”) and state patient “anti-dumping” laws, prior authorization limitations, and payment standards.

Complaint Process

TMGIPA employees and contractors shall ensure that TMGIPA members are informed of their appeal rights through member handbooks and other communications in accordance with TMGIPA policies and procedures and applicable law. Employees and Contractors shall address, investigate, and resolve TMGIPA member complaints and grievances in a prompt and nondiscriminatory manner in accordance with TMGIPA Policies and applicable law.

Business Ethics

In furtherance of TMGIPA’s commitment to the highest standards of business ethics, employees and affiliates shall accurately and honestly represent TMGIPA and shall not engage in any activity or scheme intended to defraud anyone of money, property or honest services.

Candor & Honesty

TMGIPA requires candor and honesty from individuals in the performance of their responsibilities and in communications with TMGIPA’s Supervisors, attorneys, and auditors. No Board member, Employee, or Contractor shall make false or misleading statements to any members and/or persons or entities doing business with TMGIPA or about products or services of TMGIPA.

Financial Reporting

All financial reports, accounting records, research reports, expense accounts, timesheets and other documents must accurately and clearly represent the relevant facts or the true nature of a transaction. TMGIPA maintains a system of internal controls to ensure that all transactions are executed in accordance with management's authorization and recorded in a proper manner to maintain accountability of the agency's assets. Improper or fraudulent accounting documentation or financial reporting is contrary to the policy of TMGIPA and may be in violation of applicable law.

Regulatory Agencies and Accrediting Bodies

TMGIPA will deal with all regulatory agencies and accrediting bodies in a direct, open and honest manner. Employees and Contractors shall not take action with regulatory agencies and accrediting bodies that is false or misleading.

Confidentiality

Board members, Employees, and Contractors shall maintain the confidentiality of all confidential information in accordance with applicable law and shall not disclose such confidential information except as specifically authorized by TMGIPA policies, procedures, and applicable law.

No Personal Benefit

Board members, Employees and Contractors shall not use confidential or proprietary TMGIPA information for their own personal benefit or for the benefit of any other person or entity, while employed at or engaged by TMGIPA, or at any time thereafter.

Duty to Safeguard Member and Medical Confidential Information

Board members, Employees and Contractors shall safeguard TMGIPA member identity, eligibility, and medical information, peer review and other confidential information in accordance TMGIPA's policies and procedures and applicable law.

Personnel Files

Personal information contained in Employee personnel files shall be maintained in a manner designed to ensure confidentiality in accordance with applicable law.

Proprietary Information

TMGIPA shall safeguard confidential proprietary information including, without limitation, Contractor information and proprietary computer software, in accordance with and, to the extent required by, contract or law. TMGIPA shall safeguard provider identification numbers including, without limitation, license, Medicare numbers, social security, and other identifying numbers.

Conflicts of Interest

Board members and Employees owe a duty of undivided and unqualified loyalty to TMGIPA.

Conflict of Interest Code

Designated Employees, including Board members, shall comply with the requirements of the TMGIPA Conflict of Interest Code. Board members and Employees are expected to conduct their activities to avoid impropriety and/or the appearance of impropriety, which might arise from the influence of those activities on business decisions of TMGIPA, or from disclosure of TMGIPA's business operations.

Outside Services and Interests

Employees shall not perform work or render services for any Contractor, association of Contractors or other organizations with which TMGIPA does business or which seek to do business with TMGIPA. No Employee shall be a director, officer, or consultant of any Contractor or association of Contractors, nor permit his or her name to be used in any fashion that would tend to indicate a business connection with any Contractor or association of Contractors.

BUSINESS RELATIONSHIPS

Business Inducements

Board members, Employees, and Contractors shall not seek to gain advantage through improper use of payments, business courtesies, or other inducements. The offering, giving, soliciting, or receiving any form of bribe or other improper payment is prohibited. Board members, Employees, Contractors and providers shall not use their positions to personally profit or assist others in profiting in any way at the expense of Federal and/or State health care programs, TMGIPA or TMGIPA members.

Gifts to TMGIPA

Board members and Employees are specifically prohibited from soliciting and accepting personal gratuities, gifts, favors, services, entertainment or any other things of value from any person or entity that furnishes items or services used, or that may be used, in TMGIPA and its programs unless specifically permitted under TMGIPA Policies. Employees may not accept cash or cash equivalents. Perishable or consumable gifts given to a department or group are not subject to any specific limitation and business meetings at which a meal is served is not considered a prohibited business courtesy.

Provision of Gifts by TMGIPA

Employees may provide gifts, entertainment or meals of nominal value to TMGIPA's current and prospective business partners and other persons when such activities have a legitimate business

purpose, are reasonable and no more than one-hundred dollars (\$100.00), and are otherwise consistent with applicable law and TMGIPA Policies on this subject. In addition to complying with statutory and regulatory requirements, it is critical to even avoid the appearance of impropriety when giving gifts to persons and entities that do business or are seeking to do business with TMGIPA.

Third-Party Sponsored Events

TMGIPA's joint participation in Contractor, vendor or other third-party sponsored events, educational programs and workshops is subject to compliance with applicable law including gift of public fund requirements and fraud and abuse prohibitions, and must be approved in accordance with TMGIPA Policies on this subject. In no event, shall TMGIPA participate in any joint Contractor, vendor, or third party sponsored event where the intent of the other participant is to improperly influence, or gain unfair advantage from, TMGIPA or its operations. Employees' attendance at Contractor, vendor or other third-party sponsored events, educational programs and workshops is generally permitted where there is a legitimate business purpose but is subject to prior approval in accordance with TMGIPA Policies.

Provision of Gifts to Government Agencies

Board members, Employees and Contractors shall not offer or provide any money, gifts or other things of value to any government entity or its representatives. Campaign contributions to elected officials are to be made in accordance with applicable campaign contribution laws for individuals. Any campaign contributions made on behalf of the company require prior approval by Executive Management.

Broad Application of Standards

TMGIPA intends that these standards be construed broadly to avoid even the appearance of improper activity.

Protection of Agency Assets

Board members, Employees, and Contractors shall strive to preserve and protect the agency's assets by making prudent and effective use of TMGIPA's resources and properly and accurately report its financial condition.

Personal Use of Agency Assets

All Board members, Employees, and Contractors shall refrain from converting assets of the agency to personal use. All property and business of TMGIPA shall be conducted in the manner designed to further TMGIPA's interest rather than a personal interest of an individual. Board members, Employees, and Contractors are prohibited from the unauthorized use or taking of TMGIPA's equipment, supplies, materials or services. Employees shall obtain the prior approval of the appropriate manager of TMGIPA prior to engaging in any activity on TMGIPA time, which will result in remuneration to the Employee from a party other than TMGIPA.

Communications

All communications systems, electronic mail, internet access, or voicemail are the property of TMGIPA and are to be primarily used for business purposes. Board members, Employees, and Contractors should assume that the communications are not private. Board members, Employees, and Contractors shall adhere to the highest standards of professional conduct and personal courtesy in the type, tone, and content of all written, verbal and electronic communications and messages.

Electronic Mail

Board members, Employees and Contractors may not use internal communication channels or access to the internet at work to post, store, transmit, download or distribute any information or material which are threatening, knowingly, recklessly, or maliciously false, obscene, or which constitute or encourage criminal offenses, give rise to civil liability or otherwise violate any laws. The internal communication channels or access to the internet may not be used to send chain letters, personal broadcast messages or copyrighted documents that are not authorized for reproduction nor are they to be used to conduct a job search or open misaddressed mail. Those who abuse the communication systems or use them excessively for non-business purposes may lose these privileges and be subject to disciplinary action.

Discrimination

TMGIPA acknowledges that fair and equitable treatment of employees, members, providers, and other persons is fundamental to fulfilling its mission and goals.

No Discrimination

Board members, Employees and Contractors shall not unlawfully discriminate on the basis of race, color, religion, sex (including pregnancy, childbirth, or related medical conditions), national origin, ancestry, age, physical disability, mental disability, medical condition, family care leave status, veteran status, marital status, or sexual orientation. TMGIPA is committed to providing a work environment free from discrimination and harassment based on any classification noted above.

Reassignment

TMGIPA shall not reassign members in a discriminatory manner, including based on the enrollee's health status.

Participation Status

TMGIPA requires that participating providers and suppliers have valid and current licenses, certificates, and/or registration, as applicable.

Board members, Employees, and Contractors shall (i) not be currently suspended, terminated, debarred, or otherwise ineligible to participate in any Federal or State health care program, including Medicare programs; and/or (ii) not have been excluded from participation

in Federal and/or State health care programs based on a Mandatory Exclusion at any time; and/or (iii) have met TMGIPA requirements regarding felony conviction status as set forth in TMGIPA policies.

Disclosure of Participation Status

Board members, Employees and Contractors shall disclose to TMGIPA whether (i) they are currently suspended, terminated, debarred, or otherwise ineligible to participate in any Federal and/or State Health Care program; and/or (ii) have ever been excluded from participation in Federal and/or State health care programs based on a Mandatory Exclusion; and/or (iii) have met TMGIPA's Felony Conviction status requirements as set forth in TMGIPA Policies, as applicable.

Licensure

TMGIPA requires that all Employees, Contractors, participating providers and suppliers who are required to be licensed, credentialed, certified and/or registered in order to furnish items or services to TMGIPA and its Members have valid and current licensure, credentials, certification and/or registration as applicable.

Government Inquiries

Employees shall notify TMGIPA upon receipt of Government inquiries and shall not destroy or alter documents in response to a government request for documents or information.

Notification of Government Inquiry

Employees shall notify the Compliance Officer and/or their Supervisor immediately upon the receipt (at work or at home) of an inquiry, subpoena or other agency or government requests for information regarding TMGIPA.

No Destruction of Documents

Employees shall not destroy or alter TMGIPA information or documents in anticipation of, or in response to, a request for documents by any governmental agency or from a court of competent jurisdiction.

Compliance Program Reporting

Board members, Employees, and Contractors have a duty to comply with TMGIPA's Compliance Program and such duty shall be a condition of their respective appointment, employment, or engagement.

Reporting Requirements

All Board members, Employees and Contractors are expected and required to promptly report suspected violations of any statute, regulation or guideline applicable to Federal and/or State health care programs or of TMGIPA's own Policies in accordance with TMGIPA's reporting Policies and its Compliance Plan. Such reports may be made to a Supervisor, the Compliance Officer and/or anonymously to the Compliance Hotline.

Disciplinary Action

Failure to comply with the Compliance Program, including the Code of Conduct, Policies and/or applicable statutes, regulations and guidelines may lead to disciplinary action. Discipline for failure to abide by the Code of Conduct may, in TMGIPA's discretion, range from oral correction to termination in accordance with TMGIPA's Policies. In addition, failure to comply may result in the imposition of civil, criminal or administrative fines on the individual or entity and TMGIPA or exclusion from participation in Federal and/or State health care programs.

Certification

All Board members, Employees and Contractors are required to certify, in writing, that they have received, read, understand, and will abide by the Code of Conduct and applicable Policies.

COMPLIANCE PLAN

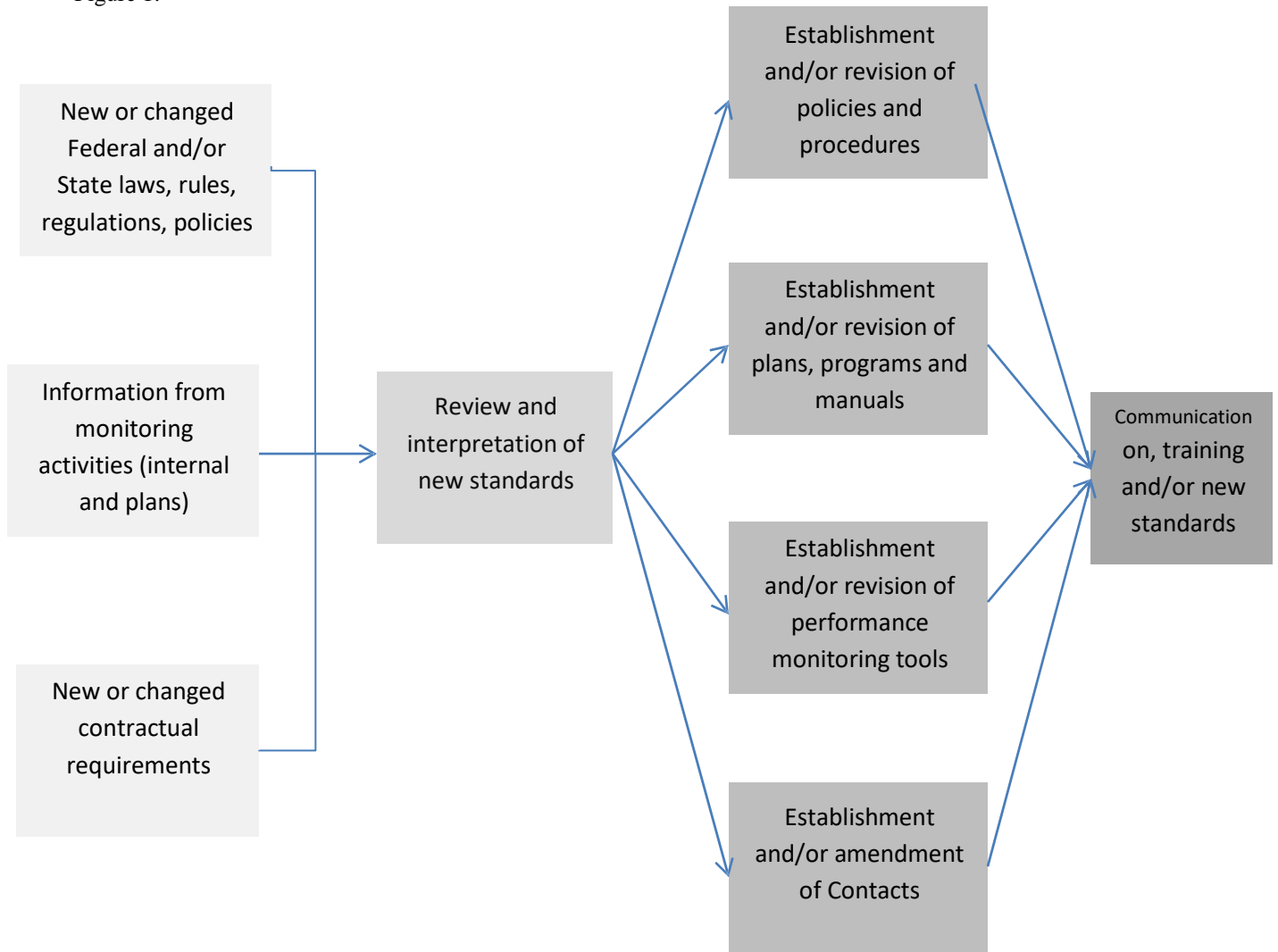
Implementing Policies and Procedures

Review and Implementation of Standards

TMGIPA regularly reviews its business operations against new standards imposed by applicable contractual, legal, and regulatory requirements, policies and procedures identify potential risk areas. In addition, TMGIPA also reviews its operations by examining information collected from monitoring and auditing activities (including both external reviews of TMGIPA's operations and TMGIPA's review of contracting provider and supplier operations), based upon which reviews it identifies additional risk areas. TMGIPA regularly reviews these sources of standards to ensure that TMGIPA, its Board members, Employees and Contractors operate under and comply with the changing standards. TMGIPA operationalize and communicates standards through Policies and Procedures, as well as specific plans, programs, and manuals. Figure one (1) below shows how standards are reviewed and implemented at TMGIPA:

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Figure 1:



Compliance with Policies and Procedures

TMGIPA regularly and systematically updates its Policies and Procedures to stay current with contractual, legal, and regulatory requirements. The Policies and Procedures assure that Board members, Employees, and Contractors perform their responsibilities in compliance with their positions, contractual obligations, and applicable law. Board members, Employees, and Contractors are responsible for ensuring that they comply with the Policies and Procedures relevant to their appointment, job descriptions, and/or contractual obligations. TMGIPA has adopted and implemented an effective compliance program, which addresses measures that prevent, detect, and correct non-compliance with State and Federal program requirements as well as measures that prevent, detect, and correct fraud, waste, and abuse. The compliance program, at a minimum, includes the following core requirements:

Written policies, procedures, and standards of conduct that-

- a. Articulates the organization's commitment to comply with all applicable Federal and State standards;
- b. Describes compliance expectations as embodied in the standards of conduct;
- c. Implements the operation of the compliance program;
- d. Provides guidance to employees and others on dealing with potential compliance issues;
- e. Identifies how to communicate compliance issues to appropriate compliance personnel;
- f. Describes how potential compliance issues are investigated and resolved by the organization; and
- g. Includes a policy of non-intimidation and non-retaliation for good faith participation in the compliance program, including but not limited to reporting potential issues, investigating issues, conducting self-evaluations, audits and remedial actions, and reporting to appropriate officials.

In addition to Policies and Procedures, TMGIPA also has several plans and programs that address its contractual, legal, and regulatory obligations, including:

Utilization Management Program (UM Program)

The purpose of the TMGIPA UM Program is to define and describe TMGIPA's multidisciplinary and comprehensive approach and process to manage resource allocation through systematic monitoring of medical necessity and quality and maximize the cost effectiveness of the care and services delivered to TMGIPA members. It encompasses management and evaluation of health care across the continuum including, pre-service review and authorization and concurrent and retrospective review of institutional care.

Quality Improvement Program (QI Program)

The purpose of the TMGIPA QI Program is to establish methods for objectively and systematically evaluating and improving the quality of care furnished to TMGIPA members and the service provided by TMGIPA.

Care Management Program (CM Program)

The purpose of the TMGIPA CM Program is to provide comprehensive and complex care management targeting members with social and medically complex issues. The CM Program is focused on the delivery of cost-efficient and appropriate health care services for members who are dual eligible for Medicare and Medicaid ("Medi-Medi's"), members with complex or chronic conditions, members with End Stage Renal Disease (ESRD), and members who are frail, disabled or near the end of life. The goal of the CM Program is to coordinate a member's health care to improve the quality and continuity of their health care.

Anti-Fraud Plan

The purpose of TMGIPA's Anti-Fraud Plan is to organize and implement an antifraud strategy to detect, prevent and control fraud, waste and abuse in order to reduce cost caused by fraudulent activities and to protect TMGIPA members in the delivery of health care services. The Anti-Fraud Plan is designed to establish methods to identify investigate and refer incidents of suspected fraud and/or abuse in TMGIPA's Medicare Program delivery systems. TMGIPA monitors, investigates and corrects possible fraud, waste and abuse issues in conjunction with the contracted providers not just identifying errors but also educating the providers and members.

Designating a Compliance Officer and a Compliance Committee

Governing Body

The Governing Body has the duty to assure that TMGIPA determines, implements, and monitors a Compliance Program governing TMGIPA's operations. The Governing Body, or its designee, shall appoint a member of senior management of TMGIPA to serve as the Compliance Officer. The Governing Body shall receive and review reports from the Compliance Officer on a periodic basis.

Compliance Officer

TMGIPA has designated a compliance officer who is vested with the day-to-day operations of the compliance program and is an employee of TMGIPA. The compliance officer and the compliance committee periodically reports directly to the governing body of TMGIPA on the activities and status of the compliance program, including issues identified, investigated, and resolved by the compliance program. The compliance officer and compliance committee members report directly and are accountable to TMGIPA's chief executive or other senior management.

The Compliance Officer is responsible for developing and implementing Policies and Procedures and practices designed to ensure compliance with Federal and State health care programs. The Compliance Officer may only delegate tasks set forth in this Compliance Plan to other Employees upon authorization from the CEO. The Compliance Officer receives periodic training in compliance procedures, has the authority to oversee compliance and the authority to report directly to the Governing Body. Proper execution of compliance responsibilities and promotion of adherence to the Compliance Program shall be factors in the annual work evaluation of the Compliance Officer.

The Compliance Officer:

- Is a person at the management level at TMGIPA;
- Receives periodic training in compliance procedures;
- Is provided with the necessary authority to oversee compliance;
- Oversees compliance standards and procedures;
- Reports periodically to the CEO, the Compliance Committee, and the Governing Body regarding compliance issues

The Compliance Officer shall ensure that:

- The Code of Conduct and Policies and Procedures applicable to Board members, Employees, and Contractors are developed, implemented, and distributed to all Board members, Employees, and Contractors

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- The Compliance Program, including this Compliance Plan and Policies and Procedures, are revised and updated based on changes in TMGIPA's needs, regulatory requirements, and applicable law and distributed to all affected Board members, Employees, and Contractors regularly or more often as is appropriate
- Certifications confirming receipt, review, and understanding of the Code of Conduct are obtained
- An appropriate education and training program that focuses on the elements of the Compliance Program is developed, coordinated, implemented, and provided to appropriate Board members, Employees, and Contractors
- Effective lines of communication are instituted and communication mechanisms such as telephone hotline calls and e-mail correspondence are monitored, investigated, and treated confidentially (unless circumstances dictate the contrary)
- Inquiries and investigations with respect to any reported or suspected violation or questionable conduct are timely initiated and completed and/or are timely referred to the appropriate member of the Compliance Committee
- Coordinating and periodically reviewing the Participation Status Review process with Human Resource Management and other designated Employees to ascertain that the process is conducted in accordance with TMGIPA Policies and Procedures
- The compliance filing system is maintained as provided in this Plan
- Each of the requirements of the Compliance Program, including this Compliance Plan, have been substantially accomplished

Compliance Committee

The Compliance Committee is responsible for maintaining the Code of Conduct, subject to the ultimate authority of the Governing Body. TMGIPA shall maintain written notes, records, correspondence, or minutes (as appropriate) of Compliance Committee meetings reflecting the reports made to the Compliance Committee and the Compliance Committee's decisions on issues raised (subject to the attorney/client privilege, etc.)

The Compliance Committee:

- Oversees TMGIPA's compliance efforts
- Consults with advisors as necessary

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- Analyzes TMGIPA's contractual, legal, and regulatory requirements and risk areas and coordinates with the Compliance Officer to ensure the adequacy of the Compliance Program
- Receives periodic reports from the Compliance Officer concerning the Compliance Program
- Maintains, assesses, and improves the Compliance Program, including Policies and Procedures, that address TMGIPA's contractual, legal, and regulatory requirements and risk areas
- Reviews and/or makes recommendations regarding disciplinary and corrective action based on requirements of the Compliance Program, including the Compliance Plan
- Recommends and monitors, in conjunction with relevant departments, the development of internal systems and controls to carry out the Code of Conduct and Policies and Procedures as part of daily business operations
- Determines strategies to promote compliance with the Compliance Program and detect instances of noncompliance
- Reviews systems to solicit, evaluate, and respond to reports and disclosures under the Compliance Program
- Monitors audits and investigations relating to TMGIPA's business operations and contractual, legal, and regulatory requirements
- Ensures that matters related to education, training, and communications in connection with the Compliance Program and this Compliance Plan are properly disseminated, understood, and followed
- Suggests whatever actions are appropriate and necessary to ensure that TMGIPA conducts its activities in compliance with the applicable law and regulations and sound business ethics
- Ensures that legal counsel is consulted as appropriate and that all applicable privileges are preserved, including the attorney-client privilege and/or work product doctrine
- Ensures there is a system for employees and subcontractors to ask compliance questions, and report potential instances of fraud, waste or abuse confidentially or anonymously without fear of retaliation
- Encourage employees and subcontractors to engage in self-reporting of potential fraud or misconduct in order to minimize the potential cost and disruption of a full scale audit and investigation.

Supervisors

Supervisors must be available to discuss with each Employee under their direct supervision and every Contractor with whom they are the primary liaison:

- The content and procedures in this Compliance Plan
- The legal requirements applicable to Employees' and Contractors' job functions or contractual obligations, as applicable
- That adherence to this Compliance Plan and the Compliance Program is a condition of employment
- That TMGIPA shall take appropriate disciplinary action, including termination of employment or a Contractor's agreement with TMGIPA, for violation of the principles and requirements set forth in the Compliance Program and applicable law and regulations.

Conducting Effective Training and Education

TMGIPA provides general and specialized compliance training and education, as applicable, to Board members, Employees, and Contractors to assist them in understanding the Compliance Program, including this Compliance Plan and Policies and Procedures relevant to their job functions. TMGIPA has established and implemented effective training and education between the compliance officer and organization employees, the organization's chief executives or other senior administrators, managers and governing body members, the organization's first tier, downstream, and related entities. Compliance Program trainings occur at a minimum annually and will be made a part of the orientation for new employees, new first tier, downstream and related entities, and new appointment to a chief executive, manager, or governing body member. As a part of this process, all Board members, Employees, and Contractors shall be apprised of applicable state and federal laws, regulations, standards of ethical conduct, and the consequences, which shall follow from any violation of those rules or the Compliance Program. TMGIPA's compliance training shall include the following:

Initial Education and Training

Seminars are conducted upon adoption of the Compliance Program to discuss this Compliance Plan, the Compliance Program, and applicable state and federal laws and regulations. Existing Board members, Employees, and Contractors receives a copy of the Code of Conduct and Policies and Procedures pertinent to that individual's responsibilities upon adoption of the Compliance Program.

Continuing Education and Training

- New Employees shall receive a copy of the Compliance Plan, Code of Conduct, and Policies and Procedures pertinent to that individual's job responsibilities upon commencement of their employment. New Employees shall receive compliance training within forty-five (45) days after commencement of their employment and on a regular basis thereafter. All employee training and instruction shall include:
- Compliance Policies and Procedures, focusing in particular on the Policies and Procedures applicable to each Employee's or Contractor's job responsibilities
- Auditing and monitoring Policies and Procedures
- Overview of HIPAA and the importance of maintaining the confidentiality of personal health information
- Pertinent laws related to fraud, waste, and abuse (e.g., Anti-Kickback Statute, False Claims Act, etc.)
- Ethics and Integrity Program
- The disciplinary system

Employees may receive such additional compliance training as is reasonable and necessary based on changes in job descriptions/duties, promotions, and/or the scope of their job functions.

Board members shall receive a copy of the Compliance Plan, Code of Conduct, and Policies and Procedures pertinent to their appointment as part of orientation. Board members shall receive compliance training as part of their orientation and on a regular basis thereafter.

Contractors shall receive a copy of the Code of Conduct and Policies and Procedures pertinent to their engagement from TMGIPA if directly engaged by TMGIPA. Contractors shall be encouraged to disseminate copies of the Code of Conduct and Policies and Procedures to their employees, agents, and subcontractors furnishing items or services to TMGIPA and/or its members. TMGIPA may also develop compliance training and education presentations and/or roundtables for specified Contractors.

Documentation

The following sets forth the documentation requirements related to the training and education program:

- Training program materials shall include schedules, topic outlines, and sign-in sheets
- All Board members, Employees, and Contractors shall certify, in writing, that they have attended the required training or completed a study guide and comprehensive review
- All Compliance Program training documents shall be retained in accordance with TMGIPA's Records Management Policy and Records Retention Schedule.

Coordination of Training

The Compliance Officer shall coordinate compliance education and training programs. The Compliance Officer or appropriately trained and experienced consultants, staff, or Employees shall conduct compliance education and training presentations, programs, and seminars.

Other Education Program Communications

- TMGIPA shall inform Board Members, Employees, and Contractors of any relevant federal and state fraud alerts and policy letters, pending/new legislation reports, updates, and advisory bulletins as necessary.

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- TMGIPA shall use electronic communications and/or other forms of communication (as appropriate) to inform Employees and Contractors of changes in applicable federal and state laws and regulations.
- TMGIPA shall inform Board members, Employees, and Contractors that they can obtain additional compliance information from the Compliance Officer. Any questions, which cannot be answered by the Compliance Officer, shall be referred to the Compliance Committee.

Developing Effective Lines of Communication

TMGIPA has established and implemented effective lines of communication, ensuring confidentiality, between the compliance officer, members of the compliance committee, the organization's employees, managers and governing body, and the organization's first tier, downstream, and related entities. Such lines of communications are accessible to all and allow compliance issues to be reported including method for anonymous and confidential good faith reporting of potential compliance issues as they are identified. The Compliance Program, including provisions of the Compliance Plan, is implemented, distributed, and maintained on behalf of TMGIPA by the Compliance Officer and the Compliance Committee as follows:

Initial Distribution of Compliance Plan

Employees and Board Members

Once the Governing Body has adopted this Compliance Program, The Compliance Plan, Code of Conduct, and Policies and Procedures applicable to a particular Employee's job function will be circulated to each Employee. A Supervisor shall review the Compliance Plan, Code of Conduct, and Policies and Procedures with the Employee and ensure that such persons substantially understand its provisions. TMGIPA shall require that all Employees sign and date an Affirmation Statement (in the form attached hereto at Appendix A) at the time of the distribution. New Employees will receive the Compliance Plan, Code of Conduct, and Policies and Procedures applicable to their job function within forty-five (45) days after commencement of employment with TMGIPA. A copy of this Compliance Plan, Code of Conduct, and Policies and Procedures applicable to the Governing Body shall be distributed to Board members. Board members shall sign and date an Affirmation Statement (in the form attached hereto at Appendix A) at the time of distribution. TMGIPA's Compliance Officer shall have responsibility to distribute and obtain Affirmation Statements from Board members.

Contractors

The Compliance Plan, Code of Conduct and Policies and Procedures applicable to a particular Contractor's services will be circulated to such Contractor prior to signing the contract. Contractor Agreements will include acknowledgments that the Contractor understands and will comply with TMGIPA's Compliance Program, including the Code of Conduct and TMGIPA's Policies and Procedures, and that the Contractor will distribute the Code of Conduct to employees and agents who furnish items or services to TMGIPA under the Contractor Agreement. TMGIPA shall require that all Contractors sign and date an Affirmation Statement (in the form attached hereto at Appendix A) at the time of distribution. TMGIPA's Compliance Officer shall have responsibility to distribute and obtain Affirmation Statements from all Contractors.

Regular Reaffirmation

TMGIPA requires that endorsement of the Code of Conduct and applicable Policies and Procedures from this Compliance Plan be confirmed, during each calendar year, in the following manner:

1. The Code of Conduct shall be reviewed with Employees, Board members and Contractors on a regular basis. All Supervisors shall discuss the contents of the Code of Conduct with Contractors under their immediate supervision for the purpose of confirming the Contractors' understanding of, and addressing any changes in, the Code of Conduct from the prior year. Supervisors shall record any deviations from compliance discovered during the discussions and report those deviations to the Compliance Officer. The Code of Conduct shall be reviewed with all Employees on a regular basis during annual communication meetings. Employees shall be advised of any changes from the prior year. The meeting sign-in sheets shall provide the record of affirmation.
2. The Compliance Officer shall include the Compliance Plan (other than the Code of Conduct) and applicable Policies and Procedures in a regular dissemination to Board members, Employees and Contractors if there have been significant revisions and/or amendments to the Compliance Plan and/or Policies and Procedures. Otherwise, the Compliance Officer may determine alternative schedules for redistribution of the Compliance Plan (other than the Code of Conduct) and Policies and Procedures.
3. Each Board member shall sign an Affirmation Statement and forward it to the Compliance Officer.
4. The end result of this process is that the Compliance Officer shall receive the final Employee Affirmation Sign-In sheets together with all Board member and Contractor Affirmation Statements.

Conducting Internal Monitoring and Auditing

The Compliance Officer and/or Compliance Committee periodically audit TMGIPA's operations to ensure compliance with applicable law and the Compliance Program and to report, investigate and, if necessary and appropriate, correct, any inconsistencies, suspected violations or questionable conduct. TMGIPA has established and implemented an effective system for routine monitoring and identification of compliance risks. The system includes internal monitoring and audits and, as appropriate, external audits, to evaluate the overall effectiveness of the compliance.

Monitoring Systems

Organizational/Internal Monitoring

The Compliance Officer is responsible for implementation of the monitoring and auditing program. The focus of the program is on potential risk areas, or areas of special concern. TMGIPA Board members, employees, and contractors are familiar with the standards related to issues that are generally considered potential risk areas for managed care organizations. Areas of special concern include:

Utilization, Access, and Quality of Care

- Failure to ensure that covered services are available and accessible to members
- Inappropriate withholding or delay of covered services
- Improper interference with health care professionals' advice to members including advice regarding member's health status, medical care and treatment options and risks and benefits of treatment or non-treatment
- Failure to verify that practitioners and providers are appropriately licensed and/or certified to furnish covered services to members

Data Accuracy

- Failure to comply with contractual and regulatory requirements relating to accurate, timely, complete, and truthful data in submissions including, but not limited to, encounter data, and claims and financial information
- Knowing submission of false information or data to any regulatory agency
- Failure to comply with disclosure requirements including financial interests and conflicts of interest disclosures

Emergency Services

- Improper prior authorization requirements for emergency services
- Failure to make payment for emergency services based on contractual standards i.e. the prudent layperson standard

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- Non-compliance with the Emergency Medical Treatment and Labor Act (“EMTALA”) and State anti-dumping statutes
- Failure to ensure that enrollees with emergency conditions will be seen immediately and that emergency services are available and accessible with the plan’s service area

Anti-Kickback Statute and other inducements

- Knowing and willful offer, payment, solicitation or receipt of remuneration to induce the referral of business reimbursable under the or Medicare programs
- Inappropriate incentives or remuneration to enrollees to induce them to use a particular practitioner, provider, or supplier
- “Swapping” arrangements whereby practitioners, providers, or suppliers are offered reduced rates in capitated arrangements to participate in other product lines that do not have the payment or utilization constraints (i.e. low capitation rates traded for access to fee-for-service business)

Confidentiality

- Improper disclosure of confidential member information including disclosure of names of persons receiving public social services, medical diagnosis, and services in violation of contractual and statutory requirements
- Improper disclosure of protected peer review and quality improvement information

Excluded Providers

- Entering into contractual or employment relationships with persons or entities that are suspended, excluded or otherwise not eligible to participate in Federal and/or State health care programs
- Submitting claims or otherwise seeking reimbursement for items or services furnished, ordered, prescribed, or supplied by an excluded person or entity
- Failure to take appropriate corrective action upon subsequently learning of a person’s or entity’s excluded status

Member Disenrollment

- Improper action to request or encourage an individual to disenroll from any plan
- Unsolicited contact to disenrolled members for purposes of retention

Member Grievance and Appeal Procedures

- Failure to ensure that members are properly notified of their grievance and appeal rights.
- Failure to provide adequate member grievance and appeal procedures.
- Failure to meet CMS specified time frame for resolution of appeals and grievances.

Reports of suspected or actual compliance violations, unethical conduct, fraud, abuse, and/or questionable conduct, whether made by Board members, Employees, Contractors, and/or third parties external to TMGIPA (including regulatory and/or investigating government agencies), in writing or verbally, formally or informally, are subject to review and investigation as provided below, in consultation with legal counsel, by TMGIPA's Compliance Officer and/or the Compliance Committee.

Anyone who suspects compliance violations or fraud as described above has a duty to report it to the Compliance Officer immediately. Any delays in reporting can significantly impact TMGIPA's financial status, integrity among its providers and members, and status or authority granted by multiple agencies. Most importantly, fraudulent activities can greatly impact community safety when improper care is being given.

There are multiple methods that suspected compliance violations or fraud could be reported.

1. In person, to the Compliance Officer
 2. Contact with management, who will then forward the information to the Compliance Department
 3. By calling, identifying yourself or on an anonymous basis, the Compliance Officer at (919) 859-2566
 4. By emailing to the Compliance Officer at Complianceofficer@trianglemedicalgroup.com
- By mailing a written concern to:

Compliance Officer
Triangle Medical Group IPA
930 SE Cary Parkway
Suite 200
Cary, NC 27518

Inquiries regarding the compliance program that are received from the DMHC, or any other outside agency or concerned person, should be routed directly to the Compliance Officer at 919-859-2566.

The Compliance Officer or designee will conduct a prompt and confidential investigation on each reported questionable activity. Legal counsel will be conferred with as needed. Management and staff are not authorized to investigate matters on their own initiative, since investigations may raise complicated legal issues, and investigations conducted without legal counsel could result in waiver of important TMGIPA privileges. Disclosures will be separately investigated, facts developed and conclusions drawn. Corrective action, appropriate to each situation, will then be taken.

Whenever possible, the Compliance Officer will share the results of the investigation that is completed in response to the information reported. TMGIPA will not condone retaliation or retribution against any person solely for reporting a violation or suspected violation. Anyone engaging in such retaliation or retribution for reporting will be subject to discipline up to and including termination.

Government-Identified Risk Areas

Audits based on Monitoring of Risk Areas

The Compliance Officer or his or her designee shall monitor, or cause to be monitored, specific compliance issues identified by the OIG as specific risk areas for TMGIPA. TMGIPA will develop and implement appropriate audits, tailored to TMGIPA risk areas.

Audits Based on Surveys, Review Processes

TMGIPA reviews risk areas through TMGIPA member and provider satisfaction surveys, prepayment and post-payment review processes, regular or annual audits of delegated functions, and other audit mechanisms.

Audit Review

The Compliance Officer shall submit regular reports of all monitoring, audit, and corrective action activities to the Compliance Committee.

Policies and Procedures

The Compliance Officer shall develop monitoring and audit Policies and Procedures and review and report proposed Policies and Procedures and changes to the Compliance Committee.

Participation Status Review and Background Checks

Commitment

TMGIPA shall not knowingly hire, contract with, or retain on its behalf, any person or entity that is currently suspended, excluded or otherwise ineligible to participate in Federal and/or State health care programs; and/or has ever been excluded from participation in Federal and/or State health care programs based on a mandatory exclusion.

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Board members, owners, and senior management shall not be convicted of a felony in the last seven (7) years or during their relationship with TMGIPA. As part of the ongoing development of the Compliance Program, TMGIPA shall also develop additional Policies and Procedures relating to TMGIPA's requirements on the felony conviction status of employees and agents of TMGIPA and Contractors.

Payments made by TMGIPA (i) to excluded persons or entities after the effective date of their suspension, exclusion, debarment or Felony Conviction, and/or (ii) for items or services furnished at the medical direction or on the prescription of a physician who is suspended, excluded or otherwise ineligible to participate are subject to repayment/recoupment.

Participation Status Review

TMGIPA will review Board members, Employees, and Contractors against appropriate exclusion lists to ensure that they are not excluded, suspended or otherwise not eligible to participate in Federal and/or State health care programs. TMGIPA requires that potential Board members, Employees, and Contractors disclose their Participation Status as part of the employment, contracting/procurement and registration/application processes and when Board members, Employees, and Contractors receive notice of a suspension, exclusion, debarment or Felony Conviction during the period of appointment, employment, contract or registration in TMGIPA.

TMGIPA also requires that parties to which TMGIPA delegates Participation Status Review functions comply with Participation Status Review requirements with respect to their relationships with participating providers and suppliers including without limitation, the delegated credentialing and re-credentialing processes.

TMGIPA will review Board members, Employees, and Contractors to ensure that they are not suspended, excluded or otherwise ineligible to participate in Federal and/or State health care programs through the application and employment, procurement/contracting and registration processes, as applicable, and by utilizing appropriate exclusion lists (e.g. General Services Administration, List of Parties Excluded from federal Procurement and Non-procurement Programs: <http://www.epls.arnet.gov>; HHS/OIG List of Excluded Individuals/Entities (LEIE): <http://exclusions.oig.hhs.gov>; the Suspended & Ineligible Provider List (S& I List); and/or the National Practitioner Data Bank ("NPDB") at <http://www.npdb.com>). This review shall be conducted prior to employment, or contractual engagement of a person or entity, and/or registering/contracting with a person or entity in TMGIPA Direct and on an ongoing basis thereafter according to Participation Status Review Policies and Procedures.

Employees and Contractors shall notify appropriate Supervisors or the Compliance Officer if they determine during any Participation Status Review that a person or entity does not meet

the requirements of the Participation Status Review Policy. TMGIPA departments responsible for Participation Status Review shall refer findings/notices of negative Participation Status to the Compliance Officer for further action. In the event TMGIPA determines that the status of any person or entity is not in compliance with the Participation Status Review Policy, then TMGIPA shall institute appropriate action as provided in that policy.

Compliance with Specific Government Exclusion/Debarment Obligations

In some cases, government agencies require that TMGIPA (i) make certifications regarding the eligibility of it and its Employees and/or Contractors to participate in Federal and/or State health care programs or other federally funded programs; (ii) provide notice to the government agency upon learning of deviations from contractual requirements regarding eligibility of it and its Employees and/or Contractors to participate in Federal and/or State health care programs or other federally funded programs; and/or include specific exclusion/debarment clauses or language in its subcontracts. Notwithstanding the requirements of TMGIPA's Participation Status Review Policy, TMGIPA shall ensure that any alternative government contractual obligations not covered by its Participation Status Review Policy are satisfied.

Background Checks

TMGIPA shall also implement additional Policies and Procedures relating to background checks for specified potential and/or existing Employees and/or Contractors as may be required by law and/or deemed by TMGIPA to be otherwise prudent and appropriate.

Notice and Documentation

TMGIPA and its Employees will comply with applicable federal and state laws governing notice and disclosure obligations relating to Participation Status Reviews and background checks. Employees responsible for conducting the Participation Status Reviews and/or background checks, if any, shall record and maintain the results of the reviews and notices/disclosures and shall provide periodic reports to the Compliance Officer. As specified above, Employees shall immediately notify the Compliance Officer of affirmative findings of a person or entity's failure to meet the Participation Status Review Policy requirements.

ENFORCING STANDARDS CONSISTENTLY THROUGH DISCIPLINARY MECHANISMS

TMGIPA has established well-publicized standards through the implementation of procedures that encourages good faith participation in the compliance program by all affected individuals. These standards include policies that:

- Articulate expectations for reporting compliance issues and assist in their resolution,

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- Identify noncompliance or unethical behavior; and
- Provide for timely, consistent, and effective enforcement of the standards when noncompliance or unethical behavior is determined.

Enforcement

Conduct Subject to Enforcement and Discipline

Board members may be subject to removal, Employees to discipline up to and including termination and Contractors to termination for failing to participate in TMGIPA's Compliance efforts including, but not limited to:

- Conduct that leads to the filing of a false or improper claim or that is otherwise responsible for the filing of a claim in violation of federal or state law, or conduct that results in violation of any other Federal or state law relating to participation in Federal and/or State health care programs
- Failure to perform any required obligation relating to compliance with the Compliance Program or applicable law
- Failure to report violations or suspected violations of the Compliance Program or applicable law to an appropriate person or through the Compliance Hotline

Enforcement and Discipline

TMGIPA maintains a "zero tolerance" policy towards any illegal conduct that impacts the operation, mission or image of TMGIPA. Any Employee or Contractor engaging in a violation of laws or regulations (depending on the magnitude of the violation) may be terminated from employment or their contract. TMGIPA shall accord no weight to a claim that any improper conduct was undertaken for the benefit of TMGIPA. Such conduct is not for TMGIPA's benefit and is expressly prohibited.

The standards established in the Compliance Program, including this Compliance Plan, shall be consistently enforced through disciplinary proceedings. These shall include the following:

- Prompt initiation of education to correct the identified problem.
- Disciplinary action, if any, as may be appropriate given the facts and circumstances of the investigation including oral reprimand, written reprimand, demotions, reductions in pay, discharge and termination.

In determining the appropriate discipline or corrective action for any violation of the Compliance Program or applicable law, TMGIPA shall not take into consideration a particular person's or entity's economic benefit to the organization.

Board members, Employees, and Contractors should also be aware that violations of applicable laws and regulations, even unintentional, could potentially subject them or TMGIPA to civil, criminal or administrative sanctions and penalties. Further, violations could lead to suspension or exclusion from participation in Federal and/or State health care programs.

Remediation

Notice of Violation or Suspected Violation

If a Board member, Employee or Contractor becomes aware of a violation, suspected violation or questionable or unethical conduct in violation of the Compliance Plan or applicable law, that Board member, Employee or Contractor must notify TMGIPA immediately. The Board member, Employee, or Contractor may report any violation, suspected violation, or questionable conduct to their immediate Supervisor or to the Compliance Officer by direct verbal or written report. Such reports may also be made to the Compliance Hotline or Compliance Post Office Box.

Response to Notice of Violation or Suspected Violation

The Compliance Officer shall, upon verifying the fact of a violation or likely violation, notify the Compliance Committee. The Compliance Committee (in consultation with legal counsel, when appropriate) shall determine a response as soon as practicable, which shall include, but shall not be limited to:

- Investigating, or causing to be investigated, all aspects of the suspected violation or questionable conduct;
- Preparing recommendations for disciplinary action, termination of any agreement and/or any other corrective action subject to consultation with legal counsel, notifying the Governing Body, as appropriate;
- Considering the advisability of disclosing the incident to potentially interested governmental agencies and reviewing with legal counsel, as appropriate
- Retraining Employees;
- Amending, if necessary, TMGIPA's Compliance Plan and Policies and Procedures in an effort to avoid any future recurrence of a violation and/or ensuring that all Compliance reports are kept confidential and, if appropriate, protected under the attorney/client privilege and any applicable law and that all files regarding Compliance matters will be appropriately secured.

It is the responsibility of the CEO to review and implement any appropriate corrective and/or disciplinary action after considering such recommendations.

RESPONDING PROMPTLY TO DETECTED OFFENSES, DEVELOPING CORRECTIVE ACTION, AND REPORTING TO THE GOVERNMENT

TMGIPA has established and implemented procedures and a system for prompt response to compliance issues as they are raised, investigating potential compliance problems as identified in the course of self-evaluations and audits, correcting such problems promptly and thoroughly to reduce the potential for recurrence, and to ensure ongoing compliance with CMS requirements.

In the event TMGIPA discovers evidence of misconduct related to payment or delivery of items or services under the contract, investigations are conducted in a timely and reasonable manner. If in fact misconduct related to payment or delivery of items or services arise, appropriate corrective actions (for example, repayment or overpayments, disciplinary actions against responsible employees) will be taken. TMGIPA offers its employees and its covered entities procedures to voluntarily self-report potential fraud or misconduct related to the Medicare Advantage program to CMS or its designee.

Reporting

The Compliance Officer is responsible for reporting activities that may be in violation of Federal or State laws and statutes to: the Department of Managed Health Care (DMHC) if a State law or statute may be in violation, and the Centers for Medicare and Medicaid (CMS), the Office of the Inspector General (OIG) if a Federal law or statute may be in violation, the TMGIPA Compliance Committee, and the Board of Directors.

If the misconduct may violate criminal, civil or administrative law, TMGIPA will report this to the local government authority as soon as possible, but not to exceed 60 days after determining that there is credible evidence of a violation. This investigative information will also be reported to the appropriate governmental authority, for example, DMHC, CMS, or OIG. The report will include a description of the impact of the alleged violation on the operation of the applicable program or beneficiaries, and any corrective action taken by TMGIPA.

The Compliance Officer prepares an annual statistical summary for reporting to the Compliance Committee and the Board of Directors. These report summaries include:

- The total number of reports received
- The number of investigations undertaken
- The number of reports resulting in corrective action
- The number of investigations closed without further action
- For those cases reported to law enforcement agencies, the number of cases prosecuted to the extent known by the health plan.

The report may also include recommendations to improve efforts to combat health care fraud.

Confidentiality and Non-Retaliation

TMGIPA takes all reports of violations, suspected violations, questionable conduct or practices seriously. Verbal and written reports are treated confidentially to the extent permitted by applicable law and circumstances. The caller and/or author need not provide his or her name. All communications, either verbally or in writing shall be treated as privileged to the extent permitted by applicable law. TMGIPA's policy prohibits any retaliatory action against a Board member, Employee, or Contractor for making any verbal or written communication in good faith. Discipline shall not be increased because a Board member, Employee, or Contractor reported his or her own violation or misconduct. Prompt and complete disclosure may be considered a mitigating factor in determining a Board member's, Employee's, or Contractor's discipline or other sanction.

Although Board members, Employees and Contractors are encouraged to report their own wrongdoing, Board members, Employees and Contractors may not use any verbal or written report in an effort to insulate themselves from the consequences of their own violations or misconduct. Board members, Employees, and Contractors shall not prevent, or attempt to prevent, a Board member, Employee, or Contractor from communicating via any mechanism. If a Board member, Employee, or Contractor attempts such action, he or she is subject to disciplinary action up to and including, dismissal, or termination.

TMGIPA also takes violations of this reporting policy (e.g. retaliation) seriously and the Compliance Officer will review disciplinary and/or other corrective action for violations, as appropriate, with the Compliance Committee. TMGIPA developed a Compliance Hotline for those who wish to report suspected violations anonymously. Calls can be directed to (919)859-2566. TMGIPA will routinely publicize and enforce a no-tolerance policy for retaliation or retribution against any employee who reports suspected misconduct.

Filing Systems

The Compliance Officer shall establish and maintain a filing system (or systems) for all compliance-related documents. The following files shall be established at TMGIPA (as applicable):

Compliance Plan, Codes and Policies and Procedures File

This file shall contain copies of the following (unless originals specified):

- Compliance Plan and any amendments
- Any Compliance Program Policies and Procedures issued after the initiation of the Compliance Program
- Reports to, and Resolutions/Minutes of the Governing Body approving the Compliance Program, Compliance Plan, and/or appointment of the Compliance Officer
- All non-privileged communications to the Compliance Officer (original)
- All Compliance Committee and Governing Body minutes in which compliance issues are discussed
- Any other written records of oversight activities (originals if generated by the Compliance Officer)

Information and Education File

This file shall contain copies of the following (unless originals specified):

- Board member, Employee and Contractor training records (including attendance records, Affirmation Statements, and the outline of topics covered);
- Educational materials provided to Board members, Employees and Contractors;
- Notices, fraud alerts, and/or federal and state laws and regulations which have been posted on bulletin boards, placed in payroll stuffers, or sent via electronic communication (and the dates and locations of such notices); and
- All other written records of training activities.

Monitoring, Enforcement and Response File

This file shall contain copies of the following (unless originals specified):

- Records relating to Compliance reports including those to the Compliance Hotline and/or Post Office Box, and/or to the Compliance Officer (originals)
- Records relating to periodic monitoring and auditing of the Compliance Program (originals)
- Records relating to Board member, Employee and Contractor Participation Status Review (originals except where Provider Operations perform provider Participation Status Reviews)

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- Records relating to established periodic monitoring mechanisms
- All documents pertaining to the enforcement of the Compliance Program, including, investigations and disciplinary actions
- All documents reflecting actions taken after an offense has been detected, and all efforts to deter and prevent future violations

Privileged File

This file shall contain the following original documents (except where only a copy is available):

- Records of requests for legal assistance or legal opinions in connection with compliance hotline telephone calls, or correspondence, and/or problems reported to the Compliance Officer
- The response from legal counsel regarding any such issues
- This file shall be protected by, and marked, privileged and confidential and its contents shall be kept in a secure location. Only the Compliance Officer, legal counsel, and the Compliance Committee shall have access to its contents. All material in this file shall be treated as attorney-client privileged and it shall not be disclosed to persons outside the privileged relationship.

Document Retention

All of the documents to be maintained in the filing system described above shall be retained for ten (10) years from end of the fiscal year in which the TMGIPA contract with Medicare health plans expire or is terminated (other than privileged documents which shall be retained until the issue raised in the documentation has been resolved, or longer if necessary).

ETHICS AND INTEGRITY PROGRAM

Appropriate ethical and lawful conduct from all employees shall be enforced at all times.

Conducts that interferes with Company operations that discredits the Company, which is illegal, offensive to business partners, delegated entities, vendors or employees is unacceptable. Any such conduct is in violation to Company policy and subject to disciplinary action.

Compliance with Laws and Regulations

All employees are subject to obeying all Federal and State regulations with regards to the health plan and all its business units. Such activities as drug use, fraud, embezzlement or any other illegal activities shall be prohibited at all times. As a consumer of health service organization, TMGIPA is heavily regulated by Federal, State and local agencies. Our regulated business practices include, but are not limited to:

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- Ensuring medical services and business practices meet quality assurance standards and protect patient rights and confidentiality.
- Managing provider networks and health care delivery systems to make certain they meet contractual requirements and are assessable to our members.
- Monitoring the appropriate utilization of health care resources and ensuring that medically necessary covered services are not inappropriately denied.
- Providing for expeditious handling of members' complaints and appeals.
- Processing claims accurately and promptly.
- Conducting sales and marketing activities according to the established regulations and guidelines.
- Ensuring accurate and timely administration of membership accounting, including enrollment, disenrollment, member status and premium billing.
- Promoting a work environment for employees that is safe, ethical and founded on principles of equal employment and nondiscrimination.
- Ensuring the accuracy of TMGIPA's financial statements and following the Department of Managed Health Care regulations that apply to health maintenance organizations.

Maintaining Confidentiality and Security – HIPAA

Employees of TMGIPA must protect all protected health information (PHI) during the course of employment. Appropriate precautions have been set in place to protect the confidentiality and security of member's protected health information, whether;

- Transmitted by electronic media
- Maintained in any electronic medium or
- Transmitted or maintained in any other form or medium
- Member's protected health information, including diagnoses and treatments, personal data, billing and contact information.

Maintaining Confidentiality and Security – Employees

All precautions will be taken to protect employees, company information, company transactions, patents, trade secrets and confidential information that belong to TMGIPA. Employees are prohibited from divulging information that could be harmful or damaging to TMGIPA or that could otherwise provide an advantage to our competitors. Preserving the right of privacy, the confidentiality and security of information for the company and employees are TMGIPA's priorities. The following information is classified as confidential:

- Private information about providers and marketing strategies
- Private information regarding Company personnel
- Employee information including personnel files, evaluations.

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- Disciplinary matters and behavioral assessments
- Business information such as financial, marketing and statistical data, competitive information, budgets, processes, techniques, mergers, acquisitions, or significant reorganizations, bid proposals and contract negotiations, layoffs, research and development, and business reports and summaries, or anything else that would give our competitors an unfair advantage.
- When using or sharing such information, Employees must secure all data (electronic or otherwise) and follow all applicable laws and company policies. Failure to maintain confidentiality and appropriate security of information could subject Employee to disciplinary actions up to and including termination or could further subject Employee or TMGIPA to civil actions.

Safeguarding these assets includes taking the appropriate steps to identify and prevent accidental disclosure. These responsibilities and restrictions apply equally to electronic information methods (e-mail, Internet, etc.) and prohibit accessing or creating any electronic communications that contradicts TMGIPA's personnel policy.

Company Property & Information

All employees are responsible for safeguarding TMGIPA's assets from misuse or misappropriation whether those assets are intangible such as business information and intellectual property, or tangible, such as equipment or supplies.

During the course of employment, all employees shall protect and preserve company property and refrain from using it for personal gain. It is understood that company property includes, but is not limited to, physical property and electronic communications systems. TMGIPA's facility, equipment, technology and resources are for business purposes – *to help employees do their job*.

All employees must use company property in a professional, productive, and lawful manner. Employees must be responsible and use reasonable judgment regarding all company-provided communications and computing devices, including but not limited to:

- Copying devices (scanners and copy machines)
- Telephones
- Desktop and laptop computers
- Remote access/dial-up hardware and software devices.

Harassment

TMGIPA does not condone any form of harassment or discrimination based on race, color, national origin, age, gender, religious preference, marital status, sexual orientation, handicap or

disability or any other characteristic protected by law. We are committed to equal employment practices and comply with all laws, regulations and policies related to non-discrimination.

Because harassment means different things to different people, we must refrain from any offensive or inappropriate behavior. Examples of inappropriate behavior may include degrading jokes, intimidation, slurs, and verbal or physical sexual harassment. Reports of harassment will be promptly investigated and employees engaging in this behavior will be disciplined up to and including termination of employment, and maybe subject to further criminal actions by law.

Safe Working Environment

TMGIPA is committed to practices that generate safe workplace actions, conditions and procedures, and continually work to develop and maintain a safe and healthy work environment. Please report any safety concerns or any of the following situations to Employees' immediate supervisor:

- Injuries or other illnesses
- Hazards such as facilities and equipment malfunctions or dangers
- Security violations or criminal activity on company premises; and
- Actual or threatened acts of violence or intimidation.

Conflict of Interest

Employees should avoid conflicts between personnel and TMGIPA interests. If actual or apparent conflicts are unavoidable, seek guidance on the best course of action and fully disclose any transaction and all related incidents to management.

Employees are expected to exercise good judgment and the highest ethical standards in our activities on behalf of TMGIPA and also to be mindful that our activities outside the company impact how TMGIPA is viewed by others. Employees should avoid any actions, investments or interests which reflect unfavorably on Employee and the Company. More specifically, employees should avoid any action that has the potential or appearance of impacting the company adversely or interfering with Company objectives.

Gifts Relating to Outside Vendors

TMGIPA's gift policy follows these general rules:

- Employees may accept gifts of nominal value, such as promotional items (mugs, calendars, T-shirts, etc.) given in the regular course of business. However, Employees should not accept small gifts on a regular or continual basis.
- Do not accept gifts of money or cash equivalents.
- When giving gifts, make sure they are keeping with the business relationship and do not attempt to obligate or influence the recipient.

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- Do not offer any gift, favor, travel or entertainment if it is against the policy of the recipient's organization. Many companies have policies that do not allow any gifts.
- In the case of the government, the offer of anything, sometimes even a cup of coffee, may be against the law. When in doubt, check with a manager or contact the Compliance Department.
- Gifts, favor, travel and entertainment may cause a conflict of interest with your work at TMGIPA. As a result, always follow these simple guidelines:
- Never offer, accept or provide gifts, favors, travel or entertainment of more than a nominal value, unless approved in advanced as required by TMGIPA, as this may compromise the integrity of the Company. Never solicit gifts, favors, travel or entertainment, except for company approved causes.
- Never offer a gift, favor, travel or entertainment to a government employee unless confirmed with the Compliance Department in advance that it is appropriate to do so.

If Employee have any doubts, seek further clarification from a Manager or upper management. Please note: That these guidelines apply to actions related to those outside the direct employment of TMGIPA. This section does not apply to actions between the company and its employees. Offering or taking bribes, kickbacks, payoffs or other unusual or improper payments to obtain or keep business is unethical, illegal and strictly forbidden.

External Audits and Reviews

The Company frequently contracts with outside parties which come on site to perform financial and regulatory audits and reviews of TMGIPA's financial, operations and business practices. These outside parties include independent auditors, Federal and State government regulators and inspectors. It is TMGIPA's policy to fully cooperate with these auditors and provide them with all necessary information. During audits or reviews, employees must:

- Never conceal, destroy, or alter any documents.
- Never give any false or misleading statements to inspectors.
- Never provide inaccurate information and
- Never obstruct, mislead or delay communication of information or records about possible violation of law.

Compliance Actions

Discuss the problem with Employee's supervisor. It is the manager's duty to assist Employees in complying with this Program. Feel free to discuss a situation that raises ethical issues with Employee's manager if there are any questions. Please note, Employees will suffer no retaliation for seeking such guidance.

If necessary, seek additional guidance/assistance. If Employees feel uncomfortable approaching its manager or desire further assistance, Employees may direct questions regarding ethical matters to the Compliance Department. The Compliance Officer/Department is responsible for overseeing the Company's Ethics and Integrity Policies and Procedures.

Reporting Procedures

If Employees are aware of a potential conflict of interest, or believe that an employee has violated the Program, Employees must promptly report the conflict or violation to one of the following:

- Its Manager
- Senior Management
- The Compliance Officer and Compliance Department

If a report is made to the Employee's manager, they must in turn report the violation to the Compliance Officer/Department. All reports concerning an officer or director of the Company must be made directly to the Compliance Officer/Department. Employees also have a right to submit reports of questionable accounting or auditing practices to the Compliance Committee.

It is TMGIPA's philosophy to protect the Company and the needs and rights of its employees at all times. TMGIPA will not tolerate any retaliation against any employee who reports an alleged or known violation in this Program.

Retaliation against a person who makes a report in good faith will not be tolerated. Any employee who attempts to or encourages others to retaliate against an individual, who has reported a violation, will be subject to disciplinary actions up to and including termination of employment.

Disciplinary Action

Violations of TMGIPA's Ethics & Integrity Program may result in disciplinary actions ranging from verbal and/or written warnings, suspension and termination. TMGIPA is an at-will employer and reserves the right to discharge/terminate any employee with or without cause.

Health Insurance Portability and Accountability Act (HIPAA)

In 1996, Congress passed the Health Insurance Portability and Accountability Act (HIPAA). In doing so, national standards for the protection of certain health information also referred to as the "**Privacy Rule**" was established. The Rule addresses the use and disclosure of individuals' health information, referred to as "**protected health information**" (PHI). It also protects individuals' privacy rights to understand and control how their health information is used. Within the Human Health Services (HHS), The Office of Civil Rights (OCR) has the responsibility

for implementing and enforcing the **Privacy Rule** with respect to voluntary compliance activities and civil money penalties.

A major goal of the Privacy Rule, is to assure that individual's personal health information is properly protected, while allowing the flow of health information needed to provide and promote high quality health care and to protect the public's health and well-being. The Privacy Rule establishes a balance that permits important uses of information, while protecting the privacy of individuals.

Covered Entity is any health care provider who transmits health information in electronic form in connection with transactions for which the HHS has adopted standards under HIPAA for "**Covered Entities**." The Privacy Rule applies to the following covered entities:

- Health Plans
- Health Care Providers
- Health Care Clearinghouses

Individual Practice Associations (IPAs) that provide medical care to Medicare recipients through contracts with health plans (HMOs) are "**covered entities**." Health plans include health, dental, vision, and prescription drug insurers, health maintenance organizations (HMOs), Medicare, Medicaid, Medicare Advantage plans and long-term care insurers. "**Group health plans**" include self-insured plans to the extent that the plan provides medical care to employees or their dependents directly or through insurance reimbursement if:

- They have 50 or more participants; or
- Administered by an entity other than the employer that established and maintains the plan.

Every health care provider, regardless of size, who electronically transmits health information in connection with certain transactions, is a covered entity. These transactions include claims, benefit eligibility inquiries, referral authorization requests, or other transactions for which HHS has established standards under the HIPAA Transactions rule.

Health care providers as defined by Medicare, include:

- Hospitals
- Physicians
- Dentists
- Practitioners
- Persons or organizations that furnishes, bills or is paid for health care

Health care clearinghouses are entities that process another entity's health care transactions from a standard format to a non-standard format or vice-versa. Below are listed health care transactions:

- Billing services
- Re-pricing companies
- Community health management information systems,
- Value-added networks

Business Associate

A business associate is a person or organization, other than a member of a covered entity's workforce that performs certain functions or activities on behalf of, or provides certain services to a covered entity that involves the use or disclosure of individually identifiable health information.

- Examples: claims processing, data analysis, utilization review, and billing.

Business associate services to a covered entity are limited to legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, or financial services. However, persons or organizations are not considered business associates if their functions or services do not involve the use or disclosure of protected health information and where any access to protected health information by such person would be incidental, if at all.

When a covered entity uses a contractor or other non-workforce member to perform "business associate" services or activities, the Rule requires that the covered entity include certain protections for the individual health information in a business associate agreement. The agreement/contract must impose specified written safeguards on the information to be used or disclosed.

Note: Use or disclosure of PHI that would violate the Rule, cannot contractually be entered into.

Protected Health Information

Any information, in any form or medium, whether oral, electronic or paper; the Privacy Rule calls this information "protected health information (PHI)." PHI includes any "Individually identifiable health information" including demographic data, that relates to:

- The individual's past, present or future physical or mental health or condition;
- The provision of health care to the individual;
- The past, present, or future payment for this provision of health care to the individual;

- Information that identifies the individual or could be reasonably believed to identify the individual.

De-Identified Information

There are no restrictions on the use or disclosure of de-identified health information. De-identified health information neither identifies nor provides a reasonable basis to identify an individual. There are two ways to de-identify information, either:

- A formal determination by a qualified statistician, or
- The removal of specified identifiers of the individual and of the individual's relatives, household members and employers (is adequate only if the covered entity has no actual knowledge that the remaining information could be used to identify the individual.)

General Principles of Use and Disclosure

Basic Principle

A major purpose of the Privacy Rule is to define and limit the circumstances in which an individual's protected health information may be used or disclosed by covered entities. A covered entity may not use or disclose protected health information, except either:

- As the Privacy Rule permits or requires; or
- As the individual who is the subject of the information (or the individual's personal representative) authorizes in writing.

Required Disclosure

A covered entity must disclose information under two situations only, as follows:

- To individuals (or their personal representatives) specifically when they request access to, or an accounting of disclosures of their protected health information, and
- To Health and Human Services (HHS) when it is undertaking a compliance investigation or review or enforcement action.

Permitted Use and Disclosure

A covered entity is permitted to use and disclose protected health information without an individual's authorization for the following purposes or situations:

- To disclose information to the individual
- To conduct/provide Treatment, Payment, Health Care Operations
- Opportunity to agree or object
- Incidental use and disclosure
- Public interest and benefit activities

- To use or disclose a Limited Data Set

To The Individual

A covered entity may disclose protected health information to the individual who is the subject of the information.

Treatment, Payment, Health Care Operations

A covered entity may use and disclose protected health information for its own treatment, payment and health care operations activities. A covered entity also may disclose protected health information as follows:

- For the treatment activities of any health care provider,
- For the payment activities of another covered entity and for any health care provider, or
- For the health care operations of another covered entity involving either, quality of competency assurance activities or fraud and abuse detection and compliance activities.

Uses and Disclosures with Opportunity to Agree or Object

Informal permission may be obtained by asking the individual outright, or by circumstances that clearly give the individual the opportunity to agree, acquiesce, or object, with the following exceptions:

- Where the individual is incapacitated
- In an emergency situation, or
- If the individual is not available.

Incidental Use and Disclosure

The Privacy Rule does not require that every risk of an incidental use or disclosure of protected health information be eliminated. A use or disclosure of this information that occurs as a result of, or as “incident to” an otherwise permitted use or disclosure is permitted as:

- The covered entity has adopted reasonable safeguards as required by the Privacy Rule, and
- The information being shared was limited to the “minimum necessary,” as required by the Privacy Rule.

Public Interest and Benefit Activities

The Privacy Rule permits use and disclosure of protected health information without an individual’s authorization or permission.

- Required by Law
- Public Health Activities

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- Victims of Abuse, Neglect or Domestic Violence
- Health Oversight Activities
- Judicial and Administrative Proceedings
- Law enforcement Purposes
- Decedents
- Cadaveric Organ, Eye, or Tissue Donation
- Research
- Serious Threat in Health or Safety
- Essential government Functions
- Worker's Compensation

Specific conditions or limitations apply to each public interest purpose.

Authorization Required

Authorization- A covered entity must obtain the individual's written authorization for any use or disclosure of protected health information that is not for treatment, payment or health care operations or otherwise permitted or required by the Privacy Rule. Psychotherapy Notes- A covered entity must obtain an individual's authorization to use and disclose psychotherapy notes with the following exceptions:

- The covered entity who originated the notes may use them for treatment.
- Psychotherapy notes may be used or disclosed without the individual authorization as follows:
 - for its own training
 - to defend itself in legal proceedings brought by the individual
 - for HHS to investigate or determine the covered entity's compliance with the Privacy Rules
 - to avert a serious and imminent threat to public health or safety
 - to a health oversight agency for lawful oversight of the originator of the psychotherapy notes
 - for the lawful activities of a coroner or medical examiner or as required by law

Marketing- Any communication about a product or service that encourages recipients to purchase or use the product or service.

- Communications to describe health-related products and services, or payment for them, provided by or included in a benefit plan of the covered entity making the communication

- Communication about participating providers in a provider or health plan network, replacement of or enhancements to a health plan, and health-related products or services available only to a health plan's enrollees that add value to, but are not part of the benefit plan
- Communications for treatment of the individual
- Communications for case management or care coordination for the individual, or to direct or recommend alternative treatments, therapies, health care providers, or care setting to the individual

Limited Use and Disclosures

Minimum Necessary

A covered entity must only use or disclose PHI when it is necessary to satisfy a particular purpose or carry out a function. Entities are required to evaluate their practices and enhance safeguards as needed to limit unnecessary or inappropriate access and use.

Minimum Necessary Rule is not imposed in the following circumstances:

- Disclosure or request by a health care provider for treatment
- Disclosure to an individual who is the subject of the information, or the individual's personal representative
- Use or disclosure made pursuant to an authorization
- Disclosure to HHS for complaint investigation, compliance review or enforcement
- Use or disclosure that is required by law
- Use or disclosure required for compliance with the HIPAA Transaction Rule or other HIPAA Administrative Simplification Rules

Health Information – Privacy Rights

As stated under the Privacy Rule, covered entities must comply with individual requests to:

- See and receive a copy of individual health records
- Have corrections made to individual health information
- Receive a notice that explains how individual health information may be used and shared.
- To give permission before individual health information can be used or shared for certain purposes, such as marketing.
- To request a report on when and why individual health information was shared for certain purposes.

If it is believed that individual privacy rights are being denied or health information isn't being properly protected, seek the following remedies:

- File a complaint with the provider or health insurer
- File a complaint with the U.S. Government

Administrative Requirements

The Privacy Rule is flexible and scalable to allow covered entities to analyze their own needs and implement solutions appropriate for their own environments as it relates to:

- Policies and Procedures - A covered entity must develop and implement written policies and procedures that are consistent with the Privacy Rule.
- Privacy Personnel - A covered entity must designate a privacy officer responsible for developing and implementing its privacy policies and procedures, and a contact person responsible for receiving complaints and providing individuals with information on the covered entity's privacy practices.
- Workforce Training and Management - Workforce members include employees, contractors, volunteers, trainees, and other persons whose conduct is under the direct control of the entity. Covered Entities, MUST train all workforce members on its privacy policies and procedures, as necessary and appropriate for them to carry out their functions.
- Mitigation – A covered entity must mitigate, to the extent practicable, any harmful effect it learns was caused by use or disclosure of protected health information by its workforce or its business associates in violation of its privacy policies and procedures or the Privacy Rule.
- Safeguards - A covered entity must maintain reasonable and appropriate administrative, technical, and physical safeguards to prevent inappropriate uses and disclosures of PHI.

Below are examples of appropriate safeguards:

- Shredding documents containing PHI before discarding them
- Securing medical records with lock and key or pass code
- Limiting access to keys and pass codes
- Locking computer screens when away from your desk
- Refraining from discussing member information outside the workplace, lunch-rooms, elevators, lobby etc.
- Complaints - Must have procedures for individuals to complain about its compliance with its privacy policies and procedures and the Privacy Rule.
- Retaliation and Waiver - A covered entity may not retaliate against a person for exercising rights provided by the Privacy Rule as listed:
 - Assisting in an investigation by HHS
 - Assisting any appropriate authorities, or
 - For opposing an act or practice that the person believes in good faith violates the Privacy Rule.

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- An entity may not require an individual to waive any right under the Privacy Rule as a condition for obtaining treatment, payment, enrollment or benefits eligibility.
- Documentation and Record Retention - Documents that must be maintained ten years after the creation or the last effective date:
 - Privacy policies and procedures
 - Privacy practices notices
 - Disposition of complaints, and other actions, activities
 - Designations that the Privacy Rule requires to be documented.
- Enforcement Penalties for Noncompliance - The principles for achieving compliance provided in the Privacy Rule, HHS will seek the cooperation of covered entities and may provide technical assistance to help them comply voluntarily with the Privacy Rule. The Privacy Rule provides processes for persons to file complaints with HHS. It also describes the responsibilities of covered entities to provide records, compliance reports, to cooperate with, and permit access to information for investigations and compliance reviews.

TMGIPA

AFFIRMATION STATEMENT-CONTRACTORS

I have received and read a copy of the Compliance Plan, including the Code of Conduct and I understand, acknowledge, and agree to abide by its contents.

I have received and read a copy of the Code of Conduct and I understand, acknowledge, and agree to abide by its contents.

I will disseminate the Compliance Plan/Code of Conduct to those employees and agents who will furnish items or services to TMGIPA under the Contractor Agreement.

Print Name

Signature

Title

Company

Date

GLOSSARY

Abuse (“Abuse”) means practices that are inconsistent with sound fiscal, business or medical practices, and result in unnecessary cost to Federal and/or State health care programs, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care and include recipient practices that result in unnecessary cost to the Federal and/or State health care programs.

Board members are the members of TMGIPA’s Governing Body.

TMGIPA Members (“TMGIPA members”) means a beneficiary who is enrolled with TMGIPA.

Centers for Medicare & Medicaid Services (“CMS”) means the Centers for Medicare & Medicaid Services formerly, the Health Care Financing Administration, and the operating component of the Department of Health and Human Services (DHHS) charged with administration of the Federal Medicare and Medicaid programs.

Code of Conduct (“Code of Conduct”) means the statement setting forth the principles and standards governing TMGIPA’s activities to which Board members, Employees, Contractors, and agents of TMGIPA are expected to adhere.

Compliance Committee (“Compliance Committee”) means that committee designated by the Board of Directors to implement and oversee the Compliance Program and to participate in carrying out the provisions of the Compliance Plan. The Compliance Committee shall have the authority and responsibility to investigate all reports of suspected violations or questionable conduct under the Compliance Program.

Compliance Officer means that person designated as compliance officer for TMGIPA charged with the responsibility of implementing and overseeing the Compliance Program and this Compliance Plan.

Compliance Plan (“Compliance Plan”) means this plan including, the Code of Conduct, all attachments, exhibits, modifications, supplements, or amendments thereto. The Compliance Program (“Compliance Program” or “Program”) means the program (including without limitation, the Compliance Plan, Code of Conduct and Policies and Procedures) developed and adopted by TMGIPA to promote, monitor and ensure that TMGIPA’s operations and practices and the practices of its Board members, employees and contractors comply with applicable law and ethical standards.

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Contractor (“Contractor”) means all non-employed personnel and/or entities who have been engaged by TMGIPA to perform certain tasks or fulfill duties on behalf of TMGIPA or its Members and their subcontractors who perform such tasks or fulfill such duties including, but not limited to, a third party administrator, pharmacy, seller, supplier or provider of services and/or supplies and any consultant. For purposes of this Compliance Plan, the term Contractor also includes participating providers and suppliers regardless of whether they are authorized to furnish items or services by written contract with TMGIPA and/or registration with TMGIPA or otherwise.

Contractor Agreement (“Contractor Agreement”) means any agreement with a Contractor.

Department of Health and Human Services-Office of Inspector General (“OIG”) means the Office of Inspector General of the United States Department of Health and Human Services.

Department of Health Care Services (“DHCS”) means the California Department of Health Care Services, the State agency that oversees the program. Formerly known as, the Department of Health Services.

Department of Managed Health Care (“DMHC”) means the California Department of Managed Health Care that oversees California’s managed health care system. DMHC regulates health maintenance organizations licensed under the Knox-Keene Act and Risk Bearing Organizations (RBOs).

Downstream entity means any party that enters into a written arrangement, acceptable to CMS, below the level of the arrangement between a Sponsor and a first tier entity. These written arrangements continue down to the level of ultimate provider of both health and administrative services.

Employee or Employees (“Employee” or “Employees”) means any and all employees of TMGIPA, including all officers, managers, supervisors and other employed personnel.

Federal and/or State Health Care Programs (“Federal and/or State health care programs”) means “any plan or program providing health care benefits, directly through insurance or otherwise, that is funded directly, in whole or in part, by the United States Government (other than the Federal Employees Health Benefits Program), including Medicare, or any State health care program” as defined in 42 U.S.C. § 1320a-7b (f) including the California Medicaid program, Medi-Cal.

Felony Conviction (“Felony Conviction”) means felony conviction status as described in applicable TMGIPA Policies and Procedures.

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Fraud (“fraud”) means an intentional deception or misrepresentation made by a person or entity with the knowledge that the deception could result in some unauthorized benefit to itself, himself, or herself or some other person and includes any act that constitutes fraud under applicable Federal or State laws including, without limitation, knowingly making or causing to be made any false or fraudulent claim for payment of a health care benefit.

Governing Body (“Governing Body”) means the Board of Directors of TMGIPA

Managed Risk Medical Insurance Board (“MRMIB”) means the Managed Risk Medical Insurance Board, the agency that administers certain health care programs, including California’s Healthy Families Program.

Mandatory Exclusion (“Mandatory Exclusion”) means an exclusion or debarment from Federal and/or State health care programs for any of the mandatory bases for exclusion identified in 42 U.S.C. § 1396a-7(a) and the implementing regulations including a conviction of a criminal offense related to the delivery of an item or service under Federal and/or State health care programs; a felony conviction related to the neglect or abuse of patients in connection with the delivery of a health care item or service; a felony conviction related to health care fraud and/or a felony conviction related to the unlawful manufacture, distribution, prescription or dispensing of a controlled substance.

Medical Review involves a thorough assessment of the medical record documentation associated with a specific claim. Medical review can be conducted on a pre- or post-payment basis. A pre-payment review may be used as part of the pre-authorization process for specific drugs. Post payment medical review, when used for medical necessity probe reviews, provides valuable information into the prescribing practices of providers and may identify overpayments.

Medicaid is a joint federal and state program that helps with medical costs for some people with low incomes and limited resources. Medicaid programs vary from state to state, but most health care costs are covered if you qualify for both Medicare and Medicaid.

Medicare is the health insurance program for the aged and disabled under Title XVIII of the Act.

Monitoring Activities means there are reviews repeated regularly during the normal course of operations. Monitoring activities may occur to ensure corrective actions are undertaken or when no specific problems have been identified to confirm ongoing compliance.

National Committee for Quality Assurance Standards for Accreditation of MCOs (“NCQA Standards”) means the written standards for accreditation of managed care organizations published by the National Committee for Quality Assurance. Participating providers and suppliers (“participating providers and suppliers”) include all health care providers and

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suppliers (e.g. physicians, mid-level practitioners, hospitals, long term care facilities, pharmacies etc.) that receive reimbursement from TMGIPA for items or services furnished to Members. Participating providers and suppliers for purposes of this Compliance Plan may or may not be contracted with TMGIPA.

Participation Status (“Participation Status”) means whether a person or entity (i) is currently suspended, excluded, or otherwise ineligible to participate in Federal and/or State health care programs; and/or (ii) was ever excluded from participation in Federal and/or State health care programs based on a Mandatory Exclusion; and/or (iii) meets TMGIPA’s Felony Conviction status requirements as set forth in TMGIPA Policies and Procedures.

Participation Status Review (“Participation Status Review”) means the process by which TMGIPA reviews its Board members, Employees, Contractors, and TMGIPA Direct providers to determine whether they (i) are currently suspended, excluded, or otherwise ineligible to participate in Federal and/or State health care programs; and/or (iii) were ever excluded from participation in Federal and/or State health care programs based on a Mandatory Exclusion; and/or (iii) meets TMGIPA’s Felony Conviction status requirements as set forth in TMGIPA Policies and Procedures.

Related entity means any entity that is related to the Sponsor by common ownership or control and:

1. Performs some of the Sponsor’s management functions under contract or delegation;
2. Furnishes services to Medicare enrollees under an oral or written agreement; or
3. Leases real property or sells materials to the Sponsor at a cost of more than \$2,500 during a contract period.

Supervisor (“Supervisor”) means an Employee in a position representing TMGIPA who has one or more Employees reporting directly to him or her. With respect to Contractors, the term “Supervisor” shall mean the TMGIPA Employee that is the designated liaison for that Contractor.

Third Party Administrator (“TPA”) means a Contractor that furnishes designated claims processing and other administrative services to TMGIPA.

Stuart Gray
President