



Code of Ethical Business Conduct
and
Medicare Compliance Program
Requirements
for
First-Tier, Downstream, and Related Entities
(FDRs)

Introduction

Troy Health is committed to conducting business with integrity. We believe in being honest, open and fair in our dealings with our members and their families, contractors, volunteers and our employees. We strive for an atmosphere of mutual trust and respect in our work. We do our best to ensure that our programs are responsive to the needs of our members while providing exceptional outcomes. Our Compliance Program is a key part of maintaining this commitment.

Troy Health, Inc. (and its affiliates and subsidiaries) is focused on conducting its business operations in compliance with all applicable federal, state, and local laws, and applicable government health care program requirements. But even more importantly, we are committed to conducting ourselves at all times with integrity.

Troy Health contracts with the Centers for Medicare & Medicaid Services (CMS) to provide services under Medicare Parts C and D. We are committed to being a good steward of these public resources. Troy Health enters into contracts with external vendors and providers to provide administrative or health care services to its members. CMS refers to these subcontractors as First-Tier, Downstream, and Related Entities (FDRs).

CMS requires FDRs to fulfill specific Medicare compliance program requirements. The Code of Federal Regulations (CFR) Title 42 §§ 422 and 423 explain in detail the Medicare compliance program requirements. These requirements can also be found in the Medicare Managed Care Manual (Manual), Chapters 9 and 21, Compliance Program Guidelines.

We have prepared this Code of Ethical Business Conduct and Medicare Compliance Program Requirements for First-Tier, Downstream and Related Entities (FDRs) to guide you in making good ethical decisions and complying with applicable federal, state, and local laws, and applicable government health care program requirements.

Please review this guide to make sure you have the internal processes in place to support compliance with the requirements of the program.

We thank you for your partnership with us.

Table of Contents

Introduction	1
Our Medicare Compliance Program helps us serve our members ethically	3
We use external entities to bring our members cost-effective healthcare solutions	3
You'll find specific requirements in this document	3
It is important for you to follow these requirements	3
What's an FDR?	4
FDRs providing healthcare services	4
FDRs providing administrative services	5
FDR Resources	5
Medicare Compliance Program and Attestation Requirements	5
Compliance Program requirements	5
What may happen if you don't comply	6
Attestation requirements	6
You may be asked to provide evidence of compliance	6
FWA Training, General Compliance Training and Code of Conduct/Compliance Policy Distribution	6
FWA and general compliance training	6
Compliance training requirements	7
You must give your employees this Code of Ethical Business Conduct and Medicare Compliance Program Requirements for FDRs	7
Exclusion List Screenings	8
You must perform exclusion list screenings	8
You must take action if an employee or Downstream Entity is on the list	8
Reporting Violations to Troy Health, Inc.	8
Non-Retaliation Policy	9
Your Obligation to Cooperate in Investigations	9
Offshore Operations & CMS Reporting	9
Notify us immediately if you plan to use an Offshore Entity	9
Specific Federal and State Compliance Obligations	10
Monitoring and Auditing of First-Tier and Downstream Entities	10
Expect routine monitoring and audits	10
Communications and Public Affairs	10
Confidential and Proprietary Information	11
Troy Health, Inc. Electronic Assets	11
Passwords and Access Codes	11
Security Requirements	11
Questions/Concerns	12

Troy Health, Inc.'s Code of Ethical Business Conduct and Medicare Compliance Program Requirements for First-Tier, Downstream, and Related Entities (FDRs)

Troy Health, Inc.'s (hereinafter referred to as "Troy Health") reputation depends on our ability to deliver on our promises to our members and our network of physicians, providers and facilities. We are guided by the highest standards of integrity. Our relationships with our members, providers, business partners and suppliers are built on trust and through experience. Each day we must deliver our commitment to do the right thing for the right reason and keep the people we serve at the center of everything we do.

Our Medicare Compliance Program helps us serve our members ethically

We're committed to practicing business in an ethical manner. Our Medicare Compliance Program is designed to:

- Reduce or eliminate fraud, waste, and abuse
- Make sure we comply with applicable laws, rules and regulations
- Reinforce our commitment to compliance

We use external entities to bring our members cost-effective healthcare solutions

Troy Health offers a Medicare Advantage Prescription Drug Plan HMO and a Dual Special Needs Plan (collectively, "Medicare Plans"). We contract with several external individuals and entities as a cost effective and efficient way of providing administrative and healthcare services. Some of the services provided by external entities are services that we are required to perform under our contract with CMS. CMS refers to these entities as First-Tier, Downstream, and Related entities (FDRs).

You'll find specific requirements in this document

CMS also requires that Troy Health's FDRs fulfill specific Medicare Compliance Program requirements. We describe these requirements in this document. The Code of Federal Regulations (CFR) outlines these Medicare Compliance Program requirements and they are specifically defined by CMS in the January 11, 2013 release of the Compliance Program Guidelines found in Chapter 21 of the [Medicare Managed Care Manual](#) and Chapter 9 of the [Prescription Drug Benefit Manual](#) (Manual), which are identical.

It is important for you to follow these requirements

You received this Code of Ethical Business Conduct and Medicare Compliance Program Requirements for First-Tier, Downstream and Related Entities because we've identified you as an FDR. This means that you must comply with these requirements. You must ensure that any employees and downstream entities who are assigned to work on Troy Health Medicare business adhere to the Code of Ethical Business Conduct and all laws, rules and government regulations applicable to Troy Health whenever they are conducting business for and/or on behalf of Troy Health.

FDRs will exercise appropriate supervision and oversight of their employees and downstream entities

to make sure that they are adhering to all Troy Health training requirements and that any work performed for or on behalf of Troy Health is consistent with the Code of Ethical Business Conduct. Troy Health will require FDRs to demonstrate that they are in compliance with the Code of Ethical Business Conduct.

The Code of Ethical Business Conduct establishes minimum standards for conducting business with Troy Health and to the extent of any conflict between the Code of Ethical Business Conduct and any other transactional document entered into by Troy Health and you, the latter will control.

What's an FDR?

We use the current CMS definitions to define First-Tier, Downstream, and Related Entities, in accordance with 42 C.F.R. §§ 422.500 and 423.501:

First-Tier Entity is any party that enters into a written arrangement, acceptable to CMS, with a Medicare Advantage Organization (MAO) or Part D plan sponsor or applicant to provide administrative services or healthcare services to a Medicare eligible individual under the Medicare Advantage program or Part D program.

Downstream Entity is any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with the Medicare Advantage benefit or Part D benefit, below the level of the arrangement between a MAO or applicant or a Part D plan sponsor or applicant and a first-tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.

Related Entity means any entity that is related to a MAO or Part D sponsor by common ownership or control and:

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

FDRs providing healthcare services

The requirements outlined in this guide apply to health care providers contracted with us that participate in our Medicare network. This includes physicians, hospitals and other provider types. Below are the reasons why:

- MA regulations and CMS rules state that providers contracted with Community Care to provide services to our Medicare members are "First-Tier Entities."
- Chapters 9 & 21 §40 of the Medicare Managed Care Manual lists "health services" as an example of the types of functions that a third party can perform that relate to an MAO's contract with CMS.
- CMS provides a chart in the Manual, Chapters 9 & 21 §40, indicating that health services and hospital groups are first-tier entities.

FDRs providing administrative services

The Medicare Compliance Program requirements also apply to entities with which we contract to perform administrative service functions relating to our Medicare Advantage contract with CMS. Some examples of administrative service functions include, but are not limited to:

- Formulary Administration
- Claims Processing
- Utilization Management
- Coverage Determinations
- Medical Record Reviews
- Credentialing*

*Under our Medicare Advantage contract with CMS, we're required to credential healthcare providers that participate in our Medicare provider network. We contract with entities to perform these credentialing services on our behalf under a delegation agreement. CMS considers these delegated credentialing entities to be First-Tier Entities. CMS identifies delegated credentialing entities as First-Tier Entities in the Manual, Chapter 11 § 100.5.

Other examples of FDRs include delegates, agents, broker organizations, pharmacies and other individuals, entities, vendors or suppliers contracted with Troy Health to provide administrative and/or healthcare services for our Medicare Plans. You can find more information in the Manual, Chapters 9 & 21.

FDR Resources

- Medicare Managed Care and prescription Drug Manuals, Chapters 9 & 21 §40 and 50.6
- Medicare Managed Care Manual, Chapter 11 §110
- 42 CFR §422.503(b)(4)(vi): Compliance Program Requirements
- 42 CFR §422.504(i): MA Organization relationship with first tier, downstream and related entities
- HIPAA of 1996, 45 CFR Parts 160 and 164
- Offshore Subcontracting Resources: HPMS Memos 8/15/2006, 7/23/2007, 2008 Call Letter.

Medicare Compliance Program and Attestation Requirements

Troy Health is committed to conducting business practices that are in compliance with ethical standards, all applicable state and federal laws, regulations and rules, and contractual obligations. A culture of ethical behavior and corporate compliance is essential to meeting this standard.

Compliance Program requirements

First-Tier Entities are responsible for making sure that their Downstream Entities comply with applicable laws and regulations, including the requirements in this guide. As a First-Tier Entity, you/your organization and all of your Downstream Entities (if applicable) must comply with Medicare Compliance Program requirements. The Code of Ethical Business Conduct summarizes your Medicare Compliance Program responsibilities. Please review it to make sure that you have internal processes to support your compliance with these requirements each calendar year. These Medicare Compliance Program requirements include, but are not limited to:

- Fraud, Waste and Abuse (“FWA”) training, General Compliance training and Code of Conduct/Compliance policy distribution
- Exclusion list screenings
- Reporting FWA and compliance concerns to Troy Health
- Offshore operations & CMS reporting
- Specific federal and state compliance obligations
- Monitoring and auditing of First-Tier, Downstream and Related Entities
- Confidential and proprietary information
- Security requirements

What may happen if you don’t comply

Failure of an FDR to meet these Medicare Compliance Program requirements could result on the following:

- Development of a corrective action plan
- Retraining
- Termination of your contract and relationship with Troy Health

The extent of our corrective action depends on the severity of the noncompliant behavior. If areas of noncompliance are found, the FDR must take prompt action to fix the issue and prevent it from happening again.

Attestation requirements

Each year an authorized representative from your organization must attest to your compliance with the Medicare compliance program requirements described in this guide. This should be someone who is responsible for all employees, contracted personnel, providers/practitioners and vendors who provide health care and/or administrative services for our Medicare Plans. This could be your practice manager/administrator, compliance officer, or an executive officer.

The FDR Compliance Attestation will be sent annually. You must keep evidence of your compliance with CMS requirements for no less than 10 years.

You may be asked to provide evidence of compliance

In addition to completing an attestation, Troy Health and/or CMS may request that you provide evidence of your compliance with these Medicare Compliance Program requirements. This is for monitoring/auditing purposes.

FWA Training, General Compliance Training and Code of Conduct/Compliance Policy Distribution

FWA and general compliance training

As a First-Tier Entity, your organization must provide general compliance and FWA training to all employees and Downstream Entities assigned to provide administrative and/or health care service for Troy Health Medicare Parts C and D programs.

To comply with this requirement, you can use CMS's Medicare Parts C & D Fraud, Waste and Abuse and General Compliance Training that is available through the CMS Medicare Learning Network (MLN) at <https://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnproducts/providercompliance.html>.

Compliance training requirements

Regardless of the method used, the training must be completed:

- Within 90 days of initial hire or the effective date of contracting
- At least annually thereafter

You must retain evidence of training completion. Evidence of completion may be in the form of certificates, attestations, training logs or other means that fulfill this requirement. For convenience, there are certificates of completion included on the last slides of the *CMS Medicare Parts C & D Fraud, Waste, and Abuse Training and General Compliance Training*.

If your organization is enrolled into Medicare Part A or B or is accredited as a supplier of Durable Medical Equipment, Prosthesis, Orthotics, and Supplies (DMEPOS) you are “deemed” to have met the FWA training and education requirements. Those parties deemed to have met the FWA training will still need to complete the general compliance training. Evidence of your organization’s “deemed” status must be made available to Troy Health and/or CMS upon request.

You can find the training requirements and information regarding deemed status at:

- 42 C.F.R. § 422.503(b)(4)(vi)(C) for Medicare Advantage
- 42 C.F.R. § 423.504(b)(4)(vi)(C) for Part D
- Manual, Chapters 9 & 21 § 50.3

You must give your employees this Code of Ethical Business Conduct and Medicare Compliance Program Requirements for FDRs

Your organization must provide either Troy Health's Code of Ethical Business Conduct or your own comparable Code of Conduct/Compliance Policies to all employees and Downstream Entities who are assigned to work on Troy Health Medicare business for our Medicare Plans. You must distribute the Code of Ethical Business Conduct/Code of Conduct:

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

You must retain evidence of your distribution of the Code of Conduct for 10 years. You can find the Code of Conduct requirements in:

- 42 C.F.R. § 422.503(b)(4)(vi)(A) for Medicare Advantage
- 42 C.F.R. § 423.504(b)(4)(vi)(A) for Part D
- Manual, Chapters 9 & 21 § 50.1.1

Exclusion List Screenings

Federal law prohibits Medicare, Medicaid and other federal healthcare programs from paying for items or services provided by a person or entity excluded from participation in these federal programs. Therefore, prior to hire and/or contract and monthly thereafter, each FDR must check the Office of Inspector General (OIG) and General Services Administration (GSA) “exclusion lists” to confirm that employees and Downstream Entities performing administrative and/or healthcare services for Troy Health’s Medicare Plans aren’t excluded from participating in federally funded healthcare programs. You can use these websites to perform the required exclusion list screening:

- Office of Inspector General (OIG) List of Excluded Individuals and Entities at <http://exclusions.oig.hhs.gov>
- General Services Administration (GSA) System for Award Management (SAM) at <https://www.sam.gov/portal/SAM>

You must maintain evidence for 10 years that you have checked these lists. You can use logs or other records to document your compliance with this requirement. Evidence of the screening should include the date of occurrence, the results of the screening, and any actions taken if sanctioned individuals or entities were identified.

You must perform exclusion list screenings

You’re not alone. We’re also required to check these exclusion lists prior to the hiring or contracting of any new employee, temporary employee, volunteer, consultant, and governing body member, and monthly thereafter. We cannot check these exclusion lists for your employees and Downstream Entities. So, to make sure we comply with this CMS requirement, you must confirm that your permanent and temporary employees and Downstream Entities that provide administrative and/or healthcare services for our Medicare Plans are not on either of these exclusion lists.

You must take action if an employee or Downstream Entity is on the list

If any of your employees or Downstream Entities are on one of these exclusion lists, you must immediately remove them from work directly or indirectly related to Troy Health’s Medicare Plans and notify us right away.

These exclusion list requirements are noted in § 1862(e)(1)(B) of the Social Security Act, 42 C.F.R. §§ 422.503(b)(4)(vi)(F), 422.752(a)(8), 423.504(b)(4)(vi)(F), 423.752(a)(6), 1001.1901, and further described in the Manual, Chapters 9 & 21.

Reporting Violations to Troy Health, Inc.

You have an obligation to report all suspected violations of the Code of Ethical Business Conduct or any law or regulation, whether such violations involve your employees and Downstream Entities. Reporting is critical for the prevention, detection and correction of FWA. If any FDR knows of, or suspects, an issue of potential noncompliance or FWA, they must report it to Troy Health. Compliance concerns and suspected or actual violations of noncompliance are taken very seriously.

As an FDR that contracts with us, you must ensure all your employees and those of any of your Downstream and Related Entities know how to report compliance concerns and suspected

misconduct. FDRs must create reporting mechanisms for their organization that are anonymous, or you can refer your employees and Downstream Entities to report compliance issues to Troy Health's Compliance & Ethics Hotline.

You can make a report by taking any of the following actions:

- Call your Troy Health contact
- Call Troy Health's Compliance & Ethics Hotline at (844) 977-0475
- Visit Troy Health's Compliance & Ethics reporting portal: troymedicare.ethicspoint.com
- Send an email to Troy Health's Compliance Department at Compliance@troymedicare.com

The Compliance Hotline is available 24 hours a day, seven days a week. Hotline calls are truly anonymous. If you do choose to make an anonymous report, be prepared to provide enough information about the situation to allow us to properly investigate it. We will perform an internal investigation of each concern brought to us after your organization reports an incident.

Non-Retaliation Policy

Troy Health has a zero-tolerance policy for retaliation or retribution against any employee or FDR who, in good faith, reports suspected misconduct or FWA. You must adopt, maintain, and enforce a zero-tolerance policy for retaliation or intimidation against anyone who in good faith reports suspected misconduct. Intimidation or retaliation against any employee or FDR who cooperates in a compliance investigation is strictly prohibited.

Troy Health is committed to prohibiting retaliation against those who report, oppose, or participate in an investigation of alleged wrongdoing in the workplace.

Your Obligation to Cooperate in Investigations

Troy Health promptly investigates all reported or suspected violations of the Code of Ethical Business Conduct and maintains confidentiality to the extent possible.

All FDRs must cooperate fully and honestly in any Troy Health investigation or inquiry by Troy Health management, outside auditors, or government officials. You must provide all applicable documents when responding to an investigation or audit and must not destroy or alter any records.

Keep in mind that Troy Health does not tolerate discrimination of or retaliation against anyone who in good faith makes a report or participates in an investigation.

Offshore Operations & CMS Reporting

Due to the unique risks associated with using contractors operating outside the United States or one of its territories (i.e., American Samoa, Guam, Northern Marianas, Puerto Rico and US Virgin Islands), CMS requires MAOs to take extra measures to ensure offshore contractors protect members' protected health information (PHI). CMS is concerned with offshore subcontractors that receive, process, transfer, handle, store, or access members' PHI. MAOs are required to provide an attestation to CMS with specific offshore subcontractor information.

Notify us immediately if you plan to use an Offshore Entity

Notify us immediately if you plan to use an offshore entity. You must receive written approval from us

before you can use an offshore entity. If there are material changes in any offshore services information that you have submitted in the past, tell us right away.

Specific Federal and State Compliance Obligations

Based upon the services that you/your organization performs for Troy Health's Medicare Plans, you may be subject to other federal and state laws, rules and regulations that we didn't describe in the Code of Ethical Business Conduct. If you have questions about the Medicare compliance requirements for the services that you/your organization perform, consult Troy Health's Compliance Officer.

Monitoring and Auditing of First-Tier and Downstream Entities

CMS requires that we develop a strategy to monitor and audit our FDRs. This helps ensure compliance with all applicable laws and regulations and that our First-Tier entities monitor the compliance of their Downstream Entities. Therefore, if you choose to subcontract with other individuals/parties to provide administrative and/or healthcare services for Troy Health's Medicare Plans, you must make sure that these Downstream Entities abide by all laws and regulations that apply to you as a First-Tier Entity.

Also, you/your organization must conduct sufficient oversight to test and ensure that your employees and Downstream Entities are compliant with applicable laws and Medicare requirements, retain evidence of completion, conduct root cause analysis and implement corrective action plans or take disciplinary actions, as necessary, to prevent recurrence of non-compliance with applicable laws.

Expect routine monitoring and audits

We routinely monitor and periodically audit First-Tier Entities. This helps us ensure compliant administration of our contracts with CMS to offer Medicare Plans, as well as applicable laws and regulations. Each First-Tier Entity must cooperate and participate in these monitoring and auditing activities. If a First-Tier Entity performs its own audits, we may request the audit results affecting Troy Health's Medicare business. Also, we expect First-Tier Entities to routinely monitor and periodically audit their Downstream Entities.

If we determine that an FDR doesn't comply with any of the requirements in this guide, we will require the FDR to develop and submit a Corrective Action Plan (CAP). We can help the FDR address the identified compliance issues. These Monitoring and Auditing requirements are noted in 42 C.F.R. §422.503(b)(4) (vi)(F) for Medicare Advantage and 42 C.F.R. §423.504(b) (4)(vi)(F) for Part D, and further described in the Manual, Chapters 9 & 21.

Communications and Public Affairs

While we respect our FDRs' right to discuss their products or services with the media, FDRs are not authorized to speak about or on behalf of Troy Health without our prior approval.

In the event you receive an inquiry regarding any facet of Troy Health's business, please refer the inquiring individual to our Compliance department. Whenever possible, please contact our

Compliance department to let us know of the inquiry.

Confidential and Proprietary Information

You are responsible for safeguarding Troy Health's confidential and proprietary information both during and after the term of a contract or engagement as an FDR. You are responsible for ensuring that such information is used only for valid business purposes and not to provide personal gain for yourself or others.

When using social media, you may not discuss or disclose confidential or proprietary and/or financial information about Troy Health, associates, members, providers, partners, clients, vendors or suppliers.

Troy Health, Inc. Electronic Assets

Email, Internet, Intranet, telephone, voice mail system, instant messaging, fax equipment, and other electronic means supplied by Troy Health are Troy Health assets to be used for legitimate business purposes or for purposes authorized by management. You must follow the policies, procedures, standards, and guidelines that relate to Troy Health's electronic assets at all times and at all work sites. This includes while tele-working from non-Troy Health sites.

You do not have an expectation of privacy when using Troy Health's electronic communication systems. Troy Health has the right to review, copy, audit, investigate, intercept, access, and disclose any use of the computer, e-mail, instant messaging, telephone, and Internet systems, including all messages created, received, or sent for any purpose.

The contents of electronic storage (e.g., e-mail, instant messaging) may be disclosed within Troy Health and to government agencies without your knowledge or permission. Access by management is permitted without your consent and without giving prior notice.

When your engagement or relationship with Troy Health ends, or upon Troy Health's request, you must return any and all Troy Health assets in your possession.

Passwords and Access Codes

You may not share any Troy Health system passwords or access codes with anyone. Failure to comply will result in the removal of your access and termination of your Agreement with Troy Health.

Security Requirements

You must adhere to Troy Health security requirements, practices, and procedures. FDRs must promptly report any activities that may compromise the security and the confidentiality of Troy Health's data to their Troy Health business contact or the Compliance Officer.

Compliance with Troy Health security requirements includes, but is not limited to the following:

Connectivity: Non-Troy Health equipment may not be directly connected to Troy Health infrastructure without prior approval. At Troy Health locations, access for computers supplied by FDRs may be available via segregated wireless connectivity.

User ID and Accounts: On an as-needed basis, Troy Health provides a login ID and password for FDR personnel, subject to all applicable Troy Health policies and procedures regarding usage and password strength. IDs and passwords are unique to each individual and must not be shared with others. All accounts will be disabled promptly upon the completion of the contract or engagement. IDs are configured to expire on a particular date depending on the business contract or assignment. Any extension request must be submitted in writing and approved by the Troy Health Business Owner.

Troy Health Confidential Information Including Protected Health Information (“PHI”) and Personally Identifiable Information (“PII”): Any Troy Health Confidential Information acquired or accessed during the course of a contract or engagement must be used and safeguarded in accordance with the strictest application of the minimum necessary standard (the minimum amount necessary to accomplish the intended purpose of the use or disclosure of or request for the Confidential Information) as required by regulation and Troy Health policy.

Troy Health Assets: The use of Troy Health assets, including desktop, laptop, e-mail, etc. are for business use only.

E-Mail: Appropriate Troy Health processes must be used to protect any e-mail containing Troy Health Confidential Information. Always assume that the content of outgoing e-mail is Confidential Information and use the secure e-mail procedures that are available on Troy Health intranet. You may be personally liable for failure to protect Troy Health Confidential Information.

Laptops: Troy Health requires encryption of all laptops in order to render the information unusable and unreadable in the event of an inadvertent loss or disclosure. Troy Health-issued laptops, when unattended, must be secured with the provided cable locking device. Unsecured, unattended laptops are subject to confiscation and removal by the Information Technology department.

Removable Media: The use of removable media is discouraged. Troy Health requires encryption of all removable media in order to render the information unusable and unreadable in the event of inadvertent loss or disclosure.

Risk Assessment: Troy Health may ask for verification or qualification of the security process of any FDR in order to safeguard both Troy Health Confidential Information and assets and any third-party software and to better understand the potential risks associated with the contracted services.

Questions/Concerns

For compliance questions or concerns, you can email the Troy Health Compliance mailbox:

Compliance@troymedicare.com.