**Policy and Standards**

### Product Applicability:

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### Business Division and Entity Applicability:

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### Corporate Policy:

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<td>Policy Name:</td>
<td>Medicare Compliance Program (previously titled Medicare: Fraud, Waste and Abuse Compliance Program)</td>
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<td>Date of Inception:</td>
<td>January 01, 2007</td>
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<td>Previous Annual Review Date:</td>
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<td>Previous Corporate Approval Date:</td>
<td>January 14, 2013</td>
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<td>Current Corporate Approval Date:</td>
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### Corporate Policy Approvals:

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<tr>
<td>John J. DiBernardi, Jr., Esq.</td>
<td>Approval on file</td>
<td>01-30-2014</td>
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<tr>
<td>Magellan Health, Senior Vice President &amp; Corporate Compliance Officer</td>
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</tr>
<tr>
<td>Dan Gregoire, Esq.</td>
<td>Approval on file</td>
<td>01-29-2014</td>
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<td>Magellan Health, Executive Vice President, General Counsel</td>
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Cross Reference(s)

Corporate Compliance Workplan; Special Investigations Unit Anti Fraud Plan; Magellan Health Code of Conduct

Compliance Reference(s)

Title 42 Code of Federal Regulations (CFR): 422.503(b)(4)(vi); 423.504(b)(4) (vi); Prescription Drug Benefit Manual, Chapter 9 – Compliance Program Guidelines; Medicare Managed Care Manual, Chapter 21 – Compliance Program Guidelines, Sections 40 and 50.

Policy Statement

Magellan Health, its subsidiaries and affiliates, (Magellan), are dedicated to conducting business in an ethical and legal manner. Magellan’s Medicare Compliance Program describes our comprehensive, effective compliance program, including measures to prevent, detect and correct Medicare Part C program noncompliance and fraud, waste and abuse. Magellan has written policies, procedures and standards of conduct that mandate every employee will comply with all applicable Medicare, Federal and State standards. Magellan aggressively pursues allegations of health care fraud, waste and abuse.

Purpose

To provide comprehensive guidance to establish and maintain an effective compliance program to prevent, detect, and correct fraud, waste, abuse, and Medicare program non-compliance. The Medicare Compliance Program helps employees understand and follow federal and state laws related to their jobs and demonstrates Magellan’s commitment to conducting business honestly and responsibly to the Medicare community and the community at large.

Scope

| ✔ Account Management | ✔ Claims (Service Ops) | ✔ Clinical Operations |
| ✔ Compliance | ✔ Credentialing/Re-cred | ✔ EAP |
| ✔ Federal and State Affairs | ✔ Finance | ✔ Human Resources |
| ✔ Information Technology | ✔ Legal | ✔ Marketing/Comm/Sales |
| ✔ Network | ✔ Operations (Member Services) | ✔ Quality Improvement |
| ✔ Security | ✔ Special Investigations Unit |

Key Terms

Abuse

Includes actions that may, directly or indirectly, result in: unnecessary costs to the Medicare Program, improper payment, payment for services that fail to meet professionally recognized standards of care, or services that are medically unnecessary. Abuse involves payment for items or services when there is no legal entitlement to that payment and the provider has not knowingly and/or intentionally misrepresented facts to obtain payment. Abuse cannot be differentiated categorically from fraud, because the distinction between “fraud” and “abuse” depends on specific facts and circumstances, intent and prior knowledge, and available evidence, among other factors.
Centers for Medicare and Medicaid Services (CMS)
The Federal agency within the Department of Health and Human Services (DHHS) that
administers the Medicare program and oversees all Medicare Advantage (MA) organizations.

Comptroller General
The director of the United States Government Accountability Office (GAO, formerly known
as the General Accounting Office), a legislative branch agency established by Congress to
ensure the fiscal and managerial accountability of the federal government.

Downstream Entity
Is any party that enters into a written arrangement, acceptable to CMS, with persons or
entities involved with the MA benefit or Part D benefit, below the level of the arrangement
between an 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. (See, 42 C.F.R. §, 423.501).

Employee(s)
Refers to those persons employed by the sponsor or a First Tier, Downstream or Related
Entity (FDR) who provide health or administrative services for an enrollee.

Enrollee
A Medicare beneficiary who is enrolled in a sponsor’s Medicare Part C or Part D plan.
Magellan often uses the term “member” interchangeably.

First Tier Entity
Is any party that enters into a written arrangement, acceptable to CMS, with an MAO or
Part D plan sponsor or applicant to provide administrative services or health care services to
a Medicare eligible individual under the MA program or Part D program, (See, 42 C.F.R. §
423.501).

Fraud
Is knowingly and willfully executing, or attempting to execute, a scheme or artifice to
defraud any health care benefit program or to obtain (by means of false or fraudulent
pretenses, representations, or promises) any of the money or property owned by, or under the
custody or control of, any health care benefit program. 18 U.S.C. § 1347.

Monitoring Activities
Regular reviews performed as part of normal operations to confirm ongoing compliance and
to ensure that corrective actions are undertaken and effective.

Related Entity
Any entity that is related to an 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;
(2) Furnishes services to Medicare enrollees (members) 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. (See, 42 C.F.R. §423.501).

Special Investigations Unit (SIU)
An internal investigation unit responsible for conducting investigations of potential FWA.
**Waste**

The overutilization of services, or other practices that, directly or indirectly, result in unnecessary costs to the Medicare program. Waste is generally not considered to be caused by criminally negligent actions but rather the misuse of resources.

**Acronyms**

**FDR** - First Tier, Downstream or Related Entity.

**FWA** - Fraud, Waste and Abuse.

Additional *Policy Terms & Definitions* are available should the reader need to inquire as to the definition of a term used in this policy.

To access the *Policy Terms & Definitions Glossary* in MagNet, click on the below link:  
(internal link(s) available to Magellan Health employees only)

*Policy Terms & Definitions Glossary*

**Standards**

I. Medicare Compliance Program

A. Magellan’s Medicare Compliance Program is overseen by the Corporate Compliance Department. The Corporate Compliance Officer, who reports to the General Counsel and has the authority to report compliance issues directly to the Board of Directors, leads the Compliance Department.

B. The primary components of the Medicare Compliance Program include:

1. Written Policies and Procedures;
2. Designation of a Compliance Officer and a Compliance Committee;
3. Effective Training and Education;
4. Effective Lines of Communication;
5. Enforcement Through Well Publicized Disciplinary Guidelines and Policies Dealing With Ineligible Persons;
6. Auditing and Monitoring and Identification of Compliance Risks;
7. Responding to Detected Offenses, Developing Corrective Action Initiatives and Reporting to Government Authorities; and
8. Whistleblower Protection and Non-Retaliation policy.

II. Written Policies and Procedures and Standards of Conduct

A. Magellan has developed corporate policies and procedures to ensure process controls are in place to meet specific requirements of the Medicare program. The following policies and procedures support the Magellan Medicare Compliance Program and work in conjunction with department policies developed by and used on a day-to-day basis by Magellan operational areas and/or business units:

1. COM.MCR.2201.xx. Medicare: Compliance Program;
2. COM.1916.xx. False Claims Laws and Whistleblower Protections;
3. COM.1919.xx. Excluded Individuals and Entities (Employees, Contractors, Providers & Vendors);
4. COM.1906.xx. - Corporate Compliance Hotline;
5. COM.1907.xx. - Corporate Compliance Program;
6. COM.1908.xx. - Corporate Compliance Structure with Care Management Centers (CMCs) and Corporate Departments;
7. COM.1902.xx. - Employee’s Obligation to Report Potential Compliance Violations;
8. COM.1900.xx. - Corporate Compliance Committee;
9. COM.1921.xx – Employee Discipline for Compliance Related Matters
10. CR.1102.xx. - Network Practitioner Credentialing; and

B. In compliance with the fraud, waste and abuse (“FWA”) education requirements of the Deficit Reduction Act of 2005, Magellan has written policies regarding FWA including a grid, which provides information about applicable federal and state FWA laws. The State False Claims laws grid also contains information about the American Recovery and Reinvestment Act of 2009 (ARRA) and Whistleblower Protection laws.


D. Magellan’s policies also contain detailed information regarding Magellan’s procedures to detect, deter, monitor and to report FWA. These policies are provided online to employees, providers and subcontractors (applicable downstream entities).

E. The Code of Conduct outlines the written policies, procedures and standards of conduct that include the fundamental rules that Magellan employees are required to follow.

F. The Code of Conduct is distributed to all employees when they begin working at Magellan, and is reviewed annually, so that employees are familiar with the ethical and legal standards with which they are required to comply. The Code of Conduct addresses but is not limited to the following issues:
   1. Confidentiality of Health Information;
   2. Licensure and/or Certification;
   3. Billing;
   4. Accounting;
   5. Sarbanes-Oxley Act;
   6. Conflict of Interest;
   7. Software Copyright Infringement;
   8. E-mail and other Computer and Network Usage;
   9. Business Development;
   10. Anti-trust Laws;
   11. Drugs, Narcotics, and Alcohol;
   12. Employment Reference Checks and Drug Screening (Background Checks);
   13. Insider Trading;
   14. Litigation and Government Investigations;
   15. Record Retention;
16. Federal Anti-Kickback Statute;
17. Federal False Claims Act; and

G. In addition to the Code of Conduct, Magellan also has corporate policies and/or procedures in place to address the following areas:

1. Compliance with Federal laws including, but not limited to:
   a) Federal False Claims Act (31 U.S.C. § 3279);
   b) Anti-Kickback Statute (42 U.S.C. § 1320a-7b);
   c) The Deficit Reduction Act of 2005;
   e) The Patient Protection and Affordable Care Act of 2010;
   f) The Health Care and Education Reconciliation Act of 2010;
   g) Any other applicable Federal laws and regulations designed to prevent or ameliorate fraud, waste and abuse;
   h) Health Insurance Portability and Accountability Act (45 CFR 160 and 164);
   i) Title VI of the Civil Rights Act of 1964;
   j) Age Discrimination Act of 1975;
   k) Rehabilitation Act of 1973;
   l) Titles II and III of the Americans with Disabilities Act;
   m) Titles XVIII, XIX, XXI of the Social Security Act;
   n) Federal Rehabilitation Act of 1973;
   o) Davis Bacon Act (40 U.S.C. § 276a et seq.);
   p) Copeland Anti-Kickback Act (40 U.S.C. § 276c);
   q) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352); and
   r) Federal Debarment and Suspension regulations (45 CFR 74 Appendix A (8) and Executive Order 12549 and 12689).

2. Network and Credentialing;
3. Overpayment and Underpayment identification;
4. Reviewing employees, board members and officers for OIG debarment or exclusion at hire and at least annually thereafter;
5. Reviewing providers and subcontractors for OIG debarment or exclusion upon contract execution and on a monthly basis thereafter;
6. Record Retention;
7. Marketing to Medicare recipients;
8. Prescription Drug Fraud;
9. Fraud, waste and abuse violation referrals to State Agencies and/or law enforcement; and
10. Responding to data requests from CMS, State and Federal Agencies, and law enforcement.

III. Designation of a Compliance Officer and a Compliance Committee

A. Corporate Compliance Officer (CCO) Responsibilities

1. Magellan’s Corporate Compliance Department is responsible for overseeing review and implementation of federal and state statutory and regulatory requirements and is led by the Corporate Compliance Officer (CCO). The CCO reports to the General Counsel who oversees the Legal Department. The CCO also has the authority to report compliance issues directly to the Board of Directors.

2. The CCO ensures that policies and procedures relating to compliance, fraud, waste and abuse promote effective interdepartmental and external lines of communication. In addition, the CCO ensures processes are in place to monitor and oversee Medicare activities performed by the various operational areas and relevant downstream entities. With the support of Magellan senior management and the Compliance Committee, the CCO ensures consistent disciplinary guidelines are enforced for incidents of non-compliance with company standards.

3. Quarterly, the CCO or his designee reports to the Board of Directors Audit Committee, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). The CCO or his designee provides a report of the identification and resolution of suspected, detected or reported instances of noncompliance and Magellan’s compliance oversight and audit activities. The CCO or his designee also provides a summary of material violations of state and/or federal laws or the Code of Conduct, the standards of conduct and/or the applicable policies and procedures; the nature of the alleged violation; the subsidiary or department involved; the findings of any investigation; and the action taken, as well as a summary of Compliance Hotline calls and their disposition.

B. Corporate Compliance Committee

1. The Compliance Committee serves to advise and assist the CCO. The Compliance Committee is chaired by the CCO. The Corporate Compliance Committee consists of representatives of executive management from various key operational areas and business units of the Company.
   - The CCO sits on the Quality Enterprise Council, which oversees quality improvement activities for the company.

2. The Compliance Committee is accountable to and must provide regular compliance reports to the CEO and senior management.

3. Duties of the Compliance Committee include, but are not limited:
   a) Reviewing reports and recommendations of the CCO regarding compliance activities. Based on these reports, the Committee makes recommendations regarding future compliance priorities and resources;
   b) Reviewing reports from investigations when agreement upon disciplinary action and/or correction action plans cannot otherwise be reached. In these cases, the Corporate Compliance Committee makes the final decision;
   c) Providing input into the Annual Compliance Work Plan, which addresses areas of focus for the year;
   d) Ensuring that Magellan has up-to-date compliance policies and procedures based on regulatory guidance changes;
MEDICARE COMPLIANCE PROGRAM

e) Meeting at least on a quarterly basis, or more frequently as necessary to enable reasonable oversight of the compliance program;
f) Reviewing effectiveness of the system of internal controls designed to ensure compliance with Medicare regulations in daily operations;
g) Ensuring that there is a system in place for employees, providers and other relevant downstream entities to ask compliance questions and report potential instances of Medicare program noncompliance and potential FWA confidentially or anonymously (if desired) without fear of retaliation;
h) Ensuring that there is a a method for members to report potential FWA; and
i) Reviewing and addressing reports of monitoring and auditing of areas that are at risk for program noncompliance or potential FWA and ensuring that corrective action plans are implemented and monitored for effectiveness.

C. Senior Management

1. The CEO and other senior management are engaged in the Medicare Compliance Program.

2. The CEO receives regular reports from the Care Management Centers’ Compliance Officer and/or Corporate Compliance Officer regarding any areas of risk facing the company, any strategies being implemented to address them and the results of those strategies. The CEO also receives regular reports of all of the compliance enforcement activities.

IV. Effective Training and Education

A. The CCO, the Human Resources Department and the Training Department are responsible for coordinating the training efforts for the Compliance Program.

B. Compliance training sessions are conducted and documented for all new employees, physician advisors and health care professional advisors within thirty (30) days of their hire date.

1. The initial training for all employees and professional staff members reviews, at minimum, the Code of Conduct, the standards of conduct and the applicable policies and procedures.

2. All Magellan employees, including the Compliance Officer, executive officers and managers, must complete separate annual trainings on HIPAA, Code of Conduct Training, Medicare Compliance Training and Fraud, Waste and Abuse, including applicable federal and state whistleblower protections. Further, all temporary employees who have involvement in the administration or delivery of Medicare Parts C and D benefits will, at a minimum, receive the Fraud, Waste and Abuse training within ninety (90) days of initial hiring or contracting and annually thereafter.

3. Mandatory training courses are delivered electronically via Magellan’s on-line learning system and often include post-testing. The on-line learning system records employee training completion dates and alerts managers to any overdue required training. Managers/supervisors are responsible for ensuring all of their employees complete all required training in a timely manner. Failure to complete the training courses can result in disciplinary action, up to and including termination of employment.

4. Throughout the calendar year, Magellan publishes numerous educational pieces and conducts various activities and programs designed to educate and raise awareness of compliance and compliance related issues, including fraud, waste and abuse.
C. Within thirty (30) days of the implementation date of changes to the Medicare Compliance Program, current employees, physician advisors and behavioral health care professional advisors are advised of the changes through distribution of the revised Code of Conduct via the corporate intranet.

D. If the CCO determines that written materials are not sufficient to familiarize employees and advisors with the amendments to the Magellan Health Code of Conduct or Magellan’s policies and procedures or changes in the applicable law, interim training sessions are conducted.

E. Educational information for contracted health network providers regarding the detection of healthcare fraud, waste and abuse is provided through a series of provider newsletter articles and mailings to providers, which include examples of potential fraud, waste and abuse.

F. Policies, procedures and contact information are published on the Magellan website and in the Code of Conduct.

V. Effective Lines of Communication

A. To ensure that employees and agents are familiar with the Medicare Compliance Program, there is on-going communication from the Compliance Department to the Care Management Centers’ Compliance Officers with regard to the Compliance Program.

1. A local Compliance Officer (LCO) is assigned to each Care Management Center (CMC)/Unit. The LCO for each CMC/Unit attends the quarterly Compliance Officers and Regional Compliance Directors meeting with the CCO. The meeting is one of the mediums used to exchange information between the Corporate Compliance Department and the local Compliance Department. Other effective communication lines available to the LCO include working with the CCO and/or Regulatory Compliance Attorneys assigned to Medicare and the Special Investigations Unit (SIU).

2. Magellan maintains a Corporate Compliance Hotline and other compliance procedures to foster an open atmosphere for employees and others to report issues and concerns, free from retaliation.

3. Employees, members or subcontractors may report suspected cases of fraud anonymously, or they may use the Compliance Hotline or other communication systems to report issues or concerns regarding fraud, waste, and abuse or violations of or concerns related to the Code of Conduct.

4. The Compliance Hotline is available twenty-four (24) hours a day, seven (7) days a week and is maintained by an outside vendor. Callers may choose to remain anonymous. All calls are investigated and remain confidential. Written confidentiality and non-retaliation policies have been developed to encourage open communication and the reporting of incidents of suspected fraud, waste, and abuse.

5. Employees may also direct any questions or concerns to their Supervisor or the CCO.

6. The LCO distributes in writing, posts in a conspicuous places and posts to the Compliance department webpage any modifications of, or amendments to, the Compliance Plan, standards of conduct or applicable policies.

7. Employees, members or subcontractors can report suspected cases of fraud, waste, and abuse via one of the following methods:

   a) Special Investigations Unit Hotline: (800) 755-0850

   b) Special Investigations Unit E-mail: SIU@magellanhealth.com
c) Corporate Compliance Hotline: (800) 915-2108

d) Compliance Unit Email: Compliance@magellanhealth.com

B. The CCO coordinates with the following departments for all fraud, waste and abuse activities:

1. Special Investigations Unit
   a) Magellan’s Special Investigations Unit (SIU) is responsible for protecting the assets of Magellan and its clients by detecting, identifying, and deterring fraud, waste and abuse by conducting audits of internal and external sources of information.
   b) The SIU creates and maintains thorough and objective documentation of all findings.
   c) The SIU develops and recommends appropriate case strategies to bring cases to a timely and successful close.
   d) The SIU develops relationships with, and uses the resources of, other Magellan departments, law enforcement and government agencies, professional associations and the SIU departments of Magellan customers.
   e) All SIU investigators must comply with the fraud, waste and abuse reporting requirements under applicable state and federal laws.

2. Care Management Centers
   a) General Managers of CMCs/Units are accountable for reducing fraud, waste and abuse within the lines of business for which they are responsible, including Medicare where applicable.
   b) General Managers of CMCs/Units are responsible for identifying and reporting all fraud, waste and abuse issues, including Medicare where applicable that are specific to the region in which they operate and to contracts under their purview to the SIU.

3. Claims Department
   a) All claims personnel (claims supervisors, processors, cost containment personnel, managed care personnel and enrollee relations representatives) involved in the initial review of the claim are trained to recognize fraud indicators or issues that may warrant additional investigation by the Magellan SIU.
   b) Objective reasons for requesting scrutiny of the claim by the Magellan SIU must be present to justify a referral. Each individual who subsequently participates in the evaluation of the claim (i.e., Supervisors, SIU Investigators and Managers) shares this responsibility.

VI. Enforcement of Standards through Well Publicized Disciplinary Guidelines and Policies Dealing With Ineligible Persons

A. Employees who violate the Code of Conduct are subject to sanctions, including, but not limited to, termination of employment.
   • Employee orientation training and processes include statements about disciplinary guidelines and the importance of enforcement standards.

B. Disciplinary guidelines known as Corrective Action Guidelines are reviewed with all employees during initial orientation and are distributed in the Employee Handbook. This information is also available to all employees on the Magellan website.
• These guidelines are designed to encourage fair and impartial treatment of all employees. This policy is administered without discrimination and in full compliance with our Equal Employment Opportunity philosophy.

C. Magellan employees are strictly prohibited from engaging in any activity that violates applicable state and/or federal law, the Code of Conduct or the applicable policies and procedures.

• Violations may be grounds for termination or other disciplinary action, depending on the circumstances of each violation as determined by the Human Resources Department in consultation with the CCO or designee.

D. Disciplinary action is taken against employees who authorize or participate directly in a violation of applicable state or federal law, the Code of Conduct, or polices and procedures and any employee who may have deliberately failed to report such a violation or who hinders an investigation.

1. Magellan disciplines any employee who has deliberately withheld relevant and material information concerning a violation of applicable state and/or federal law, the Code of Conduct or the applicable policies and procedures and takes appropriate actions to prevent reoccurrence.

2. In cases in which disciplinary action may be appropriate, the CCO (or delegate) will work with the Human Resources Department and the relevant supervisor to implement such actions. If agreement cannot be reached on a disciplinary action, the matter will be discussed with the relevant senior and/or executive management, as applicable. If agreement cannot be reached at the executive manager level, the matter may be referred to the Corporate Compliance Committee for resolution.

E. The Corporate Compliance Committee, in consultation with the Legal Department as necessary, recommends any appropriate remedial or other action as warranted under the circumstances if agreement cannot be reached between the appropriate business owner, CCO and Human Resources Department.

F. Policies Dealing With Ineligible Persons

1. All prospective employees are required to undergo pre-employment background check and mandatory drug screens prior to employment with Magellan.

2. Magellan also conducts routine internal auditing intended to screen-out those who have engaged in fraudulent acts to include, but is not limited to, criminal background checks as required by law or contract, employment verification, credentialing and re-credentialing of providers.

3. Magellan checks the U.S. Department of Health and Human Services (HHS) Office of Inspector General (HHS-OIG) List of Excluded Individuals/Entities (LEIE), the U.S. General Services Administration’s (GSA) web-based System Award Management Exclusion Database (SAM), U.S. Treasury Department Office of Foreign Assets List of Specially Designated Nationals and Blocked Persons and applicable state exclusion lists for names of excluded employees, contractors, providers, and vendors barred from participation in Medicare, Medicaid, other federal health care programs, federal contracts, and state health care programs.

4. Magellan also checks the exclusion lists during credentialing, re-credentialing, prior to the employment of any prospective Magellan employee, and prior to contracting with any vendor, and monthly thereafter.

5. Excluded individuals/entities are not hired, employed, or contracted by Magellan to provide services for Magellan’s product offerings.
6. Downstream entities are also required to screen all employees as described in F.3. above.

VII. Monitoring and Auditing

A. The foundation for monitoring and auditing is Magellan’s SIU. The SIU is responsible for protecting the assets of Magellan and its clients by detecting, identifying, and deterring fraud, waste and abuse. See Special Investigations Unit Anti-Fraud Plan.

B. Magellan uses the Perspective Case Management System from PPM 2000, Inc. to capture and track investigations. Procedures for investigation, documentation, evidence handling, and reporting exist to guide investigators in creating an accurate work product.

C. The SIU works closely with other departments to adjudicate investigative findings including Provider Networks, Legal, Cost Containment, and other departments as needed.

D. Magellan is a corporate member of the National Health Care Anti-Fraud Association (NHCAA). Magellan maximizes quality referrals of fraud, waste, and abuse by utilizing the resources available in the NHCAA Special Investigations Resource and Information System (SIRIS), Requests for Investigation Assistance (RIAs) from Law Enforcement, distribution of published news articles, and other information sharing initiatives.

E. Magellan also has internal controls related to claims processing. Our claims processors are assessed and tested each year by the Company’s Internal Audit Department as part of the annual Sarbanes Oxley compliance. Areas covered include provider credentialing, rate loading, claims receipt, adjudication and payment, enrollment, and benefit loading, and information systems. The claim processing systems used by Magellan have extensive controls that limit individuals’ access to specific functions as well as ensuring processing based on contracts, legislation, etc.

F. Magellan’s Claims system also has edits that deny claims for items such as duplicate claim, unknown service, and unknown member, member ineligible to receive service, improper coding, and provider not eligible to provide service. During post-processing review of claims, Magellan produces reports that show overlapping dates of services to determine if any claims have been submitted and were adjudicated for services that did not fail the claim edit logic.

VIII. Responding to Detected Offenses, Developing Corrective Action Initiatives and Reporting to Government Authorities

A. Magellan cooperates with law enforcement authorities in the prosecution of health care and insurance fraud cases and reports fraud related data as specified by Federal and State laws and regulations and self-reports to the State Departments of Insurance, State Agencies, and Federal Agencies.

B. The SIU is responsible for ensuring Magellan’s compliance with all Federal and State laws and regulations that apply to the reporting of fraud, waste and abuse.

C. Magellan supports and utilizes the services of the National Health Care Anti-Fraud Association.

D. The Magellan SIU refers cases as follows:
   1. Customer cases are referred to the plan sponsor where appropriate, for their review and possible action. We advise the plan sponsor that we may be required to report our findings to the appropriate agency.
2. Health care provider case information is submitted to the appropriate law enforcement and/or administrative agency, including the appropriate state licensing board.

3. The prosecution of individuals who present fraudulent insurance claims is a strong deterrent to future fraudulent claims. Referral directly to law enforcement agencies may be instituted by the Magellan SIU if:
   a) A state insurance fraud bureau or other federal or state agency (e.g., Office of Inspector General, State Attorney General) has been designated by law to investigate suspected/fraudulent insurance claims;
   b) A law enforcement agency has directly subpoenaed the claim file and requests information directly from the Magellan SIU;
   c) A state law allows for law enforcement to directly request, with proper identification, copies of the claim file and Magellan SIU information regarding a suspect claim; or
   d) Other situations arise which may require direct referral of a suspect or fraudulent claim to law enforcement agencies. If those situations are outside of the normal established procedures for referral as outlined above, then prior approval from the Magellan SIU management or their Legal Counsel must be obtained.

E. Specific Company procedures do not allow, without prior approval of the Chief Security Officer or the CCO, the following situations:
   1. Participation in law enforcement operations (e.g., sting operations); or
   2. Lawsuits initiated on Magellan’s behalf where damages are being sought from an insured or third party claimant.

F. Disciplinary action is taken against employees who authorize or participate directly in a violation of applicable state or federal law, the Code of Conduct or polices and procedures and any employee who may have deliberately failed to report such a violation or who hinders an investigation by destroying evidence or by misrepresentation.

G. Magellan conducts appropriate discipline, including termination, of any employee who has deliberately withheld relevant and material information concerning a violation of applicable state and/or federal law, the Code of Conduct or the applicable policies and procedures and takes appropriate actions to prevent reoccurrence.

H. Magellan self-reports to state and federal agencies as may be required by law and/or contract.

IX. Whistleblower Protection and Non-retaliation Policy

A. Magellan complies with all state and federal requirements for government-sponsored programs, including the Federal False Claims Act, the Deficit Reduction Act of 2005, the American Recovery and Reinvestment Act of 2009, applicable Whistleblower Protection laws, and any state false claims statutes.

B. Magellan does not retaliate against an employee for reporting or bringing a civil suit for a possible False Claims Act violation. Magellan does not discriminate against an employee in the terms or conditions of his or her employment because the employee initiated or otherwise assisted in a False Claims Act action.

C. Magellan does not retaliate against any of its agents and contractors for reporting suspected cases of fraud, waste, or abuse to us, the federal government, state government, or any other regulatory agency with oversight authority.
D. Federal and state law also prohibits Magellan from discriminating against agents and contractors because the agent or contractor initiated or otherwise assisted in a False Claims Act action.

X. Record Retention

A. Magellan will maintain all books, documents, papers and/or records relating to Medicare members for **up to ten (10) years from the final date of the contract period** or ten (10) years from the date of any audit if later.

B. Magellan agrees to permit CMS, the U.S. Department of Health and Human Services, and the Comptroller General, or their designees the right to inspect any pertinent information related to the contract during the contract term, for **up to ten (10) years from the final date of the contract period**, and in certain instances described in the Medicare Advantage regulation(s), periods in excess of ten (10) years, as appropriate, (ten (10) years from the date of any audit, if later.)

**Associated Corporate Forms & Attachments** *(internal link(s) available to Magellan Health employees only)*

*Special Investigations Unit Referral Form*

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