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# Subcontractors Compliance Program Requirements Manual



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## Section 01

# Introduction

The Inland Empire Health Plan (IEHP) is dedicated to doing its business in a morally upstanding and law-abiding way. To further our culture of ethics and compliance, IEHP designed and implemented a Compliance Program. The IEHP team members, Governing Board Members, as well as subcontracted organizations, are obligated to conduct business and themselves in accordance with the concepts, policies, and processes outlined in IEHP's Code of Business Conduct & Ethics. IEHP's Compliance Program is built upon and implemented in accordance with applicable Federal and State laws, regulations, and guidelines, including those set forth by the Federal Sentencing Guidelines (FSG) and Office of Inspector General (OIG) Seven Elements of an Effective Compliance Program. This commitment includes all our business partners including Subcontractors who assist IEHP in fulfilling its objective.



## Section 02

# IEHP's Mission, Vision and Values

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### MISSION

We heal and inspire the human spirit.

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### VISION

We will not rest until our communities enjoy optimal care and vibrant health.

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### VALUES

Placing our members at the center of our universe.



Unleashing our creativity and courage to improve health and well-being.



Bringing focus and accountability to our work.



Never wavering in our commitment to our members, providers, partners, and each other.

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## Section 03

# IEHP's Compliance Program

IEHP is committed to maintaining a working environment that fosters conducting business with integrity and that permits the organization to meet the highest ethical standards in providing quality health care services to our members. This commitment extends to our Subcontractors and Downstream Subcontractors that support IEHP's Mission, Vision and Values.

The IEHP Compliance Program is designed to:

- Ensure IEHP and its Subcontractors comply with applicable laws, rules, and regulations.
- Reduce or eliminate Fraud, Waste, and Abuse (FWA).
- Prevent, detect, and correct non-compliance.
- Reinforce the commitment to a culture of compliance for which IEHP strives; and
- Establish and implement a shared commitment to honesty, integrity, transparency, and accountability.



## Section 04

# Subcontractor Responsibilities

Inland Empire Health Plan (“IEHP”) is subject to requirements as mandated by the Department of Health Care Services (DHCS), the Department of Managed Health Care (DMHC), and the Centers for Medicare & Medicaid Services (CMS). IEHP subcontracts with individuals and entities as an efficient way of providing administrative and health care services to our members. Examples of these services include, but are not limited to:

- Sales and marketing;
- Utilization Management;
- Applications processing;
- Enrollment, disenrollment, membership functions;
- Claims administration, processing and coverage adjudication
- Appeals and grievances;
- Licensing and credentialing;
- Pharmacy benefit management;
- Hotline operations;
- Customer Service;
- Bid preparation;
- Outbound enrollment verification;
- Provider network management.


It is important that our Subcontractors are in compliance with applicable laws, rules and regulations. Although we subcontract with individuals and entities to provide administrative and healthcare services to our members, IEHP is ultimately responsible for meeting the requirements outlined by the regulatory agencies that govern us. This means that your organization and your Downstream Subcontractors performing functions related to IEHP services/functions are required to comply with IEHP's Compliance Program requirements.

All Subcontractors and their Downstream Subcontractors must meet the following requirements:

### **Standards of Conduct and Conflicts of Interest**

Subcontractors are responsible for adopting and implementing Standards of Conduct or Code of Conduct, as known in some organizations. Subcontractors may adopt IEHP's Code of Business Conduct & Ethics (Code of Conduct) if your organization chooses. The Code of Conduct must be distributed to all employees (permanent and temporary), volunteers/interns, board members, senior leadership, and Downstream Subcontractors, herein referred to as Workforce Members, within 90 days of hire or start and annually thereafter.

Subcontractors must ensure there are processes and procedures established for identifying and addressing conflicts of interest. A conflict of interest presents in the form of personal or financial gain for an individual or entity that could possibly corrupt the motivation of that individual or entity. Potential conflicts of interest must be reviewed at the time of hire or start and annually thereafter.

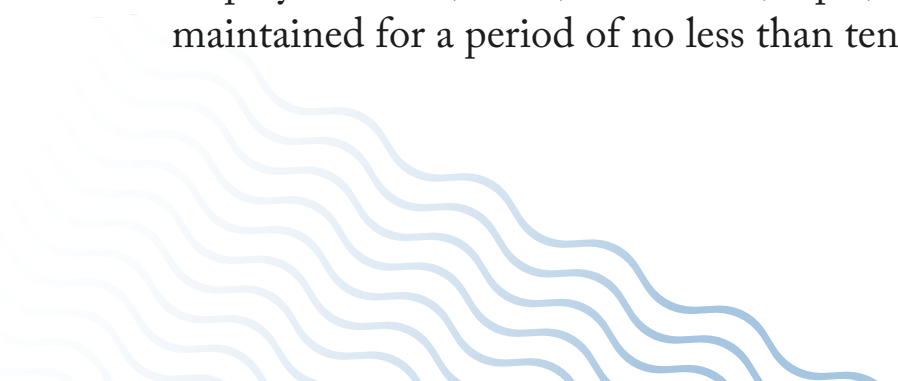


## General Compliance, Fraud, Waste and Abuse (FWA), HIPAA Privacy and Security Training

Subcontractors must fulfill at least one of the three options below to ensure adherence with training requirements:

- 1 Completion of the web-based general compliance and/or FWA training modules located on the Centers for Medicare & Medicaid Services (CMS) MLN.
- 2 Incorporation of the content of the CMS standardized training modules from the CMS website into the organization's existing compliance training materials/systems, and completion of the training. The CMS training content must not be modified to ensure the integrity and completeness of the training.
- 3 Incorporation of the content of the CMS training modules into written documents for providers (e.g., Provider Guides, Participation Manuals, Business Associate Agreements, etc.).

General Compliance, FWA, and HIPAA Privacy & Security Trainings must be distributed to employees within 90 days of hire or contracting and annually thereafter. Subcontractors must ensure certificates or documentation of training completion, such as MLN certificates of completion, other certificates of completion, training logs, system generated reports, spreadsheets, and other training records (including the following details: employee names, dates, attendance, topic, and test scores, if any) are maintained for a period of no less than ten years.





## **Record Retention and Access to Records**

Subcontractors must agree to audits and inspection by IEHP and our regulatory agencies, including CMS, DHCS, and DMHC. Subcontractors must retain all records related to the administration or delivery of benefits to our members and delegated activities for a minimum of 10 years. All records must be made available to IEHP upon request for an audit, monitoring, and/or in the event IEHP is engaged with a regulatory audit.





## Regulatory Exclusion Monitoring

Federal law prohibits Medicare and Medicaid health care programs from paying for items or services furnished, prescribed, or ordered by an individual or entity who has been excluded from these federal programs. Subcontractors nor any individuals, including employees, temporary employees, board members, senior leadership, interns/volunteers, contractors, or Downstream Subcontractors of the organization should be excluded from participation in Federal or State healthcare programs and not named on Federal or State published exclusionary lists, including but not limited to:

- The Department of Health & Human Services (HHS), Office of Inspector General (OIG), List of Excluded Individuals and Entities (LEIE)
- The General Services Administration (GSA) System of Award Management (SAM)
- DHCS Medi-Cal Suspended and Ineligible List
- Centers for Medicare & Medicaid Services (CMS) Preclusion List (as applicable)

In the event the organization or an employee of the organization appears on an Exclusionary List or is otherwise not eligible to participate in the Medi-Cal and/or Medicare programs, the Subcontractor shall notify IEHP within five (5) business days and shall ensure that the employee does not participate in the care or services provided to IEHP or our members. IEHP and its Subcontractors are expected to conduct regulatory exclusion screening of their board members, employees, temporary employees, senior leadership, volunteers/interns, contractors, and Downstream Subcontractors upon initial hire or contracting and at least monthly thereafter and maintains evidence of all screening activities and results.

All evidence must be retained and be provided to IEHP upon request.

### **Monitoring and Auditing of Downstream Subcontractors**

Monitoring activities are regular reviews performed as part of normal operations to confirm ongoing compliance and to ensure that corrective actions are undertaken and effective. An audit is a formal review of compliance with a particular set of standards (e.g., policies and procedures, laws, and regulations) used as base measures.

Subcontractors are responsible for monitoring the compliance of your subcontractors in which you contract (IEHP's "Downstream" Subcontractors). As a Plan, IEHP must undertake monitoring and auditing activities to test and confirm compliance with regulatory requirements, sub-regulatory guidance, contractual agreements, and all applicable Federal and State laws, as well as internal policies and procedures to protect against noncompliance and potential FWA. To ensure IEHP's Subcontractors follow contractual and regulatory requirements, IEHP performs a risk assessment, which is structured around the Subcontractors delegated work functions. Doing so helps to confirm if contractual obligations and ongoing compliance are being maintained.

Subcontractors are also expected to conduct their own routine monitoring and auditing activities of the delegated work they do on behalf of IEHP. Subcontractors must be able to provide the results of these ongoing activities at any given time that IEHP requests to ensure they are being maintained. Additionally, IEHP holds its Subcontractors accountable to ensure their Downstream Subcontractors are also compliant in meeting contractual and regulatory obligations. IEHP, at any time, may request to see evidence of monitoring and auditing activities conducted of a Downstream Subcontractor that is contracted to perform a delegated function.

If Subcontractors fail to comply with these requirements, a Corrective Action Plan (CAP) may be issued to address the identified deficiency(ies).



## Report and Request to Use Offshore Subcontractors

Subcontracting that involves receiving, processing, transferring, handling, storing, or accessing Personal Health Information (PHI) to an offshore location requires IEHP approval. As of February 1, 2022, IEHP no longer allows the use of offshore services for all lines of business. All Subcontractors contracted to provide services to IEHP must not utilize Offshore Subcontractor(s) without a pre-approved exception. Subcontractors shall request approval by submitting a written description of the services to be subcontracted. If approved by IEHP, Subcontractors shall remain the prime contractor for the services and be responsible for the conduct and performance of each approved Subcontractor. In the event a Subcontractor Entity is in breach of this section, IEHP shall have sole discretion and the right to immediately terminate its contract agreement.

## Report Compliance and FWA Issues/Concerns

Subcontractors are required to report suspected violations of any laws and regulations to IEHP. Plus, IEHP has a zero-tolerance policy against retaliation or intimidation against anyone who is reporting suspected misconduct. IEHP has the following resources available for reporting fraud, waste or abuse, privacy issues, and other compliance issues:

**Compliance Hotline:** 866-355-9038

**Fax:** (909) 477-8536

**E- mail:** [compliance@iehp.org](mailto:compliance@iehp.org)

**Mail:**

IEHP Compliance Officer

P.O. Box 1800

Rancho Cucamonga, CA 91729-1800

**Online:** Report a compliance issue at:

[www.iehp.org/en/about/compliance-program](http://www.iehp.org/en/about/compliance-program)

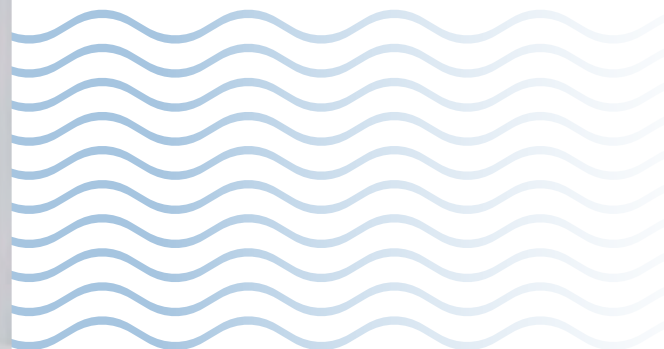


## Attestation Requirements

IEHP requires each Subcontractor attest their adherence with the compliance requirements upon initial contract and annually thereafter. An authorized representative from the Subcontractor's organization must certify that the requirements of the IEHP Compliance Program have been met. This could be your Compliance Officer, Chief Medical Officer, Chief Executive Officer, similar positions, or a position with the legal authority to attest on behalf of the Subcontractor.

To ensure compliance program standards are being completed, IEHP may request supporting evidence for any of the requirements stated on the attestation. Failure to comply may result in the issuing of a corrective action plan, retraining, or even the termination of the contract for those Subcontractors who fail to achieve these standards each calendar year. You must maintain evidence of compliance for no less than 10 years.

The Attestation Form is used to facilitate the oversight and monitoring of Subcontractor compliance with Federal and State requirements. The attestation also confirms your commitment and that of your Downstream Subcontractors to comply with our regulatory requirements including, but not limited to, DHCS, DMHC, and CMS requirements.



## Section 05

# Appendix I - Regulatory Definitions

California Department of Health Care Services (DHCS)

DHCS defines a Subcontractor as:

**Subcontractor** - an individual or entity that has a Subcontractor Agreement with Contractor that relates directly or indirectly to the performance of Contractor's obligations under this Contract. A Network Provider is not a Subcontractor solely because it enters into a Network Provider Agreement.

**Fully Delegated Subcontractor** means a Subcontractor that contractually assumes all duties and obligations of Contractor under the Contract, except for those contractual duties and obligations where delegation is legally or contractually prohibited. A managed care plan can operate as a Fully Delegated Subcontractor.

**Subcontractor Agreement** means a written agreement between Contractor and a Subcontractor. The Subcontractor Agreement must include a delegation of Contractor's duties and obligations under the Contract.

**Partially Delegated Subcontractor** means a Subcontractor that contractually assumes some, but not all, duties and obligations of Contractor under the Contract, including, for example, obligations regarding specific Member populations or obligations regarding a specific set of services. Individual Physician Associations and Medical Groups often operate as Partially Delegated Subcontractors.

**Downstream Subcontractor** means an individual or an entity that has a Downstream Subcontractor Agreement with the Subcontractor or a Downstream Subcontractor. A Network Provider is not a Downstream Subcontractor solely because it enters into a Network Provider Agreement.

**Downstream Fully Delegated Subcontractor** means a Downstream Subcontractor that contractually assumes all duties and obligations of Contractor under the Contract, through the Subcontractor, except for those contractual duties and obligations where delegation is legally or contractually prohibited. A managed care plan can operate as a Downstream Fully Delegated Subcontractor.

**Downstream Partially Delegated Subcontractor** means a Downstream Subcontractor that contractually assumes some, but not all, duties and obligations of Subcontractor under the Contract, including, for example, obligations regarding specific Member populations or obligations regarding a specific set of services. Individual Physician Associations and Medical Groups often operate as Downstream Partially Delegated Subcontractors.

**Downstream Administrative Subcontractor** means a Downstream Subcontractor that contractually assumes administrative obligations of Subcontractor under the Contract. Administrative obligations include functions such as credentialing verification or claims processing; however, functions related to coordinating or directly delivering health care services for members, such as Utilization Management or Care Coordination, are not administrative functions.

**Downstream Subcontractor Agreement** - a written agreement between Subcontractor and Downstream Subcontractor or between any Downstream Subcontractors. The Downstream Subcontractor Agreement must include a delegation of Contractor's and Subcontractor's duties and obligations under the Contract.



## Centers for Medicare & Medicaid Services (CMS)

CMS defines a Subcontractor as:

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

**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 Medicare Advantage (MA) program or Part D program.

**A 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.

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

- Performs some of the MAO or Part D plan sponsor's management functions under contract or delegation.
- Furnishes services to Medicare enrollees under an oral or written agreement; or
- 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.

## Resource Citation:

**2024 Medi-Cal Managed Care Plans - Primary Operations Contract-SAMPLE RFP 20-10029 - Exhibit A, Attachment I, Page 1**

## **Medicare Managed Care Manual Chapter 21, Section 20 - Definitions**

(Chapter 21 - Rev. 109, Issued: 07-27-12, Effective: 07-20-12;  
Implementation: 07-20-12)

## **Medicare Prescription Drug Benefit Manual Chapter 9, Section 20 - Definitions**

(Chapter 9 - Rev. 15, Issued: 07-27-12, Effective: 07-20-12;  
Implementation: 07-20-12)

