

# Corporate Compliance Program

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**TABLE OF CONTENTS**

**Contents**

Introduction..... 3

Scope ..... 3

Versant Health Compliance Program ..... 3

Compliance Governance ..... 4

Element I: Written Policies, Procedures and Standards of Conduct ..... 5

Element II: Compliance Officer, Compliance Committee and High-Level Oversight ..... 5

Element III: Effective Education and Training ..... 6

Element IV: Effective Lines of Communication ..... 7

Element V: Disciplinary Standards..... 8

Element VI: Risk Assessment, Monitoring and Auditing, Identification of Compliance issues ..... 9

Element VII: Procedures and System for Prompt Response to Compliance Issues ..... 11

## Introduction

Our mission at Versant Health is to help members enjoy the wonders of sight through healthy eyes and vision.

We aspire to become the most trusted managed care vision plan for members, clients, brokers, and providers in the industry. We can only realize this aspiration if we earn and maintain the trust and support of these key stakeholders.

Our Code of Conduct reflects our commitments to meet the expectations of our stakeholders as a responsible corporate citizen and contains the fundamental principles and rules concerning ethical business conduct. We believe that how we achieve our business results is as important as the achievement itself.

The Versant Health Code of Conduct forms an integral part of the terms of employment and/or engagement with Versant Health. Versant Health insists on full compliance and will not tolerate misconduct.

## Scope

Versant Health's success is driven by trust. We hold ourselves to the highest standards of ethical conduct and compliance with all applicable laws, regulations, and codes. The Company's Code of Conduct is designed to support our efforts and guide our performance to meet this standard within the workplace. Our collective ability to model our high-performance culture traits, including a commitment to behavior above reproach, is key to our customer experience, brand perception and financial performance.

## Versant Health Compliance Program

Organizational integrity is at the core of values at Versant Health and begins with each individual employee. At Versant Health, each employee is required to adhere and abide by all applicable laws and regulations and demonstrate the highest standards of compliance and personal integrity. Employees are expected to conduct themselves in an ethical and lawful manner, by refraining from any non-compliant, illegal, dishonest, or unethical activities. Compliance is an individual responsibility. The Versant Health Code of Conduct expresses these commitments as key values of our Company.

Versant Health considers its Compliance Program to be an essential tool for promoting regulatory compliance and ethical conduct. The Compliance Program provides guidance to all employees, contractors, and delegated entities on the seven elements of an effective compliance program which is designed to detect, prevent, and correct non-compliance. The Versant Health Compliance Program includes, but is not limited to, the following elements:

- Written Policies and Procedures and Standards of Conduct
- Compliance Officer, Executive Compliance Committee, and high-level oversight
- Effective Education and Training
- Effective Lines of Communication
- Disciplinary Standards
- Risk Assessment, Monitoring and Auditing, Identification of Compliance issues
- Prompt response to Compliance issues

This Compliance Program applies to all Versant Health employees, subcontractors, and first tier, downstream, and related entities. The Versant Health Compliance Plan is part of the overall Compliance Program and sets forth the company's activities to successfully execute the Compliance Program.

The Compliance Program, Compliance Plan and compliance policies and procedures are reviewed at least annually and revised as necessary to address changes in regulatory requirements or as business needs require. The Compliance Plan includes an annual risk assessment to ensure the program evolves appropriately in response to business and operational areas of opportunity and vulnerabilities.

## Compliance Governance

The Versant Health Compliance Department serves an integral role in the day-to-day activities of the Corporate Compliance Program. The Compliance Department consists of five segments including Compliance Operations and Privacy, Regulatory Compliance and Affairs, Audit Management and Regulatory Implementations, Regulatory Licensing, and Special Investigations.

The leaders of each compliance segment report to the Chief Compliance Officer (CCO).

The Compliance Operations and Privacy team maintains primary 'ownership' of the Corporate Compliance Program. This team remains actively engaged with functional areas and works in collaboration with the CCO and other compliance areas to ensure the maintenance of an effective compliance program. Compliance Operations and Privacy also maintains responsibility for the Versant Health Privacy Office operations, which is overseen by the Privacy Official. This team is responsible for the annual Compliance Risk Assessment and subsequent internal operations auditing and monitoring plan as well as carrying out operational audits and monitoring activities, First Tier, Downstream and Related Entities (FDR) oversight, administering and tracking new hire and annual Compliance and Fraud Waste, and Abuse training, manages the Compliance issue management process, updates and maintains Compliance policies and Standards of Conduct, and conducts Compliance investigations.

The Regulatory Compliance and Affairs works directly with functional areas to assist and guide in regulatory matters, communicates federal and state legislative requirements and guidance to functional areas impacting Medicaid, Commercial and Medicare lines of business, and participates in any client regulator audits or direct regulatory audits.

The Audit Management and Regulatory Implementations team is responsible for management of external client and regulatory audits, collaborating with functional areas to assess, implement and remediate Corrective Action Plans (CAPs) as a result of external audits, and implementation of regulatory changes. External and Client Regulatory Audits

Versant Health views external regulatory audits and client oversight reviews and audits as an additional opportunity to confirm that our ongoing compliance efforts are effective and successful. Versant Health routinely supports clients who are engaged in regulatory audits. In cases where an audit outcome indicates we have not met a regulatory requirement, the Compliance Department will use the audit findings to perform root cause analysis and develop corrective action plans to address identified areas of non-compliance.

The Regulatory Licensing team (Licensing) maintains licenses needed to transact insurance, provide administrative services and networks. Licensing also ensures the timely completion of company reporting required to maintain licensure.

Versant Health's Special Investigation Unit (SIU) conducts fraud, waste and abuse prevention, detection, and remediation activities.

## Element I: Written Policies, Procedures and Standards of Conduct

Versant Health has written Compliance policies and procedures that establish the standards of conduct that our full and part time associates, company officers, senior administrators or managers, governing body members (Board of Directors), consultants, contractors, and temporary employees. Versant Health also expects its delegated entities and their respective employees to adhere to these policies and standards of conduct. All Compliance policies and Code of Conduct are available on the corporate intranet site and hard copies are provided upon request. At a minimum, Compliance policies are reviewed on an annual basis or as material changes occur and are approved by the company's Executive Compliance Committee. Notification via email is provided to all employees via email when a policy is newly published, revised or reviewed and approved through the annual review cycle.

Standards of Conduct, also known as the Code of Conduct, articulate the commitment to doing business in a lawful and ethical manner in compliance with federal and state requirements and is designed to guide our employees and business partners in upholding our high standards of fair and ethical practices. The Code of Conduct is approved by the Board of Directors annually and is distributed to all full and part time associates, company officers, senior administrators or managers, governing body members (Board of Directors), consultants, contractors, and temporary employees, as well as delegated entities. All aforementioned parties are required to acknowledge they have received and agree to abide by the Code of Conduct.

## Element II: Compliance Officer, Compliance Committee and High-Level Oversight

Versant Health directly employs a designated Chief Compliance and Privacy Officer (CCO). The CCO is vested with the day-to-day operations of the Compliance program and reports administratively to the CEO and functionally to the Board of Directors. The CCO leads the company's enterprise-wide Compliance and Privacy functions and is primarily responsible for execution of the Corporate Compliance program.

The Versant Health CCO chairs the Executive Compliance Committee, which is comprised of other company Officers and senior leadership. The Executive Compliance Committee works closely to identify, minimize, and manage compliance risks and supports the CCO in oversight of the Compliance Program, and ensure prompt and effective corrective actions are taken where deficiencies are noted. The CCO and the Executive Compliance Committee is accountable to the Board of Directors and provides regular reports to the Board of Directors on the status of the Compliance program and Compliance activities. The Board of Directors has responsibility to review quarterly reports by the CCO and Executive Compliance Committee on the activities and status of the Compliance Program.

## Element III: Effective Education and Training

Training and education are essential elements in the Versant Health compliance program. Compliance education and training are designed to be effective tools to inform all associates about the Compliance Program and of their compliance responsibilities. Compliance training and education includes onboarding and annual training, roll based training, training to address compliance issues impacting certain populations, and training and education needed to address changes operationally or to the regulatory environment.

Upon hire or initiation of a contract or engagement, all full and part time associates, including the CEO, Officers, Board of Directors, consultants, contractors, temporary employees, and delegated entities must agree to comply with the Versant Health Code of Conduct and complete all mandatory training within 30 days of hire/contracting, engagement, or appointment, as changes in regulatory, statutory and/or operational conditions warrant training updates and annually thereafter. Compliance training records are maintained for a minimum of 10 years.

Versant Health provides delegated entities and Contracted providers with access to General Compliance and Fraud Waste and Abuse education and training materials. Contracted providers and delegated entities have the option of using Versant Health compliance training materials or attesting to utilizing comparable training materials.

Versant Health takes the appropriate measures to ensure that all full and part time associates, including the CEO, Officers, Board members, consultants, contractors, temporary employees, as well as delegated entities receive General Compliance and Fraud, Waste, and Abuse (FWA) training.

### Privacy and Security Training

Privacy and Security training is required for all full and part time associates, including the CEO, senior administrators, or managers, governing body members, consultants, contractors, temporary employees, and FDRs that provide services to Medicaid, Medicare and Qualified Health Plan (QHP) enrollees/beneficiaries and their respective employees who may have access to confidential information including Protected Health Information (PHI) prior to accessing confidential information. Regulatory, statutory, and/or operational conditions warrant training updates annually thereafter.

The Versant Health Privacy and Security Program sets the standards for safeguarding confidential and protected health information. Versant Health is committed to complying with applicable laws, regulations, and policies related to the privacy and security of health information. Under the direction of the Chief Compliance and Privacy Officer and Chief Information Security Officer, the Privacy Program focuses on educating all full time, part time and temporary employees and contractors on their ongoing responsibility to protect member privacy and secure member information. The Compliance Department manages and updates the privacy policies and procedures, and the Information Security Department manages and updates security policies and procedures, which are available on the Compliance intranet site. All delegated entities must also abide by the Versant Health Privacy and Security Program policies.

### Tracking Requirements for Compliance Training

The Versant Health Compliance Department tracks and reports on compliance training completion. All 'core' compliance training programs, including Fraud, Waste & Abuse, General Compliance/Code of

Conduct and Privacy & Security training include knowledge assessments, which must be passed before successful completion is recorded by the learning management system platform. The Compliance training policies establish disciplinary actions for non-completion of mandatory compliance training, up to and including termination of employment.

## Element IV: Effective Lines of Communication

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

Versant Health displays the contact information for the CCO, Compliance staff, and various reporting mechanisms on the Versant Health intranet site. Compliance maintains and closely monitors email boxes that may be used by all employees to seek guidance on compliance related matters or report compliance concerns. Compliance staff routinely attends operational meetings to provide compliance-related support in everyday operational matters.

Versant Health maintains an Executive Compliance Committee, which is comprised of senior leadership from the various operational areas. The Executive Compliance Committee meets regularly to review and address compliance risks to the organization and to escalate compliance risks as necessary to ensure appropriate visibility and accountability for compliance related matters. The CCO also provides regular reports to the Board of Directors on Compliance program updates and any compliance risks to the organization.

Versant Health is committed to full compliance with laws and regulations that impact the business. Versant Health has established processes to identify and communicate changes in laws and regulations to business areas as appropriate to ensure full compliance.

The Compliance department periodically hosts bite-sized learning sessions to educate staff on various educational learning opportunities related to the Compliance landscape. All Compliance policies are available on the company intranet site and in addition, any changes made to Compliance policies are communicated via email to all staff.

## Ethics, Compliance and Fraud, Waste & Abuse Contact Information and Reporting

The Versant Health intranet site includes Ethics, Compliance, and FWA reporting information on the company intranet, including ways to report issues anonymously. Versant Health has systems in place to receive, record, and respond to compliance issues or reports of potential or actual non-compliance from employees, members, providers, vendors, and delegated entities and others. All reports and allegations are taken seriously, and Versant Health does not tolerate any retaliation for reporting concerns, whether suspected or confirmed.

The Compliance, Ethics, FWA, and Privacy Hotlines are confidential, toll-free resources available to employees twenty-four (24) hours a day, seven (7) days a week to report violations or raise compliance questions or concerns. Calls to the Compliance Hotlines may be made anonymously. The Compliance Department documents inquiries made to the Compliance, Ethics, and Privacy Hotlines to ensure proper investigation and resolution of reported matters; and to identify patterns and opportunities for additional training or corrective action. Information shared with the CCO remains confidential and is

only discussed for investigative purposes with the members of the Executive Compliance Committee, employees, managers, and the governing body, as well as other entities related to the report.

Versant Health maintains an FWA hotline for anonymous reporting. Versant Health's Special Investigations Unit (SIU) investigates all reports of potential or suspected fraud, waste and/or abuse. The SIU Department works with designated state and federal agencies and clients as appropriate to investigate known or suspected matters involving FWA.

The FWA Hotline is a confidential, toll-free resource available to employees, members, providers, and FDRs twenty-four (24) hours a day, seven (7) days a week to report violations of, or raise questions or concerns relating to, fraud, waste, and abuse. An email box and confidential online reporting form are also available for this same purpose. Anyone can make a report without fear of intimidation or retaliation. All inquiries and reports made to the Fraud, Waste, and Abuse Hotline or email are tracked, thoroughly investigated, and resolved and patterns and opportunities for additional training or corrective action are identified.

The Privacy and Security Offices are committed to taking all necessary measures to safeguard confidential information to which we have access and/or maintain. A toll-free phone number and email account are maintained and communicated through training and education. The Privacy and Security Offices are committed to fully investigating any known or suspected privacy incidents and mitigating potentially harmful effects, and notifying member, clients, and regulators as appropriate.

Key compliance-related contact information is as follows:

Privacy inquiries and incident reporting:

- Email: [Privacy@versanthealth.com](mailto:Privacy@versanthealth.com)
- Telephone: 1-800-571-3366

Security incident reporting:

- Email: [ITSecurity@versanthealth.com](mailto:ITSecurity@versanthealth.com)
- Telephone: 1-877-518-8686, Option 4

Compliance ethics and fraud, waste & abuse (FWA) reporting:

- Confidential compliance ethics and FWA Hotline: 1-888-211-4384
- Reporting Website: [lighthouse-services.com/versanthealth](https://lighthouse-services.com/versanthealth)

Fraud, waste, and abuse inquiries and incident reporting may also be directed to:

- Anti-Fraud Email: [AntiFraud@versanthealth.com](mailto:AntiFraud@versanthealth.com)

Chief Compliance and Privacy Officer: Hayley Ellington-Buckles

- Email: [Hayley.Ellington-Buckles@versanthealth.com](mailto:Hayley.Ellington-Buckles@versanthealth.com)
- Telephone: 210-267-7583

## Element V: Disciplinary Standards

The Versant Health Compliance Department publishes and disseminates the Code of Conduct and Compliance Program. The Code of Conduct establishes standards of compliance to which all full and part time associates, including the CEO, senior administrators or managers, Governing body members, consultants, contractors, temporary employees, as well as, all FDRs that provide services to Medicaid, Medicare and Qualified Health Plan (QHP) enrollees/beneficiaries and their respective employees must



comply, including the reporting of any situation in which someone believes illegal or unethical compliance may have occurred. Delegated entities and vendors/FDRs must comply with the standards Versant Health has established or demonstrate that they have implemented similar standards of compliance.

Versant Health takes its commitment to the Code of Conduct very seriously and takes appropriate and immediate investigative and disciplinary action if anyone violates Versant Health's the Code of Conduct, policies or procedures, or the law. Persons identified for non-compliant or unethical behavior or other compliance policies, or standards will receive appropriate and consistent performance corrections, up to and including termination.

Versant Health communicates disciplinary standards within the Code of Conduct, Associate Handbook and in the Compliance Disciplinary Policy. References to disciplinary standards are also included within the various compliance training modules.

The Versant Health Compliance department collaborates closely with Human Resources on enforcing disciplinary standards for matters related to Code of Conduct/Compliance Violations.

## Element VI: Risk Assessment, Monitoring and Auditing, Identification of Compliance issues

The Versant Health Compliance Department is responsible for policies and procedures to create an annual Compliance risk assessment and an annual audit and monitoring plan. The purpose of the Compliance risk assessment is to identify which operational areas and/or processes pose the greatest risk to the organization, its clients, and its members. There are various factors taken into account when developing the annual Compliance risk assessment including, but not limited to, probability, likelihood, and impact of harm to members such as access to care or financial harm, previous adverse auditing and monitoring results (internal or external), the regulatory change landscape, and complexity of work processed in a particular area. Once the Compliance risk assessment has been completed, each operational area is assigned a risk score.

The results of the Compliance risk assessment serve as the basis for the development of the annual audit and monitoring work plan. Those operational areas with the highest risk scores are added to the audit plan for the year. Any additional areas with high-risk scores, or inherently risky processes are placed on the monitoring work plan for the year. For example, appeals and grievances, utilization management, claims, and call center are inherently risky, and heavily regulated areas. Auditing and monitoring enable the Compliance team to identify areas that may require corrective action or process improvements to achieve compliance with Medicare, Medicaid and Qualified Health Plan regulations, sub-regulatory guidance, contractual agreements, and all applicable federal and state laws. The auditing and monitoring work plans describe the departments, functions, and/or operations to be audited, methodology, and to establish the schedule of events for the completion of the audits and monitoring.

Once an audit has been completed, the Compliance team provides a draft report of the audit results that includes the findings (if any), criteria, cause, effect, and required corrective actions, as appropriate. Draft reports are provided to the identified business owner, senior leadership, and the Chief Compliance Officer for review. Business owners have an additional opportunity to provide any additional documentation to support compliance with a particular finding(s), and then a final audit report is issued. Final audit results are presented to the Chief Compliance Officer upon completion, appropriate senior leadership, and then shared with the Compliance Committee and the Board of Directors on a quarterly basis. Any corrective actions stemming from Compliance audits are then

documented and tracked through the Compliance issue log process which includes working with the appropriate business owner to perform a root cause analysis, remediation plan, and timeline for completion.

## Vendor Oversight

The Versant Health Compliance team is responsible for the Delegation Oversight Program. The Delegation Oversight Program was established to ensure that delegated functions for Versant Health (the Organization) products are performed by vendors appropriately and in accordance with the standards of the Organization to include applicable contractual and regulatory requirements, state and federal regulations and the Centers for Medicare and Medicaid Services (CMS).

There are multiple oversight activities performed by the Compliance department that include the Vendor Oversight Committee, annual attestations, annual audits, and monitoring of performance metrics. Similar to the annual Compliance risk assessment and associated audit and monitoring plans, an annual risk assessment and auditing and monitoring work plan is also created for vendors who perform delegated services on behalf of Versant Health. This risk assessment uses the same risk-based logic to assign risk levels to Versant Health's delegate population. Versant Health is also contractually obligated to perform annual audits on most, if not all, vendors who have been identified as a downstream entity of Versant Health performing delegated services under the company's contractual obligations to its customers.

All vendor oversight activities are reporting to the Chief Compliance Officer, the appropriate business owner, senior leadership, the Compliance Committee, and the Board of Directors on an ongoing basis. Any audits, monitoring, or other oversight activity that result in a corrective action plan are documented and tracked through to completion through the Compliance Issue log process.

## Exclusion Screening and Monitoring

Versant Health prohibits business transactions, employment, or contracting, with individuals or entities listed on the Office of Foreign Assets Control (OFAC), the Office of the Medicare Inspector General (OIG) List of Excluded Individuals and Entities (LEIE), the General Service Administration Excluded Parties List Search (EPLS), CMS Preclusion List, System for Award Management (SAM), the Social Security Administration Death Master File (SSA-DMF) and applicable state and sanction/exclusion databases.

The Compliance department ensures Versant Health does not credential providers, employ individuals, or pay excluded individuals or entities prohibited by any of the applicable federal and state exclusion databases. Monitoring is performed to ensure that all employees, contractors, temps, officers, and board members are exclusion screened prior to hire or appointment and monthly thereafter.

## Special Investigations Unit

The Versant Health Special Investigation Unit (SIU) utilizes analytics to identify, monitor and prevent fraud, waste, and abuse (FWA). The analytics program identifies potential violations of CMS billing and coding rules, provider submission errors, provider payment errors, provider, and member service utilization trends above statistically significant norms. Additional analytics are created as new risks, patterns or trends are identified. Analytics are operationalized through audits and investigations.

The SIU works with designated state and federal agencies, the National Benefit Integrity Medicaid Drug Integrity Contractor (MEDIC), and law enforcement to pursue individuals or organizations who may be involved in activities that fall under the FWA umbrella and will pursue prosecution of health care fraud and abuse.

The Versant Health CCO is responsible for Versant Health's Fraud, Waste and Abuse Plan. The Versant Health SIU is responsible for the day-to-day execution of the plan including the detection, investigation, prevention, response, and reporting of FWA required by both federal and state regulations.

The SIU maintains an anonymous phone line, electronic mailbox, and a physical mailbox to receive allegations of potential FWA. All allegations of FWA received are investigated by the SIU in accordance with federal and state laws, rules, and regulations.

The SIU performs analytics to guide proactive audits and investigations to ensure potential incidents of FWA are ameliorated. The SIU reports suspected FWA, recovers overpayments identified, and develops recommendations prevent future occurrences.

Further, the SIU develops specialized department level training when FWA has been identified in a specific business area.

## Element VII: Procedures and System for Prompt Response to Compliance Issues

Versant Health has established and implemented a process to promptly respond to operational compliance issues as they are raised, investigating compliance issues which are self-identified through internal auditing and monitoring activities, or self-reported by employees, contractors, temps, delegated entities, etc. The Compliance team has developed the Compliance Issue log process to document and track any of these reported issues. The Compliance team will work with the identified business owner of the non-compliance, perform a root cause analysis, and document efforts to remediate through to completion. Compliance Issue log status updates are provided to the Chief Compliance Officer, senior leadership, Compliance Committee, and the Board of Directors on a regular ongoing basis.