

Policy and Procedure	
SUBJECT: Medicare Advantage First Tier, Downstream, and Related Entities (FDRs)	DEPARTMENT: Regulatory Compliance, Risk Management & Government Affairs
ORIGINAL EFFECTIVE DATE: 01/12	DATE(S) REVIEWED/REVISED: 05/12, 03/14, 12/15, 09/16, 12/17, 09/18, 05/19, 04/20, 04/21, 06/22, 03/23, 04/24, 05/25
APPROVED BY: Chief Compliance and Risk Officer	NUMBER: RA 66 PAGE: 1 of 4

SCOPE:

Providence Health Plan and Providence Health Assurance as applicable (referred to individually as “Company” and collectively as “Companies”).

APPLIES TO:

Fully Insured			Self-Insured	Medicare	Medicaid
Individual	Small Group	Large Group			
<input type="checkbox"/> Oregon On Exchange	<input type="checkbox"/> Oregon On Exchange (SHOP)	<input type="checkbox"/> Oregon	<input type="checkbox"/> ASO	<input checked="" type="checkbox"/> Medicare Advantage	<input type="checkbox"/> Medicaid
<input type="checkbox"/> Oregon Off Exchange	<input type="checkbox"/> Oregon Off Exchange (SHOP)	<input type="checkbox"/> Washington	<input type="checkbox"/> PBM	<input type="checkbox"/> Medicare Supplement	
<input type="checkbox"/> Washington Off Exchange				<input checked="" type="checkbox"/> Medicare Advantage – D-SNP	
<input type="checkbox"/> APPLIES TO ALL ABOVE LINES OF BUSINESS					

POLICY:

In accordance with The Centers for Medicare and Medicaid Services (CMS) guidelines Company contracts and delegates several First Tier, Downstream, and Related Entities (FDRs), to provide functions on behalf of Company. Company establishes, implements, and provides effective general compliance and Fraud, Waste and Abuse (FWA) training and education annually for FDR’s that provide a function on behalf of Company.

DEFINITION:

1. **“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.
2. **“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.
3. **Delegation Program Compliance Consultant** is the person that reports directly to the Manager of the Medicare Compliance Program and is responsible for the day-to-day compliance activities of the delegation oversight program.

Policy and Procedure	
SUBJECT: Medicare Advantage First Tier, Downstream, and Related Entities (FDRs)	DEPARTMENT: Regulatory Compliance, Risk Management & Government Affairs
ORIGINAL EFFECTIVE DATE: 01/12	DATE(S) REVIEWED/REVISED: 05/12, 03/14, 12/15, 09/16, 12/17, 09/18, 05/19, 04/20, 04/21, 06/22, 03/23, 04/24, 05/25
APPROVED BY: Chief Compliance and Risk Officer	NUMBER: RA 66 PAGE: 2 of 4

4. **“Providence’s Compliance Program”** is Company’s formal program that describes Company’s commitment to fully comply with all CMS/Federal guidelines and regulations.
5. **“FDR”** means First Tier, Downstream or Related Entity. **“First Tier Entity”** is any party that enters into a written arrangement, acceptable to CMS, with Company to provide administrative services or health care services to a Medicare eligible individual under the MA 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 MA benefit or Part D benefit, below the level of the arrangement between Company 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 Company by common ownership or control and:
 - (1) Performs some of Companies management functions under contract or delegation;
 - (2) Furnishes services to Medicare enrollees under an oral or written agreement; or
 - (3) Leases real property or sells material to Company at a cost of more than \$2500 during a contract period.

PROCEDURE:

All contracted providers, facilities, vendors and/or delegated entities are required to abide by the Medicare Advantage Plans’ Standard of Conduct and the Company’s Code of Conduct, as well as all CMS laws and regulations.

As a part of the aforementioned requirements and a condition of their contract with Company, all FDRs must (if applicable to FDR):

- Comply with the Company’s annual delegation process. This annual process involves completing an FDR self-assessment, training (see below) and attestations. Upon completion of this annual process, the Medicare Delegation Program Compliance Consultant will perform a risk assessment on the FDR and will set the audit and monitoring schedule.
- Complete all required Company Training and Education, including but not limited to annual Medicare Compliance Training. Medicare Compliance Training must be done upon hire of any new caregiver by the FDR and annually thereafter.
- Comply with all Company audit requests, including but not limited to, internal monitoring and auditing, outside compliance audits and CMS audits.
- Comply with all Company policies and procedures.

Comply with all reporting requirements, including but not limited Company requests and/or CMS requests.

Policy and Procedure	
SUBJECT: Medicare Advantage First Tier, Downstream, and Related Entities (FDRs)	DEPARTMENT: Regulatory Compliance, Risk Management & Government Affairs
ORIGINAL EFFECTIVE DATE: 01/12	DATE(S) REVIEWED/REVISED: 05/12, 03/14, 12/15, 09/16, 12/17, 09/18, 05/19, 04/20, 04/21, 06/22, 03/23, 04/24, 05/25
APPROVED BY: Chief Compliance and Risk Officer	NUMBER: RA 66 PAGE: 3 of 4

All FDR's must complete Compliance and Fraud, Waste, Abuse training and attest to Company that training is complete.

To fulfill the FDR's training requirement, the Medicare Compliance team will allow FDR's to complete Company's training or their own general compliance and Fraud, Waste and Abuse training.

All training and education is reviewed and overseen by Company. In the instance of any non-compliance, all FDRs are subject to the enforcement of Company disciplinary actions.

Company maintains a policy of non-intimidation and non-retaliation against FDRs for good faith participation in the compliance program, including but not limited to reporting potential issues, investigating issues, conducting self-evaluations, audits and remedial actions, and reporting to appropriate officials.

In the instance of a suspected and/or potential compliance issue, all FDRs and their caregivers are required to report such issues to the Regulatory Compliance, Risk Management and Government Affairs department within Company. The Medicare Compliance Team will investigate appropriately and follow the standard processes for reported compliance issues.

There are multiple ways that an FDR may report potential non-compliance issues/concerns; through routine auditing and monitoring, contacting the Medicare Delegation Program Compliance Consultant directly, filling out the electronic webform on the FDR webpage, or by filling out the potential non-compliance external referral pdf form and sending it to Company via mail.

Company expects that any FDR that has determined there has been unethical or non-compliant behavior notify the Company and that appropriate disciplinary action is taken.

The Medicare Delegation Program Compliance Consultant will conduct a thorough investigation for each notification received and communicate the outcome of the investigation to the Medicare Compliance Officer. The Medicare Delegation Program Compliance Consultant will then communicate the outcome of the investigation as well as any needed remediation to the Business Owner and FDR and will monitor until all corrective action is complete.

The Chief Compliance and Risk Officer and Sr. Compliance Director-Medicare Compliance Officer are obligated to report any Identified non-compliance to the Company board and CMS.

Policy and Procedure	
SUBJECT: Medicare Advantage First Tier, Downstream, and Related Entities (FDRs)	DEPARTMENT: Regulatory Compliance, Risk Management & Government Affairs
ORIGINAL EFFECTIVE DATE: 01/12	DATE(S) REVIEWED/REVISED: 05/12, 03/14, 12/15, 09/16, 12/17, 09/18, 05/19, 04/20, 04/21, 06/22, 03/23, 04/24, 05/25
APPROVED BY: Chief Compliance and Risk Officer	NUMBER: RA 66 PAGE: 4 of 4

REFERENCES:

Providence Compliance Program PHP/PHA

CFR §422.503(b)(4)(vi)(g)

§422.503(b)(4)(vi)(c), §423.504(b)(4)(vi)(g) and §423.504(b)(4)(vi)(c), Chapter 9 of the Medicare Prescription Drug Manual, Chapter 21 of the Medicare Managed Care Manual, Compliance Program Guidelines