

Title	FTE, DE and Other Third-Party Delegation Oversight
Number	DP.CS.RCE.7.v3
Current Effective Date	10/16/2023
Original Effective Date	09/26/16
Replaces	FDR Delegation Oversight – Corporate Policy - CP.CO.MA.002.v1.3; Corporate FDR Delegation Oversight Policy - CP.CO.MA.002.v1.3
Cross Reference	Giving and Receiving of Gifts, Meals, Entertainment and Other Items of Value Corporate Policy; Third Party Code of Conduct; Compliance & Ethics Hotline Corporate Policy; MA Compliance Program document; Compliance & Ethics Program document; Sanction Checks C&E department policy; Sanction & OFAC Check C&E department procedure; Third-Party Conferences and Meetings: Attendance, Participation and Payment Corporate Policy; Fraud, Waste and Abuse – General Information and Reporting Corporate Policy; Reporting, Investigation and Resolution of Potential Noncompliance and Fraud, Waste and Abuse Concerns C&E department policy; Reporting, Investigation and Resolution of Potential Noncompliance and Fraud, Waste and Abuse Concerns C&E department procedure; FTE and DE Determination C&E department policy; MA Risk Assessment and Monitoring and Auditing C&E department policy; C&E Risk Assessment C&E department procedure; C&E Work Plan Creation and Tracking C&E department procedure; Compliance Inquiry Response and Corrective Action C&E department procedure; FTE and DE Determination C&E department procedure; FTE, DE and Other Third-Party Delegation Oversight C&E department procedure; MA Risk Assessment C&E department procedure; MA Monitoring and Auditing Plan C&E department procedure; Third Party Attestations: Compliance & Ethics C&E department procedure; PBC Credentialing Book

Purpose	To explain Premera’s process for overseeing delegated functions as part of our Medicare Advantage (MA), Qualified Health Plan (QHP) or other lines of business.
Scope	Applies to PREMERA and its subsidiaries and affiliates (“Premera” or the “Company”) as well as First-Tier, Downstream and Related Entities and Delegated Entities supporting the MA and QHP lines of business and other Third-Parties who support other lines of business. This includes direct producers (agencies, not individual employee at an agency) but not providers unless they have been delegated to perform a service on Premera’s behalf.
Definitions	Business Associate (BA): A person or entity that creates, receives, maintains, or transmits Protected Personal Information (PPI) in the performance of a function or activity for the Company, including but not limited to pharmacy benefit managers, disease management Vendors, Consultants, Temporary Workers, Vendor Workers, third-

party administrators, auditors, and lawyers. It does not include all Consultants, Temporary Workers, Vendor Workers, or Vendors providing services to the Company.

Centers for Medicare & Medicaid Services (CMS): A federal agency that administers the Medicare program and much of the Affordable Care Act including certifying Qualified Health Plans.

Delegated Entity (DE): Any party, including an agent, vendor or broker that enters into an agreement with a Qualified Health Plan issuer to provide administrative services or health care services to qualified individuals, qualified employers, or qualified employees and their dependents under a Qualified Health Plan.

Downstream Entity (MA): Any party that enters into a written arrangement, acceptable to the Centers for Medicare & Medicaid Services, with persons or entities involved with the Medicare Advantage benefit or Part D benefit, below the level of the arrangement between a Medicare Advantage Organization 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.

First Tier Entity (FTE): Any party that enters into a written arrangement, acceptable to the Centers for Medicare & Medicaid Services (CMS), with a Medicare Advantage Organization or Part D plan sponsor or applicant to provide administrative services or health care services to a Medicare eligible individual under the Medicare Advantage program or Part D program.

First Tier, Downstream, or Related Entity (FDR): Any party entering into a written agreement acceptable to CMS with a Medicare Advantage Organization (MAO) or Part D plan sponsor (Sponsor) to provide administrative or healthcare-related services. These arrangements continue down to the ultimate provider of health and administrative services including those contracted with first tier entities and those related to a MAO or sponsor by common ownership or control and performs some of the MAO or sponsor's management functions, furnishes services to enrollees, leases property or sells materials to the MAO or Sponsor.

Fraud, Waste and Abuse (FWA): Identifies the three areas of misuse in healthcare investigations.

Health Care Benefit Manager (HCBM): Any person or entity that provides services to or acts on behalf of a health carrier or employee benefits program. HCBMs directly or indirectly impact the determination or use of benefits for or patient access to health care services, drugs and supplies.

Pro-Vendor: A Provider that is also acting as a Vendor in providing services to the Company outside the scope of a traditional provider office. Pro-vendors generally have both a vendor contract for the provision of Vendor Services and a Provider Contract for the provision of Medically Necessary Services.

Related Entity: Any party that is related to a Medicare Advantage Organization (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.

	<p>Third Party: A vendor, pro-vendor, Business Associate, First Tier Entity, Delegated Entity, producer, or provider currently doing business with the Company or seeking to do business with the Company.</p> <p>Vendor: An entity with which the Company has entered a Vendor Agreement to provide products or services for the Company, its employees, customers, providers, subsidiaries, and/or affiliates.</p>
<p>Policy</p>	<p><u>Overview</u> Premera is committed to compliance with federal and state regulations that govern the industries in which we do business - including but not limited to those applicable to MA, the Patient Protection and Affordable Care Act, as amended, including its implementing regulations, and Privacy.</p> <p>In accordance with CMS guidelines, Premera has delegated some MA and QHP functions to several Third-Parties defined as FTEs and DEs according to the FTE and DE Determination Department C&E Policy. Each FTE and DE, as well as other Third-Parties, are responsible for ensuring they comply with legal and regulatory requirements and for promptly reporting any suspected FWA or noncompliance. Premera is responsible for performing auditing and monitoring to validate FTE, DE and other Third-Party compliance.</p> <p><u>Responsibilities</u> All FTEs, DEs, and other Third-Parties, along with their employees, including any of their downstream entities, as a condition of their contract with Premera, must:</p> <ul style="list-style-type: none"> • Comply with Premera’s Third Party Code of Conduct. • Comply with all reporting and filing requirements, including but not limited to, Premera and/or regulator requests. • Comply with all applicable Premera policies and procedures. • Comply with all Premera audit requests, including but not limited to, routine monitoring and auditing, outside compliance audits, and regulator audits. • Report any suspected and/or potential noncompliance or FWA issues to Premera’s Compliance & Ethics department, the MA Compliance Officer or the Corporate Compliance & Ethics Officer. FTEs, DEs and other Third-Parties may also report potential noncompliance or FWA concerns anonymously by using the third party managed Compliance & Ethics Hotline, which can be contacted online here (www.MyComplianceReport.com - Access ID: PBC) or by phone at 1-888-418-1537. • Report suspected FWA to the Anti-Fraud Hotline at 1-800-848-0244 or 425-918-5500; or via letter at Premera Blue Cross, SIU, 7001 220th St. SW, MS 219, Mountlake Terrace, WA 98043. <p>Premera prohibits retaliation for good faith participation in the compliance program, including but not limited to, reporting potential concerns, investigating issues, conducting self-evaluations, audits and remedial actions, and reporting to the appropriate officials.</p> <p>Premera expects that if an FTE, DE or other Third-Party has determined that there has been unethical or noncompliant behavior they will notify Premera immediately. The FTE, DE or other Third-Party will also ensure corrective action is appropriate to the seriousness of the violation, is fairly and consistently administered and imposed within a reasonable timeframe. The FTE, DE or other Third-Party is also expected not to tolerate retaliation or intimidation for good faith reporting of suspected noncompliance or FWA.</p>

	<p>Premera will research and conduct a thorough investigation for each notification received in accordance with the Reporting Investigation and Resolution of Potential Noncompliance Concerns Department C&E Policy and procedure, the Compliance & Ethics Hotline Corporate Policy, the Compliance & Ethics Inquiry Response and Corrective Action procedure and/or the Fraud, Waste and Abuse – General Information and Reporting Corporate Policy. Significant confirmed noncompliance or FWA will be reported to the CEO, the Premera Board of Directors, the Corporate Compliance & Ethics Committee, the MA Compliance Committee and/or regulators, as appropriate.</p> <p>In addition to the requirements listed above and as a condition of their contract with Premera, all FTEs, DEs and other Third-Parties must:</p> <ul style="list-style-type: none"> • Comply with applicable training and education requirements, as well as track and maintain documentation of completion for employees. • Appropriately administer disciplinary standards for their employees. • Create lines of communication and processes for reporting FWA and noncompliance issues, including processes for investigation, resolution and corrective action. • Administer an effective self-monitoring and auditing program, where appropriate. • Create and appropriately review and approve applicable policies and procedures for functions performed on behalf of Premera Blue Cross. • Interpret and disseminate regulations/guidance, ensuring implementation, and providing day to day expertise on compliance requirements as appropriate. • Retain all documents in accordance with regulatory requirements. • FTEs are required to monitor their employees against the DHHS OIG List of Excluded Individuals and Entities (LEIE) list, the GSA Excluded Parties List (EPLS) and the Office of Foreign Assets Control (OFAC) list: <ul style="list-style-type: none"> ○ Prior to the hiring or contracting of any new employee, temporary employee, volunteer, consultant, or governing body member; and ○ Monthly thereafter to ensure that none of these persons or entities are excluded or become excluded from participation in federal programs. • Submit contract documents, reports, and registrations to regulators as assigned by Premera or required by regulators. • Ensure any downstream entities of the FTE, DE or other Third-Party are in compliance with all requirements as outlined in this policy and per applicable regulations. <p><u>Oversight</u></p> <p>Premera will oversee the performance of FTEs, DEs and other Third-Parties and will monitor compliance. FTEs, DEs and Business Associates (BAs) will also be required to formally attest to compliance with these requirements on an annual basis.</p> <p>As part of the annual risk assessment process, FTEs, DEs or other Third-Parties may be selected for auditing or monitoring activities.</p> <p>Additionally, Premera may elect to conduct a delegation review prior to, or shortly after contracting with a new FTE, DE or other Third-Party. This could include a review of policies and procedures, interviews to determine the adequacy of the compliance program and review of audit results or key performance indicators.</p>
Violations of Policy	Violations of this policy may be grounds for corrective action, up to and including termination of employment.

	<p>Violations of this policy by FTEs, DEs or other Third-Parties, or their downstream entities, may result in increased auditing and monitoring, performance guarantee or other contractual penalties and/or termination of the contract.</p> <p>Corrective action will be appropriate to the seriousness of the violation.</p>
Exception Process	Any exceptions to this policy must be approved in advance and in writing by the Director, Regulatory Compliance & Ethics and MA Compliance Officer.
Laws, Regulations & Standards	42 CFR 423.501; Medicare Managed Care Manual Chapter 21; Medicare Prescription Drug Benefit Manual Chapter 9; 42 CFR 422.503, 422.504, 423.505, 423.752, 423.504, and 422.752.
Controls	Regulatory Compliance & Ethics conducts annual risk assessments of the MA Compliance Program and the Commercial Compliance & Ethics Program. This information is used to create annual Monitoring and Auditing Work Plans during which FTEs, DEs and other Third-Parties may be selected for review as documented in the MA Risk Assessment and Monitoring and Auditing Department C&E Policy or the CE Risk Assessment and Monitoring and Auditing C&E Policy. Additionally, all FTEs, DEs and BAs must complete an annual attestation documenting their compliance with regulatory requirements. Internal Audit may also select FTEs, DEs and other Third Parties for audits as part of their annual risk assessment process.

Policy Owner	Director, Regulatory Compliance & Ethics and MA Compliance Officer
Contact	Any questions regarding the contents of this policy or its application should be directed to the Director, Compliance & Ethics.
Approval Dates	10/16/2-23; 11/23/2022; 01/14/2022, 02/11/21; 04/08/20; 05/16/19; 04/16/18; 09/19/17; 09/26/16

Approval	Director, Regulatory Compliance & Ethics and MA Compliance Officer
Print Name	Jennifer Badgley
Signature	<i>Electronic approval on file</i>
Date	10/16/2023