



Policy: HH.2007  
Title: **Compliance Committee**  
Department: Office of Compliance  
Section: Not Applicable

*CEO Approval: /s/ Michael Hunn 11/19/2024*

Effective Date: 09/01/2015

Revised Date: 11/07/2024

Applicable to: ☒ Medi-Cal  
☒ OneCare  
☒ PACE  
☐ Administrative

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## **I. PURPOSE**

This policy describes the role and responsibility of CalOptima Health's Compliance Committee in ensuring and enforcing compliance with ethical standards, regulatory requirements, contractual obligations, the Compliance Program, including the Fraud, Waste, and Abuse (FWA) Plan and Code of Conduct, and CalOptima Health policies and procedures.

## **II. POLICY**

- A. For the purpose of CalOptima Health's Medi-Cal program, the Compliance Committee shall also serve as the Regulatory Compliance and Oversight Committee and will herein only be referred to as the Compliance Committee.
- B. The Compliance Committee shall oversee compliance efforts in accordance with the Compliance Program, including the Compliance Plan, Fraud, Waste, and Abuse (FWA) Plan, Code of Conduct, all applicable state and federal regulations, policies and procedures, and federal and state contracts.
- C. The Compliance Committee shall recommend and monitor, in collaboration with the Office of Compliance, the development of internal processes and procedures to implement and support the Compliance Plan, Code of Conduct, the FWA Plan, and adherence to relevant statutory, regulatory, and contractual obligations.
- D. The Compliance Committee shall review the Compliance Plan on an annual basis.
- E. The Office of Compliance shall provide summary updates of all issued Corrective Action Plan(s) (CAPs) to the Delegation Oversight Committee (DOC) and the Compliance Committee for review. The Compliance Committee shall Monitor and report on the effectiveness of issued CAPs.

## **III. PROCEDURE**

### **A. Compliance Committee Organization**

- 1. The Chief Compliance Officer shall serve as chairperson of the Compliance Committee.

2. The Directors of Medicare Regulatory Affairs & Compliance and Medi-Cal Regulatory Affairs & Compliance shall serve as co-vice chairpersons and are considered the chairperson's Designees.
3. Members of the Compliance Committee are designated and/or selected from their senior level executives representing the various functional areas of the organization. The Compliance Committee shall consist of Executive staff that may include, but is not limited to, the: Chief Executive Officer; Chief Medical Officer; Chief Operating Officer; Chief Financial Officer; Chief Compliance Officer; and Chief Human Resources Officer.
4. Each member of the Compliance Committee is a voting member. Voting members may appoint a Designee, when deemed appropriate. The Designee may serve as a subject matter expert at the Compliance Committee meeting; however, the Designee will not have voting rights unless approved in advance by the Chief Compliance Officer.
5. At the request of the chairperson of the Compliance Committee, CalOptima Health Employees may be requested to attend a Compliance Committee meeting on an ad-hoc basis. Attendance may be warranted to support discussion items at the Compliance Committee meeting and/or to provide clarification for the voting members.
6. Activities of the Compliance Committee, to the extent not deemed privileged and confidential, shall be disclosable.

#### B. Compliance Committee Meetings

1. The Compliance Committee shall meet at least on a quarterly basis, or more frequently, as significant non-compliant and/or FWA issues are identified outside of the quarterly time period, as determined by the Compliance Officer. Annually, Compliance Committee members shall receive a calendar of meetings for the calendar year as well as a reporting matrix which includes all planned reports to be presented during scheduled Compliance Committee meetings.
2. A committee binder is distributed to all meeting attendees, electronically, prior to the Compliance Committee meeting. The committee binder shall include, but is not limited to:
  - a. Current meeting agenda;
  - b. Final draft meeting minutes from the previous Compliance Committee for approval;
  - c. Listing of open action items;
  - d. Submitted Compliance Committee reports;
  - e. Scheduled audit reports;
  - f. CAP monitoring;
  - g. Notices of Non-Compliance; and
  - h. Special reports, which may include, but not limited to, any reports not regularly presented to the Compliance Committee that may be of interest or concern or is intermittent in nature.
3. Minutes of Compliance Committee meetings shall be maintained, electronically, by the Office of Compliance in the normal course of business.

4. Ad-hoc Compliance Committee meetings may be held at the discretion of the chairperson, as deemed appropriate.

### C. Compliance Committee Responsibilities

1. The Compliance Committee responsibilities include, but are not limited to:
  - a. Determine the appropriate strategy and/or approach to promote compliance; to prevent, detect, and correct potential violations; and to advise the Chief Compliance Officer accordingly;
  - b. Review and approve training related to compliance and FWA and ensure that training and education are effective and appropriately completed;
  - c. Assist with the creation and implementation of the Office of Compliance Annual Risk Assessment and of the compliance Monitoring and Auditing work plan;
  - d. Review and Monitor the effectiveness of the Compliance Program, including Monitoring key performance reports and metrics, evaluating business and administrative operations, and overseeing the creation, implementation, and development of corrective and preventive action(s) to ensure they are prompt and effective;
  - e. Maintain and update the Compliance Plan and Code of Conduct consistent with regulatory requirements and/or operational changes, subject to the ultimate approval by the CalOptima Health Board of Directors;
  - f. Review overall effectiveness of the internal controls designed to ensure compliance with applicable regulations in daily operations;
  - g. Receive reports from the Chief Compliance Officer, on at least a quarterly basis, concerning the Compliance Program;
  - h. Review and approve recommendations of appropriate actions to ensure CalOptima Health is complying with the applicable laws, regulations, and ethical standards;
  - i. Ensure legal counsel is consulted as appropriate and all applicable rights are preserved, including the attorney-client privilege;
  - j. Ensure CalOptima Health has a Compliance & Ethics Hotline and an Office of Compliance email address for CalOptima Health Members, members of the Governing Body, Employees, and FDRs to ask compliance questions and report potential issues regarding any CalOptima Health program. Inquiries may include, but are not limited to, non-compliance and potential FWA. Information presented shall be handled confidentially (to the extent permitted by applicable law and circumstances) and may be submitted anonymously, if desired by the informant, without fear of retaliation, in accordance with CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations;
  - k. Ensure CalOptima Health has appropriate and current compliance policies and procedures;
  - l. Review and address reports of Monitoring and Auditing of areas in which CalOptima Health is at risk of program non-compliance and/or potential FWA, and ensure CAPs and ICAPs are implemented and Monitored for effectiveness;

- m. Provide regular and ad-hoc status reports of compliance with recommendations to the CalOptima Health Board of Directors;
  - n. Maintain written notes, records, correspondence, or minutes (as appropriate) of Compliance Committee meetings reflecting reports made to the Compliance Committee and the Compliance Committee's decisions on the issues raised (subject to all applicable privileges).
  - o. Analyze applicable federal and state programs, including contractual, legal, and regulatory requirements, along with areas of risk, and coordinate with the Chief Compliance Officer to ensure the adequacy of the Compliance Program; and
  - p. Review the Office of Compliance's process for soliciting, evaluating, and responding to reports and disclosures within the Compliance Program.
- 2. In accordance with CalOptima Health Policy HH.2005: Corrective Action Plan, the Compliance Committee, in cooperation with Delegation Oversight Committee (DOC), shall determine Sanctions in accordance with CalOptima Health Policy HH.2002: Sanctions, or other remedial actions, as appropriate, to ensure compliance.
  - 3. The Compliance Committee, in collaboration with the DOC, shall evaluate the effectiveness of such corrective actions in collaboration with the appropriate CalOptima Health departments and shall make recommendations regarding ongoing Monitoring activities to ensure continuing compliance.
- D. The Compliance Committee chairperson shall report to the CalOptima Health Board of Directors on at least a quarterly basis. The report shall include a summary of compliance issues taken before the Compliance Committee, remedial action taken, and outcomes of such actions.

#### **IV. ATTACHMENT(S)**

Not Applicable

#### **V. REFERENCE(S)**

- A. CalOptima Health Code of Conduct
- B. CalOptima Health Compliance Plan
- C. CalOptima Health Compliance Committee Charter
- D. CalOptima Health Contract with the Centers for Medicare & Medicaid Services (CMS) for Medicare Advantage
- E. CalOptima Health Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- F. CalOptima Health PACE Program Agreement
- G. CalOptima Health Policy HH.2005: Corrective Action Plan
- H. CalOptima Health Policy HH.2002: Sanctions
- I. CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations
- K. Medicare Managed Care Manual, Chapter 21
- L. Medicare Prescription Drug Benefit Manual, Chapter 9
- M. Title 42, Code of Federal Regulations (CFR), §455.2
- N. Welfare and Institutions Code, §14043.1(a)

**VI. REGULATORY AGENCY APPROVAL(S)**

None to Date

**VII. BOARD ACTION(S)**

<b>Date</b>	<b>Meeting</b>
12/01/2016	Regular Meeting of the CalOptima Board of Directors
12/07/2017	Regular Meeting of the CalOptima Board of Directors
12/06/2018	Regular Meeting of the CalOptima Board of Directors
12/05/2019	Regular Meeting of the CalOptima Board of Directors
12/03/2020	Regular Meeting of the CalOptima Board of Directors
12/20/2021	Special Meeting of the CalOptima Board of Directors
11/07/2024	Regular Meeting of the CalOptima Health Board of Directors

**VIII. REVISION HISTORY**

<b>Action</b>	<b>Date</b>	<b>Policy</b>	<b>Policy Title</b>	<b>Program(s)</b>
Effective	09/01/2015	HH.2007	Compliance Committee	Medi-Cal
Revised	12/01/2016	HH.2007	Compliance Committee	Medi-Cal OneCare OneCare Connect PACE
Revised	12/07/2017	HH.2007	Compliance Committee	Medi-Cal OneCare OneCare Connect PACE
Revised	12/06/2018	HH.2007	Compliance Committee	Medi-Cal OneCare OneCare Connect PACE
Revised	12/05/2019	HH.2007	Compliance Committee	Medi-Cal OneCare OneCare Connect PACE
Revised	12/03/2020	HH.2007	Compliance Committee	Medi-Cal OneCare OneCare Connect PACE
Revised	12/20/2021	HH.2007	Compliance Committee	Medi-Cal OneCare OneCare Connect PACE
Revised	12/31/2022	HH.2007	Compliance Committee	Medi-Cal OneCare PACE
Revised	09/01/2023	HH.2007	Compliance Committee	Medi-Cal OneCare PACE
Revised	11/07/2024	HH.2007	Compliance Committee	Medi-Cal OneCare PACE

## IX. GLOSSARY

Term	Definition
Abuse	<p><u>Medi-Cal</u>: Practices that are inconsistent with sound fiscal and business practices or medical standards, and result in an unnecessary cost to the Medi-Cal program, or in reimbursement for services that are not Medically Necessary or that fail to meet professionally recognized standards for health care. It also includes Member practices that result in unnecessary cost to the Medi-Cal program.</p> <p><u>OneCare</u>: A Provider practice that is inconsistent with sound fiscal, business, or medical practice, and results in an unnecessary cost to CalOptima Health and the OneCare program, or in reimbursement for services that are not Medically Necessary or that fail to meet professionally recognized standards for health care. It also includes Member practices that result in unnecessary cost to CalOptima Health and the OneCare program.</p>
Audit	A formal, systematic, and disciplined approach designed to review, evaluate, and improve the effectiveness of processes and related controls using a particular set of standards (e.g., policies and procedures, laws and regulations) used as base measures. Auditing is governed by professional standards and completed by individuals independent of the process being audited and normally performed by individuals with one of several acknowledged certifications.
Code of Conduct	The statement setting forth the principles and standards governing CalOptima Health's activities to which Board Members, Employees, FDRs, and agents of CalOptima Health are expected to adhere.
Compliance Committee	This CalOptima Health committee consists of executive officers, managers of key operating divisions, and legal counsel and oversees the implementation of CalOptima Health's Compliance Program.
Compliance Program	<p><u>Medi-Cal</u>: The program including, without limitation, the Compliance Plan, Code of Conduct, and CalOptima Health policies, developed and adopted by CalOptima Health to promote, monitor, and ensure that CalOptima Health's operations and practices and the practices of its Board Members, employees, contractors, and providers comply with applicable law and ethical standards.</p> <p><u>OneCare</u>: A comprehensive program that incorporates the fundamental elements identified by the state and federal governments and CalOptima Health as necessary to prevent and detect violations of ethical standards, contractual obligations, and applicable laws and the involvement of CalOptima Health's governing body and executive staff. Elements of the Compliance Program include standards, oversight, training, reporting, monitoring, enforcement, and remediation. The Compliance Program applies to CalOptima Health's Board of Directors, employees, and contractors including delegated entities, providers, and suppliers.</p>
Corrective Action Plan (CAP)	A plan delineating specific identifiable activities or undertakings that address and are designed to correct program deficiencies or problems identified by formal audits or monitoring activities by CalOptima Health, the Centers of Medicare & Medicaid Services (CMS), Department of Health Care Services (DHCS), or designated representatives. FDRs and/or CalOptima Health departments may be required to complete CAPs to ensure compliance with statutory, regulatory, or contractual obligations and any other requirements identified by CalOptima Health and its regulators.

<b>Term</b>	<b>Definition</b>
Delegation Oversight Committee (DOC)	<p><u>Medi-Cal</u>: A subcommittee of the Compliance Committee chaired by the Director(s) of Delegation Oversight to oversee CalOptima Health's delegated functions. The composition of the DOC includes representatives from CalOptima Health's departments as provided for in CalOptima Health Policy HH.4001: Delegation Oversight Committee.</p> <p><u>OneCare</u>: A subcommittee of the Compliance Committee chaired by the Director of the Delegation Oversight department to oversee CalOptima Health's delegated functions. The composition of the DOC includes representatives from CalOptima Health's operational departments.</p>
Designee	A person selected or designated to carry out a duty or role. The assigned designee is required to be in management or hold the appropriate qualifications or certifications related to the duty or role.
Downstream Entity	<p><u>Medi-Cal</u>: Any party that enters into a written arrangement, acceptable to DHCS and/or CMS, with persons or entities involved with a CalOptima Health Program benefit, below the level of arrangement between CalOptima Health and a First Tier Entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.</p> <p><u>OneCare</u>: Any party that enters into an acceptable written arrangement below the level of the arrangement between a Medicare Advantage (MA) organization (and contract applicant) and a First Tier Entity. These written arrangements continue down to the level of the ultimate provider of health and/or administrative services.</p>
Employee	For purposes of this policy, any and all employees of CalOptima Health, including all senior management, officers, managers, supervisors and other employed personnel, as well as temporary employees and volunteers.
First Tier, Downstream, and Related Entities (FDR)	<p>First Tier, Downstream or Related Entity, as separately defined herein.</p> <p>For the purposes of this policy, the term FDR includes delegated entities, contracted providers, Health Networks, Physician Medical Groups, Physician Hospital Consortia, Health Maintenance Organizations, suppliers and consultants, including those that contract with CalOptima Health as well as those that are Downstream or Related Entities.</p>
First Tier Entity	<p><u>Medi-Cal</u>: Any party that enters into a written arrangement, acceptable to DHCS and/or CMS, with CalOptima Health to provide administrative services or health care services to a Member under a CalOptima Health Program.</p> <p><u>OneCare</u>: 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.</p>
Fraud	An intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person. It includes any act that constitutes fraud under applicable Federal or State law, in accordance with Title 42 Code of Federal Regulations section 455.2, Welfare and Institutions Code section 14043.1(i).
Governing Body	The Board of Directors of CalOptima Health.
Monitoring	Regular reviews directed by management and performed as part of normal operations to confirm ongoing compliance and to ensure that corrective actions are undertaken and effective.

Term	Definition
Related Entity	<p>Any entity that is related to the Medicare Advantage organization by common ownership or control and:</p> <ol style="list-style-type: none"> <li>1. Performs some of the Medicare Advantage organization's management functions under contract or delegation;</li> <li>2. Furnishes services to Medicare enrollees under an oral or written agreement; or</li> <li>3. Leases real property or sells materials to the Medicare Advantage organization at a cost of more than two thousand five hundred dollars (\$2,500) during a contract period.</li> </ol>
Waste	<p><u>Medi-Cal</u>: The overutilization or inappropriate utilization of services and misuse of resources.</p> <p><u>OneCare</u>: The overutilization of services, or other practices that, directly or indirectly, result in unnecessary costs to a CalOptima Health Program. Waste is generally not considered to be caused by criminally negligent actions but rather the misuse of resources.</p>