



Policy: HH.2014  
Title: **Compliance Program**  
Department: Office of Compliance  
Section: Not Applicable

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

Effective Date: 08/01/2008

Revised Date: 11/07/2024

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

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## I. PURPOSE

This policy establishes a Compliance Program to ensure and enforce compliance with ethical standards, contractual requirements, applicable federal and state statutes and regulations, and CalOptima Health policies.

## II. POLICY

- A. CalOptima Health shall establish a written Compliance Program, in accordance with applicable regulatory and contractual requirements.
- B. CalOptima Health's First Tier, Downstream, and Related Entities (FDRs) shall, at a minimum, develop a written Compliance Program, in accordance with this Policy.
- C. CalOptima Health shall review and update the Compliance Program, including the Compliance Plan, Code of Conduct, Anti-Fraud, Waste and Abuse Plan, HIPAA Privacy and Security Program and all applicable CalOptima Health policies, no less than annually and as necessary for compliance with changes to CalOptima Health needs, regulatory requirements, or applicable laws.
- D. The CalOptima Health Board of Directors is responsible for overseeing the implementation and effectiveness of the Compliance Program and approving the Compliance Plan and Code of Conduct.
  - a. The Board of Directors review and approve the Compliance Program, including the Compliance Plan, Code of Conduct, Anti-Fraud, Waste and Abuse Plan, HIPAA Privacy and Security Program and all applicable CalOptima Health policies, no less than annually.
- E. The Compliance Officer, in conjunction with the Compliance Committee, shall provide oversight, analysis, and continuous monitoring of compliance activities and shall provide a summary of such activities to the Board of Directors on a periodic basis.
  - a. The Compliance Officer is responsible for developing, implementing, and ensuring compliance with the requirements and standards under the Department of Health Care Services (DHCS) contract and shall report directly to the Chief Executive Officer (CEO) and the Board of Directors (BOD).

- b. The Compliance Officer is a full-time employee of CalOptima Health and is considered independent, which means they do not serve in both a compliance and operational role.
- c. Criteria for selecting a Compliance Officer, including job descriptions, responsibilities and authority of the position is outlined in the applicable job description. Selection and hiring of the Compliance Officer shall be in adherence with CalOptima Health Policy GA.8060: Recruitment, Selection, and Hiring.
- F. The Compliance Officer, in conjunction with the Compliance Committee, may update and make minor, non-substantive revisions to the Compliance Plan without the need to obtain Board of Directors approval.
- G. CalOptima Health Employees, members of the Governing Body, and FDRs, shall comply with the Compliance Program.
- H. The Compliance Plan shall be publicly posted on CalOptima Health's website.

### **III. PROCEDURE**

- A. The Office of Compliance shall recommend revisions to the Compliance Plan, Code of Conduct, Anti-Fraud, Waste and Abuse Plan, and/or the HIPAA Privacy and Security Program and/or related policies and procedures, as necessary, to maintain compliance with contractual requirements, applicable state and federal statutes and regulations, and CalOptima Health operations, or as otherwise indicated to meet the needs of Members.
- B. The Compliance Officer shall submit recommended revisions to the Compliance Plan, Code of Conduct, Anti-Fraud, Waste and Abuse Plan, and/or the HIPAA Privacy and Security Program to the Compliance Committee for review and approval.
- C. Upon the Compliance Committee's approval, the Compliance Officer shall present substantive revisions to the Compliance Plan, Code of Conduct, Anti-Fraud, Waste and Abuse Plan, and/or the HIPAA Privacy and Security Program to the Board of Directors for approval and adoption into the Compliance Program.

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

Not Applicable

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

- A. CalOptima Health Code of Conduct
- B. CalOptima Health Compliance Plan
- C. CalOptima Health Anti-Fraud, Waste and Abuse Plan
- D. CalOptima Health HIPAA Privacy and Security Program
- E. CalOptima Health Contract with the Centers for Medicare & Medicaid Services (CMS) for Medicare Advantage
- F. CalOptima Health Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- G. CalOptima Health PACE Program Agreement
- H. Medicare Managed Care Manual, Chapter 21
- I. Medicare Prescription Drug Benefit Manual, Chapter 9
- J. Office of Inspector General Guidelines for Operating an Effective Compliance Program
- K. Title 42, Code of Federal Regulations (CFR.), §§422.503, 423.504

L. Title 42, Code of Federal Regulations (CFR), §438.608(a)(1)

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

Date	Regulatory Agency	Response
07/12/2013	Department of Health Care Services (DHCS)	Approved as Submitted
10/23/2023	Department of Health Care Services (DHCS)	File and Use

**VII. BOARD ACTION(S)**

Date	Meeting
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
10/05/2023	Regular Meeting of the CalOptima Health Board of Directors
11/07/2024	Regular Meeting of the CalOptima Health Board of Directors

**VIII. REVISION HISTORY**

Action	Date	Policy	Policy Title	Program(s)
Effective	08/01/2008	HH.2014	Compliance Program	Medi-Cal
Revised	06/01/2013	HH.2014	Compliance Program	Medi-Cal Healthy Families OneCare
Revised	09/01/2014	HH.2014	Compliance Program	Medi-Cal
Revised	09/01/2015	HH.2014	Compliance Program	Medi-Cal
Revised	12/01/2016	HH.2014	Compliance Program	Medi-Cal OneCare OneCare Connect PACE
Revised	12/07/2017	HH.2014	Compliance Program	Medi-Cal OneCare OneCare Connect PACE
Revised	12/06/2018	HH.2014	Compliance Program	Medi-Cal OneCare OneCare Connect PACE
Revised	12/05/2019	HH.2014	Compliance Program	Medi-Cal OneCare OneCare Connect PACE
Revised	12/03/2020	HH.2014	Compliance Program	Medi-Cal OneCare OneCare Connect PACE

<b>Action</b>	<b>Date</b>	<b>Policy</b>	<b>Policy Title</b>	<b>Program(s)</b>
Revised	12/20/2021	HH.2014	Compliance Program	Medi-Cal OneCare OneCare Connect PACE
Revised	12/31/2022	HH.2014	Compliance Program	Medi-Cal OneCare PACE
Revised	09/01/2023	HH.2014	Compliance Program	Medi-Cal OneCare PACE
Revised	11/07/2024	HH.2014	Compliance Program	Medi-Cal OneCare PACE

## IX. GLOSSARY

Term	Definition
Code of Conduct	The statement setting forth the principles and standards governing CalOptima Health's activities to which CalOptima Health's Board of Directors, employees, contractors, and agents are required to adhere.
Compliance Committee	The committee designated by the Chief Executive Officer (CEO) to implement and oversee the Compliance Program and to participate in carrying out the provisions of this Compliance Plan. The composition of 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; Compliance Officer; and Chief Human Resources Officer.
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>
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	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 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>

<b>Term</b>	<b>Definition</b>
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 directly contract with CalOptima Health as well as those that are Downstream or Related Entities.</p>
Governing Body	The Board of Directors of CalOptima Health.
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>