



Policy: HH.2023  
Title: **Compliance Training**  
Department: Office of Compliance  
Section: Regulatory Affairs & Compliance

*CEO Approval: /s/ Michael Hunn 12/20/2024*

Effective Date: 09/01/2015  
Revised Date: 12/01/2024

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

## **I. PURPOSE**

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This policy describes CalOptima Health's annual Compliance Training and education including, but not limited to, Anti-Fraud, Waste and Abuse (FWA), Code of Conduct, Compliance Plan, Health Insurance Portability and Accountability Act (HIPAA), and CalOptima Health Policies and Procedures for Employees, members of the Governing Body, and First Tier, Downstream, and Related Entities (FDRs).

## **II. POLICY**

- A. All CalOptima Health Employees, members of the Governing Body, and FDRs must successfully complete the required annual Compliance Training within ninety (90) calendar days of hire, or contracting, and annually thereafter.
- B. All CalOptima Health Employees and members of the Governing Body shall complete the knowledge verification for the applicable annual Compliance Training with a score of eighty percent (80%) or greater.
- C. When reviewing and establishing the content of the annual Compliance Training, the Chief Compliance Officer may consider applicable statutes, regulations, regulator contractual requirements, and regulatory guidance. The following are examples of topics the annual Compliance Training shall communicate:
  - 1. A description of the Compliance Program, including a review of compliance policies and procedures, the Code of Conduct, and CalOptima Health's commitment to business ethics and compliance with all CalOptima Health program requirements;
  - 2. An overview of how to ask compliance questions, request compliance clarification, or report suspected, or detected, non-compliance. Training should emphasize Confidentiality, anonymity, and non-Retaliation for reporting compliance related questions, or reports of suspected, or detected, non-compliance, or potential Fraud, Waste and Abuse (FWA);
  - 3. The requirement to report to CalOptima Health actual or suspected program non-compliance, or potential FWA;
  - 4. Scenarios of reportable non-compliance that an Employee might observe;

5. A review of the disciplinary guidelines for non-compliant or fraudulent behavior. The guidelines will communicate how such behavior can result in mandatory retraining and may result in disciplinary action, including possible termination when such behavior is serious or repeated, or when knowledge of a possible violation is not reported;
  6. Discussion of attendance and participation in the annual Compliance Training as a condition of continued employment and a criterion to be included in Employee evaluations;
  7. A review of policies related to contracting with the government, such as the laws addressing gifts and gratuities for government Employees;
  8. A review of potential conflicts of interest and CalOptima Health's system for disclosure of conflicts of interest;
  9. An overview of HIPAA/Health Information Technology for Economic and Clinical Health Act (HITECH), the CMS Data Use Agreement (if applicable), and the importance of maintaining the Confidentiality of Protected Health Information (PHI);
  10. An overview of the Monitoring and Auditing process; and
  11. A review of the laws that govern Employee conduct in the CalOptima Health programs.
- D. CalOptima Health Employees, members of the Governing Body, as well as FDR Employees who have involvement in the administration or delivery of Parts C and D benefits must, at a minimum, receive Compliance Training within ninety (90) calendar days of initial hiring (or contracting in the case of FDRs), and annually thereafter. Additionally, specialized or refresher training may be provided on issues posing FWA risks based on the individual's job function (e.g., pharmacist, statistician, customer service, etc.). Training may be provided:
1. Upon appointment to a new job function;
  2. When requirements change;
  3. When Employees are found to be non-compliant;
  4. As a corrective action to address a non-compliance issue; and
  5. When an Employee works in an area implicated in past FWA.
- E. Topics that may be addressed in Compliance Training include, but are not limited to:
1. Laws and regulations related to Medicare Part C and Part D FWA (i.e., False Claims Act, Anti-Kickback statute, HIPAA/HITECH, etc.);
  2. Obligations of FDRs to have appropriate policies and procedures to address FWA;
  3. Processes for CalOptima Health Employees, members of the Governing Body, FDRs, and FDR Employees to report suspected FWA to CalOptima Health (or, for FDR Employees, either to CalOptima Health directly, or to their employers who then must report it to CalOptima Health);
  4. Protections for CalOptima Health and FDR Employees who report suspected FWA; and

5. Types of FWA that can occur in the settings in which CalOptima Health and FDR Employees work. All CalOptima Health FDRs shall receive CalOptima Health Compliance Training upon contracting. Additionally, training modules are provided through the CalOptima Health vendor and Provider website with updates provided to FDRs and annually thereafter.
- F. FDRs who have met the FWA (as per Chapter 21, Section 50.3 of the Medicare Managed Care Manual) training and education certification requirements through enrollment into Parts A or B of the Medicare program, or through accreditation as a supplier of Durable Medical Equipment, Prosthetics/Orthotics, and Supplies (DMEPOS), are NOT exempt from the annual Compliance Training requirement.
- G. Compliance Training Documentation
1. CalOptima Health Employees, members of the Governing Body, FDRs, and FDR Employees, who are performing services on behalf of CalOptima Health shall successfully complete all required Compliance Training modules.
  2. Failure to successfully complete all required Compliance Training may lead to disciplinary action (up to and including termination), Corrective Action Plan requirements, and/or Sanctions, in accordance with CalOptima Health Policies HH.2002: Sanctions and HH.2005: Corrective Action Plan. CalOptima Health Employees, members of the Governing Body, and FDRs are expected to inform CalOptima Health immediately in the event of any failure to comply with training requirements. For CalOptima Health Employees and members of the Governing Body, the Human Resources (HR) Training Unit has a systematic indicator that identifies those who fail to comply within the mandated timeframes; non-compliance will result in revoking CalOptima Health system access.
  3. The Office of Compliance is responsible for Monitoring and Auditing the compliance of Employees, members of the Governing Body, and FDRs with annual Compliance Training requirements.
  4. FDRs shall provide annual attestations confirming completion of all Compliance Training as stated in this policy. Failure to provide timely attestation may lead to corrective actions.
- H. Training Document Retention.
1. CalOptima Health and FDRs shall maintain all evidence of Compliance-related training completion for at least ten (10) years. Such materials include, but are not limited to:
    - a. Attendance;
    - b. Topic;
    - c. Certificates of Completion;
    - d. FDR Attestations;
    - e. Test scores; and
    - f. Tests administered to Employees.

### **III. PROCEDURE**

#### **A. Distributing Compliance Training for Existing Employees and Members of the Governing Body**

1. On an annual basis, the HR Training Unit shall communicate to all Employees and members of the Governing Body that an updated Compliance Training is available and must be successfully completed within sixty (60) calendar days.
2. Upon completion, Employees and members of the Governing Body can access a learner transcript confirming successful completion. The transcript will include the training title and completion date. HR, via the HR Training Unit, is responsible for retaining evidence of an Employee's and members of the Governing Body's successful completion of all Compliance Training modules.

#### **B. Distributing Compliance Training for New Employees and Members of the Governing Body**

1. Upon hire, the HR Training Unit shall provide each new Employee and member(s) of the Governing Body with instructions to complete Compliance Training.
2. The HR Training Unit shall create a system generated report that identifies those who fail to comply within the mandated time frames. Non-compliance will result in revoking system access.

#### **C. Distributing Compliance Training to FDRs**

1. The Office of Compliance shall ensure the training is uploaded and available on the CalOptima Health vendor and Provider website.
2. Upon contracting, the Office of Compliance shall distribute an FDR Compliance Package composed of compliance documents, including the CalOptima Health Compliance Training, and an FDR Attestation that confirms the required Compliance Training is completed by FDRs and their Employees within ninety (90) calendar days of hire and at least annually thereafter.
3. Annually, the Office of Compliance shall distribute and Monitor receipt of updated attestation to all FDRs for execution.
4. When there are updates to Compliance Training materials and/or related policies and procedures, the Office of Compliance shall communicate updates to all FDRs with instructions to access the CalOptima Health vendor and Provider website to retrieve them.

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

Not Applicable

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

- A. CalOptima Health Compliance Plan
- B. CalOptima Health Contract with the Centers for Medicare & Medicaid Services (CMS) for Medicare Advantage
- C. CalOptima Health Contract with Department of Health Care Services (DHCS) for Medi-Cal
- D. CalOptima Health PACE Program Agreement
- E. CalOptima Health Policy HH.2002: Sanctions

- F. CalOptima Health Policy HH.2005: Corrective Action Plan
- G. CalOptima Health Policy HH.2028: Code of Conduct
- H. FDR Compliance Attestation
- I. Medicare Managed Care Manual, Chapter 21
- J. Medicare Prescription Drug Benefit Manual, Chapter 9
- K. Title 42, Code of Federal Regulations (C.F.R.), §§422.503(b)(4)(vi)(A) and (D)
- L. Title 42, Code of Federal Regulations (C.F.R.), §§423.504(b)(4)(vi)(A) and (D)
- M. Title 42, Code of Federal Regulations (C.F.R.), §438.608
- N. Title 42, Code of Federal Regulations (C.F.R.), §455.2
- O. "Update—Reducing the Burden of the Compliance Program Training Requirements," Health Plan Management System (HPMS) Memorandum, Issued 7/17/2015
- P. "Additional Guidance -- Compliance Program Training Requirements and Audit Process Update," Health Management System (HPMS) Memorandum, Issued 2/10/2016.
- Q. 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. REVIEW/REVISION HISTORY**

<b>Action</b>	<b>Date</b>	<b>Policy</b>	<b>Policy Title</b>	<b>Program(s)</b>
Effective	09/01/2015	HH.2023	Compliance Training	Medi-Cal
Revised	12/07/2017	HH.2023	Compliance Training	Medi-Cal OneCare OneCare Connect PACE
Revised	12/06/2018	HH.2023	Compliance Training	Medi-Cal OneCare OneCare Connect PACE
Revised	12/05/2019	HH.2023	Compliance Training	Medi-Cal OneCare OneCare Connect PACE
Revised	12/03/2020	HH.2023	Compliance Training	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.2023	Compliance Training	Medi-Cal OneCare OneCare Connect PACE
Revised	12/31/2022	HH.2023	Compliance Training	Medi-Cal OneCare PACE
Revised	09/01/2023	HH.2023	Compliance Training	Medi-Cal OneCare PACE
Revised	11/07/2024	HH.2023	Compliance Training	Medi-Cal OneCare PACE
Revised	12/01/2024	HH.2023	Compliance Training	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 CalOptima Health's Board of Directors, Employees, contractors, and agents are required to adhere.
Compliance Program	The program (including, without limitation, this Compliance Plan, Code of Conduct and Policies and Procedures and Procedures) developed and adopted by CalOptima Health to promote, monitor and ensure that CalOptima Health's operations and practices and the practices of its Board Member, Employees and FDRs comply with applicable law and ethical standards.
Compliance Training	Annually required, this includes, but is not limited to, training and education for the Anti-Fraud, Waste and Abuse (FWA) Plan, Code of Conduct, CalOptima Health's (or an approved FDR version) Compliance Plan, Health Insurance Portability and Accountability Act (HIPAA), and CalOptima Health Policies and Procedures.
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.
Covered Services	<u>Medi-Cal</u> : Those health care services, set forth in W&I sections 14000 et seq. and 14131 et seq., 22 CCR section 51301 et seq., 17 CCR section 6800 et seq., the Medi-Cal Provider Manual, the California Medicaid State Plan, the California Section 1115 Medicaid Demonstration Project, the contract with DHCS for Medi-Cal, and DHCS APLs that are made the responsibility of CalOptima Health pursuant to the California Section

Term	Definition
	<p>1915(b) Medicaid Waiver authorizing the Medi-Cal managed care program or other federally approved managed care authorities maintained by DHCS.</p> <p>Covered Services do not include:</p> <ol style="list-style-type: none"> <li>1. Home and Community-Based Services (HCBS) program as specified in the DHCS contract for Medi-Cal Exhibit A, Attachment III, Subsections 4.3.15 (Services for Persons with Developmental Disabilities), 4.3.20 (Home and Community-Based Services Programs) regarding waiver programs, 4.3.21 (In-Home Supportive Services), and Department of Developmental Services (DDS) Administered Medicaid Home and Community-Based Services Waiver. HCBS programs do not include services that are available as an Early and Periodic Screening, Diagnosis and Treatment (EPSDT) service, as described in 22 CCR sections 51184, 51340 and 51340.1. EPSDT services are covered under the DHCS contract for Medi-Cal, as specified in Exhibit A, Attachment III, Subsection 4.3.11 (Targeted Case Management Services), Subsection F4 regarding services for Members less than twenty-one (21) years of age. CalOptima Health is financially responsible for the payment of all EPSDT services;</li> <li>2. California Children's Services (CCS) as specified in Exhibit A, Attachment III, Subsection 4.3.14 (California Children's Services), except for Contractors providing Whole Child Model (WCM) services;</li> <li>3. Specialty Mental Health Services as specified in Exhibit A, Attachment III, Subsection 4.3.12 (Mental Health Services);</li> <li>4. Alcohol and SUD treatment services, and outpatient heroin and other opioid detoxification, except for medications for addiction treatment as specified in Exhibit A, Attachment III, Subsection 4.3.13 (Alcohol and Substance Use Disorder Treatment Services);</li> <li>5. Fabrication of optical lenses except as specified in Exhibit A, Attachment III, Subsection 5.3.7 (Services for All Members);</li> <li>6. Direct Observed Therapy for Treatment of Tuberculosis (TB) as specified in Exhibit A, Attachment III, Subsection 4.3.18 (Direct Observed Therapy for Treatment of Tuberculosis);</li> <li>7. Dental services as specified in W&amp;I sections 14131.10, 14132(h), 14132.22, 14132.23, and 14132.88, and EPSDT dental services as described in 22 CCR section 51340.1(b). However, CalOptima Health is responsible for all Covered Services as specified in Exhibit A, Attachment III, Subsection 4.3.17 (Dental) regarding dental services;</li> <li>8. Prayer or spiritual healing as specified in 22 CCR section 51312;</li> <li>9. Educationally Necessary Behavioral Health Services that are covered by a Local Education Agency (LEA) and provided pursuant to a Member's Individualized Education Plan (IEP) as set forth in Education Code section 56340 et seq., Individualized Family Service Plan (IFSP) as set forth in California Government Code (GC) section 95020, or Individualized Health and Support Plan (IHSP). However, CalOptima Health is responsible for all Medically Necessary Behavioral Health Services as specified in Exhibit A, Attachment III Subsection 4.3.16 (School-Based Services);</li> </ol>



Term	Definition
	<p>10. Laboratory services provided under the State serum alpha-feto-protein-testing program administered by the Genetic Disease Branch of California Department of Public Health (CDPH);</p> <p>11. Pediatric Day Health Care, except for Contractors providing Whole Child Model (WCM) services;</p> <p>12. State Supported Services;</p> <p>13. Targeted Case Management (TCM) services as set forth in 42 USC section 1396n(g), W&amp;I sections 14132.48 and 14021.3, 22 CCR sections 51185 and 51351, and as described in Exhibit A, Attachment III, Subsection 4.3.11 (Targeted Case Management Services). However, if Members less than twenty-one (21) years of age are not eligible for or accepted by a Regional Center (RC) or a local government health program for TCM services, CalOptima Health must ensure access to comparable services under the EPSDT benefit in accordance with DHCS APL 23-005;</p> <p>14. Childhood lead poisoning case management provided by county health departments;</p> <p>15. Non-medical services provided by Regional Centers (RC) to individuals with Developmental Disabilities, including but not limited to respite, out-of-home placement, and supportive living;</p> <p>16. End of life services as stated in Health and Safety Code (H&amp;S) section 443 et seq., and DHCS APL 16-006; and</p> <p>17. Prescribed and covered outpatient drugs, medical supplies, and enteral nutritional products when appropriately billed by a pharmacy on a pharmacy claim, in accordance with DHCS APL 22-012.</p> <p><u>OneCare</u>: Those medical services, equipment, or supplies that CalOptima Health is obligated to provide to Members under the Centers of Medicare &amp; Medicaid Services (CMS) Contract, or Care Coordination, or Coordination of Care as defined in the state Medicaid Agency Contract.</p> <p><u>PACE</u>: Those items and services provided by CalOptima Health under the provisions of Welfare and Institutions Code, section 14132 and the California State Plan, except those services specifically excluded under Exhibit E, Attachment 1 of the CalOptima Health PACE contract, state law, or the California State Plan.</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>

<b>Term</b>	<b>Definition</b>
Employee	For the 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 (contractors) and volunteers.
First Tier, Downstream, and Related Entities (FDR)	First Tier, Downstream or Related Entity, as separately defined herein.  For the purposes of this policy, the term FDR includes delegated entities, contracted providers, Health Networks, Physician Medical Groups, Physician Hospital Consortia, and Health Maintenance Organizations.
First Tier Entity	<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.  <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.
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.
Health Insurance Portability and Accountability Act (HIPAA)	The Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, was enacted on August 21, 1996. Sections 261 through 264 of HIPAA require the Secretary of the U.S. Department of Health and Human Services (HHS) to publicize standards for the electronic exchange, privacy and security of health information as amended.
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.
Protected Health Information (PHI)	Has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations. Individually identifiable health information transmitted by electronic media, maintained in electronic media, or transmitted or maintained in any other form or medium.  This information identifies the individual or there is reasonable basis to believe the information can be used to identify the individual. The information was created or received by CalOptima Health or Business Associates and relates to:  1. The past, present, or future physical or mental health or condition of a Member; 2. The provision of health care to a Member; or 3. Past, present, or future Payment for the provision of health care to a Member.

Term	Definition
Provider	<p><u>Medi-Cal</u>: Any individual or entity that is engaged in the delivery of services, or ordering or referring for those services, and is licensed or certified to do so.</p> <p><u>OneCare</u>: Any Medicare provider (e.g., hospital, skilled nursing facility, home health agency, outpatient physical therapy, comprehensive outpatient rehabilitation facility, end-stage renal disease facility, hospice, physician, non-physician provider, laboratory, supplier, etc.) providing Covered Services under Medicare Part B. Any organization, institution, or individual that provides Covered Services to Medicare members. Physicians, ambulatory surgical centers, and outpatient clinics are some of the providers of Covered Services under Medicare Part B.</p>
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>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>