Anthem | Ethics and Compliance

Empowering Anthem to do the right thing

Anthem Ethics and Compliance Plan

2017*

*For Anthem's Medicare business, this compliance plan covers the years 2016, 2017 and 2018

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SECTION I: INTRODUCTION AND PLAN OVERVIEW

Anthem[1] is committed to ensuring that the services and programs it offers are in compliance with applicable Federal and State laws, regulations and regulatory and/or contractual requirements (collectively "Requirements"). To support this commitment and provide our members with quality benefits and services, Anthem has established this Ethics and Compliance Plan ("Compliance Plan"). This Compliance Plan sets forth the principles, policies, and procedures on how Anthem associates are required to conduct business and themselves. At a minimum, all associates covered by this Compliance Plan must ensure they act ethically and in accordance with applicable Federal and State laws.

Anthem's Compliance Plan supports a culture of ethics and compliance and continuous improvement through an infrastructure that effectively prevents, detects, and resolves issues and conduct not consistent with our culture and applicable Requirements. It provides associates the knowledge and tools to perform their jobs in a compliant manner, identify potential compliance issues, and report suspected or known non-compliance, as well as fraud, waste and abuse.

A. Anthem's Mission and Values

Anthem's purpose statement reinforces the vision and core values Anthem strives to maintain in all aspects of our business. Through living our values and following the standards and requirements set forth in this Plan, Anthem associates ensure our integrity and reputation as an ethical company is upheld.

Our Purpose: Together, we are transforming health care with trusted and caring solutions.

Our Vision: To be America's valued health partner.

Our Values: Our values provide an overall foundation for our success, helping define what we do and how we do it. We live these values, drive to deliver winning results, and raise the bar through continuous improvement.

[1] References to the terms "we", "our", "us", "Anthem" or the "Company" used throughout this document refer to Anthem, Inc., an Indiana corporation, and unless the context otherwise requires, its direct and indirect subsidiaries. Federal Government Service (FGS) is not included in this Master Compliance Plan.

B. Anthem's Compliance Organizational Structure

Anthem's Senior Vice President and Chief Compliance Officer (collectively "CCO") has a direct reporting relationship to the Audit Committee of the Anthem, Inc. Board of Directors and an administrative reporting relationship to the Executive Vice President and General Counsel. Consistent with applicable Federal and State requirements, the CCO is responsible for ensuring Anthem has an effective Compliance Program and providing periodic reports directly to Anthem executives and the Company's Board of Directors. The CCO oversees and participates on compliance committees and participates in the enterprise risk assessment process and development of enterprise audit activities.

Edward L. Stubbers
Senior Vice President,
Chief Compliance Officer

Reporting to the CCO are the various teams that help implement and oversee Anthem's Compliance Program. In pertinent part, the key teams reporting directly to the CCO are:

- Ethics and Privacy
- Compliance Communications, Training, Risk & Reporting
- Consumer Business, Exchange, & Specialty Compliance (often referred to as CSBD)[2]
- Medicaid Compliance
- Medicare Advantage, Part D, and Medicare Supplement Compliance (often referred to as Medicare Compliance)
- Record Information Management

The following functions have an indirect reporting obligation to the CCO:

- AIM Specialty Health Compliance (often referred to as AIM Compliance)
- Federal Employee Program (FEP) Compliance
- HealthCore Compliance
- National Government Services (NGS) Compliance
- Pharmacy Solutions Compliance
- Program Integrity Team (as it relates to Anthem's Fraud, Waste and Abuse Program)
- Resolution Health, Inc. (RHI) Compliance

All business areas are required to follow Anthem's Ethics, Compliance, and Privacy policies and procedures, regardless of whether or not there is a direct reporting relationship to the CCO. Consistent with the preceding and spirit of Anthem's Compliance Plan and culture, all major business areas are required to identify key compliance risks and to work with Compliance to develop appropriate mitigation plans and reporting.

OUR KEY STRATEGIC GOALS AND OBJECTIVES

- Ensure Anthem has a highly effective ethics and compliance program
- Help Anthem foster and leverage a cohesive ethics and compliance program as a differentiator and competitive advantage
- Be a trusted and valued partner to associates, the business, and our regulators
- Be a trusted and valued partner to associates, the business, and our regulators
- Identify best practices and effectively integrate prioritized compliance processes
- Advance excellence and innovation through cultivating high-performing teams

[2] Our Commercial and Specialty Business segment includes our Local Group, National Accounts, Individual, and Specialty businesses.

C. Components of Anthem's Compliance Plan

The compliance principles upon which Anthem's Compliance Plan are built are based upon and implemented in accordance with applicable Federal and State laws, regulations, and guidelines. The following information provides an overview of the eight (8) elements of an effective compliance program, which are derived from the Federal Sentencing Guidelines. The below also describes some of the key ways Anthem effectuates those requirements.

1. Implement Written Standards and Procedures

Anthem's Ethic and Compliance Program implements and maintains written standard and procedures, including the Standards of Ethical Business Conduct (the Code), the Compliance Plan, and applicable policies and procedures to clearly document expectations regarding various ethics and compliance requirements designed to facilitate compliance with applicable laws, regulations, and guidance.

The Code is the foundation of Anthem's Ethics and Compliance Program. The Code articulates Anthem's commitment to comply with all applicable laws and regulations while providing guidance regarding actions, decisions, and operations that help Anthem and associate safeguard Anthem's integrity and reputation as an ethical and compliant company. The Code is reviewed annually by Anthem's senior executives and updated and approved by the Anthem Inc. Board of Directors. All associates are expected to read the Code and understand their responsibilities under the Code. In addition, the Code is provided to all new associates upon hire, included in required annual compliance refresher training, and made available to all associates, as well as posted on Anthem's Internet site for public viewing.

Ethics and Compliance department's policies and procedures articulate Anthem's commitment to integrity and provide detail on the specific actions and activities the Ethics and Compliance team will take to help Anthem and associates maintain an effective ethics and compliance program. They serve as a primary resource for associates to reference for guidance on conducting business activities in an ethical and compliant manner. The policies and procedures are reviewed on an annual basis, or more frequently when new laws, regulations, contractual provisions, or compliance guidance is released. These policies and procedures are a vital component of the Ethics and Compliance Program, and as such, apply to all associates.

Where required, supplemental ethics and compliance policies and desktop procedures are developed to address unique business unit specific requirements. Even if a policy or procedure does not specifically reference this Compliance Plan, they are all subject to and governed by this Plan. All associates are required to comply with Anthem's policies and procedures and to seek guidance from their manager or the appropriate Ethics and Compliance team if they are unsure of the policies and procedures that apply to their role and responsibilities or what those policies and procedures mean or require.

Some of the key ethics and compliance requirements and corresponding policies that apply to all Anthem areas may be accessed here (place holder for link to new landing page).

2. Designate Personnel to Oversee Compliance

Anthem's CCO is responsible for ensuring Anthem has an effective Ethics and Compliance Program. The Ethics and Compliance teams that report directly and indirectly to the CCO are charged with helping to ensure that Anthem has an effective Program.

In addition to the aforementioned reporting relationship and periodic reports provided to Anthem executives and the Company's Board of Directors in Section B, the CCO meets with the Executive Leadership Team on a quarterly basis to review operational/business compliance, compliance program effectiveness, audit and monitoring results and/or prioritized compliance activities, concerns, and risks. The CCO oversees Anthem's Ethics and Compliance Program, leads an Enterprise

Compliance Council, participates in business area Compliance Committees on a quarterly basis, and participates in the enterprise risk assessment process and development of enterprise audit activities on an annual basis.

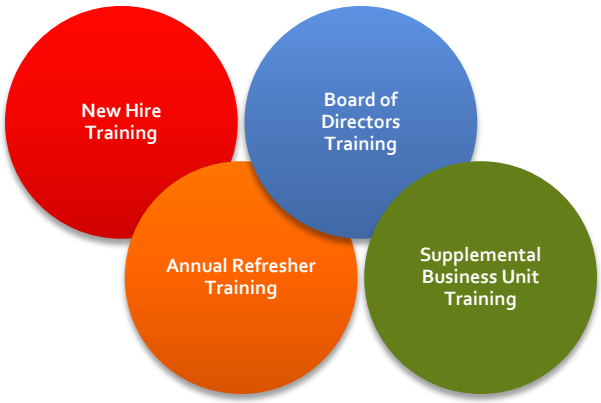
3. Conduct Due Care When Delegating Authority

Anthem strictly enforces its policy not to employ any individual who has been excluded from doing business with the Federal government. To demonstrate efforts to avoid delegating authority to individuals with a history of engaging in illegal activities or behavior inconsistent with an effective ethics and compliance program, Anthem conducts initial and ongoing monitoring (monthly screening) of the OIG and GSA lists for excluded and debarred associates, as well as external board members (including subsidiary boards), vendors, agents/brokers, providers, >5% shareholders, and contractors. Anthem also screens individuals and entities that do business with Anthem against the Office of Foreign Assets Control (OFAC) sanctions lists, including all associates.

As part of the pre-employment screening process, Anthem also conducts background screenings in compliance with all Federal and State statutes. Additional credit checks (where permitted by law) may be required based on the position requirements, levels of responsibility (e.g. key role), Federal/State laws, and/or contractual/regulatory requirements.

4. Deliver Effective Education, Training and Communication

For associates to understand and support Anthem's Ethics and Compliance program, we have to provide them with effective training on how to be compliant with our Compliance Program. To accomplish this, the Ethics and Compliance team administers new hire and annual education and training focused on ethical conduct and legal, regulatory, statutory, and contractual obligations. Consistent with this objective, Anthem requires all new associates to complete an online Ethics, Privacy, Information Security and Compliance (EPIC) course within the first 30 days of hire. This training includes a variety of general compliance and ethics topics and information. The general compliance training material educates newly-hired associates on the Anthem Code, corporate policies on the Company's commitment to conducting business with integrity, policies on receipt and offering of gifts to business partners, policies on non-intimidation and non-retaliation for reporting potential compliance issues or fraud, and many other topics.



In addition, all associates are required to complete the annual online refresher training course, "*I Am Anthem* Ethics, Compliance, Privacy and Fraud & Abuse online training," which affirms Anthem's commitment to fostering an ethical and compliant culture in which the top priority is always to do the right thing. Examples of topics covered include an overview of Anthem's Ethics and Compliance Program; channels for reporting compliance, ethics, privacy, fraud, waste, or abuse concerns, and for asking questions; an overview of relevant policies and procedures; consequences of non-compliance; important related laws and requirements; and the Code. Each associate completes an acknowledgement to confirm he/she has completed the course and agrees to comply with all guidelines. At the conclusion of the annual refresher training, associates must complete a certification which includes questions regarding exclusion and debarment and previous felony or health care fraud convictions. Any positive response is followed up by the Ethics Office and investigated. The training is tracked and documented in a learning management system, which allows Ethics and Compliance to ensure every associate completes the training. The course is to be completed within 30 days of assignment. If an associate is on an extended leave of absence, the training must be completed upon return.

As required or on an as-needed basis, supplemental business unit-specific compliance training or training on business unit desktop procedures is also required based upon the associate's business unit, role, responsibilities and/or use/disclosure of protected health information (for example, Foreign Corrupt Practices Act training is provided to designated associates

annually). Designated business unit associates will provide and track the training. Each business area is expected to perform individualized training on their department policies.

Anthem's CCO or her/his designee is responsible for training Anthem, Inc. Board members and other external Board members on subsidiary boards about Anthem's Ethics and Compliance Program. In pertinent part, this includes training on Anthem's Code, HelpLine, Privacy Program, and Fraud, Waste and Abuse program. Ethics and Compliance will also conduct focused training sessions if they believe it is warranted or if requested by management. Additionally, if Ethics and Compliance identifies trends (including but not limited to), misconduct in a geographic area or business segment, enforcement, and/or compliance risks, targeted training will be administered to impacted audiences as appropriate.

Open lines of communication are essential to Anthem's Ethics and Compliance Program. As such, a comprehensive risk-based Ethics and Compliance Communication Plan is developed annually to communicate key ethics and compliance initiatives to the enterprise. A key objective of this Communication Plan is open communication between the CCO and associates, the Board of Directors, members of Compliance Committees, and executive leadership. Anthem has mechanisms to disseminate Ethics and Compliance Program updates in effective and efficient ways. Some examples of how the key Ethics and Compliance Program messages are communicated on a routine basis to the organization are through Compliance Committees, Online News articles/announcements, online training, the Ethics and Compliance Resource Center, screensavers, posters, and newsletters. Additionally, "Ethics, Compliance, and Privacy Awareness Week" is an annual celebration where Ethics and Compliance sponsors various events and activities, including interactive online games and other activities, while also conducting Meet-N-Greet site visits at many offices across the country. Each day of the week typically includes interactive activities that are educational and focused around Anthem's business values to help maintain an ethical and compliant culture.

Ethics and Compliance partners with the business, leadership, and staff to foster an ethical and compliant culture, maintain open communications, and encourage associates to bring concerns forward and speak up. All Anthem associates have an obligation to talk openly about ethical behaviors, make ethical decisions, and report suspected or observed misconduct or fraud. Ethics and Compliance promotes the "Do the Right Thing" recognition program to recognize associates who embrace and embody what it means to act ethically and with integrity. Associates are encouraged to nominate associates who make noteworthy ethical decisions. Select examples are leveraged and shared in Online News and on the intranet or in other communication vehicles as real-world examples of behaviors to emulate.

Trustworthy

5. Administer Ongoing Monitoring, Auditing and Reporting

Anthem has established and implemented an effective system for monitoring and auditing to help ensure compliance with all applicable Federal and State standards, as well as internal policies and procedures. Anthem also requires the organization to have an internal audit plan that identifies audits to be performed. Anthem's Internal Audit Master Audit Plan (commonly referred to as MAP) is presented at least annually to the Audit Committee of the Board of Directors for approval.

In addition to the audits conducted by the Internal Audit team, Anthem's Ethics and Compliance team conducts ongoing monitoring, auditing, testing, and reporting to confirm compliance with applicable ethics and compliance requirements. Ethics and Compliance provides oversight and guidance to all Ethics and Compliance teams (direct and indirect teams) to help ensure Anthem maintains an effective ethics and compliance program. This includes monitoring regulatory examination and audit activities for Anthem, as well as monitoring the implementation of new laws and regulations for some business areas. Additionally, the Ethics and Compliance team, in coordination with the business, is accountable for periodically assessing and ranking the risks for key business functions, developing effective risk mitigation plans, and monitoring implementation of those risk mitigation plans on a regular basis. This process allows Anthem to effectively reduce risk and improve the effectiveness of Anthem's Ethics and Compliance Program.

The Ethics and Compliance team periodically reviews investigations/inquiries to determine if any trends are developing in misconduct or process issues. If abnormal patterns or compliance concerns are identified, the Ethics and Compliance team will work with the applicable business leader(s) to identify the root cause, develop appropriate corrective actions, and monitor the corrective actions implemented by the business owner to ensure they remediate the issue. In addition, the Ethics and Compliance team periodically administers an Integrity/Culture Survey to assess the overall culture in the organization, including specific questions on ethics and integrity. Further, the Ethics and Privacy team conducts self-assessments, trending, and monitoring based upon top risks.

Anthem monitors and reports on key performance metrics. These metrics are assessed against required regulatory performance measurements, as well as internally-identified performance measurements. Through these established metrics and indicators of effectiveness, reviews and reporting are designed to help evaluate and improve the effectiveness of processes and related controls or systems to support compliance with company policies and procedures, government enforcement trends, industry guidance documents, and other applicable laws and regulations.

6. Perform Consistent Enforcement and Discipline of Violations

Anthem has a strong commitment to compliance and the enforcement of the Ethics and Compliance Program standards, applicable laws, and regulations. Anthem's Code specifies the actions required of associates and contractors, as well as the disciplinary actions that can be imposed for noncompliance. Any associate approving or participating in actions that violate the Code, this Compliance Plan and applicable addendums to this Compliance Plan, company policies, or applicable laws and regulations is subject to corrective action, up to and including termination of employment/contract. The corrective action is dependent on the nature and circumstance of the violation. Examples of misconduct that could result in corrective action can be found in the Code. The Code is approved by Anthem's Board of Directors and monitored to help ensure consistent enforcement.

Ethics and Compliance will recommend disciplinary action based on previous investigations of the same or similar misconduct; the information obtained from interviews with the associate; management and possibly other involved parties, such as co-workers or our members; and input from HR and/or Legal as to the associate's work history, the risk to the company as a result of the associate's acts, or any other relevant information. The database is reviewed on a regular basis to ensure similar categories of offenses have consistent disciplinary outcomes.

Ethics and Compliance ensures relevant scenarios and guidance are included in new hire and annual training regarding the consequences of misconduct. In addition, the Ethics and Compliance team regularly distributes to the entire organization articles and information that include relevant facts and information derived from investigations to help associates understand the implications and consequences of non-compliance and misconduct.

7. Investigate, Respond and Prevent Misconduct

The Ethics and Compliance team has a variety of methods available to associates to ask compliance questions, review concerns, or report suspected misconduct. The Ethics and Compliance team maintains the Helpline: 1-877-725-2702. This line is staffed during business hours by Ethics staff and is available 24 hours a day via voice mail. In addition, there is a post office box (P.O. Box 791, Indianapolis, IN 46206) as well as an email box (ethicsandcompliance@anthem.com) available for reports. Reports may be submitted confidentially and anonymously to the Ethics Office using the HelpLine, email, or physical mailing address. Irrespective of the method used to disclose a compliance concern, Anthem adheres to a strict non-retaliation policy for compliance concerns reported in good faith. Anthem's no-tolerance policy for retaliation and retribution against any associate or contractor who reports an issue in good faith is widely publicized and communicated to associates and contractors through several mechanisms, including the Code, compliance posters, electronic news letters, and email footers. The Helpline number is listed on Ethics, Compliance and Privacy posters, online, and in the Code and on the back of the associate badge. Also, during exit conference meetings, all terminated

associates are required and provided the opportunity to report potential or suspected violation(s) of Anthem's

Code, government contract requirements, Anthem policies and procedures, unethical behavior, or other violations, such as FCPA violations. Ethics and Compliance staff follows up on any reports received during the termination process. If warranted, the Ethics and Compliance team will open an investigation to confirm and address reported Ethics and Compliance issues.

All Anthem associates are aware, through general ethics and compliance training programs and the Code, that they have an affirmative obligation to make a report of suspected misconduct, and that the result of misconduct can be disciplinary action up to and including termination of employment.

In the event of reported or suspected associate misconduct, the Ethics Office is primarily responsible for conducting an investigation. In specific instances, inquiries are referred to another area. For example, member fraud allegations are referred to Anthem's Special Investigations Unit (SIU), and allegations of sexual harassment are referred to Human Resources. All inquiries to the Ethics and Compliance Helpline, or those presented through any other method of reporting, are logged in a database upon receipt. Each inquiry is assigned to an Ethics Office associate who follows the issue through to resolution. Investigations are resolved in a variety of ways, from counseling an associate up to termination of employment. All associates have a duty to fully cooperate with an Ethics and Compliance investigation. All records surrounding investigations are maintained in accordance with applicable law or ten (10) years (whichever is longer).

After investigations are closed, the Ethics and Compliance team reaches out to and monitors non-anonymous reporters (who may be at risk for retaliation). This monitoring is designed to ensure that Anthem's non-retaliation policy is followed and monitored.

8. Prompt Response to Detected Offenses

The Ethics and Compliance team is committed to conducting timely, independent, and objective investigations of potential compliance concerns or misconduct. Potential compliance or misconduct can be identified through monitoring, auditing, Helpline calls, or a myriad of other mechanisms or sources. For potential compliance issues involving allegations of member harm, disruption of urgent services, or significant payment concerns, the risk assessment may be heightened, so member harm or access-to-care issues receive top priority and immediate or prompt attention to mitigate the issue or risk.

In addition, Anthem utilizes a breach notification tool to report and respond to privacy and information security-related compliance issues. All reported issues are promptly reviewed and investigated with support and assistance from other departments/functions to determine the root cause, appropriate mitigation and resolution steps, and monitoring, auditing, or reporting to confirm resolution. Where appropriate and consistent with contractual, legal, regulatory, and policy requirements, full and voluntary disclosure of material non-compliant processes, inaccurate reporting, or similar issues may be appropriate and/or necessary to the Centers for Medicare and Medicaid Services, Medicare Drug Integrity Contractors, Office of Inspector General, Office of Policy Management, or other appropriate Federal or State agencies.

As identified throughout this Compliance Plan, as well as the Code, all associates are trained and expected to take immediate action when fraud, waste, or abuse or any other compliance issue is suspected. Associates have several options available to promptly report any suspected or identified fraud, waste and abuse issues. These include, but are not limited to, the following:

- Completing an online fraud and abuse referral form;
- Using a Red Flag Checklist to help determine if fraud, waste, or abuse exists;
- Contacting the SIU Team; and/or
- Calling Anthem's Ethics and Compliance HelpLine (877-725-2702).

Anthem adheres to a strict non-retaliation policy, so all associates have the option to report potential issues in a confidential and/or anonymous manner.

D. Effectuation of the Anthem Compliance Plan

The objective of Anthem's Ethics and Compliance Program is to establish an effective program that provides a framework to operationalize applicable Federal and State laws, regulations, contractual requirements, and policy guidance, as well as create a mechanism for preventing, detecting, correcting, and reporting applicable violations of those laws, regulations, and policy guidance. The following information provides an overview of how Anthem adheres to this commitment:

1. Compliance with Regulatory Requirements and Laws

Anthem is committed to complying with all Federal and State laws, specifically laws, statutes, and regulations designed to prevent or reduce fraud, waste, and abuse including, but not limited to applicable provisions of Federal criminal law; The False Claims Act (31 USC 3729 et seq.); The Anti-kickback statute (Section 1128B (b) of the Act); and Health Insurance Portability; Accountability Act (HIPAA) (45 CFR Parts 160, 162, and 164); and the Patient Protection and Affordable Care Act (42 USC 1800 et seq). To ensure a compliant culture is maintained at Anthem, all associates must be familiar with and comply with applicable Federal and State laws.

2. The Annual Compliance Plan Methodology

The Anthem Compliance Plan is reviewed at least annually by the CCO, the Ethics and Compliance team, and applicable business unit Compliance Committees. Revisions can and will be made throughout the year if regulations or Anthem's Ethics and Compliance program change. The CCO provides the final review and approval. For the business areas that include an addendum to the Compliance Plan, these addendums are reviewed at a minimum annually and revised as needed. The elements of an effective ethics and compliance program as specified in the Federal Sentencing Guidelines serve as the foundation of the Anthem Compliance Plan.

3. Compliance Plan Policies and Procedures

Anthem has policies and procedures in force that document and demonstrate how Anthem effectuates applicable requirements and its commitment to comply with applicable requirements, including, but not limited to HIPAA, Sarbanes-Oxley (SOX), and CMS guidelines for fraud, waste, and abuse and effective compliance programs. All of these policies and procedures describe the ways in which Anthem has operationalized and effectuated these requirements. The Code; business area compliance policies and procedures; and Ethics, Compliance and Privacy policies and procedures are reviewed and, where appropriate, updated at least annually. Applicable policies and procedures governing Anthem's compliance may be updated more frequently than annually based on new requirements or changes in procedure.

E. Program Integrity (Fraud, Waste and Abuse)

Anthem is committed to detecting, correcting, and preventing fraud, waste and abuse (FWA) in its operations consistent with applicable laws, regulations, and guidance. Anthem's SIU has an effective program in place to proactively and reactively identify and investigate suspected fraud and abuse and to proactively help prevent payment of fraudulent, wasteful, or abusive claims. The SIU also partners with federal and state regulatory agencies, other insurance carriers, and various trade associations to coordinate investigative efforts and to share relevant FWA information. Additionally, the SIU team strives to educate members, providers, associates, vendors and the general public regarding fraud, waste and abuse.

SECTION II: REGULATORY AND INTERNAL AUDITING

1. Internal Audits

Anthem's Internal Audit Department supports the overall strategy for performing and monitoring audits of plan operations and subcontractors. Internal Audit reports to the Anthem Vice President of Internal Audit & Chief Risk Officer, who reports directly to the Audit Committee of the Board of Directors and administratively reports to the Executive Vice President and Chief Financial Officer.

Each calendar year, the Vice President of Internal Audit & Chief Risk Officer prepares a risk assessment of the Anthem organization, its subsidiaries, and key affiliates. The risk assessment process includes:

- Interviews of senior management and surveys of selected management of operational and geographic regions.
- Review of additional background documentation (e.g., membership, financial assumptions, prior audit results, business and information technology strategies, and plans for each of the strategic business units).
- Results are compiled and ranked according to a consistent risk assessment template.

Preparation of the Internal Audit Master Audit Plan (MAP) is as follows:

- The Internal Audit leadership team reviews all of the results from the risk assessment process of the Anthem organization to develop the draft MAP.
- The draft MAP is reviewed at a high level with the External Auditor to solicit their input.
- The MAP is reviewed with the CEO and members of the Executive Leadership Team prior to final review and approval by the Audit Committee.

The MAP is updated throughout the year to respond to changes in the overall business control environment identified through receipt of new information from audits, changes to business plans and projects, and requests from management.

Audit reports are provided at the conclusion of each audit to relevant executive management.

The Vice President of Internal Audit & Chief Risk Officer meets on a regular schedule with the CEO as well as with the Chairperson of the Audit Committee and informally provides periodic updates regarding the status of the MAP and significant risks and control issues. The Vice President of Internal Audit & Chief Risk Officer also provides at least a semiannual update to applicable executives and/or the Board on significant risk issues within the organization and Internal Audit activity.

Complementary to this process, Ethics and Compliance also identifies auditing and monitoring program activities through prioritized risk areas, and performs monitoring reviews of critical processes.

In addition, on at least a quarterly basis, the Vice President of Audit/Compliance provides a formal update to the Audit Committee of the audit engagements. This update includes, but is not limited to:

- Audits completed by quarter
- Significant risks, exposures and control issues identified, and management action plans
- Status of open audit findings to date
- Changes to the MAP

2. Regulatory Audits

Anthem participates in many regulatory audits each year. Compliance associates in the business areas work closely and actively with the business to support participation in these audits. All regulatory audits are tracked either in the business area and/or at the enterprise level. Designated associates in the business areas manage the audits or examinations from regulators, coordinate the company's efforts to respond to the regulators requests, and lead efforts following the audit. Business areas monitor the progress and outcomes of the audits closely, to include associated findings, corrective action plans, and related fines. Audit progress and outcomes are also monitored by the Regulatory Oversight team in Ethics and Compliance.

SECTION III: BUSINESS AREA COMPLIANCE ADDENDUMS

Some business areas, contracts, or laws require Anthem to implement additional or different compliance requirements that do not apply to all Anthem associates, business lines, or business products. In those instances, this Compliance Plan and the attached Business/Product Specific Compliance Plan Addendums (Addendum) apply to staff supporting that business. If there is a conflict between this plan and the attached Addendum, the Addendum supersedes this plan. Addendums are reviewed and approved at a minimum annually by the compliance committee governing the business areas or comparable governance/leadership structure accountable for overseeing that business unit's specific Ethics and Compliance efforts. Approved Addendums are listed below and hereby incorporated by reference into this Plan.

2017 Anthem Compliance Plan

Medicare Addenda

Effective 1/1/2017

Revised 12/15/2016

This Ethics and Compliance Plan Addendum ("Addendum") is intended to supplement the 2017 Anthem Ethics and Compliance Plan ("Compliance Plan") with respect to the Company's Medicare [1] and related Compliance Program. The Addendum provides additional detail and requirements that apply to Medicare. In the event there is a conflict between this Addendum and the Compliance Plan, terms of this Addendum supersedes the Compliance Plan as it relates to the Requirements associated with the areas/products covered by this Addendum.

Included under the relevant section headings used by the Anthem Ethics and Compliance Plan as well as the following additional sections: Screening Enrollee Complaints, Complaint Tracking Module (CTM) Team, Monitoring and Auditing First Tier, Downstream and Related Entities (FDRs), Denying Claims by Excluded Providers, Pharmacy and Therapeutics Committee, Proposed Audit Schedule and Appendices.

SECTION I – INTRODUCTION AND PLAN OVERVIEW

The Presidents for Anthem Medicare have primary responsibility for ensuring appropriate actions and resources are put in place to promote compliance with applicable laws and regulations. Accordingly, each Anthem associate, and contracted FDR, supporting Medicare is responsible for ensuring their work and functions promote compliance and are consistent with the principles expressed in this Medicare Compliance Plan Addenda. The Medicare Compliance Department is responsible for assisting Medicare business comply with applicable requirements, as well as implement monitoring and oversight processes to confirm compliance and proactively identify issues of non-compliance. Each business area supporting Anthem Medicare compliance efforts is expected to have procedures, and policies to further demonstrate Anthem's commitment to compliance. The Medicare Compliance Department is also responsible for helping Medicare implement appropriate oversight policies, procedures, and reporting for FDRs, including the Pharmacy Benefits Management (PBM) vendors. Additionally, the Medicare Compliance Department works in collaboration with other areas within Anthem, such as the Chief Compliance Officer, Ethics, Privacy and Compliance and Corporate Internal Audit to confirm appropriate oversight and effective controls are in place for Anthem and FDRs and to ensure compliance with applicable laws and regulatory requirements. *Please see Appendix 2 - Anthem and Medicare Organizational Structure and Appendix 5 - Medicare Compliance Organizational Structure .*

Anthem's Medicare Compliance Department strives to have an effective Compliance Program in place that adds value to our Medicare plan members, FDRs and Anthem associates. The Medicare Compliance Department measures the effectiveness of the Compliance Program on a continuous basis throughout the year. Measures such as the results of internal and external audits, internal monitoring, associate comprehension of training received via testing, self-disclosures, monthly compliance reporting, and the

[1] Medicare Programs, Medicare Plan or Medicare – for purposes of this document, shall include any and all standardized Medicare Supplement, Medicare Advantage, Medicare Prescription Drug and/or Medicare-Medicaid plans (MMPs) that Anthem, Inc. or its subsidiaries offer or provide significant administrative support for. Attached in Appendix 1 is a listing of the Anthem affiliated companies who have an active contract with CMS for MA, Part D, and/or MMP, and who are covered by this 2017 Anthem Ethics and Compliance Plan Medicare Addenda also referred to as Medicare Compliance Plan Addenda or Addenda throughout.

Medicare Risk Register are some of the tools utilized to determine if new trends are emerging and if the Compliance Program is effective. Additionally, monthly metrics provided by the business units allow Medicare Compliance to assess the effectiveness of Anthem's Medicare Compliance Program and controls. It is the goal of Anthem to identify issues and trends early to prevent deficiencies. When issues are identified, root cause analysis is completed and appropriate adjustments are made to procedures and processes to mitigate and reduce the possibility of future issues. When revised processes are put into place, additional monitoring is implemented to ensure the improvements are effective and sustainable. In addition to the several tools utilized by the Medicare Compliance Department to evaluate effectiveness, the compliance program is regularly assessed by Leadership and independent internal and external sources to help ensure adequate resources are in place to promote and enforce all aspects of the Medicare Compliance Plan Addenda and to ensure Anthem has an effective compliance program. In pertinent part, the size and structure of Anthem's Medicare Program, the number and scope of FDRs and current risks are all taken into consideration when determining appropriate resources and the effectiveness of Anthem's compliance program.

A. Anthem's Compliance Organization Structure

The Vice President of Medicare Compliance serves as the Compliance Officer for Anthem's Medicare Plans (Compliance Officer) and is responsible for managing the Medicare Compliance Department. The Compliance Officer reports directly to the Anthem Chief Compliance Officer who reports directly to the Anthem Board of Directors (the Board); the Medicare Compliance Officer has an indirect reporting relationship to the Board. Consistent with applicable State, Federal and CMS requirements, the Compliance Officer makes periodic reports to Anthem executives and the Board on Anthem's Medicare compliance program; the Medicare Compliance Officer provides periodic reports directly to the Audit Committee of the Board. In addition, the Compliance Officer must provide regular compliance program updates directly to executive business leadership, Medicare Compliance Committee, and indirectly to higher level Compliance Committees and Board level subcommittees. The afore mentioned Medicare Compliance Officer reports to the Audit Committee of the Board are in addition to the quarterly reports by the Chief Compliance Officer. The Chief Compliance Officer's quarterly reports and presentations to the Audit Committee of the Board always include an update and information on Medicare Compliance. This communication process ensures Anthem's governing body is well-informed on all compliance activities and issues. *Please see Appendix 3- Compliance Committees Organizational Chart.*

The Medicare Compliance Department is organized around several key roles and is composed of the following teams (*Please see Appendix 4 – Medicare Compliance 2017 Key Accountabilities for more details*):

- Compliance Coordination – This area is responsible for managing and facilitating activities between Anthem Medicare and its Regulators- including CMS, Office of Inspector General (OIG) and State Departments of Insurance. It is made up of the following teams:
    - Medicare Advantage Support – This team consists of regulatory compliance associates embedded in key operational areas. These Regulatory Compliance Directors/Managers are subject matter experts dedicated to supporting the specific

business areas that are assigned to help reinforce our Compliance Culture and to proactively identify, prevent and detect issues.

- Compliance Coordination, Reporting and Medicare Supplement Compliance - This team is responsible for the coordination and oversight of Medicare reporting activities – to the regulatory agencies as well as internal executive bodies (ELT, Anthem Board of Directors).. Additionally, this team is responsible for reviewing and submitting compliant Medicare Supplemental Product Filings, and for coordinating/managing the submission of various CMS and Department of Insurance required reports.

- External Audit & Compliance – This team coordinates and oversees all external audit and enforcement activity (such as corrective action plans, notices of non-compliance and written warning letters) related to Medicare. Additionally, this team facilitates internal compliance reporting and the In-Line Monitoring Program. The team also maintains accountability for risk assessment and risk register.

- Regulatory Policy and Privacy Team – This team is accountable for managing and overseeing new hire compliance training and ongoing collaboration with corporate compliance on annual compliance training, communications, and training programs: managing the policies and procedures process and the supporting system ensuring annual updates, managing identified privacy issues and reporting, and the Regulatory Integration process and supporting programs for Medicare.

- Sales and Marketing Compliance – This team is accountable for working with the Medicare Sales , Marketing, Advertising and e-Business departments to develop and implement innovative programs to support growth in Anthem's Medicare business, while also maintaining compliance with all applicable CMS requirements. The Team also manages the CMS Regional Office marketing relationships for MA/PD and MMP plans, and supports Sales and Marketing oversight programs, such as the Sales Incident Program which provides a comprehensive process to track, investigate, and coordinate corrective actions related to allegations against Anthem's Medicare sales program.

- Part D and FDR Oversight Team – This team is accountable for the facilitation of the FDR Oversight Program, which helps ensures all FDRs supporting Anthem Medicare are in compliance with applicable requirements, as well as oversight of compliance efforts specific to Anthem's Prescription Drug Plans.

- Medicare-Medicaid Compliance – This team provides technical and administrative support for the three (3) MMP markets – Virginia, California, and Texas. Staff is responsible for ensuring the health plan operates within the requirements of the 3-Way contract and all applicable Medicare Advantage and Medicaid requirements.

It is important to note an underlying assumption of the Medicare Compliance organization is that responsibility for compliance with all regulatory requirements resides with the Medicare business units which operate Anthem's Medicare plans. This responsibility cannot be satisfied through delegation to another functional area, and therefore, the structure of the Medicare Compliance Department has been

organized in a manner to assist Medicare in achieving their compliance goals. Compliance is everyone's responsibility. *Please see Appendix 5 – Medicare Compliance Organizational Chart.*

B. Components of Anthem's Medicare Compliance Plan Addenda

Pertinent regulations for Medicare, are, in part 42 CFR § 422.503(b) (4) (vi); CMS' Prescription Drug Benefit Manual Chapter 9 and CMS' Medicare Managed Care Manual Chapter 21 - Section 50

1. Implement Written Standards and Procedures

In addition to the Ethics, Privacy and Compliance Department's policies and procedures, the Medicare Compliance Department maintains and houses policies and procedures specific to Anthem Medicare. These documents provide associates with guidance on how to perform their daily tasks and maintain compliance with applicable Federal and State requirements. The Medicare policies and procedures are housed in centralized repositories, and are tracked to ensure they are reviewed by Medicare Management on an annual basis or more frequently when new regulations or guidance is released. *Please see Appendix 6 – Policy and Procedure Index.*

The FDRs for Anthem Medicare are provided an electronic copy of the Anthem Standards of Ethical Business Conduct (SOEBC) and Medicare Compliance Plan Addenda on at a minimum, an annual basis, when materially changed or revised and upon request. *Please see the Anthem SOEBC and Departmental Policy and Procedure for more details.* To ensure proper oversight of our FDRs, Anthem utilizes an annual monitoring process and risk-based audit process to ensure the FDRs adhere to our standards and/or adopt and follow a code of conduct particular to their own organization that reflects a similar commitment to detecting, preventing and correcting non-compliance, conflicts of interest, Fraud, Waste, and Abuse (FWA) and other relevant oversight information.

2. Designate Personnel to Oversee Compliance

Anthem's Chief Compliance Officer is the assigned Corporate Compliance Officer and is responsible for ensuring Anthem has an effective Corporate Compliance Program. The Corporate Compliance Officer has a direct reporting relationship to the Audit Committee of the Anthem Board of Directors and provides quarterly reports on ethics and compliance activities and concerns. The Corporate Compliance Officer oversees and participates on compliance committees, and participates with the enterprise risk assessment process and development of enterprise audit activities on an annual basis. *Please see Appendix 7- Corporate Internal Audit and Enterprise Risk Management (ERM) Organizational Structure.*

Anthem's Vice President Medicare Compliance is the dedicated and independent Compliance Officer for Anthem Medicare, and is responsible for ensuring Medicare products and services meet all applicable Federal and State regulations and guidelines. The Medicare Compliance Officer directly reports to the Chief Compliance Officer. The Medicare Compliance Officer provides regular reports and updates, including issues identified, investigated, and resolved, to the Board or applicable subcommittees of the Board on the status of Anthem's Medicare Compliance Program. The Anthem

Chief Compliance officer provides reports to the Board directly and the Medicare Compliance Officer also provides periodic reports directly to the Board. This reporting process ensures Anthem's governing body is aware and knowledgeable of compliance activities and concerns, including compliance program outcomes, the results of internal and external audits and pertinent government compliance enforcement activity. In addition, the Medicare Compliance Officer has express authority to provide compliance updates and reports directly to the Anthem President and CEO, as necessary. In addition, the Chief Compliance Officer provides reporting and meets at least quarterly with Anthem's President and CEO to update him/her on Anthem's Ethics & Compliance program. These updates always include information related to Anthem's Medicare Compliance. Anthem has several compliance committees, organized by business unit, which are comprised of specific individuals to help ensure each committee is tailored to meet the compliance needs of the particular business unit or issue. The Corporate Compliance Officer oversees each compliance committee. *Please see Appendix 3 - Compliance Committees Organizational Chart* for a chart of the relevant compliance committees the Corporate Compliance Officer oversees in relations to Anthem Medicare. In addition, Anthem has established a Medicare Compliance Committee, which meets on a bi-monthly, or every other month, basis and is chaired by the Medicare Compliance Officer. The Medicare Compliance Committee focuses on Medicare plan compliance efforts and programs. The Medicare Compliance Committee reflects the size and scope of Anthem's Medicare business and includes associates responsible for Medicare Compliance, Ethics, Privacy and enterprise Compliance, Grievances and Appeals, business unit representatives (i.e. Vice Presidents or their delegates), Legal, Medical Management, Operations, Underwriting, Finance, Actuarial, Special Investigations Unit (SIU), Internal Audit and other ad hoc participants as required. The role of the Committee is to monitor and provide guidance on Anthem's Medicare plans, review major compliance issues, engage in oversight activities related to remediation of compliance risks, and identify areas for training and education of associates and FDRs. The Medicare Compliance Committee conducts oversight of Anthem's Medicare compliance program, which includes the review and approval of the Medicare compliance and FWA trainings, Medicare Compliance policy and procedures, and the Medicare Compliance Plan Addenda, on at least an annual basis. Issues brought to the Medicare Compliance Committee include but not limited to matters disclosed to CMS, FWA trends found, Internal Audit findings and any high rated risks identified from the risk register. Minutes of each meeting of the Medicare Compliance Committee are maintained and reflect all oversight activities conducted. *Please see Appendix 8 - Medicare Compliance Committee Charter.*

Additionally, Anthem has implemented an FDR Compliance Committee which reports at least quarterly to the Medicare Compliance Committee. The FDR Compliance Committee is an authorized sub-committee of the Medicare Compliance Committee and is responsible for overseeing FDR's supporting Anthem' Medicare and for providing regular updates and recommendations to the Medicare Compliance Committee on FDR matters. The members of this committee include the Medicare Compliance Officer, the Director of FDR and Part D Oversight, and Anthem business owners who oversee FDR relationships. The FDR Compliance Committee meets quarterly and discusses items such as FDR risks, data trends, and the auditing schedule.

3. Conduct Due Care When Delegating Authority

Covered by Anthem Ethics and Compliance plan; also see above references to FDR oversight processes.

4. Deliver Effective Education, Training and Communication

In addition to the Anthem corporate Ethics & Compliance training, Anthem associates supporting Medicare business receive additional specialized Medicare Compliance training within 30 days of being hired or within 30 days of assuming Medicare-related responsibilities. This specialized training is intended to ensure each Medicare associate's work is performed in a manner compliant with federal and state regulations applicable to the Medicare program. The training course includes an overview of Medicare Compliance at Anthem, critical information on how to identify and report Medicare Compliance concerns and FWA, details the necessity of compliance with Medicare laws, regulations, policies and standards governing the work and the expectation of ethical conduct in supporting Medicare. The responsibility for administering this training resides with the Medicare Compliance Department. In addition, supplemental compliance trainings are provided throughout the year on an assortment of topics through various methods from communication blasts to shared webinar trainings.

Additionally, Anthem requires compliance and FWA training for the Board of Directors. This training emphasizes the oversight role of the Board of Directors with Anthem. The training also covers the Board's fiduciary responsibilities, promoting a culture of compliance, and an overview of the Ethics and Compliance Program in addition to other topics. This training is conducted within 90 days of appointment and at least annually thereafter.

All associates at FDRs working on behalf of Anthem's Medicare plans are required to complete general Compliance and FWA training within 90 days of initial hire and annually thereafter. Compliance with these training requirements is required to be reported to Medicare Compliance through the FDR Oversight Program. Additionally, each FDR is required to submit an annual attestation document certifying all associates received and completed annual FWA training.

Attestations are maintained by Delegation Oversight. In the event of an update, upon notification and receipt of the updated training documents from Medicare Compliance, Delegation Oversight will submit the documents to the FDRs and will collect the attestation confirming their compliance with the updated requirements. On an annual basis, during the FDR's annual audit, the Delegation Oversight Department assesses compliance with the General Compliance and FWA Training provided to their employees and downstream entities as needed.

Additional details regarding FDR Oversight can be found in Section II of these addenda.

A key factor in Anthem's Compliance Program is open communication between the Medicare Compliance Officer and associates, FDRs, the Board, members of the Compliance Committee, the Chief Compliance Officer and the Executive Leadership. Anthem has mechanisms for the Medicare

Compliance Officer to regularly disseminate Medicare Compliance Program updates and messages in effective and efficient ways. Some examples of how the compliance message is communicated to the organization are through the: Medicare Compliance Committee, on-line articles/announcements, on-line training, Regulatory Integration meetings, monthly CMS calls and preparation meetings, compliance reports, quarterly ELT reporting, reporting and information presented at Audit Committee meetings and Medicare trainings.

Within Medicare, there are additional methods for associates to contact the Medicare Compliance Officer with a compliance question, a concern, or to report misconduct. Through posters, online articles and details on emails from the Medicare Compliance team, associates are reminded they may contact the Medicare Compliance Officer directly (303-764-7277) as well as the Corporate Privacy Officer (513-336-2703) to report compliance concerns.

Finally, Anthem understands the importance of communication with our Medicare enrollees about the identification and reporting of potential FWA concerns. To ensure our members are aware and educated on the options for reporting issues, Anthem includes information on how to identify and report FWA on various member communications, including Explanation of Benefits, Post-Enrollment materials, Welcome Kits, and Plan websites.

5. Administer Ongoing Monitoring, Auditing and Reporting

Anthem has established and implemented an effective system for monitoring and auditing to ensure compliance with all applicable Federal and State standards, as well as internal policies and procedures. Anthem also requires the organization to have an internal audit plan that identifies audits to be performed, as well as an internal audit plan that identifies oversight (e.g., auditing and monitoring) to be performed of FDRs, as applicable. Anthem's Audit Plan for Medicare is developed during the Internal Audit Department's annual risk assessment and planning process. Additionally, the External Audit & Compliance team within the Medicare Compliance Department oversees an in-line monitoring program. The in-line monitoring program identifies risk areas and performs monitoring reviews of critical processes within Anthem Medicare areas. Internal Audit coordinates with the External Audit & Compliance team to minimize the overlap between the Anthem Audit Plan and in-line monitoring plan. Ongoing assessments of risks impacting Anthem Medicare are reviewed at least quarterly with leadership and adjustments are made to the Internal Audit and In-Line Monitoring Plans as appropriate based upon these risks and other relevant factors. *Please see Appendix 9 – 2017 Medicare Compliance Monitoring and Oversight Plans.*

6. Perform Consistent Enforcement and Discipline of Violations

Covered by Anthem Ethics and Compliance plan.

7. Investigate, Respond and Prevent Misconduct

Investigations involving Medicare are reviewed with the Medicare Compliance Officer regularly. The Corporate Ethics, Privacy and Compliance Department frequently engages the Medicare Compliance

Department for specific expertise and input into investigations as needed. As appropriate, investigation summaries are also reported to the Medicare Compliance Committee. *Please see the Ethics and Compliance Investigations Policy and the Ethics and Compliance Government Regulators Disclosure Policy for more details.*

8. Prompt Response to Detected Offenses

The primary tool used for responding to Medicare compliance issues is the Compliance Communication Center (CCC) issue form and disclosure process. For potential compliance issues reported to the CCC involving allegations of member harm, disruption of urgent services or significant payment concerns, the risk assessment level is heightened so that member harm or access to care issues receive top priority and immediate attention. In addition, Medicare Compliance has in place a system for implementing and tracking internal corrective action plan requests that may include training, counseling, or disciplinary actions involving associates or FDRs and which are designed to correct and prevent future noncompliance. More information on the CCC Process is located in *Section C5 of this Addenda*. In additional to the CCC Process, Anthem utilizes an electronic breach notification tool to report and respond to privacy and security-related compliance issues. All reported issues are promptly reviewed and investigated by Medicare Compliance to determine the appropriate mitigation and resolution steps.

In addition to those options noted for Anthem, Medicare associates are also encouraged to contact the Medicare Compliance Officer (303-764-7277); or to call the Ethics and Compliance Helpline (877-725-2702). Anthem adheres to a strict non-retaliation policy, so all associates have the option to report potential issues in a confidential and anonymous manner.

C. Effectuation of the Anthem Medicare Compliance Plan Addenda

1. Compliance with Regulatory Requirements and Laws

The Regulatory Integration program within Medicare Compliance reviews, communicates and tracks applicable regulations governing Anthem Medicare. The Regulatory Integration program also supports administering training on new laws and regulations impacting Medicare.

2. The Annual Medicare Compliance Plan Addenda Methodology

The Medicare Compliance Plan Addenda are reviewed and revised at least annually by the Medicare Compliance Department and approved by the Medicare Compliance Committee. The Medicare Compliance Plan Addenda are based in large part upon the elements of a compliance plan as specified in the Federal Sentencing Guidelines, the OIG's Compliance Program Guidance for Medicare+Choice (renamed Medicare Advantage) Organizations, the CMS Medicare Managed Care Manuals, the Prescription Drug Benefit Manual, and the Medicare-Medicaid Plan 3-Way Contracts.

The risk areas are enhanced and/or segmented to more specific issues through the quarterly risk review process. The risk areas and objectives are updated as appropriate to reflect characteristics and activities relevant to Anthem Medicare (including CMS metrics and outlier information).

3. Medicare Compliance Plan Addenda Policies and Procedures

   Medicare Compliance Policies and Procedures (P&Ps) are reviewed and approved at least annually by the Medicare Compliance Committee or a subcommittee thereof.

   Medicare Compliance uses a P&P management system to ensure Medicare Compliance P&Ps and the P&Ps maintained by the business units supporting Medicare are reviewed and updated as appropriate on at least an annual basis, or more frequently as guidance or business needs dictate. Use of this system ensures Medicare P&Ps are created, edited, and stored in a consistent manner and in accordance with CMS guidelines. This system also enables Medicare Compliance to run regular reporting to ensure that P&Ps are timely reviewed and updated as appropriate. *Please see Appendix 6 – Policy and Procedure Index for direct links to Anthem's P&Ps.*

4. Compliance Training

   As noted throughout this Medicare Compliance Plan Addenda, compliance training is a critical element of the Medicare Compliance Program, as it ensures all associates, management, as well as FDRs, are aware of applicable Federal and State laws, regulations, and guidelines.

5. Performance Measurement and Reporting

   Anthem monitors and reports on key performance metrics established in conjunction with our CMS Regional Office Health Plan Managers during our regularly scheduled Compliance Calls. These business metrics are assessed against the CMS required performance measurements as well as Anthem expected performance measurements. If performance does not meet CMS or Anthem requirements in a given month, the business leader provides an action plan with appropriate remediation steps that will be taken to bring performance back into compliance in a timely manner. The action plan includes root cause analysis and specific corrective actions designed to correct and prevent future noncompliance by Anthem or its FDR. Ongoing monitoring of performance occurs until compliant performance is met consecutively for a period of time.

   CMS expects open, responsive and prompt communication with Medicare sponsors pursuant to 42 CFR §422.504(f) and §423.505(f). Sponsors are required to provide "all information to CMS that is necessary for the Agency to administer and evaluate the program." Anthem utilizes the Compliance Communications Center (CCC) to meet this requirement and provide timely and accurate information to CMS in order to support their administration and evaluation of the Medicare plans offered by Anthem.

The Medicare Compliance Department manages the CCC and documents all material compliance issues, compliance-related Questions, Inquiries, and Requests (QIRs), and other appropriate compliance-related topics in a comprehensive log which is communicated to CMS Regional Office management monthly or as requested. *Please see Appendix 10 - Sample Compliance Communications Center Log.*

Newly identified Medicare issues which may also be compliance issues will be directed to the CCC by any Anthem associate involved in the identification of the issue. This notification can occur via telephone to a dedicated CCC line (414-477-1533), e-mail (ComplianceCommunicationCent@Anthem.com) or other means as necessary to ensure a prompt and timely investigation of the potential issue and response. Retaliation against anyone who reports a compliance issue in good faith is strictly prohibited. The Medicare Compliance Officer, or a designated Medicare Compliance associate accountable to the Compliance Officer, is responsible for regular status reports to CMS and for validating resolution of the issues as soon as information is available. The Medicare Compliance Officer has the accountability for making applicable self- disclosures to CMS, even if the resolution has not been identified. *Please see the Medicare Compliance Communications Center Policy & Procedure Guide for more details.*

D. Program Integrity (FWA)

Consistent with CMS' Prescription Drug Benefit Manual (Chapter 9) and CMS' Medicare Managed Care Manual (Chapter 21), as well as other applicable CMS Medicare guidance, Anthem has incorporated the below the key concepts of its FWA Plan into this Medicare Compliance Plan Addenda.

1. Overview of Anthem's Medicare Program Integrity, Fraud and Abuse Program and Special Investigations Unit (SIU)

Anthem's Medicare SIU and Medicare Compliance Department coordinate efforts to provide a FWA program for Anthem's Medicare Plans and related activities. The following provides an overview of the Medicare SIU objective and goals:

- Objective: Improve the health of the Medicare population we serve and increase the Cost of Care savings of the corporation through the proactive and the reactive identification and investigation of fraud and abuse in Medicare claims.

- Goals:
    - Identify system vulnerabilities that may facilitate fraud, and report to Medicare Compliance management, Internal Audit, Corporate Ethics, Privacy and Compliance and other impacted areas of the company with recommendations to address the problem.
    - Educate and sensitize associates, customers, regulatory agencies and law enforcement personnel by providing fraud awareness programs.
    - Conduct investigations with integrity in a thorough, timely and confidential manner.

- Maintain strong, supportive relationships with law enforcement and other entities involved in combating Medicare fraud and abuse. Refer appropriate cases to law enforcement partners and regulatory agencies.
- Recover payments made on fraudulent or abusive Medicare claims.
- Be a leader in the industry through best-in-class people, technology, and outreach.

The Medicare SIU operates under the direction of the Staff Vice President of SIU, Program Integrity, who has dotted-line reporting to the Medicare Compliance Officer. The Medicare SIU staff is made up of a team of Managers and Investigative staff dedicated to preventing, detecting, and investigating Medicare FWA. The Medicare SIU staff is made up of associates with diverse experiences including claims, provider network, nursing, pharmacy, and fraud investigations. Additionally, the Medicare SIU Team is located across the country to ensure proper coverage and awareness of Anthem's Medicare plans and CMS' high-risk zones. *Please see Appendix 11- Medicare SIU Organizational Structure*

Investigators are responsible for investigating assigned cases in order to detect FWA activities and practices, and recover funds paid on fraudulent claims. They act as collaborative members on an investigative team, perform tasks assigned in order to contribute to the overall success of the Medicare SIU Team, and effectively partner with law enforcement resources. Additionally, the Medicare SIU Team coordinates and meets with other business teams, as well as the Medicare Compliance Team, on a regular basis to review SIU activities and ensure proper FWA monitoring is occurring across Anthem's Medicare business.

2. Reporting Medicare FWA

In order to maintain the effectiveness of the Medicare SIU, a comprehensive approach is utilized for the reporting of all allegations of FWA within the Medicare program. Allegations are referred to the Medicare SIU by associates, members, health care providers, FDRs, and other external entities, including Medicare Integrity Drug Contractors (MEDICs).

All available methods are user-friendly, confidential and/or anonymous, easy to access and navigate, and are available 24 hours a day for reporting Medicare FWA. Reporting methods include Anthem's Medicare Fraud Hotline (866-847-8247), a Medicare Fraud Referral Form available online to Anthem associates, and the Medicare SIU email mailbox (MedicareSIU@anthem.com). Additionally, members and providers may also use the Customer Service Center to report Medicare FWA.

3. FWA Training

Anthem associates receive annual training on ethics and compliance, which includes education on FWA risks based on the individual's job function. The SIU Team provides input and assists with the development of the FWA content delivered through the annual training. Please see Section I.C.4 Training and Education for more information on Anthem's Medicare training requirements.

Anthem's Medicare Compliance Department creates and maintains customized FWA training materials that may be used by FDRs supporting Anthem's Medicare plans. These materials ensure that the FDRs are aware of the FWA guidance provided in the applicable Medicare Advantage and/or Prescription Drug Program regulations (in pertinent part 42 CFR Parts 422 and 423). As

noted in Section I.C.4 of this Medicare Compliance Plan Addenda, the Medicare Compliance Department in partnership with Medicare oversees all FDRs' completion of the annual FWA training and certification requirements.

Finally, the SIU Team collaborates with other Anthem departments to ensure a comprehensive education program is in place for associates, providers, members, business partners, and FDRs. Methods of FWA education include, but are not limited to the following: Pamphlets, newsletters, messages on member Explanation of Benefits and provider Explanation of Payments, and provider manuals.

4. Policies and Procedures

The Medicare SIU policies and procedures are detailed and specific, and describe the operation of the Medicare SIU department and related FWA prevention, detection, mitigation and referral processes. They include reporting mechanisms and how suspected, detected or reported potential FWA issues are investigated and addressed (corrective actions, disciplinary actions and remediation). Medicare SIU associates review and update the policies and procedures on a regular basis to incorporate changes in applicable laws, regulations, and other program requirements. All Medicare SIU policies and procedures can be found within the Medicare policy and procedure repository or upon request.

5. Data Analysis and Investigation

The Medicare SIU utilizes various tools and methods in the detection and prevention of potential FWA. Data analysis is a tool to compare various claims and other related information to identify potential errors, identify areas of risk and establish a baseline to recognize trends. Data analysis is essential in determining the existence of aberrancies or potentially fraudulent or abusive patterns in claims.

The Medicare SIU utilizes computer-based applications and data mining reports to assist in detecting and preventing potential fraud. An example of a proactive tool used by the Medicare SIU is the Velocity Report. The Velocity Report identifies providers, pharmacies, and beneficiaries from the ten (10) CMS Health Care Fraud Prevention and Enforcement Action Team (HEAT) counties who appear to either have spiked billings or are new providers with billings of more than $10,000. The Velocity report contains an average of the Provider's, Pharmacy's or Beneficiary's 12-month payment history and it falls into the "Outlier" category when the most recent month represents a huge increase over the 12-month average.

6. Referrals to the Medicare Drug Integrity Contractors (MEDIC)

Consistent with the Prescription Drug Benefit Manual, the Medicare SIU Team makes FWA related referrals to and investigates referrals from the MEDIC. Referrals to the MEDIC follow a standard format and include the following elements, as applicable:

- Beneficiary-identifying information including identification number, address and telephone number.

- Provider-identifying information including identification number, location type of provider, etc.
- Service involved - prescription claims information including Date of Service, prescriber, pharmacy, drug codes, place of service, etc.
- Pricing detail - billed, allowed, paid, co-payment and other amounts as reasonably requested or relevant.
- Allegation - detailed to included timeframe, parties involved, etc.
- Source of complaint - indication as to whether internal or external.
- Narration of the referral process, including any relevant historical information.

7. FWA Corrective Actions

The Medicare SIU Team has the ability to request corrective action plans from providers or vendors who are believed to be responsible for fraudulent, wasteful or abusive billing or service patterns. The Medicare SIU Team has the ability and authority to respond to violations and to help prevent future fraudulent, wasteful or abusive patterns. As a part of the Corrective Action Plan process, Anthem will typically take or evaluate the following actions:

- Referral to the MEDIC - In general terms, referral of an investigation to the MEDIC is a corrective action for fraud and abuse. Such a corrective action can also include referral to law enforcement, with close MEDIC coordination.
- Repayment of overpayments – The Medicare SIU Team is able to demand refund of overpayments from fraud or abuse claims submitted by providers or members.
- Exclusion - Identifying and recommending providers for exclusion, including physicians and pharmacists who have defrauded or abused the system.
- Provider education - In coordination with the Medicare SIU Team, the business and operations units shall have the ability to notify and educate providers and pharmacies regarding activities which may involve claims data or referral information which indicates a potential problem.

8. FWA Risk Assessment

The Medicare SIU Team maintains a FWA Risk Assessment process to ensure a formal baseline evaluation of Anthem's Medicare FWA risk areas occurs on a regular basis. The assessment incorporates and utilizes the following inputs to ensure an effective FWA program is maintained:

- Current FWA trends and schemes
- CMS issued Fraud Alerts , FWA-related memos and notifications
- Input from key Medicare and SIU leadership
- Results of data mining and active investigations
- MEDIC Trainings
- Office of Inspector General (OIG) Reports

All identified FWA risks are reviewed at least bi-annually to determine potential impact and current mitigation plans. Mitigation activity is tracked and monitored to ensure proper processes are in place to reduce the overall risk to Anthem's Medicare programs and members.

SECTION II - REGULATORY AND INTERNAL AUDITING

Anthem Corporate Internal Audit has a team of auditors that provide broad coverage for Anthem, Inc., including Medicare plan related audits to reasonably ensure CMS compliance requirements are understood and monitored for compliance. Updates related to these reviews, including the number of audits in progress and the number of critical, moderate, and low risk findings, are reported to the Medicare Compliance Department monthly and rolled into the Medicare Compliance Dashboard report. The 2017 MAP for the Medicare lines of business include:

- Assurance audits of the risks and employed controls for CMS compliance, financial, operations, and systems migrations.
- Audits of high-risk member services functions to specifically assess ongoing compliance (e.g., Risk Adjustment data validation, enrollment, Agent/Broker management, and migrations) as well as an annual independent audit of the Medicare Compliance program per CMS requirements.

Audit reports are provided at the conclusion of each audit to relevant executive management. In addition, summary audit results are reported quarterly to the Medicare Compliance Committees, as well as to the Audit Committee.

SCREENING ENROLLEE COMPLAINTS

The grievances and appeals processes are handled within Anthem's Medicare Grievances and Appeals Departments. Processes and procedures are in place to accurately classify member complaints into appeals, grievances, general inquiries or requests for initial coverage determinations.

COMPLAINT TRACKING MODULE (CTM) TEAM

CMS' CTM cases, which are housed within the Health Plan Management System (HPMS), capture complaints on behalf of beneficiaries which result from calls received at 1-800-MEDICARE, as well as inquiries received by CMS Central and Regional Offices. Within Anthem Medicare, there is a dedicated CTM teams that manages the resolution of these complaints, helping to ensure that there is follow up with the impacted beneficiary, beneficiary representative or provider, as well as closure of each case within the HPMS CTM system. Per the CMS CTM SOP Timeliness requirements: Immediate Need complaints (considered life threatening, e.g. out of medication) are to be resolved within 48 hours, Urgent Need complaints are to be resolved within seven (7) calendar days, and No Issue Level complaints are to be resolved within 30 calendar days. If a member cannot be reached via telephone, a letter is sent after three (3) telephone attempts have been made on 2 separate days communication resolution of case.

Anthem's CTM case process includes analysis of beneficiary complaints to identify potential trends and opportunities for process improvement. CTM complaints will be used as a source to identify potential non-compliance and process improvements so accountable areas and appropriate resources are promptly engaged to resolve and improve performance. CTM data is included in the Member Experience Workgroup, which is a subcommittee of the Medicare Compliance Committee. The purpose

of this Workgroup is to analyze trends obtained from CTM complaints, and identify opportunities to improve the member experience.

Anthem reviews CTM volumes, aging and specific cases monthly with the CMS Regional Office management. Anthem monitors activity ongoing to identify new trends and to work with appropriate functional areas to identify action items to prevent reoccurrence and reduce CTM complaints within Anthem's control.

MONITORING AND AUDITING FDRs

Anthem's Medicare Compliance team is responsible for management of the centralized FDR Oversight Program, which ensures proper oversight and ongoing monitoring of all FDRs performing delegated functions on behalf of Anthem's Medicare contracts. Each FDR has an assigned internal Anthem business owner who is responsible for ensuring FDR compliance with applicable CMS requirements and standards, as well as Anthem contractual requirements.

To ensure adequate oversight of FDR compliance with CMS' requirements, the following monitoring processes occur:

- Detailed day-to-day oversight of FDRs by respective business owners and subject matter experts.
- Compliance assessment through review of status reports completed for each FDR by the respective business owner.
- Deficiency resolution process to ensure all identified non-compliance issues are corrected in a timely and proper manner.
- Annual FDR audits performed by business owners to ensure the FDRs are acting in accordance with their Anthem agreement and all applicable regulatory requirements.
- Compliance focused annual audit of a selection of FDRs based on identified risk factors.
- Second-level verification of information in status reports, as well as maintenance of support documents, to confirm accuracy and proper documentary evidence.
- Centralized documentation using a comprehensive tracking database and data archive.
- Routine updates of FDR monitoring and auditing activities, as well as monthly reporting of all FDRs' compliance statuses, is made to Medicare Compliance leadership and the Medicare Compliance Committee as needed.

Simply Healthcare's FDR Delegation Oversight Program's intent is to assure quality of care and service from contracted entities with delegated functions, prior to delegation of any function, and to assure compliance with all the requirements of Simply Healthcare, Florida Agency for Health Care Administration (AHCA), CMS and Accreditation Association for Ambulatory Health Care (AAAHC), related to the delegated function(s). The FDR Delegation Oversight Program describes the plan's process for performing an objective and systematic review of the delegated functions in a consistent manner for all contracted networks or entities with a delegated function(s). The FDR Delegation Oversight Unit develops an annual audit schedule and conducts an annual audit of all Medicare FDRs every year. The annual audit consists on a detail review of their compliance with the functions delegated to them.

In addition, monitoring of FDRs delegated for Organization Determinations is conducted monthly by Simply Healthcare .

DENYING CLAIMS BY EXCLUDED PROVIDERS

Anthem monitors appropriate sanction resource lists to identify providers for whom claims should be denied for its Medicare businesses. For pharmacy providers, the PBM shall be primarily responsible for reviewing the Officer of Inspector General (OIG) and General Services Administration (GSA) sanction lists in their entirety to ensure no excluded providers are in the pharmacy network. Monthly updates to the sanctions lists are monitored to ensure pharmacies new to the list are not included in the network. For medical providers, Anthem Medicare Claims monitors the OIG website on a monthly basis to identify sanctioned providers both to prevent payment for medical claims to ineligible providers, and to support correct claim determination complying with Medicare regulations. *Please see Appendix 13 - Anthem Sanctioned and Opt Out Providers - Prevention of Payment Policy and Procedure.*

PHARMACY AND THERAPEUTICS COMMITTEE

For Anthem's Medicare contracts, the Pharmacy and Therapeutics (P&T) process is managed internally by Anthem. The charter and bylaws for Anthem's P&T committee are attached as *Appendix 12- P& T Committee Charter and Bylaws, Conflict of Interest Statement, and the P& T Formulary Development Policy*. All committee members are asked to sign a confidentiality agreement and a member participation agreement when they join the committee. In addition, a conflict of interest statement is obtained from every member at every meeting. Voting members must disclose at all meetings any conflicts of interest they may have related to any agenda item.

For Simply Healthcare's Medicare contract, the P&T process is managed by OptumRx. OptumRx P&T committee Policy is attached as *Appendix 12-- Pharmacy and Therapeutics (P&T) Committee - Medicare (Govmt Programs Policy)*

PROPOSED AUDIT SCHEDULE

Included below is the approved 2017 Medicare Internal Audit MAP and Schedule document. This plan may be adjusted based upon new risks identified throughout the year and based upon direction and approvals from Anthem's Audit Committee of the Board of Directors.

Audit Name	Audit Scope Description
Anthem Medicare Advantage Benefits Configuration	Assess processes and controls over Medicare Advantage benefit configuration on the Government Business Division (GBD) Facets system.
Anthem Medicare Claims Interest Payments (Data Analytics)	Extract Government Business Division (GBD) Facets claims data and using interest payments rules, determine if interest payments for Medicare claims processed on GBD Facets are accurate.
Anthem Medicare Provider Appeals and Disputes	Review processes and controls for ensuring provider appeals and disputes are properly tracked, trended, and resolved.

Audit Name	Audit Scope Description
Business-Led Information Technology (IT)	Determine whether an inventory of business-led IT systems and processes is maintained and evaluate the adequacy of processes in place to assess and respond to risks posed by these systems and practices.
Claim Outliers (Data Analytics)	Perform data analysis and testing to review claims for outliers. Additionally review preventive procedure codes to ensure members are not paying out-of-pocket for preventive services.
Commercial Claim Recovery & Adjustment Process and Drivers	Review processes to identify and address the root causes of claim recoveries and adjustments.
Commercial Mental Health Parity	Assess compliance with the new Mental Health Parity regulations.
Commercial Migrations	Perform a review of the New York claim system, CS90, and other Local business migrations to WellPoint Group System (WGS), including assessing testing, operational readiness, and implementation.
Consumer Driven Health Plan (CDHP) Migration from Lumenos Integrated Technology Solution (LITES)	Perform a pre-implementation review of the migration of CDHP product from LITES to a new system hosted by Alegis.
Durable Medical Equipment (DME) Overpayments (Data Analytics)	Extract DME claims and review to evaluate claim payment accuracy.
Enterprise Data Warehouse And Research Depot (EDWard) Oversight and Change Management	Assess the adequacy of the EDWard oversight and change management process to enable appropriate data intake, data processing, and issue resolution.
Enterprise Non-Participating Provider Credentials (Data Analytics)	Extract and analyze claim payments to non-participating providers to assess whether non-participating providers have the proper required credentials.
Find a Doctor and Estimate Your Cost Tool Migration to Castlight	Evaluate processes to successfully migrate Find a Doctor and Estimate Your Cost Tool from in-house to a vendor (Castlight).
Fraud Analysis for Vendor Payments (Data Analytics)	Extract and analyze vendor payment data for potential fraud.
Indiana Medicaid Member Power Account Cash Receipts	Assess whether member and power account cash receipts are processed timely and accurately.
Insights and Analytics Reporting Application	Review operational and IT controls for the Insights and Analytics reporting application, Service Information Management On-Line (SIMON).
Information Technology (IT) Project Management and Financial Management	Evaluate the overall changes to the IT project management framework, including the IT Program Management Office's quality review, and the project management and financial management processes and controls at a project level.
Legal Entity Group Setup	Determine whether group business is setup within the correct legal entity for Anthem states that have multiple legal entities.

Audit Name	Audit Scope Description
Medicaid Coordination of Benefits	Assess the controls to identify, define, communicate, and configure coordination of benefit claims processing edits.
Medical Policy and Clinical Guidelines Implementation - WellPoint Group System (WGS) and National Accounts Service Company (NASCO)	Assess the accuracy of medical policy and clinical guidelines implementation for WGS and NASCO.
Member Call Center - Pega Implementation	Perform a review of member call center processes, including changes made as a result of the implementation of the new workflow application, Pega.
Provider Directory Regulatory Requirements Governance	Validate compliance with various legal and regulatory mandates/agreements regarding accuracy and timeliness of provider directories data, including, New York Attorney General Assurance of Discontinuance (NY AG AOD); California Department of Managed Health Care (DMHC) agreement; California Medicaid (Medi-Cal Senate Bill SB 137); and the Centers for Medicare and Medicaid Services (CMS) Medicare Advantage agreement.
SailPoint Data Accuracy	Assess the completeness, accuracy, and integrity of SailPoint data supporting Anthem user access certification processes.
Third Party Contracting and Management - Subsidiary and Affiliates	Evaluate the company's approach to policies and procedures (P&P) being used by subsidiaries and affiliates related to third party transactions, including an assessment of third party spend and opportunities to reduce cost.
Vendor Management Strategy	Evaluate the company's overall vendor management strategy and the approach to oversee vendors with similar risk profiles.
WellPoint Group System (WGS) Benefit Administration	Review the adequacy of end-to-end processes and controls for loading benefits to the WGS system.
All Payer Claims Database (APCD)	Assess APCD processes, including data accuracy, timeliness, and compliance with state mandates, inclusion/exclusion of host data, and processes to ensure that only minimum necessary information is provided.
Anthem Dual Eligible Encounter Data Submissions	Evaluate 5010 Encounter processing (Health Insurance Portability and Accountability Act compliant electronic claim transaction standard) for accuracy and completeness of submissions for dual eligible (Medicare-Medicaid Plans [MMP] & Dual Eligible Special Needs Plans [D-SNP]) members as the Centers for Medicare and Medicaid Services (CMS) is gradually moving toward a fully encounter-based revenue methodology.
Anthem Medicare Advantage Member Incentives	Review processes and controls over member incentives to improve Star measures.
Anthem Medicare Prior Authorizations	Review Medicare Advantage prior authorization decision making and notification process for compliance with Centers of Medicare and Medicaid (CMS) requirements.

Audit Name	Audit Scope Description
Anthem Specialty Clinical Applications (ASCA) Implementation	Evaluate the project management, implementation and oversight of the ASCA to support Government Business Division (GBD) special programs (phase 1).
Blue Distinction Total Care	Assess implementation of the Blue Cross Blue Shield Value Based Payments mandate, also known as Blue Distinction Total Care.
Care Evolution Vendor Processes and Oversight	Perform a review of controls within the Care Evolution vendor, related to data integrity and access security within its systems, which include HieBus, Member 360(M360), and Provider 360 (P360). Additionally, review processes in place to ensure proper vendor oversight.
Clinical Data Acquisition Strategy & Execution	Evaluate the clinical data acquisition strategy, including processes to acquire, aggregate, maintain, secure, govern and utilize data from internal and external sources.
Confidentiality of Alcohol and Drug Abuse Patient Records	Perform a compliance review against the federal mandate on confidentiality of alcohol and drug abuse patient records, including disclosure restrictions during third party audits.
Enterprise Cost of Care Savings Methodology	Evaluate the process and methodologies used to calculate cost of care savings for completeness, accuracy, and consistency. Additionally, assess the impact of such methodologies on the forecasting process.
Fraud Analysis for Non-Provider Claims Payments (Data Analytics)	Extract and analyze non-provider claims payment data for potential fraud.
Government Business Division (GBD) ClaimsXten Post Implementation	Assess the GBD Facets conversion from ClaimCheck to ClaimsXten for claim code editing.
Government Business Division (GBD) Cost Containment	Assess the processes in place to identify, validate and recover potential overpayments.
Medicaid Mental Health Parity	Evaluate the process used to assess and document compliance with mental health parity requirements.
Clinical Care Gap Identification & Intervention	Assess processes and controls implemented to support programs requiring Resolution Health Incorporated (RHI) data analytics and reporting.
Mercer Health Advantage Effectiveness	Assess the operating effectiveness of processes implemented to achieve customer service levels and savings.
Program Integrity Vendor Invoice Processing (Consulting Review)	Assess the system of internal controls over Program Integrity vendor invoice processing.
Subrogation	Assess subrogation processes, including monitoring and oversight of Meridian.
Utilization Management Decision Engine (UMDE)	Assess the adequacy of controls implemented to support the UMDE tool, including processes to ensure accuracy and completeness of decisions rendered through the tool.

Audit Name	Audit Scope Description
Account Reconciliation and Monthly Close Process	Evaluate the controls and processes related to performing account reconciliations and the monthly close.
Annual Incentive Plan Calculation Validation	Assess the accuracy of the Annual Incentive Plan achievement calculations.
Government Business Division (GBD) Migration to Financial Claims System (FCS) / Disbursement Management System (DMS) Payment Processing	Assess the accuracy and timeliness of provider payments processed through FCS/DMS for the Maryland pilot, including adjustments, accessibility, and accuracy of explanation of payments.
Loans and Advances	Assess the adequacy of controls for issuing loans and advances to providers and other entities, including processes related to approvals, collection of funds, and write-offs.
Travel and Entertainment (T&E)	Evaluate whether employees are adhering to Anthem's T&E policy and guidelines.
Broker Compensation Administration - WellPoint Group System (WGS)	Review controls within the broker license renewal process and verify brokers are appropriately certified. Additionally, perform data analytics to assess accuracy of payments, and verify accuracy of compensation billed to administrative services only clients.
Commercial Network Management Strategy	Review management's strategy and processes for establishing and managing provider networks.
Commercial Risk Adjustment - Retrospective	Evaluate the process to transition the Commercial risk adjustment retrospective reviews in-house from the vendor, Inovalon, including an assessment of project administration, operational policies and procedures, and controls.
Connecticut Small Employer Health Reinsurance Plan (CSEHRP)	Perform an agreed upon procedures review to meet requirements of the CSEHRP program.
Employer and Broker Portal Access Management (Data Analytics)	Perform a data analytics review of external user access to employer and broker portals.
End-to-End Product Implementation	Perform an assessment of the end-to-end product implementation processes, including: product design, product filing, the Qualified Health Plan submission, product build, and system implementation.
Enterprise Modeler and Pricer (EMAP)	Review the processes and controls in place for the new EMAP tool and automation of the facility rates being loaded into WellPoint Group System (WGS).
InterPlan Administration	Perform a review of InterPlan processes, including InterPlan Performance (IPP) scorecard management. Assess monitoring and resolution of issues, escalation procedures, and root cause analysis of high volume adjustments and issues related to alternative networks.

Audit Name	Audit Scope Description
Local Business Internal Sales Compensation and Licensing	Assess controls over the central data repository implemented for Local Business Internal Sales Compensation to ensure accurate payments. Additionally, perform data analytics to assess accuracy of payments, and verify agents are appropriately licensed.
Medical Specialty Pharmacy	Assess management's remediation efforts for issues identified in the implementation of CVS Caremark contract covering medical specialty drugs.
New York (NY) Small Group Market Re-Entry	Assess the implementation of processes and tools to support re-entry into the NY Small Group market.
Pharmacy Eligibility (Data Analytics)	Perform an analysis of prescription drug expenses for payments after the members' termination date.
Provider Collaboration Joint Venture Strategy and Execution	Perform an assessment of the provider collaboration joint venture strategy, including Vivity, Cal-Index, Wisconsin Collaborative Insurance Company, VillageMD and Primed.
Specialty Enrollment and Membership Data Accuracy	Evaluate controls and processes to ensure accurate and complete enrollment and membership data for specialty products.
Anthem Medicare Field Marketing Organization (FMO) Commission Payments (Data Analytics)	Extract and analyze field agent commission payments to determine possible overpayments to field marketing organizations (FMOs) or agents.
Anthem Medicare Retrospective Vendor Insourcing	Review processes and controls for insourcing retrospective review activities from vendors to ensure compliance and alignment with strategy.
Anthem Medicare Sales Lead Automation	Review processes and controls over automation of sales leads.
Florida Medicaid Marketing	Assess the system of controls at the Simply and Amerigroup health plan to assure compliance with Florida marketing requirements.
Iowa Health Plan Consumer Directed Attendant Care (CDAC) Claims	Assess controls to ensure that CDAC claims are processed accurately and in a timely manner.
Medicare Capitation Payments (Data Analytics)	Perform data analytics around capitated Medicare provider payments to identify potential payment errors.
CareMore Online Provider Directories	Review processes and controls over CareMore provider directories as well as compliance with Centers for Medicare and Medicaid Services (CMS) requirements.
CareMore Compliance - Privacy	Assess the CareMore privacy processes and controls against corporate compliance policies and procedures.
Centers for Medicare and Medicaid Services (CMS) 2017 Anthem Readiness Checklist	Validate a subset of the CMS readiness checklist items for 1/1/18 covering Anthem, CareMore, and Simply.

Audit Name	Audit Scope Description
Centers for Medicare and Medicaid Services (CMS) Mega Regulation (Mega Reg) Implementation Governance and Oversight	Evaluate the CMS Mega Reg implementation project governance and oversight.
Medicare Compliance Program Effectiveness	Perform a review of the compliance program effectiveness as required by Centers for Medicare and Medicaid Services (CMS) covering Anthem, CareMore, and Simply.

MEDICARE APPENDICES

1. Anthem Commonly Owned and Controlled Affiliates Covered By The 2017 Compliance Plan

The attached Anthem Medicare Compliance Plan Addenda applies to the applicable Anthem, Inc. commonly owned and controlled entities who offer Medicare Supplement plans and/or are contracted with CMS to provide Medicare plan services. The specific Anthem, Inc. commonly owned and controlled entities governed by the attached Medicare Compliance Plan Addenda are:

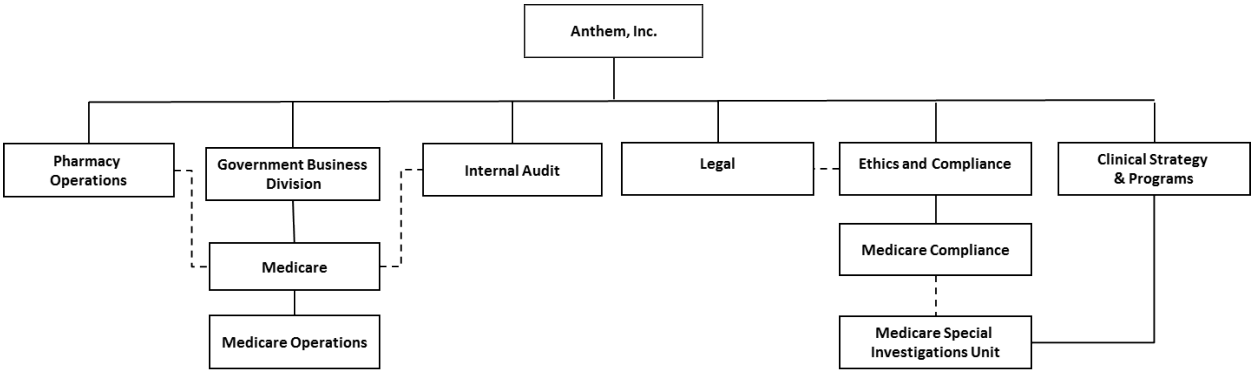
H0147 – HEALTHKEEPERS, INC (MMP)
H0544 – CAREMORE HEALTH PLAN (HMO, C-SNP, D-SNP, I-SNP)
H0564 – BLUE CROSS OF CALIFORNIA (HMO)
H1394 – HMO COLORADO, INC. (HMO)
H1517 – ANTHEM INSURANCE COMPANIES, INC. (LPPO)
H1607 – ANTHEM INSURANCE COMPANIES, INC. (LPPO)
H1849 – ANTHEM HEALTH PLANS OF KENTUCKY, INC. (HMO)
H2593 – CAREMORE HEALTH PLAN OF AZ (HMO, C-SNP, D-SNP)
H1894 – AMERIGROUP WASHINGTON, INC. (HMO, D-SNP)
H2836 – ANTHEM HEALTH PLANS, INC. (LPPO)
H3240 – AMERIGROUP NEW JERSEY, INC. (D-SNP)
H3342 – EMPIRE HEALTHCHOICE ASSURANCE, INC. (LPPO)
H3370 – EMPIRE HEALTHCHOICE HMO, INC. (HMO)
H3447 – HEALTHKEEPERS, INC. (HMO, D-SNP, I-SNP)
H3536 – MATTHEW THORNTON HEALTH PLAN, INC. (HMO)
H3655 – COMMUNITY INSURANCE COMPANY (HMO)
H4036 – ANTHEM INSURANCE COMPANIES, INC. (LPPO)
H4346 – CAREMORE HEALTH PLAN OF NEVADA (HMO, C-SNP)
H4909 – ANTHEM HEALTH PLANS OF VIRGINIA, INC. (LPPO)
H5422 – BLUE CROSS BLUE SHIELD HEALTHCARE PLAN OF GEORGIA, INC. (HMO)
H5471 – SIMPLY HEALTHCARE PLANS, INC. (HMO, C-SNP, D-SNP, & I-SNP)
H5530 – ANTHEM HEALTH PLANS OF KENTUCKY, INC. (LPPO)
H5746 – AMERIGROUP COMMUNITY CARE OF NEW MEXICO, INC. (HMO, D-SNP)

H5817 – AMERIGROUP TEXAS, INC. (HMO, D-SNP)
H5854 – ANTHEM HEALTH PLANS, INC. (HMO)
H6229 – BLUE CROSS OF CALIFORNIA PARTNERSHIP PLAN, INC (MMP)
H6786 – ANTHEM HEALTH PLANS OF MAINE, INC. (LPPO)
H7200 – AMERIGROUP TENNESSEE, INC. (HMO, D-SNP)
H7728 – ANTHEM HEALTH PLANS OF NEW HAMPSHIRE, INC. (LPPO)
H8432 – ANTHEM HEALTH PLANS OF MAINE, INC. (HMO)
H8552 – ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE CO. (LPPO)
H8786 – AMERIGROUP TEXAS, INC. (MMP)
H9525 – COMPCARE HEALTH SERVICES INSURANCE CORPORATION (HMO)
H9886 – HMO MISSOURI, INC. (HMO)
H9947 – BLUE CROSS BLUE SHIELD OF GEORGIA, INC. (LPPO)
H9954 – ANTHEM INSURANCE COMPANIES, INC. (HMO)
R5941 – ANTHEM INSURANCE COMPANIES, INC. (RPPO)
S5596 – ANTHEM INSURANCE COMPANIES, INC. (PDP)
S5960 – UNICARE LIFE AND HEALTH INSURANCE COMPANY (PDP)

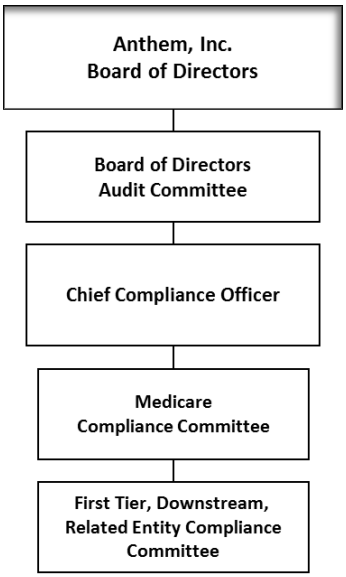
As noted previously in the Medicare Compliance Plan Addenda, the aforementioned legal entities shall be individually and collectively referred to as “Anthem”.

To the extent applicable, the Medicare Compliance Plan Addenda also applies to FDR contracted with Anthem to provide applicable Medicare plan services.

2. Anthem and Medicare Organizational Structure



3. Compliance Committees Organizational Chart

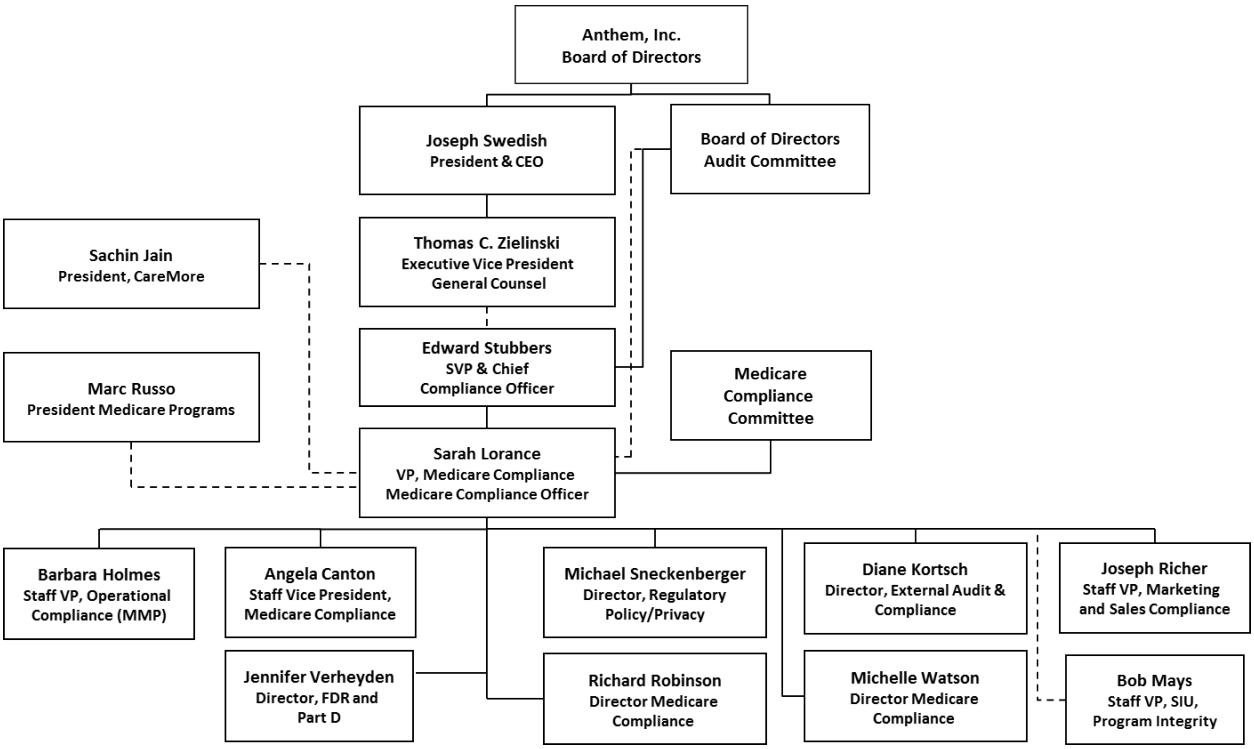


4. Medicare Compliance Department 2017 Key Accountabilities

Compliance Accountability		Description	Accountable Lead
1	**Expert Support**	Make Medicare Compliance tools, resources and staff available to business and operations leaders so they can understand, develop and implement procedures and policy that are compliant with applicable regulatory requirements.	Compliance Leadership Team
2	**Compliance Monitoring**	Identify and implement random and targeted audits of critical work or procedures to ensure that this work and/or procedures are compliant and working as expected. This monitoring will also be used to proactively identify any issues or problems, so that corrective measures can be implemented (including but not limited to updated or new training, reporting, policies & procedures)	External Audit & Compliance and Director of Medicare Compliance
3	**Internal Audit**	Accountability for auditing large work flows and procedures related to Medicare. The Internal Audit team's focus is not limited to confirming or denying compliance with applicable regulatory requirements.	Internal Audit will work with the Director of External Audit & Compliance
4	**External Audit**	The Medicare Compliance team will work with applicable business, IT and operational units to ensure that external audits by CMS and other authorities proceed well, and accurately portray Anthem's state of compliance. In pertinent part, this means that Medicare Compliance will strive to develop a cross functional planning and execution process that is designed to help Anthem respond to such external audit request in a timely and accurate manner.	Director of External Audit & Compliance

5	**Communications**	Medicare Compliance will centrally manage key CMS compliance communications. Medicare Compliance will work with the applicable business, IT and operations leadership to deliver timely and effective compliance related communications to staff, vendors and delegated entities.	Staff VP Medicare Compliance
6	**FDR Oversight**	Medicare Compliance will coordinate with the operations and business owners to oversee FDR compliance, monitoring, auditing and related communications. The purpose of this process will be to ensure Anthem's FDRs, including Part D PBM vendors, are in compliance with applicable requirements.	Director, FDR and Part D
7	**Part D Compliance**	Medicare Compliance will conduct oversight of compliance efforts specific to Anthem's Prescription Drug Plans.	Director, FDR and Part D
8	**Regulatory Policy and Integration**	Medicare Compliance will develop a process for distributing and soliciting feedback from impacted business, IT and operations personnel on new or revised MA and PDP regulations. The purpose of this process will be to increase Anthem's ability to proactively impact, identify and deploy new and changing regulatory requirements.	Director Regulatory Policy/Privacy – for MA and Part D and Director of Medicare Compliance
9	**Sales and Marketing Compliance**	Medicare Compliance will oversee the development, review and submission of MA/PDP and MMP Marketing Material (as defined by the CMS Marketing Guidelines) to CMS. Medicare Compliance also monitors, audits and validates Sales processes to ensure appropriate measures are in place to effectively oversee and implement corrective actions related to Agent/Broker activities.	Staff VP Sales & Marketing Compliance and Director of Medicare Compliance
10	**Compliance Training**	To ensure that required training is administered and recorded for all required internal associates and FDRs.	Director Regulatory Policy/Privacy – for MA and Part D Director, FDR and Part D
11	**Privacy and Security**	Administer the corporate privacy and security program for Medicare including training, monitoring, and issue resolution.	Director Regulatory Policy/Privacy – for MA and Part D
12	**Policy and Procedures**	Work with applicable Medicare Operations units to ensure they properly document and update Policies and Procedures for complying with legal and regulatory requirements.	Director Regulatory Policy/Privacy – for MA and Part D and Director of Medicare Compliance
13	**Medicare-Medicaid Plans (MMP) Compliance Oversight**	Ensure that all the requirements of the 3-way contract are implemented correctly and the operational processes remain in compliance.	Staff VP, Operational Compliance (MMP)

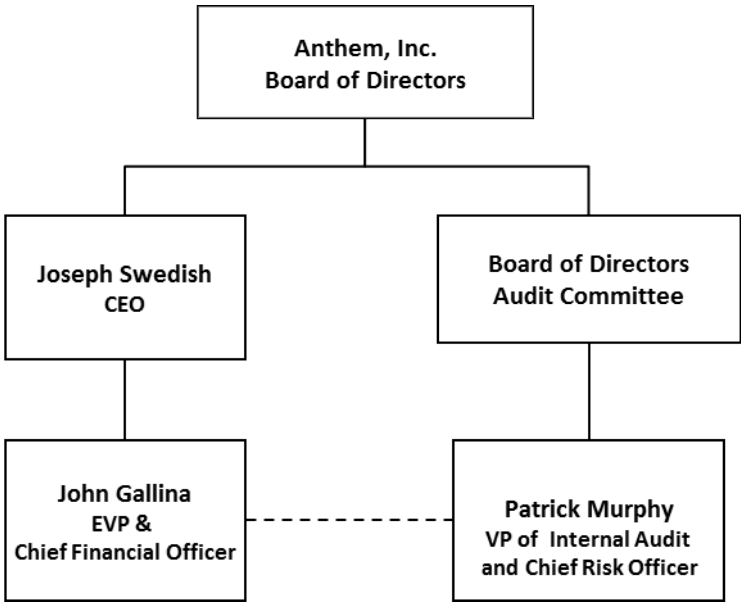
5. Medicare Compliance Organizational Chart



6. Policy and Procedure Index

- Anthem's Ethics, Privacy and Compliance Policies and Procedures can be found here: Anthem Corporate Ethics, Privacy & Compliance Policies and Procedures
- Anthem's Medicare Policies and Procedures can be found here: Medicare Policies & Procedures Repository.
- Simply Healthcare's Medicare Policies and Procedures can be found here: Simply Medicare Policies and Procedures
- CareMore's Medicare Policies and Procedures can be found here: CareMore's Policies

7. Corporate Internal Audit & Enterprise Risk Management (ERM) Organizational Structure



8. Medicare Compliance Committee Charter

Anthem Medicare 2017 Compliance Committee Charter

Introduction: This Charter defines the mission, organization, functions, duties and authority of the Anthem Medicare Compliance Committee, ("MCC" or "Committee")

Mission: The MCC supports the Anthem Ethics and Compliance Program. The MCC will direct and oversee compliance activities affecting Anthem's Medicare Plans.

The MCO or Medicare Compliance Officer shall be accountable for making periodic reports to the Anthem, Inc. Board of Directors. The Anthem Chief Compliance officer provides reports to the Board directly and the Medicare Compliance Officer also provides periodic reports directly to the Board. Consistent with the preceding, the MCC is hereby delegated authority on behalf of the Board to conduct oversight of Anthem's Medicare plan compliance programs.

Organization: The Vice President of Medicare Compliance shall be the regular Chairperson of the MCC, however he/she may designate a proxy to chair the committee on their behalf . The MCC shall consist of Voting Members and Participants. Voting Members or their designees shall be entitled to vote on issues and approve actions before the MCC. Participants or their designees shall attend and provide input at MCC meetings, but shall not be permitted to votes unless named as a designee for a Member. Voting Members and identified Participants for the MCC shall include representation from each of the areas listed below. Other individuals may be invited to speak or present at MCC meetings on an ad hoc basis at the MCC's or Chairperson's discretion (e.g. Pharmacy Benefits Management, Specialty Pharmacy, Dental & Vision, Behavioral Health, etc.). The MCC shall meet bi-monthly (every

other month) or as determined by the Chairperson of the Committee. Each Voting Member shall attend each meeting or appoint a designee to participate on their behalf. If a Member is not able to attend and does not send a designee, at least a majority Voting Members or the proxies must be present in order to vote or approve any actions presented at the MCC meeting.

- Medical Management
- Legal
- FWA
- Marketing & Sales
- Medicare Business Development & Sales
- Medicare Individual Medical
- Medicare Employer Group
- Medicare-Medicaid
- Part D
- Medicare Operations Support
- Corporate Ethics and Compliance
- Human Resources
- Finance & Actuarial
- Medicare Information Technology
- Clinical
- Medicaid Compliance
- Medicare Network Management
- Chief Compliance Officer

Functions, Duties and Authority: The Committee has the following functions, duties, authority, and delegated responsibility:

- Annually review and approve Medicare Compliance Plan Addenda
- Annually review and approve Medicare Compliance and FWA Training
- Annually review and approve Medicare Compliance policies and procedures
- Review and, as necessary, update the FDR Compliance Committee Charter on at least an annual basis
- The FDR Compliance Committee is an authorized sub-committee of the MCC and is responsible for overseeing FDR's supporting Anthem Medicare, and for providing regular updates and recommendations to the MCC on FDR matters.
- Obtain quarterly updates on the status and oversight activities of the FDR Compliance Committee.
- Quarterly monitor the status of corrective action plans
- Quarterly review and discuss reports on FWA trends and areas of risk from the Medicare Special Investigations Unit Team
- Quarterly review and discuss Medicare specific risks using the Risk Register or other approved tools. Focus on review of high rated risks from the Risk Register.
- Receive updates from Ethics and Privacy, as appropriate, with regard to emerging trends, educational and outreach activities, and investigations impacting Medicare.
- Receive updates on matters disclosed to CMS, FWA trends, Monitoring and Oversight findings, and Internal Audit findings.
- Monitor status and completion of compliance plan monitoring activities

- Monitor political environment on state and federal levels anticipating legislative activity that will have impact on Medicare's operations
- Implement and maintain an effective Medicare program with a focused compliance communications strategy for the enterprise
- Receive ad hoc reports from the Medicare Quality Committee
- Provide recommendations for the content of any compliance training
- Review and discuss Medicare internal audits
- Review external audit reports as well as external regulatory reports
- Receive regular and ad hoc reports on the status of compliance to the Board, a sub-committee of the Board or other higher level Anthem Compliance Committees.
- Undertake other activities that may assist in ensuring Medicare regulatory requirements are met including protection from FWA.

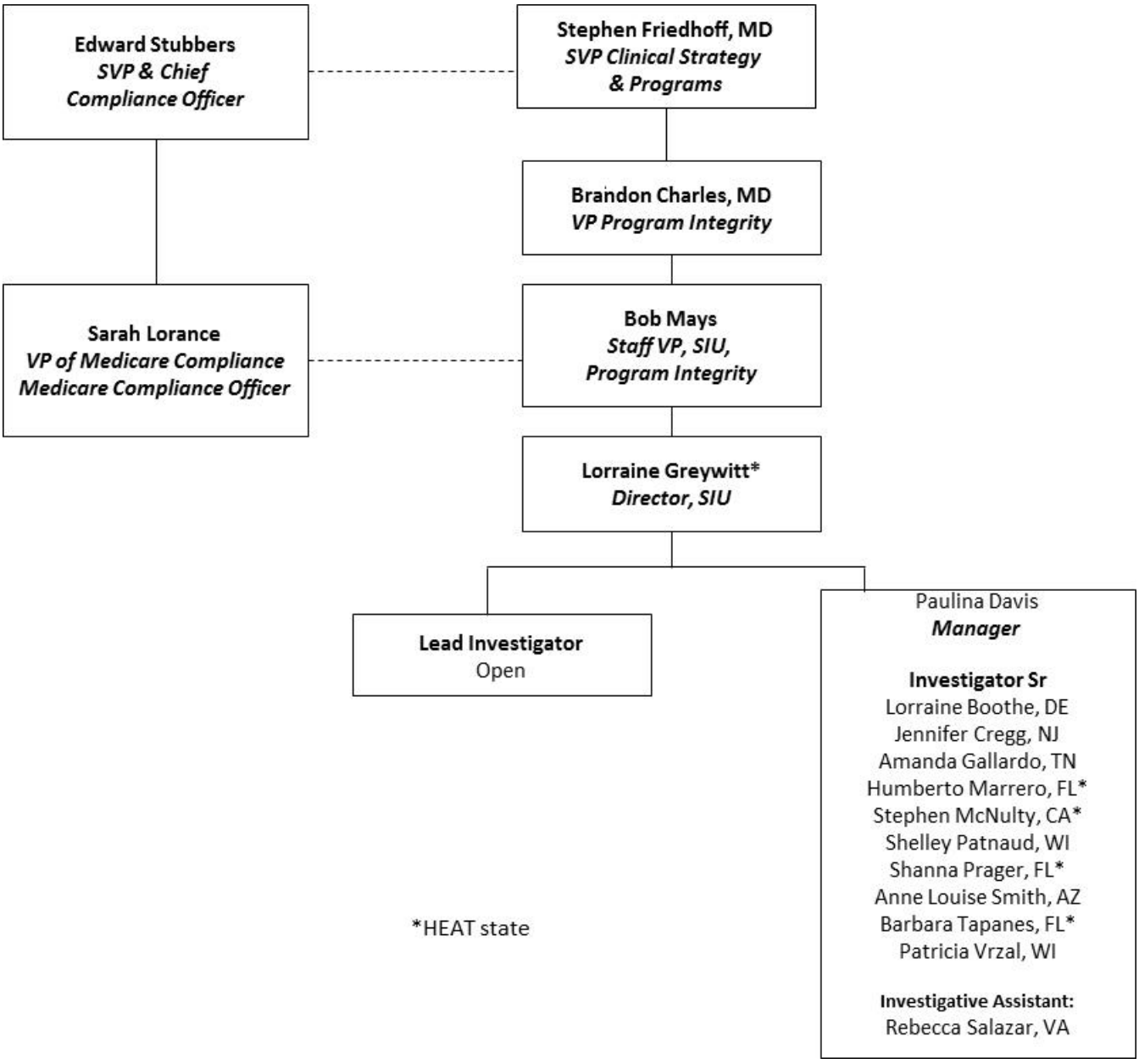
9. 2017 Medicare Compliance Monitoring and Oversight Plans

2017 Monitoring Plan.xlsx

10. Compliance Communications Center Log Template

Sample CCC log.xlsx

11. Medicare SIU Organizational Structure



12. Anthem P&T Committee Charter & Bylaws, Conflict of Interest Statement, and Formulary Dev. Policy

Anthem PT Process Charter_revised_100

Conflict of Interest_CRC 2015.p

MPD0601.pdf

13. Anthem Sanctioned and Opt Out Providers - Prevention of Payment Policy and Procedure


CLM016.pdf


CHS-TC-QI 110.pdf