



INTEGRATED
HOME CARE SERVICES



FIRST TIER DOWNSTREAM AND RELATED ENTITIES (FDR) COMPLIANCE PROGRAM GUIDE

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I. Introduction – Integrated Home Care Services Compliance Program

Integrated Home Care Services (IHCS) has built its reputation on a foundation of trust, integrity, and compassion. While the healthcare benefits landscape has evolved significantly over the years, our consistent commitment to ethical conduct and transparency remains unchanged.

Integrated Home Care Services' (IHCS) Compliance Program is designed to meet—and exceed—the requirements of an effective compliance framework. The program supports IHCS's commitment to conducting business ethically and with integrity in all aspects of its operations.

The Compliance Program is intended to:

- Prevent, detect, and reduce fraud, waste, and abuse (FWA);
- Ensure compliance with all applicable federal and state laws, regulations, and contractual obligations; and
- Reinforce IHCS's culture of compliance and ethical business practices.

Adherence to these requirements is essential and expected of all applicable entities.

You have received this Compliance Program Guide because IHCS has identified you as a First Tier, Downstream, or Related Entity (FDR). As an FDR, you are required to comply with the standards, policies, and procedures outlined in this Guide.

II. What is an FDR?

Integrated Home Care Services (IHCS) applies the current Centers for Medicare & Medicaid Services (CMS) definitions when identifying First Tier, Downstream, and Related Entities (FDRs), as outlined below:

First Tier Entity is any party that enters into a written arrangement, acceptable to CMS, with a Medicare Advantage Organization or Part D plan sponsor or applicant to provide administrative services or healthcare services to a Medicare eligible individual under the Medicare Advantage program or Part D program. (See 42 C.F.R. §§ 422.500 & 423.501).

Downstream Entity is any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with the Medicare Advantage benefit or Part D benefit, below the level of the arrangement between a Medicare Advantage Organization or applicant or a Part D plan sponsor or applicant and a first-tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services. (See 42 C.F.R. §§ 422.500 & 423.501).

Related Entity means any entity that is related to a Medicare Advantage Organization or Part D sponsor by common ownership or control and:

- (1) Performs some of the Medicare Advantage Organization's or Part D plan sponsor's management functions under contract or delegation; or
- (2) Furnishes services to Medicare enrollees under an oral or written agreement; or
- (3) Leases real property or sells materials to the Medicare Advantage Organization or Part D plan sponsor at a cost of more than \$2,500 during a contract period. (See 42 C.F.R. §§ 422.500 & 423.501).

FDRs Providing Administrative or Healthcare Services

The Compliance Program requirements apply to entities with whom IHCS contracts to perform administrative and health care services relating to the Health Plan members. Some examples of administrative service functions include:

- Utilization management;
- Quality improvement;
- Healthcare services.

Examples of health care providers contracted with IHCS to participate in our network include Downstream Providers, and other provider types.

Other examples of FDRs include delegates, pharmacies and other individuals, entities, vendors or suppliers contracted with IHCS to provide administrative or health care services for our members. You can find more information in the *Medicare Managed Care Manual*, Chapter 21 – Compliance Program Guidelines § 40, Sponsor Accountability for and Oversight of FDRs 42 C.F.R. §§ 422.503(b)(4)(vi), 422.504(i), 423.504(b)(4)(vi), 423.505(i).

III. FDR Compliance Program & Attestation Requirements

It is important that our FDRs are in compliance with applicable laws, rules and regulations. Although we contract with FDRs to provide administrative or health care services for our Members, IHCS is ultimately responsible for fulfilling the terms and conditions of our contract with the Health Plan and meeting applicable Medicare program requirements.

Compliance Program Requirements

First tier entities are responsible for making sure that their downstream entities comply with applicable laws and regulations, including the requirements in this Compliance Program Guide. As a first-tier entity, your organization and all your downstream entities (if applicable) must comply with these Compliance Program requirements. This Guide summarizes your Compliance Program responsibilities.

Please review this Guide each year to make sure that you have internal processes to support your compliance with these requirements. These Compliance Program requirements include, but are not limited to:

- A. Fraud, Waste and Abuse (FWA) training, General Compliance Training and Code of Conduct distribution;
- B. Exclusion list screenings;
- C. Reporting FWA and compliance concerns to IHCS;
- D. Specific federal and state compliance obligations; and
- E. Monitoring and auditing of FDRs.

What may happen if you do not comply?

If an FDR fails to meet these Medicare Advantage Compliance Program requirements, it may lead to:

- Development of a corrective action plan;
- Retraining; and/or
- Termination of your contract and relationship with IHCS.

IHCS's response to an FDR's non-compliance will be proportionate to the nature, severity, and scope of the compliance issue. If an FDR identifies instances of non-compliance (for example, an employee's failure or refusal to complete required Fraud, Waste, and Abuse (FWA) training), the FDR is expected to take prompt and appropriate corrective action to remediate the issue and implement measures to prevent recurrence.

Attestation Requirements

Each year, an authorized representative from your organization must attest to your compliance with the Compliance Program requirements described in this Guide. You must maintain evidence of your compliance with these Compliance Program requirements (*e.g.*, employee training records, CMS certificate of FWA training completion, etc.) for no less than 10 years. IHCS and CMS may request that you provide evidence of your compliance with these requirements up to ten years after the event in question. This is for monitoring/auditing purposes.

IHCS takes these responsibilities seriously. If you have questions or concerns regarding these requirements, you should contact the appropriate IHCS business area representative, who will provide guidance or, as necessary, escalate the matter to the IHCS Chief Compliance Officer. The following sections outline each component of the Compliance Program.

A. Fraud, Waste and Abuse (FWA) training, general compliance training and Code of Conduct distribution

FWA and General Compliance Training

As a first-tier entity, your organization must provide FWA and general compliance training to all of your employees assigned to provide administrative and/or health care services for IHCS's Medicare plans. To comply with this requirement, you must use the [CMS Medicare Parts C & D Fraud, Waste, and Abuse Training and General Compliance Training](#).

Compliance Training Requirements

Regardless of the method used, the training must be completed:

- Within 90 days of initial hire or the effective date of contracting; and
- At least annually thereafter.

B. Exclusion List Screenings

Federal law prohibits Medicare, Medicaid and other federal health care programs from paying for items or services provided by a person or entity excluded from participation in these federal programs. Therefore, prior to contracting with IHCS and monthly thereafter, each FDR entity must check the Office of Inspector General (OIG) and General Services Administration (GSA) "exclusion lists" to confirm that all employees (temporary, permanent, and volunteer) performing administrative or health care services for IHCS's Members are not excluded from participating in federally funded health care programs. You can use these websites to perform the required exclusion list screening:

- [Office of Inspector General \(OIG\) List of Excluded Individuals and Entities; and](#)
- [General Services Administration \(GSA\) System for Award Management \(SAM\).](#)

In addition, FDRs are required to retain documentation for a minimum of ten (10) years demonstrating that required exclusion list screenings have been conducted. Acceptable documentation may include dated and time-stamped screenshots or other records evidencing that all employees and downstream entities were screened in accordance with applicable federal and state laws, regulations, and current CMS requirements. If a third-party vendor is used to perform exclusion screenings, official vendor screening reports or logs with date stamps may also be submitted to demonstrate compliance with screening requirements. All documentation must be readily available upon request by IHCS or CMS.

You must take action if an employee is on the list.

If any employee is identified as appearing on an applicable exclusion list, the FDR must immediately remove the individual from any work, whether direct or indirect, related to IHCS Members and notify IHCS without delay.

These exclusion list requirements are established under § 1862(e)(1)(B) of the Social Security Act and implementing regulations at 42 C.F.R. §§ 422.503(b)(4)(vi)(F), 422.752(a)(8), 423.504(b)(4)(vi)(F), 423.752(a)(6), and 1001.1901, and are further described in the Medicare Managed Care Manual, Chapter 9, § 50.6.8.

C. Specific Federal and State Compliance Obligations

Depending on the nature of the services your organization performs on behalf of IHCS Members, additional federal and state laws, rules, or regulations not specifically addressed in this Guide may apply. If you have questions regarding the compliance obligations related to the services your organization provides, you should contact the IHCS Compliance Department for guidance.

D. Monitoring and Auditing of FDRs

CMS requires IHCS to maintain a formal strategy to monitor and audit its First Tier, Downstream, and Related Entities (FDRs). This oversight is designed to ensure compliance with all applicable federal and state laws, regulations, and CMS requirements, and to confirm that first-tier entities appropriately oversee the compliance activities of their downstream entities.

Accordingly, when IHCS subcontracts with third parties to provide healthcare services to IHCS Members, IHCS remains responsible for ensuring that downstream entities comply with all applicable legal and regulatory requirements, including those that apply to IHCS as a first-tier entity. This responsibility includes compliance with the Compliance Program requirements outlined in this Guide.

In addition, IHCS and your organization are required to conduct adequate oversight to assess and validate employee compliance with applicable laws and regulations. Such oversight includes maintaining evidence of training completion, performing root cause analyses when non-compliance is identified, and implementing corrective action plans or disciplinary measures, as appropriate, to prevent recurrence of compliance failures.

Expect Routine Monitoring and Audits

Integrated Home Care Services (IHCS) monitors the activities and performance of its First Tier, Downstream, and Related Entities (FDRs) to ensure compliance with contractual obligations related to Medicare Parts C and D and adherence to established performance standards.

IHCS employs multiple methods to monitor and audit FDRs, including but not limited to risk assessments, on-site audits, desk reviews, and reviews of self-audit reports. Risk assessments are used to identify higher-risk FDRs and to prioritize monitoring and audit activities accordingly.

Audits may be conducted by IHCS personnel or by independent third-party contractors retained by IHCS. IHCS maintains dedicated resources responsible for FDR monitoring and auditing, which are utilized to validate regulatory compliance, develop and oversee corrective action plans in response to identified deficiencies, and report oversight activities to the IHCS Compliance and Performance Improvement (Compliance/PI) Committee.

If IHCS determines that an FDR has failed to comply with the requirements outlined in this Guide, the FDR will be required to develop and submit a Corrective Action Plan (CAP). IHCS may provide guidance or technical assistance, as appropriate, to address identified compliance deficiencies.

These monitoring and auditing requirements are established under 42 C.F.R. § 422.503(b)(4)(vi)(F) for Medicare Advantage (Part C) and 42 C.F.R. § 423.504(b)(4)(vi)(F) for Medicare Prescription Drug Benefit Program (Part D).

Questions/Concerns

For questions or concerns related to compliance matters, please contact the IHCS Compliance Department at compliance@ihcscorp.com or 954-381-7954.