



**COMMUNITY FIRST HEALTH PLANS, INC.  
COMMUNITY FIRST INSURANCE PLANS  
COMPLIANCE PLAN  
2024**

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***The purpose of this document is to outline the authority and scope of the Compliance Plan function within Community First Health Plans, Inc. and Community First Insurance Plans. The overall objective of the Compliance Plan is to advance an organizational culture of ethics, integrity, and compliance with all applicable laws and regulations.***

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# COMPLIANCE PLAN

## I. COMPLIANCE PLAN GOVERNANCE

The Community First Health Plans, Inc., and Community First Insurance Plans (Community First) Compliance Plan is reviewed annually by the Compliance and Risk Management department, Compliance and Risk Management Committee, Quality Council and the Board of Directors and adopted as a part of Community First's Compliance Program. The Compliance Plan benefits the company, its employees, members, providers, payors, and regulators by increasing efficiency, reducing waste, minimizing confusion, and improving the quality of services. The Compliance Plan also re-enforces the company's commitment to an ethical Code of Conduct Policy and commitment to abide by and uphold the internal policies and external laws that govern Community First. The Compliance Plan builds on the foundation established by the Compliance Program, including measures related to mandatory compliance training, Health Insurance Portability and Accountability Act (HIPAA) training, Fraud, Waste and Abuse (FWA) detection and prevention, FWA initiated corrective action plans, and appropriate regulatory agency referral.

The Compliance and Risk Management department reserves the right to amend and update components of the Compliance Program, including the Compliance Plan, at any time, in order to make changes based on updates in the law and/or regulatory changes. All other changes will require approval of the Compliance and Risk Management Committee and the Quality Council. Compliance and Risk Management personnel have access, at all reasonable times, to all Community First properties, records, and personnel relevant to the fulfillment of the Compliance Program responsibilities.

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## **II. STATEMENT OF GOALS**

- A. Community First seeks to ensure compliance with all applicable Federal and State rules, laws, regulations, standards, and policies that govern Community First's activities.
- B. Community First seeks to implement the operation of the Compliance Plan by ensuring and assisting Community First employees in understanding and performing their legal and contractual responsibilities by:
  - 1. Informing Community First employees of their duty to adhere to this Compliance Plan, all laws governing the activities of Community First and all requirements of government plans in which Community First participates;
  - 2. Providing education and training to all Community First employees regarding compliance requirements;
  - 3. Designating the Executive Director of Compliance and Risk Management and a Compliance and Risk Management Committee to serve as resources to Community First employees regarding compliance matters;
  - 4. Instituting a system of monitoring, auditing, inquiring, and investigating compliance matters;
  - 5. Developing processes to facilitate and improve compliance when deficiencies are identified;
  - 6. Providing for consistent enforcement and discipline in appropriate instances of non-compliance;
  - 7. Establishing mechanisms that permit and facilitate anonymous, good faith reporting of instances of suspected non-compliance with federal and/or state laws, government program requirements or company policies and procedures; and,
  - 8. Communicating, educating, and demonstrating that retaliation against persons who make good faith reports of instances of suspected non-compliance is not tolerated.
- C. Community First seeks to ensure that requirements set forth in HIPAA and associated rules and regulations are met in an accurate and timely manner.

### **III. CODE OF CONDUCT POLICY**

The Code of Conduct Policy articulates Community First's commitment to conducting business in a lawful and ethical manner. All employees are expected to follow the standards set forth in the Code of Conduct Policy and the Compliance Plan as well as all applicable Federal and State laws. All Community First employees must read the Code of Conduct Policy and sign an acknowledgement that they agree to abide by the Code of Conduct Policy. A copy of the Code of Conduct Policy is provided to all newly hired employees and is available to review on the Community First intranet site.

The Code of Conduct Policy requires that all of Community First's business transactions be carried out in accordance with management's general or specific directives. In support of this requirement, no employee shall make, file, or use any false, fictitious, or fraudulent statements or documents in connection with the delivery of, or payment for, health care benefits, items, or services. Additionally, no employee shall falsify, conceal, or cover up a material fact in the performance of their duties. All employees are expected to follow the business rules and procedures as published in corporate and departmental policies and procedures.

On an annual basis, Community First reviews the Code of Conduct Policy for possible revisions that may result from a change in company policy or changes in applicable laws or regulations.

### **IV. STRUCTURE OF COMPLIANCE PLAN**

#### **A. Element 1- Written Policies and Procedures**

Community First's Policies and Procedures represent its commitment to honest and responsible business conduct. All Community First employees are to conduct business in compliance with all policies and procedures. Because risk areas are constantly evolving, Community First's policies and procedures are reviewed every year at the departmental level and every three years or as needed at the organizational level, to incorporate changes in the law, changes in the company and changes in health care. A complete list of company policies is located on the company intranet site and in the Compliance and Risk Management department.

## **B. Element 2 – Governance Structure**

1. **Board of Directors Delegation for the Compliance Program.** The Community First Board of Directors delegates oversight of the Compliance Program to the Community First President / Chief Executive Officer (CEO). The CEO delegates responsibility for the Compliance Program to the Executive Director of Compliance and Risk Management. The Board of Directors receives reports from and considers recommendations regarding the Compliance Plan from the Executive Director of Compliance and Risk Management. The Compliance Plan is reviewed and approved annually by the Board of Directors. The Board of Directors may, at its discretion, issue directives concerning compliance to the Executive Director of Compliance and Risk Management, who shall carry out such directives.
2. **Executive Director of Compliance and Risk Management.** The Executive Director of Compliance and Risk Management has day-to-day responsibility for implementation of the Compliance Program and Compliance Plan. Compliance activities are coordinated through collaboration with the Compliance and Risk Management Committee, which is a sub-Committee of the health plan Quality Council.
  - a. **Reporting.** The Executive Director of Compliance and Risk Management reports to the Board of Directors as needed but not less than annually. For purposes of performance assessments and reviews, the Executive Director of Compliance and Risk Management reports to Community First's CEO. The Executive Director of Compliance and Risk Management may report compliance issues directly to the Board of Directors, as needed.
  - b. **Responsibilities.** The responsibilities of the Executive Director of Compliance and Risk Management include but are not limited to:
    - i. Provide leadership for the Compliance and Risk Management and the Special Investigations Unit (SIU);
    - ii. Budget for activities related to implementation of the Compliance Plan and Audit Plans;

- iii. Coordinate development of written policies and procedures regarding compliance with local, state and federal requirements;
- iv. Facilitate delivery of specialized education and training concerning compliance responsibilities;
- v. Respond to inquiries and reports concerning compliance or non-compliance;
- vi. Investigate instances of suspected non-compliance and suspected fraud, waste and abuse;
- vii. Assist management with enforcement and discipline in instances of non-compliance;
- viii. Develop and implement a compliance assessment, audit and monitoring program;
- ix. Document compliance issues and coordinating corrective action plans as needed;
- x. Establish active relationships with third parties who have specific experience conducting fraud investigations;
- xi. Inform the Board of Directors of the status and activities pertaining to compliance on a regular basis;
- xii. Ensure the components of the Compliance Program are implemented to reduce fraud, waste, and abuse;
- xiii. Facilitate the review of documents and other information relevant to compliance;
- xiv. Encourage the reporting of suspected fraud, waste and abuse (without fear of retaliation) through education and training;
- xv. Keep employees informed of applicable regulations, procedures and guidelines; and,  
Report to the Compliance and Risk Management Committee on a regular basis on the progress of the Compliance Program, including the results of audits, fraud, waste and abuse investigations, non-compliance investigations and education, action plans and mitigation procedures that result from compliance activities.

3. **Compliance and Risk Management Committee.** The Compliance and Risk Management Committee shall advise and support the Executive Director of Compliance and Risk Management with respect to

implementing the Compliance Program, the Compliance Plan and Audit Plans of both the SIU and Compliance.

- a. **Responsibilities.** The Compliance and Risk Management Committee's responsibilities include, but not limited to, assisting the Executive Director of Compliance and Risk Management in:
  - i. The distribution of the Code of Conduct Policy and written policies and procedures that promote and pertain to compliance;
  - ii. The development and implementation of regular, effective education and training programs addressing compliance issues and responsibilities;
  - iii. The creation and maintenance of processes that permit persons to make anonymous and/or confidential, good faith reports of instances of suspected non-compliance;
  - iv. The development of a system to consider, investigate and respond to good faith reports of instances of suspected non-compliance or fraud, waste and abuse;
  - v. The development of protocols for consistent enforcement of appropriate disciplinary action, including termination, against persons who have engaged in acts or omissions of suspected non-compliance;
  - vi. The use of audits, investigations and other evaluation techniques to identify areas of non-compliance, to monitor ongoing compliance and corrective action plans (CAPS) and to assess the effectiveness of CAPS and any other compliance corrective measures.
4. **Membership.** The membership of the Compliance and Risk Management Committee is comprised of senior leadership who oversee key business and operational areas across Community First. The Executive Director of Compliance and Risk Management serves as the chair of the Compliance and Risk Management Committee. Action items are approved by a majority vote of 51 percent of the Committee members.
5. **Meeting Schedule.** The Compliance and Risk Management Committee shall meet on a monthly basis.



### **C. Element 3 – Education and Training**

Education and training concerning compliance matters shall be conducted on an annual and as needed basis. Education and training is a regular aspect of work activities and routine of Community First. Education and training shall be mandatory for all employees and attendance will be documented by sign-in logs. Compliance training shall be considered in employees' performance evaluations.

To ensure an effective compliance program, Community First workforce and contractors must have an understanding of the laws, regulations, and policies of which they must adhere. Additionally, employees need to be informed when laws and regulations change and what those changes mean to them and the organization as a whole. The Compliance and Risk Management Department is responsible for the development and maintenance of a training and education program that encompasses compliance with all local, state and federal laws and regulations. The training and education component of the Compliance and Risk Management department includes the following:

1. The Code of Conduct Policy;
2. The Compliance Plan;
3. The regulatory requirements affecting the health plan;
4. The responsibility to report instances of suspected non-compliance and how to make these reports;
5. The importance of compliance and consequences of non-compliance both for the health plan (sanctions, cancellation of contract with HHSC) and the individual (enforcement and discipline up to and including termination);
6. The necessity of adhering to Corrective Action Plans (CAPs) as they are developed;
7. Fraud, Waste and Abuse training both general and department specific;
8. Compliance training both general and department specific;
9. HIPAA training;
10. Vendor Compliance and FWA training, either by Community First or approved training by each vendor.

## **D. Element 4 – Effective Lines of Communication**

Community First works diligently to foster a culture of compliance throughout the organization. This is done by regularly communicating to employees the importance of conducting their job duties in compliance with all regulatory requirements and reinforcing the expectation of ethical behavior. Community First has systems in place to receive, record, and respond to compliance inquiries or reports of potential acts of non-compliance from employees and vendors. The areas below are key areas of the Compliance and Risk Management department communication approach:

1. **Compliance and Risk Management Intranet Website.** The Compliance and Risk Management department maintains an intranet website dedicated to educating employees in compliance areas related to the Texas Medicaid Program, Texas Department of Insurance, the Texas Employee Retirement System and the Centers for Medicare and Medicaid Services (the Health Insurance Exchange) lines of business. On the intranet site, employees can find, among other things:
  - a. The Compliance Plan and Code of Conduct Policy;
  - b. HIPAA privacy and breach reporting policies;
  - c. An email link for submitting questions to the Executive Director of Compliance and Risk Management;
  - d. Instructions for reporting potential incident of non-compliance, fraud, waste or abuse;
  - e. Links to Texas Medicaid and Texas Department of Insurance compliance-related websites.
2. **Communicating Compliance Concerns.** Community First strives to create an environment where employees can seek and receive prompt guidance on compliance issues they bring to the attention of the Compliance and Risk Management department. Whenever an employee questions the compliant or ethical nature of a particular situation, the employee is encouraged to seek guidance from any number of sources, including:
  - a. Community First Policies & Procedures;
  - b. Their direct supervisor or manager;
  - c. Executive Director of Compliance and Risk Management;

- d. The Compliance Line Hotline; and,
- e. The Community First Compliance staff.

The Executive Director of Compliance and Risk Management and all Compliance staff shall maintain an open-door policy in order to encourage good faith reporting. The Executive Director of Compliance and Risk Management or designee will be available at all times for any issues that may arise. Confidentiality between the Executive Director of Compliance and Risk Management and all other staff, management and entities is ensured upon request.

Any employee aware of a violation of either the Compliance Plan or Code of Conduct Policy, has a duty to report the violation to either his/her direct supervisor or manager, the Executive Director of Compliance and Risk Management, or through the Compliance Line Hotline. Contractors and subcontractors have the responsibility to report Compliance violations to Community First.

- 3. **Retaliation.** Community First does not tolerate retaliation against employees who make good-faith reports of potential incidents of non-compliance. Community First's stance on non-retaliation is communicated through company policy and procedure, in the Code of Conduct Policy, and in required training materials.
- 4. **Compliance Line Hotline.** The Compliance Line Hotline is a confidential and toll-free resource available to all Community First employees twenty-four hours a day, seven days a week to report violations, concerns, or questions relating to the Code of Conduct Policy, the Compliance Plan and suspected instances of Fraud, Waste and Abuse. Calls made to the Compliance Line Hotline can be made anonymously and are never traced or recorded. The Compliance Line Hotline is operated by a third-party vendor in order to ensure confidentiality. All Community First calls to the Compliance Line Hotline are investigated by the Executive Director of Compliance and Risk Management and/or designee.

**Compliance Line Hotline**  
**1-877-225-7152**

## **E. Element 5 - Enforcement and Discipline**

Enforcement of compliance is conducted through a variety of methods, including, but not limited to, dealing consistently and appropriately with violations, and implementing and revalidating corrective action plans. Non-compliant staff, including Directors or Managers who excuse or fail to prevent improper conduct, are subject to disciplinary action, up to and including termination of employment. The Executive Director of Compliance and Risk Management is accountable for ensuring disciplinary actions are timely, fair, and consistent by working with the Human Resources department and the applicable department directors in the effectuation of all acts of disciplinary action for non-compliance.

Community First communicates and provides the Code of Conduct Policy to all staff so as to convey the requirements and expectations for compliance with all local, state and federal laws. The disciplinary policy is communicated through compliance and FWA training.

In order to discourage an incident of unethical or noncompliance behavior, all Community First employees are reminded of disciplinary guidelines in the initial and annual compliance and FWA training.

## **F. Element 6 - Effective Internal Auditing and Monitoring**

Contractual requirements found in the Uniform Managed Care Manual and the Community First contract with HHSC are used to develop metrics for assessing Community First's operational performance against regulatory standards. Additionally, monitoring and auditing allows Community First to identify areas that require corrective action in order to achieve compliance with the appropriate regulatory requirement. This process of self-identification and corrective action, along with monitoring such actions to ensure their effectiveness, is a key element of the Community First Compliance Program. The Executive Director of Compliance and Risk Management will do the following to help identify areas of non-compliance:

1. **Annual Risk Assessment.** An annual risk assessment will be performed under the leadership of the Executive Director of Compliance and Risk Management through review of operational processes and documentation and through by conducting interviews of personnel in the various operational areas. The data obtained will be used to assess the potential risks to members, physicians/providers, vendors, and Community First.
2. **Internal Auditing and Monitoring.** Auditing and monitoring is based on several factors: the annual risk assessment; areas of past non-compliance; previous audit findings, both internal and external; the Federal OIG Work Plan; TX HHSC Compliance Recommendations; new rules and regulations; recommendations of the Compliance and Risk Management Committee and the Quality Committee; and, high risk areas as noted by both regulatory agencies and Compliance best practices.
3. **Third Party Audits.** In order to maximize internal resources, Compliance and Risk Management may engage third party vendors to audit Community First's processes and operations. Similar to audits conducted by internal compliance staff, the findings are reported to the Compliance and Risk Management Committee, Quality Council, and to the Board of Directors, as appropriate.
4. **Monitoring and Auditing of Delegated Entities.** Community First contracts with various parties to administer and/or deliver services to its members on behalf of Community First. These entities must abide by specific Community First contractual and regulatory requirements. The various Community First departments are responsible for overseeing the ongoing compliance of these entities and ensuring that appropriate corrective actions are implemented on a timely basis.
5. **Auditing by Regulatory Agencies and External Parties.** Regulatory audits are an opportunity to confirm that health plan compliance efforts are effective. In those instances where an audit finding indicates that we have not met a regulatory requirement, Community First uses the audit finding to perform root cause analysis and develop corrective action plans to address these areas of non-compliance. Community First may,

from time to time, contract with a third-party vendor to perform compliance reviews and to assist with implementing necessary changes to help support Community First's compliance effort. Community First will cooperate with all federal agencies and external parties that may audit the plan. This includes providing auditors with access to requested information and records related to Community First's business processes and those of our third-party vendors.

- a. The Compliance and Risk Management department serves as the point of contact for all audits related to State and Federal agency reviews and coordinates auditor requests with all internal departments.

## **G. Element 7 - Prompt Response to Detected Violations**

1. **OIG Exclusion.** The first line of defense against non-compliant behavior and/or possible FWA is to ensure that new employees, vendors, and providers have not been debarred, excluded, or otherwise become ineligible for participation in federal and/or state healthcare programs. To ensure this, the Human Resources department (employees) and the Credentialing department (providers) conduct background checks, which includes review of the Office of Inspector General's (OIG) list of excluded individuals/entities. This is conducted on initial hire and periodically thereafter. If it is determined that any employee, provider, or vendor appears on any exclusion list, Community First will take immediate action to terminate the employment/contract for that individual/entity.
2. **Suspected Fraud and Compliance Investigations.** Community First employees, management, and members of the Board of Directors must report any instances of non-compliance and suspicions of fraud, waste, and abuse to Community First. There are several options for reporting: to an employee's supervisor or department leader, a department Director of another department or an Executive leader, to any Compliance department staff member, to the Executive Director of Compliance and Risk Management, or to the Compliance Line or FWA Hotline. All reports of suspected fraud, improper conduct, non-compliance, and/or fraud, waste, and abuse, regardless of point of contact are investigated promptly and thoroughly by the Compliance and

Risk Management department under the direction of the Executive Director of Compliance and Risk Management. The reporter of any suspected instance of FWA or non-compliance can elect to remain anonymous. Once an allegation has been received by the Executive Director of Compliance and Risk Management, an investigation is initiated. When the investigation is complete, the Executive Director of Compliance and Risk Management will coordinate a corrective action plan, including but not limited to, education and training, auditing and monitoring and/or disciplinary action. Any employee instances of conduct determined to be fraudulent will be reported to the Human Resources Department. Incidents regarding a provider or delegate are addressed through the health plan quality infrastructure, which is coordinated by the Executive Director of Compliance and Risk Management.

3. **Referral to Government Agencies and/or Law Enforcement.** In the event that a compliance investigation substantiates FWA or a high likelihood that the activity is fraudulent, the Executive Director of Compliance and Risk Management reports/self-reports the case to the relevant government and/or law enforcement entities. These include, but are not limited to, the Office of Inspector General (OIG), the Office of the Attorney General (OAG), the Medicaid Fraud Control Unit (MFCU), the Federal Bureau of Investigation (FBI), the Texas Department of Insurance (TDI), Health and Human Services (HHSC) and Centers for Medicare and Medicaid Services (CMS). Community First participates in and cooperates with all investigations by such agencies.

#### **H. Element 8 – Health Insurance Portability and Accountability Act of 1996 (HIPAA) and Health Information Technology for Economic and Clinical Health Act (HITECH)**

Community First personnel will comply with requirements as mandated by HIPAA/ HITECH and will complete annual HIPAA/HITECH compliance training. This training will include, but not limited to, privacy and security of protected health information (PHI) and standard electronic transactions.

## **I. Element 9 - Fraud, Waste and Abuse Plan**

Through its Special Investigations Unit (SIU), Community First maintains an Anti-Fraud Plan that demonstrates the company's commitment to prevent, detect and correct incidents that could lead to fraud, waste or abuse. The SIU conducts audits to monitor compliance and to identify possible program violations. Upon hire, and annually, all employees must agree to comply with the Community First Code of Conduct Policy and complete all mandatory compliance and FWA training requirements.

Community First uses a number of system edits and programmatic reviews of data designed to detect potential fraud. Additionally, the SIU maintains a FWA hotline for anonymous reporting of potential fraud, waste or abuse. Fraudulent activity may involve an employee, member, vendor or provider.