



## Delta Dental of North Carolina Compliance Plan

<b>Procedure #:</b> 420-31	<b>Title:</b> Compliance Plan		
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<b>Reminder: When accessing PHI or other sensitive information, employees must at all times abide by the Company's Minimum Necessary Privacy Policy</b>			

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# I. Introduction

Delta Dental of North Carolina (“Delta Dental”) is committed to providing our clients and subscribers with dental benefit plans that meet their needs. We strive to develop and maintain lasting relationships based on quality and value, and we have managed to exceed our own expectations. However, we recognize that these goals can never come at the cost of our most important attribute—our integrity. Through years of hard work, we have crafted a reputation for honesty, fairness, and ethical behavior. We believe our strength—both as a business and as a corporate citizen—rests on our dedication to these principles.

To evidence our commitment to maintaining these standards, Delta Dental has developed this Compliance Plan. The Compliance Plan is a roadmap for the company and its employees, interns, subcontractors and Board of Directors to our internal compliance policies, as well as the many laws that govern our business.

As the backbone of our policies, Delta Dental has incorporated guidance issued by relevant agencies, including but not limited to, The Centers for Medicare and Medicaid Services, the Department of Health and Human Services’ Office of Inspector General, and state Departments of Insurance. The basic elements of an effective compliance program are:

- Designation of Compliance Officers that reports directly to the Board of Directors Governing Body responsible for Compliance
- Designation of a Compliance Committee;
- Implementation of written policies and procedures;
- Education and training programs;
- Development of the lines of communication between the Compliance Officers and Company Representatives;
- Internal monitoring and auditing;
- Enforcement of standards; and
- Prompt response to issues and corrective actions to ensure future compliance.

Delta Dental has taken these guiding principles and crafted this Compliance Plan tailored to our company and our business. We recognize that implementation of this Plan will not eliminate any duties imposed by law. However, as a first step, it is vital to maintaining our own high standards and to ensuring compliance in an ever-changing legal landscape. We intend this Compliance Plan to grow and change with our business and with the laws that govern us. The Plan includes the flexibility to do exactly that.

In short, Delta Dental strives to cultivate an ethical culture where compliance is not only rewarded, but expected. Such a culture starts here, with our employees. If we can improve in any way, please let us know. Remember, compliance is everyone’s job.

## II. Overview and Implementation

### Purpose

The purpose of the Delta Dental Compliance Plan is to promote an ethical corporate culture and to ensure compliance with all applicable state and federal laws, rules, and regulations. The policies and procedures contained herein are to be used by our employees, agents, and contractors as a guide to ethical behavior. If at any time one of the policies—whether in this Compliance Plan or the Code of Ethics & Conduct—creates an ethical dilemma or conflicts with existing law, please contact one of Delta Dental’s Compliance Officers, whose information may be found in Section III.

### Scope

This Compliance Plan applies to any employee of Delta Dental, including all directors, officers, contractors, interns and temporary employees working on behalf of Delta Dental (“Company Representatives”). In addition, to the extent applicable, Delta Dental’s network dentists must comply with Delta Dental’s Compliance Plan. Compliance starts with our people, and Delta Dental is committed to hiring only those employees who meet all of the federal, state, and other regulatory agency requirements. Pre-employment screening includes checking information and verifying that an individual meets the educational and/or experience requirements for the position for which they have applied. Additionally, criminal background checks and drug tests are required for all newly hired employees.

It is the policy of Delta Dental that all Company Representatives adhere to Delta Dental’s Code of Ethics & Conduct and the Employee Handbook.

All Company Representatives are expected to adhere to this Compliance Plan and to report any suspected violations of this Compliance Plan to a supervisor or other member of management; Human Resources; the Compliance Officers; or anonymously to the Ethics Hotline.

It is the policy of Delta Dental for Company Representatives to comply with all applicable federal and state rules and regulations and Delta Dental Plans Association standards (“DDPA Standards”) at all times. However, the Delta Dental compliance program is focused on a smaller subset of issues that pose a high risk to Company Representatives, Delta Dental, and our members. The policies identified in Section IV of this Compliance Plan help to define the scope of the Delta Dental compliance program.

## Summary

This Compliance Plan outlines the policies and procedures that create a framework for an ethical, law-abiding culture.

This Compliance Plan has been implemented with the guidance of the Compliance Officers and shall be enforced throughout the company. It provides the means for Company Representatives to communicate potential violations. Delta Dental promptly and timely investigates all reports of allegations of noncompliance under the Compliance Plan and takes appropriate action in the event of a violation. Appropriate action includes, but is not limited to, enhanced training, actions to mitigate risk, feedback to Company Representatives, and progressive disciplinary measures.

Delta Dental recognizes that employees may be discouraged from reporting concerns if they believe that retaliation, intimidation, retribution, or harassment may result. Delta Dental will take appropriate disciplinary action up to and including termination for managers, supervisors or employees who engage in retaliation, intimidation, retribution, or harassment of an employee who reports a compliance concern in good faith.

Delta Dental will monitor its level of compliance through routine audits, both internal and external. It will promptly respond to and investigate allegations of noncompliance, and issue corrective procedures as necessary to mitigate known risks.

In short, this Compliance Plan:

- Establishes an administrative framework for maintaining an effective and diligent Compliance Plan;
- Creates effective communication channels to deliver Delta Dental's commitment to ethical business practices and receive feedback regarding adherence to these practices;
- Implements monitoring and auditing functions to measure the effectiveness of the Compliance Plan and to address problems in an efficient and timely manner;
- Outlines enforcement and discipline components that ensure that all Company Representatives take their compliance responsibilities seriously;
- Identifies Delta Dental's significant operating and legal risks and develops a plan to minimize those risks; and
- Reinforces the compliance and business ethics practices set forth in Delta Dental's existing Employee Handbook and its Code of Ethics & Conduct, including training and education of staff.

### III. Oversight

#### Compliance Officers

The Compliance Officers are responsible for directing and assuring the active functioning of Delta Dental's compliance efforts. The current contact information is as follows:

**Corporate Compliance Officer:**

Name: Sue Jenkins

Email: [sjenkins@deltadentalmi.com](mailto:sjenkins@deltadentalmi.com)

Phone: 517.347.5282

Mail: PO Box 30416

Lansing, Michigan 48909

**Government Programs Compliance Officer:**

Name: Kristen Smith

Email: [ksmith@deltadentalmi.com](mailto:ksmith@deltadentalmi.com)

Phone: 517.381.4365

Mail: PO Box 30416

Lansing, Michigan 48909

The Compliance Officers are responsible for implementation of this Compliance Plan and work with the Compliance Committee to ensure that the Compliance Plan is meeting its intended purpose. The Compliance Officers have access to the Governing Body, will report any compliance concerns directly to them, and will dedicate resources necessary to ensure the success of the Compliance Plan.

Any Company Representative may contact the Compliance Officers at any time to voice a compliance-related concern, or to request guidance on any company policies.

The Compliance Officer's general responsibilities include the following:

- Supervising implementation of the Compliance Plan and coordinating all compliance efforts;
- Assuring proper distribution of the Code of Ethics & Conduct and, depending on an individual's particular job responsibilities, any other written compliance policies and guidelines that may be relevant;
- Establishing the Compliance Committee ;
- Training and educating Compliance Committee members regarding their compliance responsibilities;
- Developing and approving compliance education and training materials and document attendance at or completion of required training;
- Overseeing annual employee attestations regarding commitment to compliance;
- Coordinating compliance personnel issues with Delta Dental's Human Resources department to ensure that compliance is an integral part of performance assessment;
- Developing communications (emails, newsletters, etc.) that encourage Company Representatives to report suspected improper or illegal conduct;

- Implementing and operating intimidation-free, retaliation-free reporting channels, including an anonymous telephone hotline;
- Identifying and assessing areas of operations that present the greatest compliance risk and prioritizing resources to address those risk areas;
- Working with the Compliance Committee to identify risk areas warranting compliance audits;
- Monitoring and evaluating the Compliance Plan's effectiveness;
- Documenting any potential compliance violations and overseeing investigations;
- Keeping current with laws, regulations and policies, including DDPA Standards, applicable to compliance in order to provide the best possible advice and guidance;
- Ensuring that Delta Dental takes appropriate corrective action where Company Representatives do not adhere to the Code of Ethics & Conduct, Employee Handbook, or other compliance related policies; and
- Working with the Compliance Committee to periodically assess the adequacy of the Code of Ethics & Conduct and this Compliance Plan and revising as necessary.

### **Compliance Committee**

Delta Dental's Compliance Committee is responsible for supporting the Compliance Officers in developing, monitoring and assessing the effectiveness of the Compliance Plan. The Compliance Committee is composed of leaders throughout the company who have significant roles that touch on compliance issues, such as operations, claims, legal, risk management, sales, professional services, appeals and human resources. The Compliance Committee meet minimally on a quarterly basis, or as frequently as necessary, and have the following duties and responsibilities:

- Continually analyzing the company's risk environment, the legal requirements with which it must comply and specific risk areas;
- Assessing and revising existing compliance policies and procedures to assure compliance with state and federal laws and regulations;
- Assisting the appropriate personnel in designing and coordinating compliance reviews and monitoring activities;
- Reviewing the results of investigations and resulting corrective action plans for operations departments, providers, or contractors;
- Assessing and revising policies and programs to promote compliance and encourage reporting of suspected fraud and other improprieties without fear of intimidation, retaliation and ensuring proper responses to reports of noncompliance;
- Overseeing the company's compliance training efforts; and  
Maintaining the confidentiality of any sensitive or proprietary information learned by a member through the Compliance Committee process.

## **Governing Body**

Delta Dental's Governing Body (Audit Committee of the Board of Directors) oversees the implementation and effectiveness of Company's compliance program. The Governing Body receives periodic reports on the status of the compliance program by the Compliance Officers.



## **IV. Effective Written Policies and Procedures**

Delta Dental has specific policies and procedures to ensure compliance with all applicable federal and state laws. Further, Delta Dental has procedures that are dedicated to Federal Marketplace, Medicare Advantage and Medicaid (if applicable) requirements to ensure employees follow specific standards for each program. All compliance policies are reviewed and approved by the appropriate Compliance Committee and annually reviewed thereafter. Delta Dental employees are expected to follow all procedures related to their job. Delta Dental audits and monitors these procedures to ensure they are being followed. In the event a new federal or state law or requirement goes into effect, one of Delta Dental's Compliance Officers will notify any applicable business users of the change. If a policy or procedure is required to be modified, the policy or procedure will follow the appropriate approval process for revision. The Compliance Officers ensure that any required changes to policies or procedures are implemented through this process. Unless otherwise noted, the following policies and procedures are within the scope of the compliance program.

### **Code of Ethics & Conduct**

The Code of Ethics & Conduct is the bedrock of the compliance program. It establishes an ethical framework for Company Representatives. It contains guidance regarding many compliance-related issues such as the giving and receiving of gifts, relationships with customers and suppliers, compliance with Antitrust laws, and protection of Delta Dental assets and confidential information. The Code of Ethics & Conduct reinforces the expectation for ethical behavior within the company and requires employees to report violations of the Code and/or other improper activities. All Company Representatives must sign an acknowledgement to indicate that they understand and will abide by the Code of Ethics & Conduct.

### **Employee Handbook**

All Company Representatives are also required to adhere to the Delta Dental Employee Handbook ("Employee Handbook"). The Employee Handbook is largely devoted to human resource policies, but also includes some compliance-related policies. For example, it prohibits intimidation or retaliation against employees for raising concerns about violations of legal or ethical standards. It also reminds employees to safeguard personally identifiable information on plan members or fellow employees.

### **Non-retaliation and non-intimidation Policy**

Delta Dental strictly prohibits intimidation or retaliation against Company Representatives for raising compliance issues in good faith. This policy is stated in the Employee Handbook as well as the Code of Ethics & Conduct.

### **Excluded Provider Checks**

Compliance starts with our people, and Delta Dental is committed to hiring only those employees who meet all of the federal, state, and other regulatory agency requirements. Pre-employment screening includes checking information and verifying that an individual meets the educational and/or experience requirements for the position for which they have applied. Criminal background checks are required for all newly hired employees. And Delta Dental screens all employees, network providers, and contractors on a monthly basis to ensure that they have not been excluded from participating in any federal or state health care programs.

### **Privacy and Security**

Delta Dental is committed to protecting and safeguarding patient information. Delta Dental has implemented a series of policies and procedures to comply with the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act of the American Recovery and Reinvestment Act of 2009 ("HITECH").

## V. Training and Education

New employees will receive an initial training and orientation that provides them with the information and support they need to make ethical choices. The initial training program also shows individuals where they can find applicable policies, procedural guidance, and compliance information. Additionally, at the initial training, all new employees receive a copy of or will be electronically directed to Delta Dental's Compliance Plan, the Code of Ethics & Conduct and the Employee Handbook. New employees are also required to complete a Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and Fraud, Waste and Abuse ("FWA") and Compliance training upon hire. Current employees are also required to complete both HIPAA and FWA and Compliance training on an annual basis thereafter. In addition, specialized compliance training is offered to employees working in specific risk areas on an annual basis. To the extent applicable, training also includes an overview of state and federal laws, regulations, rules, and statutes that are specific to their area of employment.

Supplemental trainings emphasize topics that are specific to job function, as well as a thorough review of HIPAA and ethics-related topics when appropriate. Performance evaluations will take into consideration adherence to Delta Dental's policies and procedures regarding compliance and/or ethical conduct.

Finally, Delta Dental employs other mechanisms to communicate the message of the importance of compliance. Examples may include posting compliance information on Delta Dental's company Intranet, holding "lunch and learn" sessions, and/or distributing newsletters.

## VI. Communication

### General Process

Company Representatives, as well as individuals not affiliated with the company, are encouraged to report potential ethical violations and suspicions of misconduct within a reasonable amount of time of the occurrence. They are also encouraged to voluntarily self-report any potential instances of noncompliance.

Delta Dental provides guidance to all Company Representatives for reporting suspected improper activities, serious or substantial violations of company policy, and/or other improper activities. It is the responsibility of every Company Representative to ensure compliance with corporate policies and government regulations.

Persons reporting violations shall make reports based upon reasonable belief that an improper or unethical activity has occurred. The motivation of the person is irrelevant to the consideration of the validity of the allegations. In the event violations of corporate policy, government law, or other improper activity are identified, the appropriate department(s) will be informed and the incident will be fully investigated. Corrective action may be taken in accordance with the Code of Ethics & Conduct and applicable company policies. Delta Dental has adopted an Anti-Fraud Plan designed to assist Company Representatives in detecting and preventing fraud and abuse that may be performed by providers and/or subscribers. Delta Dental reports all instances of suspected fraud to any applicable state Department of Insurance or other regulating entity, when required.

Managers and supervisors are required to respond timely, appropriately and honestly when possible wrongdoing is brought to their attention. It is their responsibility to relay reports of noncompliance to the Compliance Officers or the appropriate personnel to initiate an investigation. Because Delta Dental is committed to providing an effective reporting tool for employees, a manager or supervisor may decline to identify the employee who originally made the report as long as it is not required by law or otherwise place the company at risk.

Every effort is made to maintain, within the limits of the law, the confidentiality of the identity of any individual who reports possible misconduct. There will be no retribution or discipline for anyone who reports a possible violation in good faith.

Departing employees are asked to submit to an exit interview. One of the purposes of the exit interview is to determine if the employee has knowledge of wrongdoing, unethical behavior or criminal misconduct. The interview may also be used to obtain information about unsafe or unsound business practices.

## **Reporting Concerns**

Interested parties may report (or self-report) potential violations in a number of ways, whether Company Representatives or those not affiliated with Delta Dental.

Employees can log on to the Ethics Hotline found at <https://Renaissance.alertline.com><sup>1</sup> or call 800-457-6254. Issues reported on the Hotline may be done so anonymously. The Hotline is confidential, easy to use and always available.

Reports of concerns may also be made orally or in writing by Company Representatives to an appropriate manager. If a Company Representative is not comfortable reporting concerns to a manager, or is not satisfied with the response to his or her inquiries, the concerns should be directed to Delta Dental's Compliance Officers or to a Compliance Committee member.

Employees with questions regarding applicable fraud and abuse laws and anti-fraud policies are also directed to contact one of Delta Dental's Compliance Officers.

## **Investigating and Tracking Violations**

The Compliance Officers will promptly investigate all reported potential compliance issues to determine whether a violation of applicable law or Delta Dental's compliance program has occurred. The Compliance Officers maintain a tracking log of all concerns and complaints received, as well as the results and outcome of any investigations conducted. At the end of the investigation, the Compliance Officers will take appropriate steps to correct any confirmed compliance issues. This may include disciplinary or remedial action, additional training efforts or corrective actions steps required by the applicable Company Representatives.

In addition, the Compliance Officers have access to Delta Dental's Governing Body, and report(s) any findings from investigations concerning compliance.

## **Non-Retaliation and non-intimidation Policy**

Delta Dental cannot intimidate or retaliate against any Company Representative, directly or indirectly, for disclosing or reporting suspicious activity. However, the intentional filing of a false report whether orally or in writing is itself considered an improper activity which the company has the right to act upon. Any written complaint by a Company Representative which alleges retaliation or intimidation for having made a protected disclosure or for having refused an illegal order is to be reported to the Human Resources Department and the Compliance Officers.

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<sup>1</sup> Delta Dental is part of the Renaissance Family of Companies and utilizes an enterprise-wide hotline.

## **VII. Auditing and Monitoring**

Delta Dental uses routine monitoring and auditing functions to assess the effectiveness of its Compliance Plan. The types of audits and areas to be audited are determined each year by the internal auditors, Compliance Officers and Compliance Committee. Audits may include the review of a statistically valid random sample of cases, staff interviews, and trend analysis studies. The results of such audits are presented to the Compliance Committee, which assesses the results and recommends any necessary corrective measures. Such corrective measures may include additional auditing, monitoring, new policies, additional training, and education. In addition, the Governing Body is informed on the results of internal audits.

Audits may be conducted in a number of ways, including by using outside resources such as counsel, auditors, or healthcare consultants or experts; through internal personnel; or through an internal audit function.

While the Compliance Officers and Compliance Committee periodically assess Delta Dental's risk areas to determine which areas may warrant a compliance audit, certain areas by their nature present significant company risk potential. Accordingly, some areas may be subject to audits more frequently than others.

If compliance issues are presented as a result of the auditing and monitoring measures, Delta Dental is committed to responding to such compliance issues promptly and at the direction of the Compliance Committee.

Finally, any noncompliance may be self-reported by Delta Dental to applicable authorities at the direction of the Compliance Officers.

Delta Dental will conduct a formal risk assessment process on no less than an annual basis. The risk assessment will be conducted by members of the Compliance Committee and presented to the Compliance Committees for approval. The risk assessment process will take into account data from a variety of sources to identify the organization's top compliance-related risks. The data could include reports from state or federal governmental agencies or results from auditors, data mining of Delta Dental claims information to identify potentially erroneous claims, or interviews of senior leaders. The risk assessment process will culminate in the identification of at least three top vulnerabilities. Mitigation strategies will be developed to address the top vulnerabilities.

## **VIII. Enforcement and Corrective Action**

Adherence to this Compliance Plan and the Code of Ethics & Conduct, policies and procedures and federal and state laws are important to the reputation and success of Delta Dental and must be taken seriously by all Company Representatives. Accordingly, violations will not be tolerated and will result in appropriate disciplinary measures up to and including termination of employment, required reimbursement of losses or damages, or referral for criminal prosecution and/or civil action. Further, all employees are expected to report compliance issues and provide any assistance to support its resolution.

If an agent or contractor violates the Compliance Plan or applicable laws or regulations, Delta Dental will take appropriate measures such as terminating the contract, requiring repayment, requiring additional training and education or requiring a corrective action plan.

Delta Dental, when necessary, will take corrective measures to ensure future compliance, such as retraining, increased monitoring, and warnings. Allegations of misconduct will be timely and thoroughly investigated.