

# Compliance Plan

2025-2026

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**LIBERTY DENTAL PLAN®**

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# I. Overview & Goals of the Compliance Program

Liberty Dental Plan Corporation, including its subsidiaries and affiliates (collectively, "Liberty") is proud of its long tradition of ethical and responsible conduct. Liberty is committed to not only ensuring that its members are provided with the highest quality services, but also to providing those services pursuant to the highest ethical, business, and legal standards. To that end, Liberty has implemented a comprehensive, mandatory compliance program ("Compliance Program") setting forth administrative and management arrangements and procedures to ensure that legal and ethical conduct is an integral part of our organization's culture and operations, and that Liberty consistently fulfills all applicable statutory and contractual obligations, including guarding against fraud, waste, and abuse.

Liberty regularly updates and improves its Compliance Program to adapt to the complex and continually changing regulatory environment in which Liberty operates. The expectations and standards of the Compliance Program are set forth in Liberty's Code of Conduct and numerous compliance policies and procedures that address specific legal requirements and potential areas of risk. These risk areas include billing, payments, quality of care, medical necessity, record retention, governance, business relationships, mandatory reporting, and credentialing, among other areas identified by Liberty.

Liberty has also implemented risk assessment procedures, audit protocols, training requirements, reporting mechanisms, and investigative and corrective action processes, all of which have enhanced its ability to prevent and detect fraud, waste, and abuse ("FWA") and ensure ongoing compliance. Liberty's Compliance Program is designed to be an effective and coordinated program that meets all applicable federal, state, and local statutory and regulatory requirements. In addition, the Compliance Program is intended to act independently of operational and program areas without fear of repercussions for uncovering deficiencies or noncompliance. Liberty's goal as an organization is to ensure that a commitment to compliance is reflected throughout Liberty's network of systems and processes, as well as culture.

Liberty's Board of Directors annually reviews and approves the Compliance Plan, which is comprised of eight key elements. The following provides a brief description of how each element is designed, structured, and implemented.



## Executive Approval for 2025 - 2026 Compliance Plan

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### Board of Directors Approval

**Liberty Dental Plan's** Board of Directors has reviewed and approved this document.

A handwritten signature in blue ink that reads "Marzena Fercz". The signature is fluid and cursive, with the first name "Marzena" and last name "Fercz" clearly legible.

08/06/2025

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Marzena Fercz  
Vice President of Compliance  
& Chief Compliance Officer

## II. Structure & Guidelines of the Compliance Program

### **Element 1: Written Policies & Procedures**

#### a. Code of Conduct

Liberty's Code of Conduct provides a high-level overview of Liberty's Compliance Program for all members of the Board(s) of Directors ("Directors"), officers, employees, contractors, agents and First Tier, Downstream and Related Entities (as this term is defined by CMS) ("FDRs") (collectively referred to here as the "Covered Persons"). Liberty's employees and staff are referred to as "Liberty Team Members." The Code of Conduct sets forth standards for legal and ethical conduct; describes compliance expectations; implements the operation of the Compliance Program; provides guidance to Covered Persons and others on dealing with potential compliance issues; identifies how to communicate compliance issues to appropriate compliance Covered Persons; and describes how potential compliance problems are investigated and resolved. Covered Persons receive and acknowledge the Code of Conduct at the outset of their relationship with Liberty (for example, upon hire, contract, etc.), and annually thereafter.

#### b. Compliance Plan

The Compliance Plan sets forth the structure and guidelines for Liberty's Compliance Program. It describes the required elements of a compliance program pursuant to applicable federal and state law, and contractual and program requirements; and describes how each element is supported, facilitated, and implemented. The elements are consistent with guidance issued by (i) the Centers for Medicare and Medicaid Services ("CMS"); (ii) the Office of Inspector General of the U.S. Department of Health and Human Services ("OIG"); (iii) the Federal Sentencing Guidelines; (iv) the Center for Consumer Information and Insurance Oversight ("CCIO") and (v) relevant contractual and program requirements.

#### c. Anti-Fraud Plan

Liberty's Anti-Fraud Plan is the core document which establishes the policies and procedures by which Liberty conducts ongoing monitoring activities to prevent, detect, investigate, and correct fraud, waste, and

abuse. The Anti-Fraud Plan provides guidance on how and when to refer suspected fraud, waste, and abuse to the appropriate regulatory governing body or to Liberty's Dental Plan clients, and describes Liberty's comprehensive plan for the identification, review, prevention, detection, recovery, and reporting of fraud, waste, and abuse.

#### d. Delegated Vendor Oversight Program

Liberty's Delegated Vendor Oversight Program ("DVOP") establishes Liberty's formal process for ensuring proper due-diligence and ongoing oversight of third parties that perform services on Liberty's behalf, consistent with applicable law, and contractual and certification requirements, and best practices. The DVOP's goals include ensuring due-diligence and oversight activities are efficiently coordinated and integrated across functional areas through clearly defined roles, responsibilities, record-keeping standards and reporting structure.

#### e. Incident Management Plan

Liberty's Incident Management Plan ("IM Plan") establishes Liberty's formal process for identifying, responding to, reporting, and tracking potential and actual privacy or security breaches, events or incidents. The IM Plan describes the roles and responsibilities of the Incident Response Team and Liberty's processes for ensuring that incidents are tracked, mitigated, and reported appropriately.

#### f. Compliance Policies and Procedures

Liberty has adopted and implemented numerous compliance policies and procedures that operationalize the compliance program, and further describe compliance expectations embodied in Liberty's Code of Conduct. These policies and procedures are available on Liberty's intranet and address specific compliance risk areas and requirements to ensure that Liberty's Compliance Program is operating efficiently and effectively. Generally, the policies and procedures prescribed by Liberty apply to all Liberty programs and Covered Persons, although certain provisions or policies may address unique licensure or compliance mandates applicable to only a certain line of business or Liberty entity.

## g. Policy and Procedures

Liberty's policies and procedures are formally reviewed on at least an annual basis to ensure ongoing compliance with law, contractual requirements, and best practices. Changes to policies and procedures are subject to the approval of the Quality Committee, and all policies are available to employees on demand, via Liberty's intranet.

Liberty providers may access Liberty's policies and procedures upon request, and by referring to Liberty's Provider Handbook and applicable bulletins, which are kept up to date and in compliance with state and federal laws. The Provider Handbook serves as a source of information regarding Managed Care Plan covered services, policies and procedures, statutes, regulations, telephone access and special requirements to ensure all regulatory and contractual requirements are met.

## Element 2: Compliance Officer & Risk Governance

### a. Compliance Officer

Liberty employs a designated Chief Compliance Officer ("Compliance Officer"), Marzena Fercz, who reports directly to Liberty's Chief Executive Officer ("CEO") and Board of Directors, and chairs Liberty's Regulatory Compliance Committee. The Compliance Officer also oversees Liberty's Special Investigation Unit ("SIU") and FWA Program. The Compliance Officer has ongoing access to legal counsel through both Liberty's Legal department and external attorneys, as necessary.

Liberty's Compliance Officer is responsible for developing and implementing policies, procedures, and practices designed to ensure compliance with all regulatory and contractual requirements impacting Liberty. The Compliance Officer coordinates and oversees day-to-day compliance activities including ensuring that compliance issues are properly and consistently addressed as they arise, and that appropriate compliance assurance reviews, investigations, audits, and inquiries are conducted. The Compliance Officer is also responsible for ensuring FDRs and other subcontractors complete appropriate training at the time of contracting and annually thereafter, such as Compliance and FWA training, as applicable. In addition, the Compliance Officer is responsible for

overseeing appropriate responses to all reports, complaints, and questions raised about compliance issues. As such, Liberty's Compliance Officer serves as the Compliance Program point of contact to whom all Liberty and its Covered Persons may report concerns and raise questions about compliance. Concerns may be reported to the Chief Compliance Officer or Market Compliance Officer (see table on page 9) by calling Liberty's dedicated, confidential Compliance Hotline, available 24 hours a day, 7 days a week:

- Phone: 888-704-9833
- Email: [compliancehotline@libertydentalplan.com](mailto:compliancehotline@libertydentalplan.com)
- Fax: 714-389-3529
- Website: [www.libertydentalplan.com](http://www.libertydentalplan.com)
- Mail: Liberty Dental Plan, Attn: Compliance Officer
- 1730 Flight Way, Suite 125, Tustin, CA 92782

Liberty's Compliance Officer also supports Liberty's Privacy Officer in overseeing all ongoing activities related to the development, implementation, maintenance of, and adherence to Liberty's policies and procedures covering the privacy of, and access to, patient health information in compliance with federal and state laws, and Liberty's information privacy practices.

## b. Market Compliance Officers

Each Market Compliance Officer serves as a dedicated resource responsible for managing compliance activities for their respective Market. The Market Compliance Officer is exclusively dedicated to the contract(s) they support, including distributing and communicating to stakeholders new or changing impacted regulations, leading the Market Compliance Committee (a subcommittee of the Regulatory Compliance Committee and accountable to senior management); overseeing the Market's compliance plan; and reporting directly to the Market leader. In addition, the Market Compliance Officer delivers Market specific reports to the Regulatory Compliance Committee and has unrestricted access to Liberty's Chief Compliance Officer, CEO, and Board of Directors.

Market	Compliance Officers	Liberty Hotline	State FWA Hotline
California	Marzena Fercz	888-704-9833	DHCS: 800-822-6222
Florida	Rebecca Nichols Gould	888-704-9833	DCF: 800-962-2873
Nevada	Brooke Pellegrino	888-704-9833	MFCU: 775-684-1100
Oklahoma	Ciarra Johnston	888-704-9833	OKDHS: 800-784-5887

### c. Privacy Officer

The Privacy & Security Committee (a subcommittee of the Regulatory Compliance Committee) appoints a designated Privacy Officer to implement Liberty's Privacy Program. The Privacy Officer develops and deploys policies, procedures, and practices designed to ensure compliance with federal, state, and contractual privacy laws and requirements. The Privacy Officer serves as the co-chair of the Privacy & Security Committee and leads the Incident Management Team in response to privacy incidents. The Privacy Officer, in conjunction with Market Compliance Officers and Security, ensures privacy incidents/risks are mitigated and reporting obligations achieved. Liberty's Privacy Officer serves as the point of contact to whom Liberty (and its Covered Persons, clients, vendors, and subcontractors) may report privacy questions, incidents, complaints, or concerns. Liberty's Privacy Officer has unrestricted access to Liberty's Chief Compliance Officer, CEO, and Board of Directors.

### d. Chief Information Security Officer

Liberty employs a designated Chief Information Security Officer ("CISO") who reports directly to Liberty's Chief Information Officer. Liberty's CISO is responsible for developing and implementing security policies, procedures, and practices designed to safeguard the confidentiality, integrity, and availability of Liberty's digital resources. The CISO serves as the co-chair of the Privacy & Security Committee, chairs Liberty's Information Security Council, and oversees Liberty's Security Governance Risk & Compliance Program.

### e. Risk Officer

Liberty employs a designated Risk Officer, who reports directly to Liberty's Chief Administrative Officer. The Risk Officer has ongoing access to Liberty's Chief Executive Officer, the Board of Directors, and legal counsel through both Liberty's Legal department and external attorneys, as

necessary. Liberty's Risk Officer is responsible for developing and implementing Liberty's Enterprise Risk Management processes to identify and address enterprise risks that may threaten the organization's strategic objectives. The Risk Officer provides regular reports to the Chief Executive Officer, as well as regular formal reports into Liberty's governance structure via the Audit Committee and the Regulatory Compliance Committee.

#### f. Reporting

The Chief Compliance Officer reports to Liberty's Chief Executive Officer and to Liberty's Board of Directors regarding compliance activities. In addition, the Compliance Officer has direct access to the Board(s) of Directors of each of the respective Liberty subsidiaries and affiliates (the "Boards"), as well as such committees of Liberty's Boards as they deem appropriate, in order to ensure that compliance issues are appropriately and consistently addressed throughout the organization.

#### g. Meetings

Liberty's Compliance Officer attends and delivers compliance reports at Liberty's Board of Director meetings and may also, at their discretion, attend meetings of the respective Boards. The Compliance Officer also chairs the Regulatory Compliance Committee (described below), which ensures that all compliance issues are appropriately and consistently coordinated.

#### h. Regulatory Compliance Committee

The Regulatory Compliance Committee ("Compliance Committee") is chaired by Liberty's Compliance Officer, meets regularly, but no less than quarterly, and is comprised of persons involved directly in compliance activities, including the Market Leaders and Compliance Officers, the Risk Officer, Privacy Officer, Security Officer, and representatives from each of the following departments: Human Capital, Legal, SIU, Quality, Clinical Affairs, Information Technology, Claims, Utilization Management, Grievance and Appeals, Finance, Member Services, Credentialing, Provider Relations, Eligibility & Fulfillment, Marketing & Communication, and Account Management. Additional Liberty team members from various operational departments are invited to attend as determined by the Compliance Officer, on an as needed basis. The Compliance Committee

reports directly and is accountable to the Chief Executive and to the Governing Body.

#### i. Oversight by the Liberty Board of Directors

Liberty's Board of Directors is responsible for overseeing Liberty's Compliance Program. The Directors meet at least quarterly and receive reports from Liberty's Compliance Officer on compliance issues, identified risk areas, risk and compliance management activities and external and internal audits and investigations, and, on at least an annual basis, the Board of Directors reviews the effectiveness of the Compliance Program consistent with industry standards and regulatory guidelines.

#### j. Liberty Team Member Responsibilities

Compliance and program integrity activities, such as auditing, monitoring and exclusion screenings, are integrated across Liberty business units through documented protocols that clearly define roles, responsibilities, and performance expectations.

### **Element 3: Training and Education**

#### a. Training and Education

All Covered Persons receive a copy of Liberty's Code of Conduct and are trained regarding the operation of the Compliance Program, the Code of Conduct, Liberty corporate compliance policies and procedures, entity, market and line-of-business specific supplemental policies and procedures, and applicable laws, rules and regulations affecting compliance, HIPAA Privacy, and the prevention and detection of FWA. Covered Persons are also updated on such topics through ongoing educational efforts by Liberty, including topic-specific presentations, newsletters, emails, and other communications. These continuing education and training efforts are critical to ensuring compliance and preventing fraud, waste, and abuse. As such, Liberty's effective communication of applicable laws, regulations and policies includes mandated training and educational programs, and the dissemination of written materials on a regular basis. . Liberty will maintain evidence of completed education and training efforts in accordance with its record retention policy.

## b. Schedule, Participation, and Review

Training and educational programs are conducted as follows:

- a. **New Staff.** Upon hire and appointment, respectively, all new staff and board members receive compliance training and all other training mandated by law and regulation, including but not limited to, training on HIPAA, privacy, security and other patient confidentiality laws, compliance, and FWA. As part of such training, individuals receive a copy of Liberty's Code of Conduct and are required to sign an acknowledgment form, which is maintained for each individual. As appropriate for their job function, Liberty team members also receive additional specific FWA and other Medicaid and Medicare mandated training.
- b. **Subcontractors & FDRs.** All FDRs and other in-scope subcontractors receive training upon initial contract on Liberty's compliance program, Fraud, Waste, and Abuse, HIPAA Privacy and Security, and how to report non-compliance, including Privacy and FWA concerns. All FDRs and other in-scope subcontractors are required to attest to completion of mandated compliance trainings on at least an annual basis.
- c. **Annual Training.** As part of Liberty's annual in-service program, all Liberty team members, including the Compliance Officer, SIU staff, managers, employees, and board members complete mandatory Compliance, Code of Conduct, HIPAA and FWA prevention and detection training. FDRs and other in-scope contractors are similarly required to annually complete and attest to completion of such trainings.
- d. **Specialized Training and Ongoing Education.** To the extent that an issue arises through an audit or issuance of new laws, rules regulations or otherwise, designated Compliance personnel will coordinate with impacted business areas to develop and disseminate appropriate training and educational materials.
- e. **Mandatory Participation.** Attendance and participation in training and educational programs are mandatory for all Covered Persons. Failure to comply with education and training requirements may

result in disciplinary action consistent with the gravity of such non-compliance.

- f. **Annual Review.** The Compliance Officer, or designee, annually reviews all training and educational materials and makes updates or revisions, as necessary. In addition, on at least an annual basis, the Board of Directors evaluates the effectiveness of the Compliance Program.

## **Element 4: Effective Lines of Communication**

### **a. Communication Methods**


The Compliance Officer maintains open lines of communication with all Covered Persons, clients and state and federal oversight and enforcement entities, to facilitate reporting and resolution of compliance issues. This includes, but is not limited to, effective lines of communication between the Compliance Officer, SIU staff, Liberty management and staff, and any clients, oversight entities (including, but not limited to, CMS, CA DHCS, CA DMHC, FL AHCA, NV DHCFP, OK OHCA), or other stakeholders. Consistent with this, Liberty adheres to a formal self-disclosure policy. Liberty also maintains a method of anonymous and confidential good faith reporting of compliance, FWA and privacy issues through the Compliance Hotline, as more fully discussed below. Liberty has established procedures to encourage good faith participation in the Compliance Program. This procedure sets forth the expectation that Covered Persons will raise questions and report concerns relating to Liberty's Code of Conduct, compliance policies and procedures, suspected or actual violations of federal and state laws, rules and regulations, and FWA.

### **b. How to Report**

Covered Persons are required to report concerns and raise questions they may have about compliance issues either orally or in writing to a supervisor, Human Capital, to the Chief Compliance Officer, Market Compliance Officer(s), or to any senior manager/executive leader. All reports of suspected or actual non-compliance should contain as much detail as possible, including names, dates, times, location, and the specific conduct the individual perceives may violate the law or Liberty's policies and procedures.

### c. Compliance Hotline

In addition to reporting concerns and raising questions, as discussed above, all Covered Persons may call the Compliance Hotline (“Hotline”) to report possible violations, ask questions, or raise compliance concerns, including suspected fraud, waste and abuse. The toll-free Hotline is available 24 hours, 7 days a week and is a dedicated, confidential telephone line maintained by Liberty’s Compliance team. All Hotline calls are logged, including the date and time of the call, the reporter’s name and contact information (unless the caller wants to remain anonymous) and the nature of the allegation or inquiry. The Compliance department monitors all Hotline calls and, in coordination with the Compliance Officer, investigates and resolves, to the extent possible, any compliance concern (in conjunction with the relevant business unit or senior management). Concerns raised which are not related to compliance or FWA are referred to the appropriate department within Liberty for resolution. Issues of non-compliance received, including those received through the Compliance Hotline, are reported to the Regulatory Compliance Committee, and Board(s) of Directors.

<b>Report Compliance, Privacy, Ethics or Fraud, Waste, and Abuse Concerns</b> <i>reports can be made anonymously and without fear of retaliation</i>		
<b>Call:</b> 888.704.9833 <i>(available 24 hours, 7 days a week)</i> <b>Fax:</b> 714.389.3529 <b>Email:</b> <a href="mailto:compliancehotline@libertydentalplan.com">compliancehotline@libertydentalplan.com</a>	<b>Mail:</b> Compliance Officer <b>Liberty Dental Plan</b> 1730 Flight Way, Suite 125 Tustin, CA 92782	
<b>Anyone can report concerns</b> 24 hours a day, 7 days a week, including employees, members, providers, vendors, etc. <b>Liberty</b> enforces a strict policy of non-retaliation. Retaliation against anyone who reports compliance concerns in good faith is strictly prohibited. If you see retaliation or believe it has occurred, you must report it.		

### d. Confidentiality

All information, reports and questions provided or raised by any individual will be held in the strictest confidence permitted by applicable law. Also, to the extent possible, Liberty will not disclose the identity of anyone who reports a suspected violation of law or who participates in an investigation. Accordingly, confidentiality may not be guaranteed if disclosure is required by law. If Covered Persons wish to remain anonymous, they may call the

Hotline or send a written report to the Compliance Officer. However, Liberty encourages Covered Persons to identify themselves when making reports so that an investigation can be conducted with a full factual background and without undue delay.

#### e. Investigation and Reporting Back

The Compliance Officer, with the help of General Counsel, Privacy Officer, Security Officer, Risk Officer, Human Capital, or other departments, as necessary and appropriate, shall investigate all compliance related reports or concerns and, if appropriate, advise the individual or entity reporting the concern of the process of, and ultimate outcome of the investigation. The Compliance Officer (or designee) tracks and trends issues reported through the Hotline. Issues of non-compliance, including those received by the Hotline, are reported to the Regulatory Compliance Committee and by the Compliance Officer to the Board(s) of Directors.

## **Element 5: Disciplinary Policies and Procedures**

### a. Disciplinary Policies

All Covered Persons are required to adhere to the Compliance Program, Liberty Code of Conduct and all applicable compliance policies and procedures, and applicable law and program requirements. As set forth in Liberty's disciplinary policies and procedures, appropriate discipline will be imposed if it is concluded, after an appropriate investigation, that any individual has not adhered to the Compliance Program or has violated applicable laws and regulations. The imposition of discipline may be based on, among other things:

- unlawful or unethical actions, negligent or reckless conduct;
- deliberate ignorance of the rules that govern the job (including the applicable Code of Conduct, compliance policies and procedures and applicable laws, rules and regulations);
- condoning or not reporting unlawful or unethical actions by others;
- retaliation or intimidation against those who report suspected wrongdoing; or
- other violations.

Discipline as a result of non-compliant actions may be: a) educational or remedial and non-punitive; b) punitive sanctions, or c) involve both. Disciplinary actions may include additional training and education (e.g., courses in Liberty's learning management system, webinars, on-one-on training on specific processes, etc.), giving a Liberty team member an oral or written warning, probation for a specified period, suspension, or termination of employment as set forth in Liberty's Employee Handbook. Managers, supervisors, and other leadership may be held accountable for failing to comply with, or for the foreseeable failure of their subordinates to adhere to, the applicable standards, laws, policies, and procedures. Directors may be removed from the Board and FDRs are subject to written warning, corrective action plans or termination of their contracts for engaging in any of the foregoing activities.

## b. Consistent Enforcement

Liberty will ensure that disciplinary standards and corrective actions are enforced in a timely, fair, consistent, and effective manner. Individuals will be subject to such disciplinary action, regardless of their level or position, for failure to comply with the Compliance Program and applicable law and program requirements. Investigation and disciplinary records will be maintained for a period of ten (10) years for all disciplinary actions imposed for compliance violations, or such longer period as required under applicable law or contractual requirements. Records at minimum will include date of and description of violation, date of investigation, findings, and date and description of disciplinary action.

As further described in Element 7 below, Liberty's reporting policies and procedures detail when compliance issues should be reported, how compliance issues will be investigated and resolved, as well as the potential sanctions for (i) not reporting suspected compliance issues, (ii) not participating in the Compliance Program, and (iii) encouraging, directing, facilitating, or permitting non-compliant behavior.

## **Element 6: Routine Identification of Compliance Risk Areas and Non-Compliance; Ongoing Self-Evaluation, Monitoring and Auditing; Coordination of Activities; and Tracking New Developments**

### **a. Risk Assessment**

On at least an annual basis, the Compliance Officer (or designee), in collaboration with Liberty individual business units and departments, performs a compliance risk assessment of the entire organization, identifies the top enterprise risks and prepares a compliance risk inventory (the "Risk Assessment"). The Risk Assessment is based upon numerous sources, including:

- the OIG and state work plans;
- interviews with senior management;
- issues identified as a result of internal and external audits or reviews;
- changes in laws or regulations;
- issues identified by regulatory bodies pursuant to audits, pronouncements or otherwise;
- issues identified by the Compliance Committee;
- issues of non-compliance, fraud, waste, and abuse, privacy and security
- departmental monitoring and auditing; and
- risks identified by staff members raised throughout the organization and reported to their supervisors, the Compliance Officer, and other senior management.

### **b. Compliance Work Plan**

Using the results of the Risk Assessment, the Compliance Officer (or designee) develops an annual Compliance Work Plan, which aims to mitigate risks identified through the Work Plan. The Compliance Work Plan is presented to and approved by the Regulatory Compliance Committee annually. However, the Compliance Work Plan is a "living" document and is reviewed at least

quarterly by the Regulatory Compliance Committee to ensure the activities listed therein continue to be the priority items for the organization and are deemed effective oversight and mitigation activities. In addition, the Compliance Officer shall report to the Board(s) of Directors on the progress and any changes required or made to the Compliance Work Plan.

#### c. Ongoing Compliance Auditing and Monitoring

In addition to and pursuant with the Risk Assessment development process and the Compliance Work Plan, ongoing compliance auditing and monitoring occurs throughout the organization to scan for unidentified or new risks, by, for example, monitoring for legal and regulatory changes, enforcement actions, strategies, initiatives, and in evaluating audit and investigation results. Results of ongoing auditing and monitoring are monitored by Liberty's Regulatory Compliance Committee. Internal and external auditing and monitoring activities are reviewed twice a quarter at Liberty's Compliance Oversight and Monitoring Committee; and reported quarterly to the Regulatory Compliance Committee and to the Board of Directors. These ongoing activities are just some of the audit and monitoring activities conducted by subunits of Liberty.

#### d. Exclusion Screening

Liberty maintains a Corporate Sanction Screening policy to ensure Liberty does not employ, contract, or issue payment to any Individual or Entity it determines is suspended, debarred, precluded or excluded from participation in federal or state health care programs. Per policy, Liberty's subunits and delegates conduct initial and monthly exclusion monitoring to verify the sanction status of all employees (including direct and indirect hire), members of the Board(s) of Directors, FDRs and Subcontractors and Contracted and Non-Contracted Providers. Liberty and its delegates must take immediate, appropriate action to terminate the employment or appointment of, or contractual relationship with any individual entity found to be excluded. Exclusion screening results are monitored by the Regulatory Compliance Committee and the Board(s) of Directors.

#### e. Special Investigation Unit

The SIU is staffed with full-time Liberty team members whose function is to detect and investigate allegations of fraudulent, wasteful and abusive

billing practices. The SIU is chiefly responsible for accepting referrals related to alleged fraudulent or abusive practices from both outside and within Liberty and for performing targeted audits related to detecting fraudulent and/or abusive practices. Results of investigations and audits are reported to the Regulatory Compliance Committee and Board(s) of Directors.

#### f. Utilization Management (“UM”)

The Utilization Management Committee meets on a regular basis to review utilization analysis for compliance issues including, but not limited to, over and under payments, improper coding, or cost-shifting, upcoding, etc. The UM Committee may refer suspicious activity to the SIU or directly to the Regulatory Compliance Committee for investigation. The UM Committee may also determine provider education or outreach is required in order to assist providers in properly coding, documenting, and submitting claims. Provider education and outreach efforts are logged on Liberty Dental Plan’s Provider Service Reports. If appropriate, a Corrective Action Plan may be developed, implemented, and monitored.

#### g. Liberty’s Delegated Oversight Program

This program ensures that functions which have been delegated to third parties (such as an FDR or other subcontractor) are carried out in a manner that meets applicable regulatory, contractual and program requirements, and are consistent with Liberty policies. Liberty’s annual Risk Assessment considers risks associated with FDRs and other subcontractors, and, to the extent applicable, the annual Compliance Work Plan includes activities to mitigate those risks through, among other things, training, monitoring, and auditing.

#### h. Credentialing

In addition, the credentials and performance of subcontracted providers are monitored and updated on an ongoing basis by Liberty’s Credentialing team, with support from Liberty Provider Relations and Quality Management Departments. When a compliance issue is identified through these activities, the Compliance Officer (or designee) will be notified and will work with the appropriate Covered Persons to ensure an appropriate response.

## i. New Requirements

On a continuing basis, the Compliance Officer (or designee) will ensure that new regulatory, legal or program requirements are reviewed by the appropriate Covered Persons for impact to Liberty policies, processes, and systems to facilitate ongoing compliance. This includes, but is not limited to:

- reviewing new rules governing the provision and billing of services;
- receiving and reviewing applicable insurance, managed care or Medicare bulletins, Medicaid updates, model Medicaid Managed Care contracts, and other relevant announcements;
- receiving and reviewing Health Plan Management System (“HPMS”) memos and guidance;
- communicating with the appropriate professional societies regarding initiatives or developments that might affect Liberty;
- reviewing newly issued OIG Special Fraud Alerts and Advisory Opinions;
- reviewing Model Compliance Guidelines and OMIG and OIG Work Plans; and
- reviewing the Center for Consumer Information and Insurance Oversight (CCIIO), Centers for Medicare & Medicaid Services’ (CMS) annual Letter to Issuers in the Federally-facilitated Marketplaces (Exchange(s)).

Consistent with Liberty’s New Requirement policy, the Compliance Officer (or designee) will coordinate with the appropriate functional areas within Liberty to ensure all new requirements applicable to Liberty are implemented in the manner and within the timeframe specified by each new requirement, and that such activity is reported to Liberty’s New Requirement Committee for ongoing oversight, and communicated to impacted stakeholders as appropriate.

## Element 7: Responding to Compliance Issues

### a. Responding to and Investigating Compliance Issues

Liberty has a comprehensive system for responding to compliance issues identified in the course of Liberty's ongoing monitoring and auditing, as described in Element 6 above, and to compliance inquiries or concerns reported to the Compliance Officer, Hotline or to other Liberty personnel. When an issue of possible improper conduct is identified, including, without limitation, improper billing, documentation, marketing, contracting, governance, credentialing, and reporting, the Compliance Officer (or designee) promptly investigates the matter and, as appropriate, informs senior management, the Human Capital Department, and Liberty's Legal Department. The Compliance Officer (or designee) shall conduct a full investigation of the report, including determining whether a compliance issue exists or if there has been a violation of Liberty's Code of Conduct or applicable legal rules, regulations or guidance, or other applicable policies and procedures. If an issue or violation does exist, the investigation will attempt to determine its cause so that appropriate and effective corrective action may be instituted. All Covered Persons are expected to cooperate in such investigations.

### b. Reporting of Improper Conduct

All substantiated reports of improper conduct shall be reported to the Regulatory Compliance Committee, senior management, and the appropriate Board(s) of Directors and impacted stakeholders consistent with Liberty's Self-Disclosure policy.

### c. Corrective Action and Responses to Suspected Violations

Consistent with Liberty's formal Corrective Action Plan policy, when a compliance problem is substantiated, the Compliance Officer (or designee) will ensure that appropriate and effective corrective action is implemented in a timely manner. In discharging this responsibility, the Compliance Officer (or designee) will work in conjunction with the responsible business unit, senior management, the Regulatory Compliance Committee and Liberty's Legal department, as appropriate.

Any corrective action or response implemented must be designed to

ensure that the violation or problem does not reoccur, or reduce the likelihood that it will reoccur, and be based on a root cause analysis. In addition, the corrective action plan should include, whenever possible, a follow-up review of the effectiveness of the corrective action following its implementation. If a follow-up review establishes that the corrective action plan has not been effective, then additional or new corrective actions must be implemented. Corrective actions are always documented and may include, but are not limited to, the following:

- creating new compliance, business or billing procedures, or modifying and improving existing procedures, to ensure that similar errors will not reoccur;
- informing and discussing with the offending Covered Persons both the violation and how it should be avoided in the future;
- providing remedial education to ensure that Covered Persons understand the applicable rules and regulations, existing procedures or policies, and any new or modified policies and procedures that may have been instituted;
- conducting a follow-up review to ensure that any corrective action instituted has been effective and that the problem is not recurring;
- refunding to the proper payor any and all overpayments that have been identified;
- educating or disciplining the offending Covered Persons, as appropriate; and
- making a voluntary disclosure to an appropriate governmental agency or client, as appropriate.

Covered Persons are expected to cooperate and implement any required corrective action in a timely manner.

## **Element 8: Non-Intimidation & Non-Retaliation Policy**

Every Covered Person has an affirmative duty to report issues or concerns that come to their attention through the appropriate channels described above. Failure to do so can result in disciplinary action up to and including termination of employment, contract, or appointment. As such, a key

element of the Compliance Program is the ability of Covered Persons to express problems, concerns or opinions without fear of retaliation or intimidation. Liberty will not tolerate any retaliation or intimidation against any Covered Person for complying with any aspect of the Compliance Program.

No disciplinary or retaliatory action will be taken against a Covered Person who in good faith raises a compliance concern or otherwise participates in the Compliance Program. Retaliation or intimidation in any form by any individual associated with Liberty is strictly prohibited and is itself a serious violation of the Liberty Code of Conduct.

Managers have the responsibility to maintain an environment whereby Liberty team members feel comfortable raising issues or asking questions. Managers should also take appropriate steps to address concerns that are raised and communicate the results of corrective action whenever possible or appropriate. If any Liberty team member feels that they are being intimidated or retaliated against, that individual should contact the Compliance Officer immediately. Any Liberty team member who commits or condones any form of retaliation will be subject to discipline up to, and including, termination.

<b>Supporting Documents</b>
Anti-Fraud Plan
Code of Conduct
Compliance Risk Assessment & Workplan
Delegated Vendor Oversight Program
Employee Handbook
Incident Management Plan
Privacy & Security Program
Provider Handbook
SIU (Program Integrity) Workplan

<b>Table of References</b>
Social Security Act: 1128, 1902, 1903, and 1932
42 CFR 431, 433, 434, 435, 438, 441, 447, 455
45 CFR Part 74
Chapters 409, 414, 458, 459, 460, 461, 626, 641, and 932, F.S.
59A-12.0073, 59G, 69D-2, F.A.C.