



COMPLIANCE PROGRAM | 2023



Message from the Board of Directors President and First Medical Health Plan, President.

First Medical Health Plan, Inc., (FMHP) reiterates its commitment to conduct its operations under a strict framework of ethics, integrity, and professionalism. To achieve this, we have implemented a comprehensive and effective Corporate Compliance Program in compliance with federal and state laws and regulations applicable to the healthcare industry and the relevant and applicable requirements established by the Centers for Medicare & Medicaid Services, the U.S. Department of Health and Human Services, the Office of the Inspector General, the Puerto Rico Health Insurance Administration, the U.S. Department of Labor, and the Office of the Puerto Rico Insurance Commissioner, among others.

The FMHP Compliance Program is designed in accordance with the operations conducted in our organization. We have been diligent in communicating the expectations of the FMHP Board of Directors through the development of specific compliance policies and procedures and the implementation of good practices to prevent, detect and correct situations of non-compliance with them; the disclosure of a Code of Conduct and Ethics; the establishment of mechanisms to report and investigate potential or actual cases related to fraud, misuse and abuse; the implementation of an audit and monitoring program to ensure compliance with the requirements applicable to the health industry; and the development of disciplinary guidelines for any individual who comments on violations of the FMHP Compliance Program.

FMHP's Corporate Compliance Program provides for a Compliance Officer who has overall responsibility for organizational affairs and those related to compliance matters. However, the responsibility to read, understand and comply with the provisions set forth herein is individual. The FMHP Board of Directors expects all employees, agents, and advisors to comply with all bylaws described in the Compliance Program, the Code of Conduct and Ethics and the policies and procedures established in our organization.

We support the implementation of this Corporate Compliance Program and recognize that it is dynamic. Revisions to the Corporate Compliance Program are planned when necessary to reflect changes in FMHP's operations, applicable state and federal regulations, or standards for the OIG Compliance Program, including fraud, misuse, and abuse requirements. As a condition of employment, you must electronically affirm that you have received, read, and agree to agree to comply with the FMHP Compliance Program. This document is published on the Intranet for easy reference. If you have questions, concerns, or comments regarding the FMHP Compliance Program, we encourage you to contact your Compliance Officer. Each of you is a critical part of the success of our Compliance Program. I'm counting on you!

Cordially



Eduardo Artau
Chairman of the Board of Directors



Francisco J. Artau Feliciano
President

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Compliance Philosophy

Each regular and seasonal employee, medical advisor, consultant, agent, or member of the FMHP Board of Directors is responsible for complying with applicable laws and regulations and the organization's policies and procedures. Our compliance structure will help you achieve a strong and fair compliance culture, providing assistance in compliance matters and ensuring you are equipped to comply with healthcare industry regulations. You should not fear retaliation for reporting non-compliance activity.

Although the FMHP Compliance Program is not intended to be the Compliance Program for our contractors, subcontractors, or delegated entities, it is important that our contractors, subcontractors, or delegated entities provide services in compliance with federal and state laws and regulations. All of them must develop their own Compliance Program and incorporate certain provisions of the FMHP Corporate Compliance Program. It is the responsibility of contractors, subcontractors, and delegated entities to report any problems of non-compliance, fraud, misuse and abuse, and violations of laws/regulations to FMHP without delay. Likewise, it is the responsibility of subscribers/beneficiaries to report any cases or possible suspicions of non-compliance, fraud, misuse and abuse, and violations of laws/regulations once they become known.

Our Mission

Offer excellent services in the field of medical plans, supported by the most advanced technology to achieve the total satisfaction of our subscribers / beneficiaries.

Our Vision

To be an institution known and respected for its continuous commitment to excellence.

Our Values

- Serve our subscribers/beneficiaries with honesty, integrity, and human warmth.
- Offer excellent services quickly and efficiently.
- Work as a team, with enthusiasm and dedication.
- Be accessible and effective in our communication.
- Always give our best to fulfill our commitment to excellence.

Introduction

First Medical Health Plan, Inc., (FMHP) is a distinctly Puerto Rican Health Services Organization serving our community. For the past forty-five years, FMHP has dedicated its efforts to improving the quality of life of our subscribers and beneficiaries through the planning and implementation of high-quality, cost-effective health service coverage. At FMHP we strive to promote a culture of compliance that harmonizes with our daily operations and increases the trust of our subscribers, beneficiaries, and customers. To achieve this, FMHP based its efforts on three pillars:

- 1) **The Compliance Program**, which describes the elements of an effective compliance program in compliance with applicable federal and state laws and regulations.
- 2) **The Code of Conduct and Ethics**, which establishes the basic principles of expected conduct in all activities carried out by employees, contractors, managers, and members of the Board of Directors, at all times and in all places.
- 3) **The Compliance Policies** that define the processes established by FMHP to comply with contractual requirements and minimize risk in our operation.

FMHP's Corporate Compliance Program was developed to ensure that the organization meets all requirements established by the Puerto Rico Office of the Commissioner of Insurance, the Centers for Medicare and Medicaid Services, the Office of Inspector General, the U.S. Department of Labor, the Health Insurance Portability and Accountability Act (HIPAA, the Puerto Rico Health Insurance Administration, 42 CFR §§ 455, Title VI of the Civil Rights Act of 1964, and the Bill of Rights of the Office of the Patient Advocate of the Commonwealth of Puerto Rico, among others.

The main objectives of the Compliance Program are:

- 1) Ensure compliance with applicable state and federal laws related to the provision of services to our subscribers/beneficiaries;
- 2) Educate regular and temporary employees, medical advisors, consultants, agents or members of the Board, and delegated entities in their standards and in the prevention, detection and reporting of fraud, misuse, and abuse.
- 3) Promote compliance with FMHP's Code of Conduct and Ethics and encourage employees to report situations that may be potentially harmful;
- 4) Ensure that regular audits, monitoring and supervision of compliance with applicable laws, regulations and contract requirements are carried out.
- 5) Establish mechanisms to promptly investigate, discipline and correct non-compliance issues, prevent, detect, and report any illegal, improper, or unethical conduct and promote an ethical corporate culture;
- 6) Provide procedures to promptly and effectively conduct audits and monitoring that can prevent non-compliance.

The FMHP Corporate Compliance Program is only effective if you commit to meeting the standards described in the Program. It is important that you understand and comply with what is described in this Compliance Program. If you have any questions, consult your supervisor, or call the FMHP Compliance Officer.

Section 1

Development of Compliance Policies and Procedures and Rules of Conduct

FMHP has policies, procedures, and standards of conduct that:

- Express a commitment to compliance with federal and state standards;
- Describe compliance expectations;
- Implement the operation of the Compliance Program;
- Provide guidance for handling compliance issues;
- Identify ways to communicate in compliance situations;
- Describe how compliance situations will be investigated and resolved; and
- Include non-intimidation and non-retaliation policies.

Employees, medical advisors, consultants, and delegated entities will receive periodic training on the Compliance Program and the new compliance policies and procedures that could be implemented. The FMHP Board of Directors expects each Departmental Director or his/her delegate to do the following:

- 1) Discuss with staff overseeing the FMHP Compliance Program and applicable policies and procedures.
- 2) Reinforce in your work teams that strict compliance with this Corporate Compliance Program is a requirement to keep employment.
- 3) Disclose to all supervised personnel and advisors that disciplinary action, including termination of employment or contract status, will be taken in the event of a violation of this Corporate Compliance Program.

1.1 Development of Policies and Procedures

Policies and procedures are an important tool used to carry out our daily activities. These include a detailed process specific to an operational or risk area, is easy to read and understand, and includes federal or state requirements. The purpose of these is to provide all FMHP employees with guidance to ensure compliance with federal and state regulations.

FMHP has specific policies and procedures for all areas that may pose a risk to the organization, including, among others, the Code of Conduct and Ethics, the Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH, How to respond to external investigations providing mechanisms for handling conflicts of interest, identity theft, protecting whistleblowers without fear of retaliation, and reporting compliance issues. The main functions of FMHP's policies, procedures and standards of conduct are:

- Describe FMHP compliance expectations;
- Implement the Corporate Compliance Plan;
- Express our commitment to comply with all applicable federal and state laws;
- Provide guidance to employees and others on how to deal with suspected non-compliance, detection or reporting and potential situations of fraud, misuse, and abuse, and how to report non-compliance situations to

appropriate compliance personnel;

- Describe compliance, fraud, misuse and abuse requirements and other regulatory training;
- Describe the operation of the Fraud and Compliance Alert Line (hotline) and FMHP's policy of non-intimidation and non-retaliation for bona fide participation in the Compliance Program; and
- Describe how the organization investigates and resolves suspicious, detected, or reported issues of non-compliance and fraud, misuse, and abuse.

Policies and procedures should be created and reviewed due to changes in laws and requirements, annually or as needed. All department directors, managers, supervisors are responsible for developing, reviewing, updating, implementing, and distributing their policies and procedures. All policies and procedures require at least one signature from the department director and manager to be effective. The Regulatory Affairs Guidance and Support Department is responsible for reviewing and approving all policies and procedures. All employees are responsible for reading and understanding these policies and procedures.

1.2 Communicate Policies and Procedures

Policies and procedures shall be communicated prior to implementation or within ninety days of hiring and annually thereafter to all regular and temporary FMHP employees, medical consultants, advisors, and members of the FMHP Board of Directors. FMHP department directors and managers will ensure that all Policies and Procedures are up-to-date and accessible to all impacted employees.

1.3 FMHP Code of Conduct and Ethics

The continued success of our organization is directly related to two factors: (1) our ability to deliver high quality services and (2) the ability of all our employees, managers, and members of the Board of Directors to conduct themselves in accordance with the highest standards of professional ethics and under the strict framework of the law.

The FMHP Board of Directors has established in the Code of Conduct and Ethics the rules regarding the conduct and ethics of employees working in the organization. The Corporate Compliance Program encourages compliance with the Code of Conduct and Ethics by communicating the expectations of the Board of Directors to employees, medical advisors, consultants, agents, and delegated entities. As a result, FMHP will continually provide guidance on standards through its Code of Conduct and Ethics approved by the Board of Directors. All members of the Board of Directors, employees, and advisors of FMHP must review the Code of Conduct and Ethics, disclose any information that may create a conflict of interest with their relationship with FMHP and sign a certificate attesting to having received the FMHP Code of Conduct and Ethics. The Human Resources Department will distribute a copy of the Compliance Program and Code of Conduct during the hiring process and will retain copies of signed certifications. This must be done within the first ninety days of hiring and thereafter, annually.

Each of us is responsible for complying with the standards set forth in the FMHP Code of Conduct and Ethics, as well as for complying with all Company policies and procedures. You must ensure that your job performance is consistent with the Code of Conduct and Ethics. If you have any questions about a potential non-compliance issue, you should ask yourself the following questions before carrying out your duties:

- Is it best for our company?
- Is this the right thing to do?
- Is any regulation of law being violated?
- Is this permitted by the Code of Conduct and Ethics and FMHP policies and procedures?

Each employee has a duty to avoid business, commercial, financial, or other interests, direct or indirect, that may conflict with FMHP's interests or divide their loyalty to the organization. Any activity that even appears to present such a conflict should be avoided or terminated unless, after seeking advice from FMHP's Compliance Officer, Vice President of Regulatory Affairs or General Counsel, it is determined that the activity is not illegal or harmful to FMHP.

Compliance with the Code of Conduct and Ethics and other aspects of FMHP's Corporate Compliance Program is a condition of employment. If you become aware of an unethical or suspicious, potential, or actual practice or violation of the Code of Conduct and Ethics, you should report it to your immediate supervisor, Compliance Officer or Vice President of Regulatory Affairs as soon as possible.

Failure to comply with the Code of Conduct and Ethics or the rules of behavior that the Code represents may lead to disciplinary action. Discipline for non-compliance with the Code, at FMHP's discretion, ranges from oral warning to termination of employment. If you have questions, concerns, or believe that misconduct (yours or someone else's) is being manifested, you should contact FMHP's Compliance Officer or Human Resources Department.

1.4 Compliance with State and Federal Laws and Regulations

FMHP will conduct all of its activities in compliance with all applicable federal and state laws, including regulatory regulations and requirements. Some of these laws and regulations address, for example, concerns about the privacy and confidentiality of information, accuracy and retention of records and reports, fraud, misuse, and abuse, antitrust, employment opportunities, sexual harassment, discrimination, among others.

The Compliance Department will send a notification to department directors and managers impacted by any change in a law or regulation to review and implement all applicable mandates and ensure that policies and procedures support such changes. Department directors and managers must confirm that the changes were applied in writing to FMHP's Compliance Department.

FMHP must ensure compliance with federal laws and regulations of, but not limited to the following:

- Patient Protection and Affordable Care Act (Pub. L. No. 111-148, 124 Stat. 119);
- Health Insurance Portability and Accountability Act (HIPAA) (Public Law 104-191);
- False Claims Act (31 U.S.C. §§ 3729-3733);
- Federal Criminal Statutes on False Claims (18 U.S.C. §§ 287, 1001);
- Federal Medical Commissions Illegal/Anti-Bribery Act (42 U.S.C. § 1320a-7b(b));
- Social Security Civil Monetary Penalties Act (42 U.S.C. § 1395w-27(g));
- Medical Self-Referral Act (Stark) (42 U.S.C. § 1395nn);

- Provisions to combat fraud and abuse, privacy and security established by the Health Insurance Portability and Accountability Act, as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH);
- Prohibitions against employment or contracting with persons or entities that have been excluded from doing business with the Federal Government (42 U.S.C. §1395w-27(g)(1)(G)); and
- Fraud Enforcement and Recovery Act of 2009.

Each of these federal laws and regulations plays an important role in ensuring compliance with policies and procedures and regulatory requirements. If you are concerned about possible or potential misconduct, you should immediately report it to your supervisor and the Compliance Officer. The Compliance Officer is responsible for making sure your concern is handled appropriately.

1.5 Privacy and Confidentiality Information

FMHP employees are in possession of and have access to a wide variety of personal information, protected health information (PHI), confidential subscriber's, beneficiary information, and company proprietary information. We must maintain the confidentiality and privacy of subscriber's, beneficiary protected health information and other confidential information in accordance with legal and ethical standards.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy and Security Rule protects the privacy and security of individually identifiable health information. Whether the information is on a computer, paper, or other medium, you have a responsibility to protect subscribers/beneficiaries' health information. The HIPAA Privacy Rule covers protected health information (PHI) in any medium, while the HIPAA Security Rule covers electronic protected health information (e-PHI). The HIPAA Rules have detailed requirements regarding privacy and security, described below and detailed in the Trainings section, under subsection A.1 Requirements of the HIPAA Privacy Rule.

1.6 HIPAA Privacy Rule

- Applies to most Health Care Providers, including those who do not have electronic health records (EHRs) or who do not participate in a CMS eHealth Incentive Program;
- Establishes federal requirements to protect individually identifiable health information in all media (electronic, paper, and oral);
- Limits how covered entities can use and disclose the individually identifiable health information they receive or create;
- Gives individuals rights with respect to their protected health information, including the right to examine and obtain a copy of the information in their medical records, and the right to ask covered entities to amend their medical record if the information is incorrect or incomplete;
- Impose administrative requirements on covered entities, such as employee training regarding the Privacy Rule; and
- Establishes civil and criminal penalties.

Any person who works with FMHP or performs functions on behalf of FMHP, delegated entities and members of the FMHP Board of Directors have an obligation to protect and safeguard confidential and proprietary information to prevent unauthorized disclosure of information. In addition, FMHP's proprietary information, marketing ideas, financial data, payment and refund information, and information related to negotiations (with employees or third parties) must be protected with strict confidentiality.

Section 2

Responsibilities of the Compliance Officer and Compliance Committee

The Compliance Committee is established by the FMHP Board of Directors to assist Board members in overseeing the Organization's activities in the areas of compliance with laws and regulations applicable to the healthcare business and contractual requirements. The Compliance Officer reports directly to the members of the FMHP Board of Directors and must ensure, together with the members of the Compliance Committee, that FMHP fully complies with regulatory standards established by Regulatory Agencies, applicable federal and state regulations, the FMHP Compliance Program, and internal policies and procedures.

2.1 Compliance Officer

The Compliance Officer is the person assigned to enforce the execution of FMHP's Corporate Compliance Program. This person has direct access to the FMHP Board of Directors, who support their authority to ensure full compliance with the Program. The Compliance Officer has a duty to report to the Board of Directors key compliance issues discussed at FMHP Compliance Committee meetings.

Their responsibilities are summarized as follows:

- Demonstrate their commitment to responsible corporate conduct.
- Serve as a liaison between FMHP and federal and state regulatory agencies.
- Supervise, implement, evaluate, and update the Corporate Compliance Program.
- Ensure FMHP's compliance with government regulations and internal guidelines.
- Receive, analyze, and distribute federal and state regulations, Policy Letters and Circulars and Administrative Orders.
- Develop programs to motivate managers and employees to report non-compliance problems or other irregularities.
- Audit and monitor the operational areas and delegated entities.
- Facilitate investigations by regulatory agencies and monitor Corrective Action Plans.
- Ensure prompt thorough investigations of possible misconduct.
- Ensure that all processes are carried out in compliance with HIPAA requirements.
- Support the development of initiatives and programs to promote the reporting of suspected non-compliance with state and federal regulations, fraud, abuse, waste, and other irregularities.

2.2 Board of Directors

The FMHP Board of Directors is responsible for overseeing the effectiveness of the Corporate Compliance Program. The Board of Directors shall:

- Establish a high organizational culture based on high compliance standards and communicate your compliance expectations to the entire organization;
- Approve the Standards of Conduct;
- Assist and supervise the implementation of the Compliance Program and the Code of Conduct and Ethics;
- Require periodic reports on the level of compliance of the organization;
- Support and allocate resources to monitor compliance, testing and problem resolution;
- Encourage the use of the Fraud and Compliance Alert Line to report cases of fraud, misuse and abuse and violations of the Corporate Compliance Program;
- Attend and support in the analysis of government reports of compliance activities, such as notices of non-compliance, notifications of sanctions, among others.
- Monitor management performance regarding compliance and effectiveness of the FMHP Compliance Program and Code of Conduct and Ethics.

2.3 Communication with the Board of Directors

To support the zero-tolerance philosophy, the Board of Directors will keep abreast of all compliance matters and situations related to the Corporate Compliance Program. Compliance will be a standing item on the agenda at meetings of the Board of Directors at least three times a year. The Compliance Officer or Vice President of Regulatory Affairs will report directly to the Board of Directors on the Organization's compliance matters on a quarterly basis. In the event that the Compliance Officer becomes aware of significant matters, he or she shall notify the Board of Directors immediately.

2.4 Corporate Compliance Committee

The Corporate Compliance Committee is established by the FMHP Board of Directors for the purpose of: (1) ensuring that the organization complies with regulatory standards established by the Puerto Rico Health Insurance Administration, the Office of the Insurance Commissioner, the Federal Department of Labor, as well as other applicable federal and state regulations; and (2) oversee the implementation of FMHP's Corporate Compliance Program, internal policies and procedures designed to respond to regulatory and compliance risks faced by the Company.

The Corporate Compliance Committee will assist FMHP's senior management in its responsibility related to the organization's operational compliance with applicable legal requirements and standards of conduct, and will act as an independent review and evaluation body to:

- Ensure that problems and concerns within the organization are being properly assessed, investigated, and resolved.
- Assist the Compliance Officer in his responsibility to monitor the Corporate Compliance Program, the Code of Conduct and Ethics and the Company's Policies and Procedures.
- Perform any other function as directed by the Board of Directors.

Composition, Structure and Organization of the Compliance Committee

The FMHP Compliance Committee has among its members two representatives of the FMHP Board of Directors. One of these will serve as Chairman of the Corporate Compliance Committee. The Corporate Compliance Committee and Compliance Officer have the authority to conduct effective oversight of the Corporate Compliance Program. In the absence of a representative of the Board of Directors, the Compliance Officer or Vice President of the Regulatory Affairs Division shall act as interim chair of the Corporate Compliance Committee and assume all duties and responsibilities.

Members of the Corporate Compliance Committee are selected to ensure adequate representation of all management departments and service centers. Other individuals may be invited to join the Corporate Compliance Committee or participate in Committee meetings as determined by the members of the Compliance Committee or the Compliance Officer, as needed.



The Corporate Compliance Committee will be responsible for:

- Meet at least quarterly, or more frequently, as needed, to monitor the integrity of the Company's Annual Compliance Plan and the organization's compliance with such Plan;
- Oversee the effectiveness of the Corporate Compliance Program and the Company's compliance with federal and state regulatory requirements;
- Oversee the results of federal and state audits of the Company and internal audit functions;
- Develop strategies to promote compliance and detect potential violations;
- Review and approve regulatory training and ensure that training and education are effective and duly completed;
- Collaborate in the creation and implementation of the compliance risk assessment and compliance monitoring and audit work plan;
- Assist in creating, implementing, and monitoring effective corrective actions;
- Support the Compliance Officer in identifying the need for personnel and resources to carry out his/her duties;
- Ensure that the Plan contains adequate and up-to-date compliance policies and procedures;
- Facilitate the process of distributing the organization's standards, including policies; that they are understandable to all subscribers/beneficiaries and employees (including those that need to be translated into other languages, if necessary); and

- Ensure that FMHP has a system in place for employees, advisors, and delegated entities to report potential instances of non-compliance with Corporate Compliance Program standards, and potential situations of fraud, misuse, and abuse confidentially or anonymously (if desired) without fear of retaliation;
- Performs other functions, as necessary, to carry out the objectives of the Corporate Compliance Program. The Corporate Compliance Committee may also address other compliance-related issues as they arise.

In the event that the Compliance Officer becomes aware of any significant situation of risk or non-compliance of the organization, he must immediately notify the FMHP Board of Directors.

2.5 Directors and Managers Department

All directors and managers department are responsible for supporting FMHP's Corporate Compliance Program by meeting its requirements. Department directors and managers should review all federal and state laws and regulations applicable to the healthcare industry and make all necessary modifications to their operations to ensure compliance. In addition, department directors and/or managers are responsible for:

- Review and distribute to their work teams federal and state regulations, as applicable.
- Develop policies and procedures that accurately reflect how FMHP will comply with federal and state regulations.
- Respond promptly to all audits and inquiries.
- Facilitate the process for employees to report potential violations of the Corporate Compliance Program, the Code of Conduct and Ethics, laws, regulations, breaches of FMHP's Policies and Procedures and/or situations related to fraud, misuse and abuse, and other irregularities without fear of retaliation.
- Report suspected non-compliance and fraud, misuse and abuse through the Fraud and Compliance Hotline.
- Conduct annual training in compliance with regulations and specific training for the work area.

2.6 FMHP Employees

The success of FMHP's Corporate Compliance Program is based on the participation of all its employees. All employees are responsible for:

- Recognize and comply with federal and state regulations and company policies.
- Read and comply with the requirements of the FMHP Code of Conduct and Ethics.
- Report possible situations of Conflicts of Interest.
- Report suspected non-compliance and fraud, misuse and abuse, and other irregularities through the Fraud and Compliance Hotline.
- Respond promptly to all audits and inquiries.
- Participate in training programs as required by this Corporate Compliance Program.

Section 3

Training and Education

FMHP's Corporate Compliance Program can only be effective if employees receive proper education and training. The Organizational Development Unit of FMHP's Human Resources Department provides regulatory training to regular and seasonal FMHP employees on a regular and temporary basis to communicate and explain compliance expectations. Employees, including senior management, directors, and managers; and members of the FMHP Board of Directors are trained at the beginning of their employment or hiring, and annually thereafter.

The Welcome on Board Training Program includes appropriate training in the federal and state statutes, regulations, guidelines, policies, and procedures set forth in this Corporate Compliance Program and the FMHP Code of Conduct and Ethics. The Welcome on Board Program also includes sessions highlighting the Corporate Compliance Program.

3.1 Training Attendance Policy Required

All FMHP employees, Board members, advisors shall attend and participate in the Regulatory Compliance Training Program. Attendance will be monitored through record sheets and/or exams. At a minimum, each employee must demonstrate attendance at:

- Annual compliance training;
- Compliance training for new employees; and
- Specialized or job-specific education.

3.2 Training for new employees

Compliance training sessions are conducted and documented for all new employees (including part-time, full-time, contracted, or seasonal employees), medical advisors, and any other professional health care advisors within ninety days of the date of hire. Regulatory training includes, but is not limited to:

- Compliance Program;
- Code of Conduct and Ethics;
- Health Insurance Portability and Accountability Act (HIPAA);
- Quality improvement;
- Fraud, Misuse and Abuse; and
- Cultural Competence Plan.



The Human Resources Department is responsible for maintaining material-related documentation, participation records, and test results administered in trainings for a period of no less than ten (10) years. In addition, FMHP requires that delegated entities also comply with the requirement to retain documentation related to training.

3.3 Annual Trainings

Annually, FMHP employees, including the Chairman of the Board of Directors, must complete regulatory compliance training. In the event of significant changes in federal or state laws or regulations that require retraining prior to annual training, FMHP's Compliance Department will update the Compliance Regulatory Training Program and conduct training sessions through online modules as soon as possible.

3.4 Training Examination Policy Requirement

The purpose of the exam is to demonstrate that the participant understands the content of the training. Training sessions require a knowledge test, where possible, through online learning to demonstrate understanding. An FMHP employee who does not successfully complete the training exam with an acceptable score of 85% will be subject to a new test. Continued failure to pass the exam will require retraining. In such a case, the employee and facilitator must document a certificate attesting to retraining. If appropriate, the employee may be subject to further disciplinary action up to and including termination of employment.

3.5 Regulatory Training

A. HIPAA Privacy Rule

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Security Rule protect the privacy and security of protected health information. FMHP employees have a responsibility to protect the confidentiality and privacy of subscribers/beneficiaries' PHI and other confidential information in accordance with legal and ethical standards.

The HIPAA Privacy Rule establishes specific requirements regarding the privacy and security of Health Information, while the HIPAA Security Rule covers electronic protected health information (e-PHI). You have a responsibility to protect health information in any medium such as computer, paper, oral or other media.

A.1. HIPAA Privacy Rule Requirements

- Establishes federal foundations for protecting protected health information in all media (electronic, paper, and oral);
- Limits how covered entities can use and disclose the protected health information they receive or create;
- Gives individuals rights with respect to their protected health information, including the right to examine and
- Obtain a copy of the information in their medical records, and the right to ask covered entities to modify
- Their medical records if the information is incorrect or incomplete;
- Applies to Health Care Providers, including those who do not have electronic health records or who do not
- Participate in a CMS Electronic Records Incentive Program;
- Directs covered entities administrative requirements, such as, employee training regarding the Privacy Rule; and
- It establishes civil and criminal penalties.

FMHP employees, medical advisors, consultants, business partners and delegated entities have an obligation to protect and safeguard confidential information and property to prevent unauthorized disclosure of information. In addition, FMHP business information, marketing ideas, financial data, payment and refund information, and information related to negotiations (with employees or third parties) must be protected with strict confidentiality.

B. Fraud, Misuse and Abuse

FMHP conducts its operations and business in compliance with the highest ethical standards and all regulatory requirements. Fraud, Misuse and Abuse (FWA) training emphasizes confidentiality, anonymity, and non-retaliation for disclosing situations related to an actual or potential situation related to fraud, misuse, and abuse. The training will provide us with:



- Disciplinary guidelines for non-compliance or fraudulent behavior.
- A review of potential conflicts of interest and FMHP's Conflict of Interest Disclosure form.
- Examples of situations of unacceptable conduct that the employee must report.
- Reviews of laws governing employee conduct under the Medicaid Program.

FMHP will develop employee-targeted communication materials with information about fraud, misuse, and abuse. This, for example, could include, but will not be limited to:

- Newsletters for employees, suppliers, and the general public.
- Posters or other materials are prominently located on FMHP premises.
- The FMHP Intranet Portal is available to all employees, where they can learn more about compliance with applicable regulations and how to detect fraud, misuse, and abuse, as well as methods to report them.

Educational information about fraud, misuse, and abuse is available to subscribers, beneficiaries, and providers on FMHP's web pages (www.firstmedicalpr.com and www.firstmedicalvital.com, Benefit Coverage (Commercial Line) and Explanation of Benefits and Vital Plan Beneficiary Handbook.

C. Code of Conduct and Ethics

The Corporate Compliance Program enforces the standards set forth in the Code of Conduct and Ethics by communicating the compliance expectations of the FMHP Board of Directors. As a result, all members of the Board of Directors, employees, medical advisors, consultants and business partners and delegated entities should read FMHP's Code of Conduct and Ethics and disclose any information that may result in a conflict of interest in their relationship with FMHP.

They must also sign a certificate attesting to having received the Code of Conduct and Ethics within ninety (90) days of their employment or hiring and thereafter, each year. The Human Resources Department will keep copies of signed certifications,

Failure to comply with the Code of Conduct and Ethics or the rules of behavior that the Code represents, may lead to disciplinary action. For alleged violations of the Code, FMHP will consider the relevant facts and circumstances, including, but not limited to, the extent to which the conduct was contrary to the express language or general intent of the Code, and other factors that FMHP deems relevant. Discipline for non-compliance with the Code, at FMHP's discretion, ranges from oral warning to termination of employment.

FMHP's Corporate Compliance Program includes policies and procedures for evaluating potential independent associates, advisors, and suppliers against the Office of the Inspector General's (LEIE) Excluded Persons/Entities Reporting List and/or General Services Administration (GSA Exclusion lists for its acronym in English). FMHP will not hire individuals who have been convicted of a health care criminal offense or who have been banned, excluded, suspended, or otherwise ineligible to participate in Federal Health Care Programs. FMHP's Human Resources Department shall vet the background of all employees and contractors prior to hiring; verifying with all certification and licensing authorities, that the necessary licenses and certifications are valid.

D. Cultural Competence

FMHP serves people of all cultures, races, ethnicities, and religions in a way that recognizes values, affirms, respects the value of individual subscribers, beneficiaries, and protects and preserves the dignity of each individual. In compliance with 42 CFR 438.206, FMHP has a Cultural Competency Plan that ensures services are provided in a culturally competent manner to all subscribers/beneficiaries.

What is cultural competency in health care?

Overall, it's a skill set that allows someone to increase their understanding and appreciation of cultural differences between groups. There are myriad elements that make up a person's cultural identity, including country of origin, language, race, ethnicity, education, family, spiritual traditions, health care practices and dietary practices, and much more. In simple terms, cultural competency in health care is the ability to successfully interact with FMHP subscribers/beneficiaries from various ethnic and/or cultural groups. In practice, this involves:

- Understand and respect the cultural identity of each subscriber/beneficiary;
- Effective intercultural communication between the subscriber/beneficiary and the health care provider, including the availability of health-related language resources, such as translators and translated educational materials; and
- The ability of both the health care provider and the subscriber/beneficiary to access additional cultural support services when needed.

This requires the willingness and ability to utilize community values, traditions, and customs, to devise strategies to meet the needs of culturally diverse subscribers/beneficiaries, and to work with knowledgeable community individuals to develop focused interactions, communication, and other accompaniments.

Section 4

Lines of Communication

4.1 Communications

Effective lines of communication between the Compliance Officer and employees are important for the successful implementation of a Compliance Program and early intervention in the event of any potential non-compliance with the FMHP Compliance Program. FMHP has effective lines of communication to respond quickly and efficiently, ensuring confidentiality between the Compliance Officer and employees, subscribers/beneficiaries, suppliers, and delegated entities.

In compliance with federal laws and regulations, the requirements of the ASES and the Guidelines of the Sentencing Commission of the United States of America, among others, the FMHP Compliance Department will communicate to the members of the Board of Directors, employees, and about the FMHP Compliance Policies and Procedures, Code of Conduct and Ethics, State and Federal laws and regulations applicable to the healthcare industry and/or any changes thereto. Communication methods may include one-on-one conversations, broadcast emails, mailings to individual employees, Board of Directors members or subcontractors, educational sessions, large and small group meetings, posters, periodic newsletters, and our Intranet website.

In order to encourage communications, FMHP employees, advisors and Board of Directors members have been guided on the Confidentiality and Non-Retaliation Policies. FMHP promotes the adoption of "open door" policies to foster dialogue between management and employees. Supervisors play a key role in responding to employee concerns and it is appropriate for them to serve as the first line of communication.



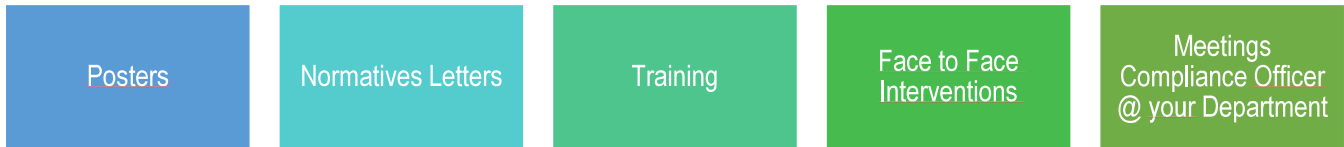
**Your duty is to report.
Fraud and
Compliance Alert
Line 1-866-933-9336**

All employees, medical advisors, consultants, business partners, members of the FMHP Board of Directors and delegated entities are responsible for complying with all applicable laws and regulations and reporting any actual or apparent acts of non-compliance. If you know or suspect that someone does not comply with the rules, you should report it immediately. Failure to do so will result in disciplinary action. Reports can be made anonymously through the Fraud and Compliance Alert Line if the person so wishes.

FMHP has an active policy for maintaining open lines of communication and will not intimidate, threaten, force, discriminate, or take other retaliatory action against any subscriber, beneficiary, supplier, employee, subcontractor who exercises any of its rights or provides information about inappropriate, illegal, or non-compliant conduct.

4.2 Internal Communication

FMHP has developed several internal communication methods to provide guidance and direction on matters related to compliance and fraud, misuse, and abuse, emphasizing the importance of detection, prevention, and correction of deficiencies. Among the communication methods developed, there are, but are not limited to:






FMHP's Compliance Department encourages all employees, medical advisors, consultants, agents, directors, subscribers/beneficiaries, and providers to report suspected cases of non-compliance and/or fraud, misuse and abuse related to the Medicaid Program. You should report any suspected violations to your supervisor, compliance officer, Vice President of Regulatory Affairs or FMHP General Counsel.



FMHP has established a Fraud and Compliance Hotline to anonymously report any suspected fraud, misuse and abuse, and non-compliance issues primarily affecting our subscribers/beneficiaries, providers, and subcontractors. Employees, suppliers, subscribers/beneficiaries, and advisors can contact the **Fraud and Compliance Alert Line directly at 1-866-933-9336**. Any employee who knew of such an allegation but failed to report it may be subject to disciplinary action. In order to promote an environment of open communication and reporting, FMHP has a non-retaliation policy when an individual reports suspected cases of non-compliance or fraud, misuse, and abuse.

An additional mechanism for addressing written concerns is via email to alerta fraude y cumplimiento@firstmedicalpr.com to report potential or actual situations related to fraud, misuse and/or abuse and promptly address concerns and complaints about any incidents of inappropriate activity. Calls and emails can be sent anonymously or otherwise. All communications made to the Fraud and Compliance Alert Line will be kept in the utmost confidence at all times. The informant should provide as many details as possible about the incident if the information is available. For example:

- Description of the incident.
- When the informant noticed the incident.
- Specific individual(s) were involved in the incident.
- If available, it is important to provide documentation/evidence.

In addition, they may report suspected cases of fraud, misuse, and abuse to the appropriate federal and state regulatory agency as specified in the Medicaid contract and applicable laws, including, but not limited to, the Office of the General Inspector of the U.S. Department of Health and Human Services:

Fraud and Compliance Hotline		1-866-933-9336 toll free, 24 hours, 7 days
		alertafraudeycumplimiento@firstmedicalpr.com
		First Medical Health Plan, Inc. PO Box 191580 San Juan, PR 00919-1580

Office of the General Inspector 1-800-HHS-TIPS (1-800-447-8477) TTY: 1-800-377-4950		Email: HHSTips@oig.hhs.gov Online: oig.hhs.gov/report-fraud
		U.S. Department of Health and Human Services ATTN. OIG Hotline Operations PO Box 23489 Washington, DC 20026
		1-800-223-8164

4.3 Integration of Federal and State Government Mandates

All FMHP policies and procedures will be reviewed at least annually, or as necessary, to ensure compliance with new and/or revised federal and local government mandates related to the Medicaid Program. This includes, but is not limited to, the Federal Medical Services Illegal Commissions Act and the False Claims Act.

Upon receiving a mandate from the federal and state governments through the Regulatory Letters and Circular Letters of the ASES and the Office of the Insurance Commissioner of Puerto Rico (OCS), CMS updates, the guidelines of the *U.S. Department of Labor*, among others, the Department of Compliance will send the communication to the directors and managers of the impacted department to review it and implement all current mandates ensuring the Compliance with them in the review of policies and procedures. Department directors/managers must confirm that the changes were applied, in writing, to the Compliance Department.

4.4 Reporting Organizational Changes to Agencies

FMHP must notify in writing all federal, state, and applicable accreditation bodies within thirty (30) days of any significant organizational, operational, or financial changes including, but not limited to, it. Changes in organization (e.g., change of name, additional services or locations, changes in majority interest, changes in state license or federal certification, among others);

- Any interruption of services in excess of thirty (30) calendar days;
- Significant changes in directed care underwriting, significant changes in the managed care delivery system, or changes in the workforce of employees;
- Bankruptcy or other significant change in the financial viability of the organization;
- Any governmental investigation, criminal indictment, plea, or guilty verdict in a criminal proceeding (other than a traffic violation) that directly or indirectly involves the organization or any of its officers.

Section 5

Application of Disciplinary Rules

The primary functions of FMHP's written policies, procedures, and standards of conduct are:

- Describe FMHP compliance expectations;
- Express our commitment to comply with all applicable federal and state regulations; and
- Provide guidance to employees and others on how to handle situations of suspicion, detection and reporting of potential compliance violations or fraud, misuse, and abuse, and how to communicate compliance situations to assigned compliance personnel.

It is FMHP's policy to establish progressive discipline for non-compliance with the Corporate Compliance Program, the Code of Conduct and Ethics, policies and procedures established or adopted pursuant to this Program, or any federal or state law or regulation. Employees who engage in conduct contrary to those described above will be subject to disciplinary sanctions, including, but not limited to, termination of employment.

FMHP will take disciplinary action against employees who participate in or authorize a violation of applicable federal or state law, the Code of Conduct and Ethics, or policies and procedures; and to any employee who has deliberately failed to report such a violation or obstructs an investigation. FMHP will discipline any employee who has knowingly withheld relevant information and material related to a violation of applicable state and/or federal law, the Code of Conduct and Ethics, or applicable policies and procedures, and will take appropriate steps to prevent it from happening again.

FMHP will review the U.S. Department of Health and Human Services (*DHHS*) list, the Office of Inspector General's (*OIG*) list of excluded individuals and entities, the *Excluded Parties List Systems (EPLS)*, and the applicable exclusion list from the *System for Award Management (SAM)* database.), prior to hiring and monthly thereafter, by names of employees, contractors, providers, counselors, and service providers excluded from participating in Medicare, Medicaid, or other Health Care Programs, federal contracts, and State Health Care Programs. Any individual or entity that is not eligible to participate in the federal program will terminate their employment/contract immediately.

FMHP will not knowingly engage or retain on its behalf any person or entity that has been:

- 1) Convicted of a health care criminal offense (unless such person or entity has implemented a compliance program as part of an agreement with the federal government); or

- 2) Listed by a federal agency as barred, excluded, or ineligible to participate in the federal program or receive federal funds.

Excluded individuals or entities are not recruit, employed, or hired by FMHP or advisors to provide services or items to Medicaid subscribers, beneficiaries.

Section 6

Internal Audit and Monitoring

The FMHP Compliance Officer is responsible for establishing and implementing an Annual Work Plan that ensures proactive identification of compliance risks. This Annual Work Plan includes monitoring, internal and external audits to evaluate FMHP departments and delegated entities and ensure compliance with state and federal requirements, contractual agreements, policies and procedures, and the overall effectiveness of the Compliance Program. The Annual Audit and Monitoring Work Plan is submitted to the FMHP Corporate Compliance Committee for approval and subsequent ratification by the FMHP Board of Directors.

FMHP performs internal monitoring and auditing activities in order to assess risks and make adjustments necessary to ensure the organization's compliance. The Compliance Department develops an audit-specific assessment tool to ensure it covers the appropriate scope of operations. The tool is updated as policies change at FMHP or the agencies that regulate us. Risks can be identified through different initiatives that include the evaluation of processes and documentation, monitoring of execution guarantees, interviews and observation in the work areas to obtain a 360° view prior to the determination of a possible risk.

If the Compliance Department identifies a potential risk or potential fraud, misuse and abuse, the Compliance Department must immediately notify the Vice President of Regulatory Affairs to investigate and take appropriate corrective action. The results of these audit and monitoring activities are delivered to the leaders of each department for evaluation and development of a Corrective Action Plan, as needed. The Compliance Department will provide timely follow-up to evaluate the effectiveness of corrective actions taken. It is the responsibility of the Compliance Officer to provide updates on monitoring and audit results to the FMHP Compliance Committee, Quality Committee, and Board of Directors.

6.1 Internal Audit Monitoring

An annual risk assessment shall be conducted to identify areas of increased risk in compliance with factors to be considered to determine the level of risk, including, but not limited to:

- a) Financial impact;
- b) Regulatory impact (compliance, laws and government regulations); and
- c) Reputational impact (complaints, dissatisfied subscribers/beneficiaries, non-compliance with policies or standards).

Risk assessment includes violations in advertising and affiliation, false representation of agents, intermediaries, appeals and complaints procedures, utilization management, accuracy in claims processing, among others. An audit and monitoring work plan for situations of non-compliance will be developed.

6.2 Audit review and Monitoring of Delegated Entities

The work plan of the Audit and Monitoring Department of the Compliance Department oversees compliance with FMHP's delegated functions through a comprehensive audit and monitoring program. Delegated entities shall have an audit prior to delegation of services and at least one audit monitoring activity annually. The pre-delegation audit will be carried out during the contract negotiations with the entity. The results of the audit and monitoring activities will be reported to the Delegated Entities Oversight Committee and the Corporate Compliance Committee. The Compliance Committee shall determine and report to the Board of Directors the recommendation to delegate, with an action plan or not to delegate the functions of FMHP to an entity.

6.3 Effectiveness of the Corporate Compliance Program

The Compliance Officer must ensure the effectiveness of the Compliance Program. To ensure this effectiveness, the Compliance Program must be audited at least once a year. The Compliance Department will oversee the Corporate Compliance Program's effectiveness self-assessment tool; evaluation sheets or tabulators. The Compliance Officer will share the results with FMHP's Compliance Committee, senior management, and Board of Directors.

6.4 Compliance Investigations

The investigation of a particular practice or alleged violation should include a review and analysis of relevant documentation and records, interviews and applicable laws and regulations, as well as the review of data and claims records. All investigations must be conducted under the evaluation of the Vice President of Regulatory Affairs.

The Vice President of Regulatory Affairs and the Compliance Officer may recommend administrative decisions to the Corporate Compliance Committee and the FMHP Board of Directors.

Section 7

Responding to Identified Deficiencies

FMHP recognizes that the success of the Corporate Compliance Program is related to the integrity of our employees and their commitment to compliance. Demonstrated failure by a contractor, subcontractor, and/or employee of a contractor or subcontractor to comply with federal and state regulations, or fraud, misuse and abuse will result in corrective actions, including termination of the contract with FMHP. Pending the resolution of any federal criminal charge or the proposed disqualification or exclusion of a current employee, that employee will be relieved of direct responsibility for or participation in any coding or billing process, and any other activity

related to a Federal Health Care Program. While each situation is considered on a case-by-case basis, FMHP will always implement appropriate disciplinary measures to address inappropriate conduct and prevent future violations.

In addition, reports of potential or actual compliance situations related to the Medicaid Program should be reported to the Health Insurance Administration (ASES), the Centers for Medicare and Medicaid Services (CMS), and/or the Office of Inspector General (OIG) for further investigation.

Section 8

Non-Retaliation and Whistleblower Protection Policy Act

FMHP complies with federal law that protects individuals who investigate or report potential false claims made by their employer against termination or employment discrimination due to such an investigation. FMHP recognizes that the decision to report a concern can be difficult to make, as it can generate a negative reaction from those responsible for negligence.

FMHP will not tolerate harassment or victimization and will take steps to protect those who raise a concern in good faith. FMHP will make every effort to protect an individual's identity when they have a concern and do not want their name disclosed. However, it must be recognized that in the process of investigation the source of the information may be disclosed and that a statement by the individual will be required as part of the evidence. If an allegation is made in good faith, but is not confirmed by an investigation, no action will be taken against the originator. However, individuals who make malicious or degrading accusations may be considered against individuals who make this type of allegation.

Employees who are discriminated against for whistleblowing activities can sue in court for damages. Under federal law, any employer who violates the Whistleblower Protection Act is liable to the employee for:

- 1) Restoration of the employee's position without loss of seniority;
- 2) Two (2) times the amount of late payment lost; and
- 3) Compensation for any special damages.

Therefore, FMHP's commitment is to protect individuals who report violations or suspicious activity and comply with regulatory requirements not to discriminate against employees for their direct or indirect involvement in investigations of fraud, misuse, and abuse.

Section 9

Fraud, Misuse and Abuse

FMHP maintains a strict zero-tolerance policy for fraud, misuse, and abuse. FMHP's Special Investigations Unit is responsible for executing audit and monitoring activities to prevent, detect, and stop situations involving fraud, misuse, and abuse of the benefits and services offered by the Plan.

The purpose of investigating these activities is to protect the subscriber/beneficiary, the government, and/or FMHP from paying more for a service than they are obligated to pay. However, FMHP's zero-tolerance policy is not limited to cases of fraud, misuse, and abuse. FMHP will investigate instances of misuse, as well as any inappropriate activity.

Fraud, misuse and abuse policies and procedures, as well as the Corporate Compliance Plan and Integrity Plan, are reviewed annually and submitted to regulatory agencies for approval.

9.1 Definitions: Fraud, Misuse and Abuse (FWA)

- ❖ **Fraud:** is knowingly and intentionally executing, or attempting to execute, a plan or scheme to defraud any Health Care Benefit Program or to obtain (through false or fraudulent claims, representations, or promises) any money or property of, or under the custody or control of, any Health Care Benefit Program. 18 U.S.C. § 1347.
- ❖ **Misuse:** is the overutilization of services or other practices that, directly or indirectly, result in unnecessary costs to the Medicaid Program. In general, misuse is not considered a cause for negligent criminal actions but for the misuse of resources.
- ❖ **Abuse:** includes actions that may, directly or indirectly, result in unnecessary costs to the Medicaid Program, improper payments, payments for services that do not meet professionally recognized standards of care, or services that are medically unnecessary.

Abuse involves payment for goods or services when there is no legal right to that payment and the supplier has knowingly and/or intentionally misrepresented the facts to obtain payment. Abuse cannot be categorically differentiated from fraud, as the distinction between "fraud" and "abuse" depends on specific facts and circumstances, intent and prior knowledge, and available evidence, among other factors.

The Special Investigations Unit protocol encompasses investigative steps to work on fraud cases together with our Legal Division, state, and federal authorities, including but not limited to the Puerto Rico Health Insurance Administration (ASES), the Department of Justice, the Medicaid Fraud and Control Unit (MFCU), the Department of Health and/or the Office of Inspector General (OIG).


The Compliance Officer has the authority to report urgent situations directly to the FMHP Board of Directors. If the case to be reported to the Board of Directors is of such magnitude that it cannot wait for the next scheduled meeting of the Board, the Compliance Officer may request an extraordinary meeting of the FMHP Board of Directors. Such a request should include a brief summary of the urgent matter to be discussed. The Board of Directors shall review the application and notify you about its availability.

As part of our commitment to prevent, detect, and correct fraud, misuse, and abuse, we encourage you to read and understand the FMHP Integrity Program as this is one of our organization's pillars to ensure compliance with laws and regulations that apply to the healthcare industry.

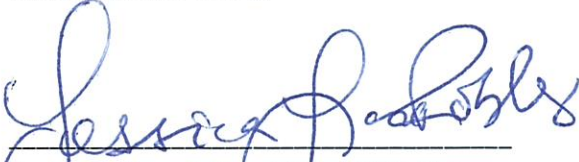
Amendments

This Compliance Program may be amended and/or modified upon recommendation of the Compliance Committee or express determination of the FMHP Board of Directors. The policies mentioned in this Compliance Program apply to both lines of business. We value your contribution to the improvement of our processes.

This Compliance Program was revised and approved on November 17, 2022.



Nelly Cuevas Santiago, MSEM
Director of Corporate Compliance
and Compliance Officer



Dr. Jessica Losa Robles, MPH, MHSA, PhD
Vice President of Regulatory Affairs
and Privacy Officer



Mr. José Pagán
Senior Executive Vice President
Chairman of the Compliance Committee

Important Contacts

Fraud and Compliance Hotline

1-866-933-9336

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