



# Northeast Delta Dental Compliance Plan

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## INTRODUCTION / PURPOSE

Compliance with all applicable federal and state laws, rules, regulations and standards with respect to state, federal and Marketplace Exchange requirements is an expectation Northeast Delta Dental has of all its employees, Board members, contractors and its affiliated companies, including csONE (formerly Combined Services, LLC), New England Dental Administrators, LLC, Red Tree Insurance Company, Inc., and Red Tree Holdings, Inc. and PreViser Corporation. Compliance with Northeast Delta Dental and Delta Dental Plans Association policies and standards, including those related to legal requirements, is likewise an expectation of all employees, and to the extent relevant, Board members. In addition, to the extent applicable, Northeast Delta Dental's network dentists must comply with the Compliance Plan. As a Member Company of the Delta Dental Plans Association (DDPA), Northeast Delta Dental is also required to have an effective compliance program to promote adherence to the DDPA Standards, privacy laws, confidentiality policies and the avoidance of enterprise risk.

This Compliance Plan incorporates the Code of Conduct and serves as a guide to and documents Northeast Delta Dental's policies and procedures for compliance-related matters including: the procedures for the reporting and investigation of potential compliance issues; the monitoring and auditing of systems and actions necessary for successful compliance; and, our compliance related training. Our training is provided to employees and affiliates to ensure full compliance with applicable laws, rules, regulations, policies and standards, and to mitigate risks in all areas of compliance for the benefit of Northeast Delta Dental, those whom we serve and DDPA.

Northeast Delta Dental's Core Values in action demonstrate our expected employee standards of conduct. They also provide the foundation upon which our commitment to compliance is built. As set out in our Employee Guide, our four (4) Core Values are:

*Integrity and Respect are crucial values that establish the essential cornerstones for creating relationships with our constituents and, by extension, among our employees.*

*Open Communication allows people to find the common ground on which they can work together effectively. It is essential for our continued success as a great place to work and as a stellar place to do business.*

*Teamwork marks the essence of our culture and mission. You and your team members have a shared responsibility and mutual accountability to give 100% and work cooperatively to realize your group's commitments – commitments which foster innovation and strengthen relationships so we are responsive to the needs of all our constituents and each other.*

*Quality and Excellence are embodied in our plans and in the servicing of those plans. These core values reflect our feeling of pride in our work. To achieve and sustain success, Northeast Delta Dental applies these principles to reconcile differences in the needs and goals among each of our constituents, between our organization and the communities in which we operate, and between the employee and the organization.*

These Core Values are regularly referenced and reinforced in company-wide meetings and materials. Northeast Delta Dental's expectation is that employees will conduct themselves with the highest level of integrity, with a particular commitment to adhering to all policies and procedures in support of our corporate compliance requirements. Our culture promoting open communication supports an environment where employees are encouraged to raise potential compliance issues and other concerns,

which, when combined with our whistleblower and anti-retaliation policies, promote and result in greater overall compliance.

Key documents in Northeast Delta Dental's compliance system are the Corporate Code of Conduct, the Code of Conduct for Board members, our Employee Guide and this Compliance Plan. Visitors to our New Hampshire office, where all claims are processed, sign a confidentiality agreement. Also, our contracts with vendors and outside contractors address HIPAA privacy and security rules, IT security expectations, nondiscrimination, and other relevant compliance matters and our vendor management program ensures that vendors are compliant with our and regulatory compliance requirements.

#### CORPORATE COMPLIANCE OFFICER AND COMPLIANCE COMMITTEE

Northeast Delta Dental's General Counsel is designated to serve as our Compliance Officer. As a full-time employee, the General Counsel is accessible to all employees during regular business hours and is available otherwise as needed. The General Counsel is accessible via personal meeting, phone, email and other written communication. Our General Counsel is also the individual who monitors Northeast Delta Dental's confidential, dedicated Integrity Hotline and Mailbox, at which employees may anonymously report compliance issues or illegal or unethical behavior.

Our Internal Compliance Committee is a group of employees representing every aspect of the company to meet monthly and discuss compliance matters as they relate to the Compliance Work Plan and issues as they arise. The Internal Compliance Committee Work Plan outlines training opportunities, auditing and monitoring schedules, compliance initiatives and oversight responsibility. Our Tri-State Compensation Committee also serves as our Board Compliance Committee, providing oversight and meeting at least quarterly and addressing any compliance matters in the regular course of performing its Board of Directors functions.

## THE PROCESS: REPORTING, INVESTIGATING, CORRECTIVE ACTION, DISCIPLINE

### a. Reporting Potential Compliance Issues

Noncompliant, illegal or unethical behavior can surface and/or be identified through a variety of means, including self-reporting, internal auditing and monitoring activities, external audits, and whistleblower reports.

Employees are encouraged, without fear of reprisal, to bring any potential compliance issues to the attention of management. The Employee Guide and the Corporate Code of Conduct state the policy and details the procedure for reporting potential compliance issues or violations, including possible illegal or unethical conduct. This policy provides employees with multiple avenues and alternative processes for reporting concerns or problems regarding possible illegal or unethical conduct, activities, or practices with respect to auditing, accounting, compliance, or any other corporate matters. While a blanket assurance of confidentiality is not possible, for example when a report must be made to a state or federal agency, a reporter's identity is protected in all cases absent a need for disclosure.

Regarding HIPAA compliance specifically, and as stated in the Employee Guide and Corporate Code of Conduct, an employee is expected to report any unauthorized use or disclosure of Protected Health Information (PHI) or Personally Identifiable Information (PII), whether or not intentional. Unauthorized uses or disclosures of PHI or PII or any other privacy related complaint of which he or she becomes aware is reported to Northeast Delta Dental's Privacy Officer.

**Reporting Channels** Employees have several methods available to them for reporting potential compliance issues, as detailed in the Employee Guide and the Corporate Code of Conduct. Employees may report to his or her supervisor, any member of the Senior Management Team, the Compliance Officer (directly or via the dedicated Integrity Hotline or Mailbox), the Compliance Officer or the Chair of the Board. All members of Senior Management, including General Counsel, are required to notify the Board Chair of substantiated reports received under the Reporting of Illegal or Unethical Conduct Policy. Any matter which includes allegations regarding the President of the company must be reported to the Chair of the Board.

### b. Investigations

The starting point and the course of an investigation into a report of possible noncompliance are based on the nature of the reported noncompliance. For example, the reporting of noncompliance with HIPAA regulations or related company policies follow detailed procedures outlined in the Northeast Delta Dental HIPAA Manual. More broadly, a person receiving a report of noncompliance, including illegal or unethical conduct, is expected to immediately forward such report to his or her supervisor or manager, the Compliance Officer, the Compliance Officer or the appropriate member of the Senior Management Team. Upon receipt of a report, the supervisor or manager, Compliance Officer or Senior Management Team member shall begin an investigation into the conduct and facts leading to the report and consult with other members of management appropriate for the matter. Such investigation may include interviewing employees or outside individuals, reviewing computer or paper files, reviewing electronic communications, and engaging external counsel or auditors as appropriate. An investigation may escalate to involve the Legal and/or Human Resources Divisions, and/or a member of Senior Management or the entire Senior Management Team. Matters requiring an interdepartmental investigation may be routed to a

team of representatives from multiple departments, e.g., the Internal Compliance Committee. All involved personnel are expected to cooperate with any resulting investigation.

If the report of noncompliance is substantiated, resolution can involve corrective actions, training, discipline, and/or reporting to government agencies and authorities as appropriate. If the noncompliance is of a financial nature, disclosures to external financial auditors may be warranted.

**Cooperation with Compliance Investigations** As stated in the Employee Guide and the Corporate Code of Conduct, Northeast Delta Dental encourages any employee having good faith concerns regarding possible noncompliance or illegal or unethical conduct involving the company to report those concerns for investigation and appropriate action. The obligation to report potential or actual noncompliance extends to all instances of compliance matters, whether the result of intentional action or not, and whether the compliance issue is caused by a system or human action/inaction. Any employee making a good-faith report will not be subject to any form of retaliation or punishment, including firing, suspension, demotion, reprimand, harassment or job discrimination of any kind for reporting his or her concerns.

**c. Enforcement of Defined Standards, Corrective Action and Discipline**

First, a report is made to any agencies or authorities as appropriate. Any incident of noncompliance prompts a review of the involved department's or enterprise-wide system. Training (and retraining) is a key element of Northeast Delta Dental's compliance and enforcement effort. Training is provided to teach the laws, rules, policies and procedures employees are expected to abide by and to re-educate employees when an incident of noncompliance has been confirmed. Thus, corrective action can include training for individuals, departments, or all employees. When warranted, discipline of involved individuals will be applied in accordance with the disciplinary procedures detailed in the Employee Guide and the Corporate Code of Conduct. Also when warranted, incidents of noncompliance can result in systemic changes to mitigate risks of future noncompliance by a single individual or enterprise-wide.

## MONITORING / AUDITS

### a. Internal monitoring and auditing

Monitoring compliance with applicable federal and state laws and regulations is performed at multiple levels of the company. Each department and team has unique compliance requirements and related procedures, e.g., the accounting department's written monthly audit procedures and the Internal Compliance Committee's risk assessment tool. A company-wide Statement of Controls review and audit, currently utilizing the SSAE16 standards and processes, is performed annually. A comprehensive process regarding and limiting employee access to confidential information, building systems, and electronic access to company, subscriber, and group information is adhered to, and a security review is performed at a minimum of twice yearly on our financial system to confirm or update proper employee access.

Security measures around data security, system security administration, systems access, and disaster recovery are in effect and are reviewed routinely.

Internal controls are in place to monitor routine financial processes, as well as periodic financial and statutory reporting requirements. Internal audit procedures also include periodic review of our claims processing procedures and appropriate sampling for compliance with our, DDPA's and applicable legal requirements.

### b. External audits

Several external audits are conducted annually. Examples of such are the regular compliance audits conducted by our state insurance departments of our financial reserves and certain claims related actions, the complete financial audit of all Northeast Delta Dental corporate entities performed annually by an outside accounting firm, and a yearly penetration test conducted by a contracted firm to look for information technology system vulnerabilities.

The Delta Dental Plans Association also regularly conducts a company-wide audit of Northeast Delta Dental for compliance with its policies, some of which incorporate federal statutory or regulatory requirements.

## TRAINING AND EDUCATION

Training to ensure maximum compliance is provided to or obtained by employees from a variety of sources. Trainings have been and continue to be offered in-house, taken via webinar, attended in person off-site, or provided on-line. Internal experts, external vendors, professional organizations, industry training groups, and educational institutions are among the sources of Northeast Delta Dental's training efforts. Certain topics covering compliance matters are required training for all employees, such as our annual whistleblower, HIPAA trainings and Medicare General Compliance and Fraud, Waste and Abuse trainings while others are geared to individuals, managers, or departments.

Training on compliance matters for employees begins at the New Employee Orientation, a series of sessions totaling over 16 hours. Expectations of employees regarding HIPAA compliance and our policies regarding privacy, nondiscrimination, harassment and whistleblowing, Security and Fraud, Waste and Abuse, among others, are covered at the Orientation.

New employees are provided with and expected to review and attest to the Northeast Delta Dental Corporate Code of Conduct and the Employee Guide that sets out our expectations regarding compliance with all applicable laws, regulations, and both company and DDPA policies.

A particular emphasis is given to compliance training on a quarterly basis for employees and Board of Directors. All employees are required to take HIPAA, Medicare General Compliance, and Medicare Fraud, Waste and Abuse trainings annually and must participate in periodic compliance training during employment.

Specific training on compliance issues germane to an individual's or a department's job functions is also provided. Examples include the Professional Relation's Department's training on Health Care Fraud Prevention, the Corporate Service's training on Ergonomics, and the Human Resource's training on sexual harassment attended by all employees.

## ACCOUNTABILITY / RESPONSIBILITY

Employees are expected to hold themselves to the highest of ethical standards. Each employee is responsible for ensuring his or her own actions comport with company compliance requirements and our Core Values. Annual personnel reviews assess and report on compliance and integrity concerns in particular. At the same time, recognizing that even the most conscientious employee can make a mistake, Northeast Delta Dental's Core Values of Open Communication and Integrity encourage self-reporting of potential noncompliance.