

## MEDICARE REGULATORY REQUIREMENTS ADDENDUM

**THESE MEDICARE REGULATORY REQUIREMENTS** (these “Requirements”) supplement and are made part of each agreement held by Medica Holding Company, LLC, or Medica Service Company, LLC, or one of its Affiliates (individually and collectively, “Medica”) and each Agent or Agency, a Corporate Agency Partner, Field Marketing Organization or Medica Agency Partner (referred to collectively herein as “Agent or Agency”) (the “Agreement”). These Requirements are effective as of the date of the Agreement. In the event of a conflict between these Requirements and the Agreement, these Requirements will govern with respect to services related to Medica’s participation in Medicare programs. This Addendum, effective upon issuance, shall replace any previous version of the Requirements posted on the Broker Portal.

### SECTION 1 APPLICABILITY

The provisions stated in these Requirements apply to Medica’s Medicare products to the extent required by federal and/or state law, Medica’s contracts with the Centers for Medicare and Medicaid Services (“CMS”), or CMS instructions.

### SECTION 2 DEFINITIONS

Capitalized terms used, but not otherwise defined, in these Requirements or the Agreement shall have the same meaning as those terms are used in 42 C.F.R. Parts 422 and 423, and Section 1882 of the Social Security Act, as may be modified or amended from time to time.

- 2.1 **Affiliate.** Any person, partnership, corporation or other form of enterprise including subsidiaries that are controlled by or are under common control directly or indirectly with a party to the Agreement and such persons, partnerships, corporations, or other forms of enterprise, including subsidiaries thereof created in the future that are controlled by or are under common control with such party, and with respect to Medica, excluding Medica Holding Company and Medica Foundation.
- 2.2 **Beneficiary.** An individual who is eligible to elect a Medicare Advantage Plan under 42 CFR 422.50, a Medicare Cost plan, or who is eligible for a Medicare Part D Plan under 42 CFR 423.30.
- 2.3 **CMS Contract.** A contract between CMS and Medica for the provision of Medicare benefits pursuant to the Medicare Program.
- 2.4 **Downstream Entity.** Any party that enters into an acceptable written arrangement below the level of the arrangement between Medica and Agent or Agency. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.
- 2.5 **Person with an Ownership or Control Interest.** A person or corporation that: (a) has

an ownership interest, directly or indirectly, totaling 5% or more in Agent or Agency; (b) has a combination of direct and indirect ownership interests equal to 5% or more in Agent or Agency; (c) owns an interest of 5% or more in any mortgage, deed of trust, note or other obligation secured by Agent or Agency, if that interest equals at least 5% of the value of the property or assets of Agency; or (d) is an officer or director of Agent or Agency (if organized as a corporation) or is a partner in Agent or Agency (if organized as a partnership).

- 2.6 **Plan.** A Medicare Advantage, Medicare Cost Plan, or Medicare Advantage Part D Plan offered, issued, sold, or renewed by a Medica Affiliate. It does not include a Medicare Supplement policy, as defined in Section 1882 of the Social Security Act, offered by a Medica Affiliate.
- 2.7 **Third Party Marketing Organization (“TPMO”).** Organizations and individuals, including independent agents and brokers, who are compensated to perform lead generation, marketing, sales, and enrollment related functions as part of the chain of enrollment (the steps taken by a Beneficiary from becoming aware of a Medicare Advantage, Medicare Cost plan, or Medicare Advantage Part D plan or plans to making an enrollment decision). TPMOs may be a first tier, downstream or related entity (“FDRs”), as defined under 42 CFR 423.4, but may also be entities that are not FDRs but provide services to Medica’s FDR.

### **SECTION 3 AGENT OR AGENCY REQUIREMENTS**

- 3.1 Privacy and Accuracy of Records. Agent or Agency agrees to comply with all applicable state and federal privacy and security requirements. Agent or Agency will do the following in connection with any medical records or other health and enrollment information Agent or Agency maintains with respect to Members: (a) Safeguard Member privacy and confidentiality including, but not limited to, the privacy and confidentiality of any information that identifies a particular Member. Agent or Agency shall abide by all applicable federal and state laws regarding confidentiality and disclosure of medical records or other health and enrollment information of Members. With respect to information that identifies a particular Member, Agent or Agency shall have procedures that specify: (i) for what purpose the information is used within Agent’s or Agency’s organization; and (ii) to whom and for what purposes Agent or Agency discloses the information outside Agent’s or Agency’s organization; (b) Ensure that medical information is released only in accordance with applicable federal and state laws, regulations, sub-regulatory guidance or under court orders or subpoenas; (c) Maintain the records and information in an accurate and timely manner; and (d) Ensure timely access by Members to the records and information that pertain to them in accordance with applicable laws, regulations, and sub-regulatory guidance.
- 3.2 Record Retention. Agent or Agency shall maintain records arising out of or related to the Agreement and the CMS Contract for at least ten (10) years from the date of termination or expiration of the Agreement or final audit, whichever is later, or such longer period required by law or regulation.

- 3.3 Government Access to Records. Agent or Agency acknowledges and agrees that CMS, the U.S. Department of Health and Human Services (“HHS”) Inspector General, the Comptroller General, or their designees will have the right to audit, evaluate and inspect any premises, physical facilities, equipment, pertinent books, records and documents, financial records, claims history records, policies and procedures, complaints, and all related agreements, computer or other electronic systems, including medical records and documentation related to the applicable CMS Contract, consistent with 42 CFR § 438.3(h). If CMS, HHS Inspector General, the Comptroller General, or their designees, determine that there is a reasonable probability of fraud or similar risk, CMS, HHS Inspector General, the Comptroller General, or their designees, may audit the Agent or Agency at any time. This right will exist through ten (10) years from the later of the final date of the applicable CMS Contract period in effect at the time the records were created or the date of completion of any audit, or longer in certain instances described in the applicable law or regulations.
- 3.4 Medica Access to Records. Agent or Agency will grant Medica or its designees such audit, evaluation, and inspection rights identified in Section 3.4 herein, as are necessary for Medica to comply with its obligations under the applicable CMS Contract. Whenever possible, Medica will give Agent or Agency reasonable notice of the need for such audit, evaluation or inspection, and will conduct such audit, evaluation or inspection at a reasonable time and place.
- 3.5 Accessibility for Disabled Members. Agent or Agency will comply with applicable provisions of the Americans with Disabilities Act of 1990, 42 U.S.C. §12101 et. seq., and regulations promulgated pursuant to it. Agent or Agency will also comply with 28 CFR §35.130(d), which requires that services, programs, and activities be provided in the most integrated setting appropriate to the needs of Members with disabilities. Agent or Agency will also take reasonable steps to ensure meaningful access by Limited English Proficient (“LEP”) persons. The following four factors should be considered: (a) the number or proportion of LEP persons eligible to be served; (b) the frequency with which LEP individuals come in contact with Agent or Agency; (c) the nature and importance of the program, activity, or service provided by the program to people’s lives; and (d) the resources available to Agent or Agency, and costs.
- 3.6 Member Protection. Agent or Agency agrees that in no event shall Agent or Agency, or any Downstream Entity bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against a Member or any other person(s) acting on a Member’s behalf, for services provided under this Agreement, or for any other fees that are the legal obligation of Medica under the applicable CMS Contract. This provision applies, but is not limited to, the following events: (a) nonpayment by Medica; (b) insolvency of Medica; or (c) breach of the Agreement by Medica.
- 3.7 Member Rights. Agent or Agency shall comply with any applicable state and federal laws that pertain to Member rights and, when providing services to a Member, ensure the Member’s right to:

- (a) Receive information pursuant to 42 CFR §438.10;
- (b) Be treated with respect and with due consideration for the Member's dignity and privacy;
- (c) Receive information on available services and alternatives, presented in a manner appropriate to the Member's condition and ability to understand;
- (d) Participate in decisions regarding his or her health care, including the right to refuse treatment;
- (e) Be free from any form of restraint or seclusion used as a means of coercion, discipline, convenience or retaliation, as specified in other Federal regulations on the use of restraints and seclusion;
- (f) Request and receive a copy of his or her medical records pursuant to state law and 45 CFR Parts 160 and 164, subparts A and E, and request to amend or correct the record as specified in 45 CFR §§164.524 and 164.526;
- (g) Be furnished services in accordance with 42 CFR §438.206 through §438.210; and
- (h) Be free to exercise his or her rights and that the exercise of those rights will not adversely affect the way the Member is treated.

3.8 Medica Accountability; Delegated Activities. Agent or Agency acknowledges and agrees that Medica oversees and is ultimately accountable to CMS for any functions and responsibilities described in the applicable CMS Contract and applicable regulations or CMS sub-regulatory guidance, including those that Medica may delegate to Agent or Agency. If Medica has delegated any of its functions and responsibilities under the applicable CMS Contract to Agent or Agency pursuant to the Agreement, the following will apply in addition to the other provisions of these Requirements:

3.8.1 Agent or Agency will perform those delegated activities specified in the Agreement, if any, and will comply with any reporting responsibilities as set forth in the Agreement.

3.8.2 If Medica or CMS determines that Agent or Agency has not performed satisfactorily, Medica may revoke any or all delegated activities and reporting requirements. Agent or Agency acknowledges and agrees that to the extent CMS directs such revocation, Medica will provide immediate written notice of such to Agent or Agency, and such revocation will become effective as directed by CMS. Agent or Agency will cooperate with Medica regarding the transition of any delegated activities or reporting requirements that have been revoked by Medica. No additional financial obligations will accrue to Medica with respect to such revoked activities from and after the date of such revocation in accordance with this Section.

3.8.3 Agent or Agency acknowledges that Medica or its designee will monitor Agent's or Agency's performance of any delegated activities on an ongoing basis. Agent or Agency agrees to cooperate with the monitoring and oversight activities of Medica.

3.8.4 If Medica has delegated to Agent or Agency any activities related to the

credentialing of health care providers, Agent or Agency must comply with all applicable CMS requirements for credentialing including, but not limited to, the requirement that the credentials of medical professionals must either be reviewed by Medica or its designee, or the credentialing process must be reviewed, pre-approved and audited on an ongoing basis by Medica or its designee.

- 3.8.5 If Medica has delegated to Agent or Agency the selection of health care providers to be participating providers in Medica’s Medicare provider network, or the selection of any other contractor, subcontractor, or other Downstream Entity, Medica retains the right to approve, suspend or terminate the participation status of such health care providers or arrangement with such contractors, subcontractors, or other Downstream Entities.

3.9 CMS Contract; Compliance with Medica’s Contractual Obligations with CMS; Oversight Plan. Agent or Agency agrees to participate in the Medicare funded programs pursuant to the CMS Contract under the terms and conditions agreed to by the parties. Agent or Agency understands that this Agreement involves receipt by Agent or Agency of payments that are, in whole or in part, from federal funds. Agent or Agency, and all related entities, contractors and/or subcontractors are therefore subject to laws applicable to individuals and entities receiving federal funds. Any services rendered to Members under the Agreement will be consistent and comply with Medica’s contractual obligations with CMS. Agent or Agency acknowledges and agrees that Medica oversees and maintains ultimate responsibility for adhering to and otherwise fully complying with the terms and conditions of the CMS Contract and for ensuring that Agent or Agency satisfies its obligations in compliance with such contracts. In accordance with the CMS Contract, payments to Agent or Agency may be suspended by Medica for a determination of a credible allegation of fraud against Agent or Agency. Agent or Agency acknowledges that Medica has established and implemented an oversight plan to monitor agent and broker activities, identify non-compliance with CMS requirements, and report incidents of non-compliance to CMS.

3.10 Laws, Rules and Sub-Regulatory Guidance. Agent or Agency will, and will cause Downstream Entities to, comply with:

- (a) all applicable state and federal laws, regulations and sub-regulatory guidance;
- (b) all applicable Medicare laws, regulations, and CMS sub-regulatory guidance;
- (c) all state and federal laws and regulations designed to prevent or ameliorate fraud, waste or abuse including, but not limited to, applicable provisions of federal criminal law, the False Claims Act (31 U.S.C. 3729 et. seq.) and the anti- kickback statute (section 1128B(b)) of the Act; and
- (d) all applicable state and federal laws and regulations designed to protect Member privacy including, but not limited to: (i) the Health Insurance Portability and Accountability Act of 1996 and administrative simplification rules promulgated thereunder at 45 CFR parts 160, 162, and 164, as amended (“HIPAA”) and (ii) the Health Care Administrative Simplification Act of 1994, Minnesota Statutes, section 62J.50 et. seq., as amended.

### 3.11 Excluded Individuals and Entities.

(a) Agent or Agency warrants that Agent or Agency has not been: (i) convicted of a criminal offense related to Agent's or Agency's involvement in any federally funded government program; (ii) debarred, suspended or otherwise excluded from participation in any federally funded government program, as required by applicable federal law; or (iii) sanctioned by the HHS Office of Inspector General ("OIG"). In addition, Agent or Agency does not appear on: (i) the OIG List of Excluded Individuals/Entities; or (ii) the System for Award Management ("SAM") (formerly the General Services Administration Excluded Parties List System). Agent or Agency agrees to search monthly, and upon contract execution, the HHS OIG List of Excluded Individuals/Entities and SAM to verify that 6 Agent's or Agency's employees, officers, directors, agents, subcontractors and any Person with an Ownership or Control Interest: (i) are not debarred, suspended or otherwise excluded from participation in any federally funded government program; (ii) have not been convicted of a criminal offense related to that person's or entity's involvement in any federally funded government program; and (iii) have not been sanctioned by the OIG.

(b) Agent or Agency further warrants that Agent or Agency will not, during the term of the Agreement, employ, purchase products or services from, or contract with any subcontractor who: (i) has been convicted of a criminal offense related to the individual's or entity's involvement in any federally funded government program; (ii) is listed as debarred, suspended or otherwise excluded from participation in any federally funded government program as required by applicable federal law; or (iii) has been sanctioned by the OIG.

(c) Agent or Agency shall provide written notice to Medica within five (5) calendar days of the date Agent or Agency knows, or has reason to know, that Agent or Agency or any subcontractor has been: (i) convicted of a criminal offense related to the individual's or entity's involvement in any federally funded government program; (ii) listed as debarred, suspended or otherwise excluded from participation in any federally funded government program as required by applicable federal law; or (iii) sanctioned by the OIG.

3.12 Subcontracting. If Agent or Agency has any arrangements, in accordance with the terms of the Agreement, with affiliates, subsidiaries, or any other Downstream Entities, directly or through another person or entity, to perform any of the services Agent or Agency is obligated to perform under the Agreement that are the subject of these Requirements, Agent or Agency will ensure that all such arrangements are current, in writing, duly executed, contain a specific description of payment arrangements and duration, and include all the terms contained in these Requirements as may be interpreted, supplemented or amended in accordance with the terms and conditions of these Requirements. Agent or Agency shall provide proof of such to Medica upon request. Agent or Agency further agrees to promptly amend its agreements with such entities, in the manner requested by Medica, to meet any additional CMS requirements that may apply to the services. The Agreement is subject to CMS review and approval, upon request by CMS.

- 3.13 Data Collection. Agent or Agency will submit to Medica, within the timeframe specified by Medica, all data necessary to characterize the context and purpose of each encounter with a Member in the manner and to the extent required by CMS. Agent or Agency will certify, in writing, the completeness and accuracy of all such data.
- 3.14 Offshore Services. Agent or Agency represents that no subcontractor hereunder performs any Medicare-related work in any country that is not one of the fifty United States or one of the United States Territories (an “Offshore Subcontract”). In the event that Agent or Agency desires to enter into an Offshore Subcontract, Agent or Agency must get Medica’s prior written consent, which may be conditioned upon the consent of Medica’s regulators and Medica’s review of applicable law. If Medica gives consent to Agent or Agency to provide offshore services, Medica still reserves the right to later revoke that consent at Medica’s sole discretion, or if Medica is compelled to do so due to any regulatory instruction or legal requirement. Agent or Agency shall comply with all CMS requirements and instructions applicable to offshore subcontracting including, but not limited to, completing an “Offshore Subcontractor Information and Attestation Form.”
- 3.15 Non-Discrimination. Neither Agent nor Agency will discriminate against any person based on his or her race, color, creed, religion, national origin, sex, gender, gender identity, health status including mental and physical medical conditions, marital status, status with regard to public assistance, disability, sexual orientation, age, or any other classification protected by law.
- 3.16 Compliance Training.
- (a) Agent or Agency certifies that it will annually provide compliance training that meets the guidelines set by CMS from time to time (“Compliance Training”), to all of its personnel and/or employees (as required by CMS) responsible for the administration or delivery of services to Members. To the extent required by CMS, such Compliance Training will be or will include such other applicable compliance and/or fraud, waste, and abuse training directed by CMS. Agent or Agency further certifies that for Downstream Entities responsible for the administration or delivery of service to Members, Agent or Agency will within ninety (90) calendar days of contracting with its Downstream Entities and annually thereafter: (i) communicate general compliance information to its Downstream Entities; and (ii) provide fraud, waste and abuse training directly to its Downstream Entities or provide appropriate fraud, waste and abuse training materials to its Downstream Entities. Agent or Agency will provide, at Medica’s request, an attestation that Agent or Agency has fulfilled the required Compliance Training hereunder for its personnel, employees, and Downstream Entities (to the extent required or instructed by CMS) in compliance with this section.
- (b) Upon reasonable written notice from Medica to Agent or Agency, Agent or Agency shall permit Medica personnel to review Agent’s or Agency’s policies and procedures including, without limitation, Compliance Training program materials and methods of distribution to Downstream Entities related to Agent’s or Agency’s Compliance Training provided under this section.

3.17 Lobbying Disclosure. Agent or Agency shall, and shall require that its subcontractors, if any, certify that, to the best of their knowledge, understanding, and belief:

No federal appropriated funds have been paid or will be paid for salary, expenses or otherwise by or on behalf of Agent or Agency, to any person influencing or attempting to influence an officer or employee of an agency, a member of Congress or state legislature, an officer or employee of Congress or state legislature, or an employee of a member of Congress or state legislature in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, the modification of any federal contract, grant, loan, or cooperative agreement, or in any activity designed to influence legislation or appropriations pending before Congress or state legislature.

If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with federal government health care program products, Agent or Agency shall, and as applicable shall require that its subcontractors, complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3.18 Termination Due to Government Action. In the event Medica ceases to offer Medicare products and terminates (and does not replace) the applicable CMS Contract, the Agreement or portion thereof may be terminated by Medica effective as of the effective date of the termination of the applicable Medicare product or CMS Contract. Such termination of the Agreement shall be carried out in accordance with the termination requirements stated in 42 CFR §§422.506 and 422.512.

3.19 Obligations and Activities of TPMO. The provisions below are effective for enrollments effective January 1, 2024. Agent or Agency shall comply with the requirements for TPMOs, including the following, to the extent such requirement is applicable to the TPMO's agreement with Medica.

A. *Standard Disclaimers.*

1. Agent or Agency, if it does not sell all commercially available Medicare Advantage and Medicare Cost plans in a given service area, or does not sell all commercially available Medicare Advantage Part D plans in a given service area, must include the following standard disclaimer:

We do not offer every plan available in your area. Currently we represent [insert number of organizations] organizations which offer [insert number of plans] products in your area. Please contact Medicare.gov, 1-800-MEDICARE, or your local State Health Insurance Program to get information on all of your options.

2. Agent or Agency, if it sells all commercially available Medicare



Advantage and Medicare Cost plans in a given service area, or sells all commercially available Medicare Advantage Part D plans in a given service area, must include the following standard disclaimer:

Currently we represent [insert number of organizations] organizations which offer [insert number of plans] products in your area. You can always contact Medicare.gov, 1-800-MEDICARE, or your local State Health Insurance Program for help with plan choices.

3. Agent or Agency shall ensure it uses the standard disclaimer in the following circumstances:

- a) Verbally conveying the standard disclaimer within the first minute of a sales call;
- b) Electronically conveying the standard disclaimer when the Agent or Agency or an Individual Agent is communicating with a Beneficiary through e-mail, online chat, or other electronic means of communication;
- c) Prominently displaying the standard disclaimer on the Agent or Agency's website(s); and
- d) Including the standard disclaimer in any Marketing materials, including print materials and television Advertisements, developed, used or distributed by the Agent or Agency.

B. *Disclosure of Relationships.* Agent or Agency shall disclose to Medica, in accordance with the Medica Compliance Reporting, Investigation and Prompt Response Policy on the Broker Portal, as may be updated from time to time, any subcontracted relationships used for marketing, lead generation, and enrollment.

C. *Recording of Marketing, Sales, and Enrollment Calls.* Agent or Agency shall record all marketing, sales, and enrollment calls, including the audio portion of calls via web-based technology with Beneficiaries in their entirety, and must retain copies of the recording in accordance with the records retention requirements of the Agreement.

D. *Reporting to Medica.* Agent or Agency shall report to Medica on a monthly basis any staff disciplinary actions associated with Beneficiary interaction in accordance with the Medica Compliance Reporting, Investigation and Prompt Response Policy on the Broker Portal, as may be updated from time to time.

E. *Lead Generation.* Agent or Agency, when performing lead generating activities shall inform the Beneficiary that the Beneficiary's information will be provided to a licensed agent for future contact, or that the Beneficiary is being transferred to a licensed agent who can enroll him or her into a new plan.

1. When Agent or Agency is providing the Beneficiary's information to a licensed agent for future contact, Agent or Agency shall inform the Beneficiary of such activity in accordance with the following standards:

- a) Verbally when communicating with the Beneficiary through the

telephone;

b) In writing when communicating with the Beneficiary through mail or other paper means; and

c) Electronically when communicating with the Beneficiary through email, online chat, or other electronic messaging platform.

2. When Agent or Agency is transferring the Beneficiary to a licensed agent, Agent or Agency shall disclose to the Beneficiary that the Beneficiary is being transferred to a licensed agent who can enroll the Beneficiary into a new Plan.

F. *Marketing Material Review.* To the extent that TPMO has developed marketing materials, election forms, and certain designated communications materials for multiple MA organizations or plans, TPMO must submit such materials to the HPMS Marketing Module with prior review by Medica, in accordance with 42 CFR 422.2261(a)(2) and 42 CFR 423.2261(a)(2).