

**MEDICARE REGULATORY REQUIREMENTS  
MEDICA HEALTH PLANS AND MEDICA INSURANCE COMPANY**

**THESE MEDICARE REGULATORY REQUIREMENTS** (these “Requirements”) supplement and are made part of the underlying Agent/Agency agreements among Medica Health Plans and Medica Insurance Company (collectively, “Medica”) and each Agent or Agency (the “Agreement”). These Requirements set forth the terms and conditions of the parties’ agreement regarding the provision of Medicare-related services to Medica Members in accordance with the Medicare program under Title XVIII of the Social Security Act (the “Medicare Program”). The terms of the Agreement and these Requirements are to be read consistently to the extent feasible. In the event any provision in these Requirements conflicts with the terms of the Agreement, the terms contained in these Requirements will govern with respect to services related to Medica’s participation in the Medicare Program. Unless otherwise defined herein, capitalized terms used in these Requirements will have the same meaning as those terms in the Agreement.

**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**

- 2.1 **CMS Contract:** A contract between CMS and Medica for the provision of Medicare benefits pursuant to the Medicare Program.
- 2.2 **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.

**SECTION 3  
AGENT OR AGENCY REQUIREMENTS**

- 3.1 Maintenance; Privacy and Confidentiality; Member Access. Agent or Agency will maintain records and information related to the services provided under the Agreement, including but not limited to Member medical records and other health and enrollment information, in an accurate and timely manner. Agent or Agency will maintain such records 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 as required by law. Agent or Agency will safeguard Member privacy and confidentiality including, but not limited to, the privacy and confidentiality of any information that identifies a particular Member, and will comply with all federal and state laws regarding confidentiality and

disclosure of medical records or other health and enrollment information. Agent or Agency will ensure that Members have timely access to medical records and information that pertains to them, in accordance with applicable laws, regulations, and sub-regulatory guidance.

- 3.2 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, contracts, 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 Medicare regulations.
- 3.3 Medica Access to Records. Agent or Agency will grant Medica or its designees such audit, evaluation, and inspection rights identified in Section 3.2 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.
- 3.4 Hold Harmless. Agent or Agency agrees that in no event including, but not limited to, Medica’s non-payment, insolvency or breach of the Agreement or these Requirements, will 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, other than the Medica Medicare plan, for the services provided under the Agreement or for any other fees that are the legal obligation of Medica under the applicable CMS Contract.
- 3.5 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:
- 3.5.1 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.

- 3.5.2 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.
- 3.5.3 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.
- 3.5.4 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.
- 3.5.5 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 Agent or Agency, 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.
- 3.6 Compliance with Medica's Contractual Obligations with CMS. Agent or Agency agrees to participate in the Medicare funded programs pursuant to Medica's contracts with CMS under the terms and conditions agreed to by the parties. Any services rendered to Members under the Agreement will be consistent and comply with Medica's contractual obligations with CMS.
- 3.7 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 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 federal laws and regulations designed to protect Member privacy including, but not limited to, HIPAA administrative simplification rules at 45 CFR parts 160, 162, and 164 and the Health Care Administrative Simplification Act of 1994, Minnesota Statutes, section 62J.50 et. seq.

- 3.8 Eligibility. Agent or Agency agrees to immediately notify Medica in the event Agent or Agency is or becomes excluded, debarred or otherwise made ineligible for participation in any federal or state health care program under Section 1128 or 1128A of the Social Security Act, or appears on the HHS Office of Inspector General’s List of Excluded Individuals/Entities (an “Excluded Entity”). Agent or Agency also will not employ or contract for the provision of products or services under the Agreement, with or without compensation, with any individual or entity that is or has been an Excluded Entity.
- 3.9 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, and include all the terms contained in these Requirements. Agent or Agency will provide proof of such to Medica upon request. Agent or Agency further agrees to promptly amend its agreements with Downstream Entities, in the manner requested by Medica, to meet any additional CMS requirements that may apply to the services.
- 3.10 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 and DHS. Agent or Agency will certify, in writing, the completeness and accuracy of all such data.
- 3.11 Offshore Services. Unless authorized in writing by Medica, all services provided pursuant to the Agreement that are subject to these Requirements must be performed by Agent or Agency (or its subcontractor) within the United States, the District of Columbia, or the United States territories. In the event Medica gives written consent for Contractor to provide off-shore services: (a) Agent or Agency will comply with all legal requirements applicable to off-shore subcontracting including, but not limited to, completing an Off-Shore Subcontractor Information and Attestation Form and (b) Medica reserves the right to later revoke its consent at Medica’s sole discretion, or if Medica is compelled to do so due to any regulatory instruction or legal requirement.
- 3.12 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.

3.13 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 90 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.

3.14 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.

3.15 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 CMS Contract. Such termination shall be carried out in accordance with the termination requirements stated in 42 CFR §§422.506 and 422.512.