

# Corporate Integrity Agreement

## Executive Summary

### Introduction

On April 20, 2011, WellCare executed its Corporate Integrity Agreement (CIA) with the Office of the Inspector General (OIG) of the Department of Health and Human Services (HHS). The following paragraphs summarize key elements of the final WellCare CIA, which went into effect on April 26, 2011, following execution by the government.

### Term of the CIA

WellCare is obligated to comply with the terms of the CIA for a period of five years, with certain OIG rights and Company obligations extending for an additional 120 days.

The OIG has the discretion to terminate WellCare's obligations under the CIA before its expiration if WellCare ceases to provide (or have ownership in an entity that provides) health care items or services that are billed to Medicare or Medicaid or any other federal healthcare program. However, if WellCare sells the company, the CIA "shall be binding on the successors, assigns, and transferees of WellCare."

### Operational Requirements of the CIA

#### **I. Policies & Procedures**

In connection with our company-wide commitment to meeting the requirements of the CIA and to promoting compliance with Federal health care program requirements, we have posted copies of key WellCare policies and procedures that are relevant to the CIA.

#### **II. Corporate Integrity Obligations**

The CIA requires WellCare to maintain and build upon its existing Compliance Program, which must include the following components: The CIA requires WellCare to build upon its existing training program. Under the CIA, the degree to which individuals must be trained depends on their role and function at the Company. The CIA requires WellCare to screen everyone who must be trained (as listed in the section above) against certain, specified lists to determine whether they are ineligible to participate in federal healthcare programs, and to implement a policy requiring immediate disclosure of any debarment, exclusion, suspension, or other event that would make a person ineligible. With respect to individuals determined to be ineligible, WellCare must either decline their services or remove them from any position in which they would be involved in Reimbursement Related Functions. WellCare will also be required, with respect to any individual who has committed a crime eligible for exclusion, to ensure that their responsibilities do not adversely affect the quality of care rendered to any beneficiary, or any claims submitted to any federal healthcare program. Under the CIA, WellCare must report any of the following changes to the OIG: The CIA requires WellCare to report to OIG certain "Reportable Events," including: The CIA requires WellCare to maintain a Disclosure Program that enables individuals to disclose any issues or questions associated with WellCare's policies, conduct, practices, or procedures with respect to a federal healthcare program that the individual believes to be a potential violation of law. The CCO must follow-up on all such reports

and must keep a confidential disclosure log, which must contain information regarding any corrective actions taken by WellCare and must be made available to OIG upon request. The CIA requires WellCare to engage an "Independent Review Organization" (IRO) to review and prepare written reports on the following topics: The CIA requires the CCO to submit a written report to OIG within 150 days after the Effective Date of the CIA, summarizing the status of the CIA's implementation. This report must include, among other things: The CIA also requires the CCO to submit an Annual Report for each year of the term of the CIA. In addition to updating the information provided in the implementation report, the Annual Report must provide, among other things: WellCare is expected to fully and timely comply with all of its CIA obligations. Failure to comply with certain obligations set forth in the CIA may lead to the imposition of monetary penalties against WellCare. In addition to monetary penalties, if OIG finds that WellCare has materially breached the CIA, OIG may exclude WellCare from participation in the federal health care programs.

- Chief Compliance Officer: The Chief Compliance Officer (CCO) is responsible for developing and implementing policies, procedures, and practices, and for monitoring day-to-day compliance activities, to ensure WellCare's compliance with both the CIA and federal health care program requirements.
- Compliance Committee: WellCare must maintain its Compliance Committee, chaired by the CCO and composed of other members of senior management, to assist the CCO in fulfilling his responsibilities. This Committee must meet at least quarterly.
- Compliance Liaisons: WellCare must appoint at least seven (7) Compliance Liaisons at its regional offices to assist and serve as a contact person for the CCO. The Compliance Liaisons are required to make at least semi-annual reports to the CCO and may report directly to the Regulatory Compliance Committee (RCC) of the Board of Directors at any time.
- Regulatory Compliance Committee: The RCC is required to meet at least quarterly to review and oversee WellCare's Compliance Program. Within 120 days of the Effective Date, and annually thereafter, the RCC must conduct a review of the effectiveness of the Compliance Program and document its conclusions and findings in a written assessment ("Compliance Program Review Assessment"), which WellCare must submit with each of the Company's Annual Reports to the OIG. At the end of each year during the term of the CIA, the RCC is required to adopt a resolution asserting that it has made a reasonable inquiry into the operations and efficacy of WellCare's Compliance Program and that the Compliance Program is effective for purposes of meeting both federal health care program requirements and the requirements of the CIA. If the RCC is unable to make such a resolution, it must provide a written explanation of the reasons why it was unable to do so and the steps it is taking to implement an effective Compliance Program at WellCare.
- Management Certifications: Certain senior-level WellCare executives must monitor and oversee compliance activities within their areas of authority and must annually certify that the activities within their respective areas comply with the requirements of federal healthcare programs and the CIA.

### III. Training and Education

The CIA requires WellCare to build upon its existing training program. Under the CIA, the degree to which individuals must be trained depends on their role and function at the Company.

- General Training: WellCare must provide two hours of general training within 90 days after the CIA becomes effective, and one hour each subsequent year, covering the requirements of the CIA and the Compliance Program, including WellCare's Code of Conduct. Individuals new to WellCare must complete this training within 30 days of the start of the relationship with WellCare. Individuals who must receive general training include:
  - Natural persons who are owners of WellCare, unless their interest is less than 5% and was acquired on the public market or in connection with equity awards made pursuant to an employment contract or Company equity compensation plan;
  - Officers;
  - Directors;
  - Employees expected to work for WellCare more than 160 hours per year; and
  - Those contractors, subcontractors, agents, or other people at WellCare who are engaged in Reimbursement Related Functions (defined later) and expected to work for WellCare more than 160 hours per year;
- Specific Training: WellCare also must provide at least three additional hours of more specific training within 90 days after the Effective Date of the CIA, and two hours of such training during each subsequent year under the CIA. This specific training must be provided to those individuals obligated to receive general training (listed above) and who are engaged in functions related to reimbursement from federal healthcare programs ("Reimbursement Related Functions") (e.g., preparing cost reports, preparing and submitting bids, etc.) Individuals new to WellCare who engage in functions related to reimbursement from federal healthcare programs must complete this training within 30 days of the start of the relationship with WellCare, and must complete the training prior to commencing their work.
- Certification: Each Individual required to receive training (general and/or specific) must certify that he or she has received it and the date.

### IV. Screening

The CIA requires WellCare to screen everyone who must be trained (as listed in the section above) against certain, specified lists to determine whether they are ineligible to participate in federal healthcare programs, and to implement a policy requiring immediate disclosure of any debarment, exclusion, suspension, or other event that would make a person ineligible.

With respect to individuals determined to be ineligible, WellCare must either decline their services or remove them from any position in which they would be involved in Reimbursement Related Functions. WellCare will also be required, with respect to any individual who has committed a crime eligible for exclusion, to ensure that their responsibilities do not adversely affect the quality of care rendered to any beneficiary, or any claims submitted to any federal healthcare program.

## **Reporting Requirements of the CIA**

### **I. Changes at WellCare**

Under the CIA, WellCare must report any of the following changes to the OIG:

- A change in the identity of either the CCO or any of the Compliance Liaisons or in the composition of either the Compliance Committee or the RCC, and any changes that would affect their ability to perform the obligations imposed on them by the CIA.
- Certain ongoing investigations or legal proceedings brought by governmental entities alleging that WellCare has committed a crime or engaged in fraudulent activities (and their resolution).
- Changes in business units or locations.
- The purchase or establishment of a new business unit or location.
- The sale of a business unit or location.

### **II. Reportable Events**

The CIA requires WellCare to report to OIG certain "Reportable Events," including:

- A substantial overpayment from a federal healthcare program.
- A matter that a reasonable person would consider a probable violation of law applicable to any federal healthcare program, for which penalties or exclusion may be authorized.
- The employment of or contracting with an individual determined to be ineligible for participation in federal healthcare programs.
- The filing of a bankruptcy petition by WellCare.

### **III. Disclosure Program**

The CIA requires WellCare to maintain a Disclosure Program that enables individuals to disclose any issues or questions associated with WellCare's policies, conduct, practices, or procedures with respect to a federal healthcare program that the individual believes to be a potential violation of law. The CCO must follow-up on all such reports and must keep a confidential disclosure log, which must contain information regarding any corrective actions taken by WellCare and must be made available to OIG upon request.

### **IV. Independent Review Organization**

The CIA requires WellCare to engage an "Independent Review Organization" (IRO) to review and prepare written reports on the following topics:

- WellCare's reporting practices related to federal healthcare programs.
- WellCare's bid submissions to federal healthcare programs.
- If applicable, whether WellCare sought payment for certain "unallowable costs".

## **V. Implementation Report**

The CIA requires the CCO to submit a written report to OIG within 150 days after the Effective Date of the CIA, summarizing the status of the CIA's implementation. This report must include, among other things:

- Information on the CCO, Compliance Committee, RCC, Compliance Liaisons, and certifying employees.
- A description of the training provided and the proportion of individuals required to receive training who have been trained.
- Information regarding the identity and independence of the IRO WellCare has engaged.
- A description of WellCare's screening process and information on individuals found ineligible through that process.
- A list of WellCare's locations and a description of WellCare's corporate structure.
- A certification made by the CCO that, other than as described in the implementation report, WellCare is in compliance with the requirements of both federal healthcare programs and the CIA.

## **VI. Annual Report**

The CIA also requires the CCO to submit an Annual Report for each year of the term of the CIA. In addition to updating the information provided in the implementation report, the Annual Report must provide, among other things:

- A copy of the Compliance Program Review Assessment prepared by the RCC (discussed above).
- The IRO's reports and WellCare's response thereto.
- A summary of the "Changes at WellCare" and "Reportable Events" (both discussed above) that were reported to OIG during the year.
- A summary of the disclosures in the confidential disclosure log (discussed above) that relate to federal healthcare programs.
- Information on overpayments returned to federal healthcare programs (unless routinely reconciled).
- The certifications by certifying employees and the resolution of the RCC (discussed above).

## **VII. Penalties for Non-Compliance**

WellCare is expected to fully and timely comply with all of its CIA obligations. Failure to comply with certain obligations set forth in the CIA may lead to the imposition of monetary penalties against WellCare.

In addition to monetary penalties, if OIG finds that WellCare has materially breached the CIA, OIG may exclude WellCare from participation in the federal health care programs.