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# COMPLIANCE PLAN 2024

**MAY 2024**

In this document, "Molina" means the following entities together: Molina Healthcare, Inc., Molina Healthcare of Arizona, Inc., Molina Healthcare of California, Molina Healthcare of Florida, Inc., Molina Healthcare of Illinois, Inc., Molina Healthcare of Iowa, Inc., Molina Healthcare of Kentucky, Inc., Molina Healthcare of Michigan, Inc., Molina Healthcare of Mississippi, Inc., Molina Healthcare of Nebraska, Inc., Molina Healthcare of Nevada, Inc., Molina Healthcare of New Mexico, Inc., Molina Healthcare of New York, Inc., Molina Healthcare of Ohio, Inc., Molina Healthcare of Puerto Rico, Inc., Molina Healthcare of South Carolina, Inc., Molina Healthcare of Texas Inc., Molina Healthcare of Washington, Inc., Molina Healthcare of Wisconsin, Inc., Molina Healthcare of Utah, Inc., Molina Healthcare of Virginia, LLC, The Management Group, LLC, Senior Whole Health, LLC, Senior Whole Health of New York, Inc., Molina Care Connections, LLC, Molina Clinical Services, LLC

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# MESSAGE FROM MOLINA'S CHIEF COMPLIANCE OFFICER

As you know, Molina's mission is to distinguish ourselves as a valued, effective and reliable partner in government-sponsored care. We do this by executing on the promises we make – not only to our regulators, members and providers, but also to the communities we serve. I am proud to lead our team of compliance professionals, focused on operating an effective compliance program, and serving as trusted partners here to help as you work through issues that come your way. Our role is to support Molina's leaders and employees to ensure we keep the promises we've made – both ethically and in compliance with the many rules, laws, regulations and contract requirements that govern our business. While Molina operates an effective compliance program, the responsibility for compliance and integrity in our day-to-day work and actions lie with each of you.

We work in one of the most dynamic and highly-regulated industries in the world. One of our company's values is **Integrity Always**. It is essential to Molina's success and mission that we always do the right thing. It is what is expected of us by our Board of Directors, members, providers, regulators, communities and other stakeholders.

Understanding and following the laws and regulations that direct our business is just the first step. What we do is complicated, and every role and situation is unique. We do not expect you to know every rule or law that governs our business, but if you follow our code of business conduct and ethics and compliance policies, Molina will stay on the course for success.

Please use this Compliance Plan as a guide to help you understand how our compliance program operates. Your role and responsibilities are important parts of it.

You, as a Molina employee, are our first line of defense against potential non-compliance issues, risks and wrongdoing. Molina counts on you to report and escalate compliance issues, participate in compliance trainings, assist in the correction of non-compliance and cooperate with any corrective effort that

results from incidents of non-compliant, unethical or illegal behavior or processes.

If you suspect non-compliance or wrongdoing, please do not hesitate to speak up. Take your concerns to your leadership. Molina's leaders must welcome discussion of compliance matters with an open door and mind. If you feel more comfortable speaking with someone else, Molina's compliance team is always here to help – please reach out. You can also use Molina's confidential and anonymous Alertline, which is available for anyone's use 24 hours a day, 7 days a week. You can find the Alertline's online or toll-free telephone contact information on our public website, in our code of business conduct and ethics or on Molina's intranet site, The Hub. All reports are investigated, addressed timely and are kept confidential to the extent permitted by law.

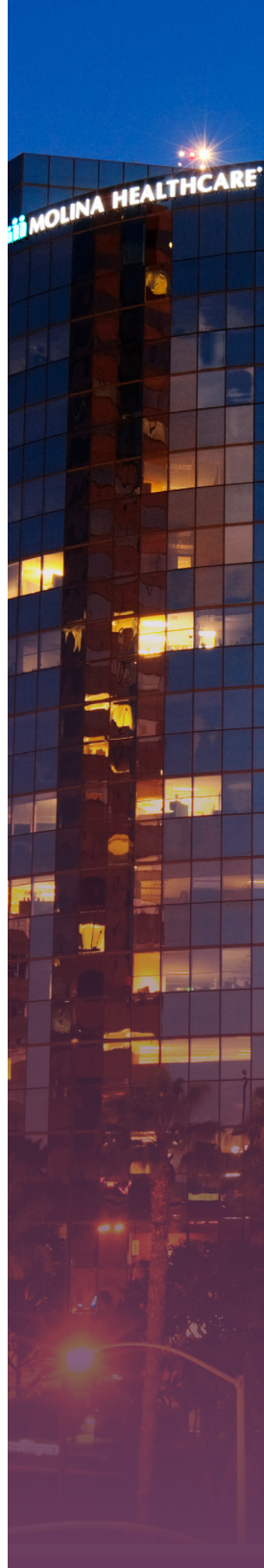
The strength of our compliance program depends on our partners across Molina's organization working hard, raising their hands when there is a problem and focusing on effectively fixing issues as they occur. It is everyone's job to report potential non-compliance, unethical behavior or other actions and cooperate in investigations. Molina enforces a strict non-retaliation policy that not only protects those who raise concerns from adverse action related to having made a good-faith report, but also subjects those found to express retaliatory behavior to disciplinary action, up to and including termination.

Please don't hesitate to reach out to me directly with any questions or concerns. I can be reached at (562) 506-9205 or [Christopher.Mardesich@MolinaHealthcare.com](mailto:Christopher.Mardesich@MolinaHealthcare.com).

Thank you for your support of our compliance program.

**Chris Mardesich**

Chief Compliance Officer  
Molina Healthcare, Inc.







## OVERVIEW

Molina's compliance program benefits not only our company and employees, payers, subcontractors and regulators, but also our members and the public. Our compliance program seeks to increase efficiency, detect and prevent fraud, reduce waste, minimize confusion and improve the quality of services we provide. At Molina, we consider our compliance program to be the embodiment of our commitment to abide by and uphold our internal policies, state and federal laws, regulations and contract requirements (together "state and federal requirements") that govern our business and activities. **Integrity Always** is one of our core values.

Molina's work is complex. To avoid the risk of non-compliance, we have controls and systems in place to lessen the impact of non-compliance or risk on our operations, members, providers, regulators and communities. Molina's compliance program is a comprehensive system of proactive and integrated internal controls and activities – dedicated to operational excellence, compliance with requirements and risk mitigation.

This Compliance Plan serves as a program description. It considers industry best practices, and meets necessary requirements to safeguard governments, members, providers, taxpayers, local partners and communities against fraud, waste or abuse (FWA) that could result in misconduct or non-compliance within our operations. Molina's compliance program operates with the full support and force of our subsidiary and parent company boards of directors, executive and senior management teams.







# COMPLIANCE PROGRAM OVERSIGHT

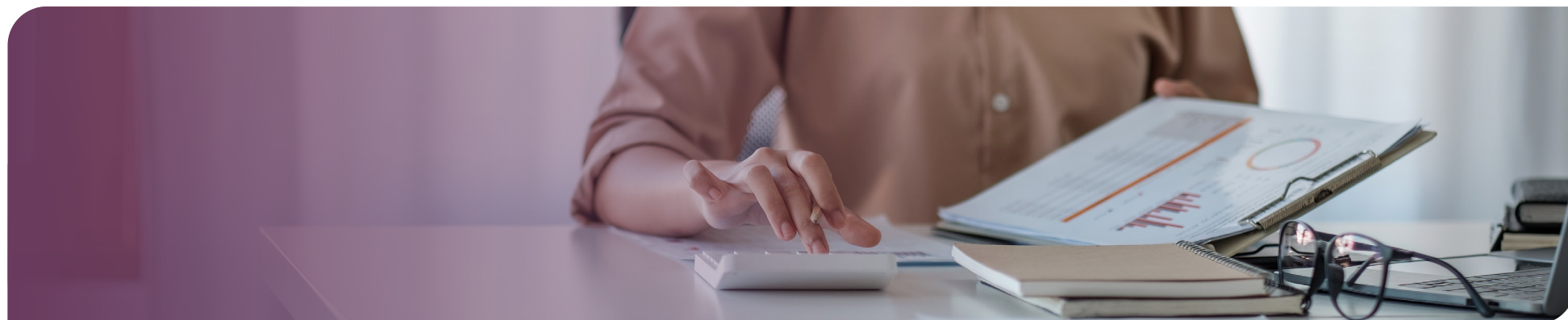
Molina's compliance program is designed to foster a culture where employees at all levels of our organization work with **Integrity Always**, prioritize ethical behavior and decision-making and comply with all applicable rules, laws, regulations, contract requirements and other regulatory guidance.

Molina's boards of directors are responsible for directing our actions and assessing our performance, including our management of risk and compliance with the laws, regulations and contractual obligations governing the activities of Molina and the government programs in which we work. A board of directors exists for Molina Healthcare, Inc. (MHI) and each of its subsidiaries. Molina's compliance program is directly accountable to each of the boards of directors. Each board receives regular reports and considers recommendations from their compliance officer concerning matters of compliance. Each board of directors may, at its discretion, issue directives concerning compliance to their compliance officer, who is responsible for carrying out such directives.

This Compliance Plan is the bedrock of our compliance program. It documents our approach to ensure effective compliance with federal and state laws, rules, contract requirements and other regulations (together "federal and state requirements"), our Code of Business Conduct and Ethics ("the Code"), policies and procedures and what we do when we suspect non-compliance or wrongdoing. Molina's Compliance Plan ("Compliance Plan") is supported by the MHI Board of Directors ("the Board") and our subsidiary Boards of Directors.

The Code and federal and state requirements specific to the construction and operation of an effective compliance program, established by the Centers for Medicare and Medicaid (CMS), state Medicaid agencies and other regulatory bodies are incorporated into the Compliance Plan. The principles contained in the Code and Compliance Plan apply to our participation in Marketplace, Medicaid and Medicare (together with Medicare-Medicaid (MMP) and Medicare-Medicaid Coordinated Plans (MMCP) programs).

Another important part of our compliance program is its oversight committee structure. The Quality and Compliance Committee of the Board is charged with supporting the chief compliance officer in the review and oversight of our compliance program. This Committee is accountable to senior management and the chief executive officer for reviewing the effectiveness of our compliance program's various components. The chief compliance officer is responsible for escalating material risks and ongoing issues of non-compliance to executive leadership, the chief executive officer and the Board. Line of business compliance officers have their own committees that focus on compliance issues. Local compliance issues are escalated beyond the line of business or health plan by the entity's compliance officer and/or members of executive leadership.





## COMPLIANCE PLAN

Molina's compliance program demonstrates our commitment to compliance with internal policies and procedures, and federal and state business requirements. Our compliance program is built around the seven elements of an effective compliance program described in the Department of Health and Human Services Office of Inspector General's (OIG) Compliance Program Guidance as well as the United States Federal Sentencing Commission's Federal Sentencing Guidelines to ensure that our work with Medicare, Medicaid and Marketplace programs is implemented correctly, and to ensure compliance with all state and federal requirements.

Molina's compliance program is supported by internal controls and compliance-focused processes which are mechanisms implemented and embedded within our operations that ensure the integrity of our work and support our ongoing compliance with state and federal requirements by proactively detecting and preventing failures.

This Compliance Plan serves as a program description intended to explain our approach to effective compliance. It's reviewed regularly, and updated with best practices, changes in the law or the health care marketplace, current events or trends and our evolution as a company. Molina continually enhances how compliance is operationalized by empowering business units with resources to monitor their performance and ensure prompt detection, escalation and correction of non-compliance of any type.

Molina's Compliance Plan is made available to all parties to which it applies, including employees at all levels of Molina's organization and the Board, as well as contractors, subcontractors, vendors and first-tier, downstream and related (FDR) entities (also known as "Suppliers").

The chief compliance officer might update the compliance program and/or Compliance Plan as needed to reflect changes to regulatory guidance, adopt industry best practices, implement interventions to improve program effectiveness or for any other reason at their discretion. The Compliance Plan is reviewed and updated as needed, but **no less than annually** at the discretion of the chief compliance officer. The MHI Board is informed of updates as they occur.





## COMPLIANCE PLAN ADDENDUMS AND WORK PLANS

This Compliance Plan is accompanied by addendums and work plans tailored to the risk and experience for our parent company and each of our lines of business (Medicare, Medicaid and Marketplace) and health plans. The addendums and work plans are implemented by compliance officers assigned to manage compliance operations for our parent company, lines of business (Medicare, Medicaid and Marketplace) and individual health plans. An addendum includes more detailed information about Molina's execution of local compliance requirements for an entity, as applicable.

A work plan documents the compliance interventions planned specifically to address local risk and improve efficiency and effectiveness of the compliance program for an entity throughout each year. Each work plan

includes metrics used to monitor performance, quality of compliance interventions and to determine the overall effectiveness of the compliance program. Compliance officers update these documents as needed and at their discretion to reflect changes to regulatory guidance, adopt industry best practices, implement interventions to improve program effectiveness or for any other reason.

The addendums and work plans are reviewed, approved and overseen by the relative compliance committee and board of directors, as required. These documents may also be reviewed and/or approved, as required, by applicable regulatory agencies.







## GOALS AND COMPLIANCE PROGRAM EFFECTIVENESS

Molina's Compliance Plan is structured to address identified risk (both actual and potential), and protect our members, providers, state and federal regulators and communities from harm. Compliance is not the sole responsibility of the compliance department. Molina is accountable at **all levels** of our organization to operationalize compliance. Employees are trained on their responsibility to report suspected wrongdoing and/or FWA. Business units and leadership are responsible for self-monitoring their operations' performance and compliance with requirements.

Molina's compliance officers use their custom-built, dynamic work plans to manage the different activities summarized here, selected to address challenges and enhance the compliance program for their entity. In doing so, the compliance officers use key metrics associated with compliance activities to determine the effectiveness of their compliance activities and adjust as necessary.

Data points on the following topics may be used for this ongoing assessment: Non-compliance actions issued by relevant regulators, internal and external corrective action plan completion, audit findings, especially those that are recurring due to incomplete remediation, compliance training completion rates, validation of newly implemented requirements, Alertline report trends and monitoring of business unit-focused key performance indicators. These metrics are also tracked in each entity's operating plan (a plan that details how the entity will achieve its and Molina's goals for the year). Results are reported to regulatory compliance committees, boards of directors and Molina enterprise executive leadership, as appropriate.





# ELEMENTS OF MOLINA'S COMPLIANCE PROGRAM

At Molina, compliance is everyone's responsibility. Compliance is a priority and it's built into every level of our business. Our compliance program focuses on honesty, integrity and making professional and ethical decisions while providing quality service to our members, providers, regulators and other business partners.

Because non-compliance could cause member or provider harm or be costly to the federal and state health programs we support, Molina works to build three lines of "compliance defense" into every level of our business operations – to proactively prevent, detect and address issues as they occur.

## Molina's Three Lines of Compliance Defense

In following the Three Lines of Compliance Defense model, Molina employees serve as our foundational and most significant first line of defense against compliance failures because they are our "feet on the street" – responsible for leading and participating in compliance activities like self-monitoring, self-auditing, internal controls and training and education of compliance standards. These efforts help each business unit engage proactive compliance activities, thereby identifying and correcting any compliance risks before they fall out of compliance. By ensuring all employees understand and embrace their compliance responsibilities at the business unit level, our proactive, "first-level" line of defense compliance program acts as an early warning system to identify any potential compliance issues. Molina's business units formalize, document and assess the effectiveness of their own first line of defense in support of our compliance program.

This Compliance Plan details Molina's compliance program — our second line of defense against non-compliance. The professionals in our compliance department implement and maintain our effective compliance program, constructed to prevent, detect and correct FWA and/or non-compliance with federal and state requirements within our operations.

## Molina's Three Lines of Compliance Defense



The Molina Board of Directors ("the Board") is our third line of defense. The Board is the ultimate escalation point, and ensures all federal and state requirements are met, and, as necessary, corrected. The board of directors provides oversight of our compliance program. They are well-informed of any compliance matters and issues so they can provide objective and independent assurance that the first and second lines of compliance defense are operating effectively. This helps assure regulators and outside auditors that the control culture in Molina is a well-designed, effective defense against our highest level of compliance oversight within our business requirements.

Because Molina works in federal and state health care programs, our compliance program is based on the seven elements of an effective compliance program described by the United States Department of Health and Human Services OIG's Compliance Program Guidance and United States Federal Sentencing Commission's Federal Sentencing Guidelines.

The next section provides a high-level summary of Molina's adoption of the elements of an effective compliance program, which is our second line of defense. Molina's compliance policies and procedures provide more detailed information on our compliance department's operational processes.



## WRITTEN STANDARDS

At a minimum, we maintain the following written standards that explain and confirm our commitment to compliance with federal and state requirements:

### Code of Business Conduct and Ethics

The Code serves as the primary resource that communicates our culture of compliance and the expectations we have for our employees, directors, officers, subcontractors, vendors and other stakeholders. The Code is our set of compliance and ethical guardrails. It's disseminated to all employees upon hire and annually thereafter. It's always available on the Hub and our public website.

Molina's compliance program is the custodian of the Code, which complements this Compliance Plan. The Code is reviewed at least annually and updated as needed to reflect alignment with our compliance program and priorities, state and federal requirements, key compliance, privacy and security issues, emerging risks and/or best practices, employee relations and environmental, social and governance matters, including diversity, equity and inclusion. This review is conducted by a collaborative, multidisciplinary team selected by the chief compliance officer. The Code is reviewed and approved annually by the Board.

Any changes made to the Code are communicated, as necessary. All Molina employees and the board of directors of our parent entity **must** read and attest to their understanding of the Code annually.

### Third-Party Code of Conduct

Compliance with the Code and Supplier Code of Conduct ("Supplier Code") are contractual requirements of various suppliers with whom Molina does business. The Supplier Code can be found on our public website. It's also reviewed at least annually and updated as necessary to reflect alignment with state and federal requirements, key compliance, privacy and security issues, emerging risks and/or best practices, employee relations and environmental, social and governance matters, including diversity, equity and inclusion. This review is conducted by a collaborative, multidisciplinary team selected by the chief compliance officer. The Supplier Code is reviewed and approved annually by the MHI board of directors. Any changes made to the Supplier Code are communicated, as necessary.

## Policies and procedures

In addition to the crucial tone-setting documents detailed above, our business units maintain policies and procedures, workflows (or standard operating procedures), desk or quick reference guides and other employee materials that provide more technical details about the procedures and processes that **must** be followed to remain compliant. These written standards are **extremely** important because they're the means through which Molina articulates how we commit to compliance and adhere to all applicable federal and state laws, rules, regulations, guidelines, standards and contract requirements, and the prevention, detection, reduction and reporting potential FWA suspected of members, providers, subcontractors or Molina. Human resources maintain policies and supplemental business unit policies and procedures that set the tone for behavior in our workplace.

Policies and procedures are managed in accordance with a standardized process, which requires all policies and procedures to be reviewed no less than annually and updated more often, as necessitated by change in law, regulation or contract requirements. All written policies and procedures are maintained on standard Molina templates. This ensures consistency in the format and style. Policy and procedure-supporting documents (workflows, trainings, diagrams, resource libraries, etc.) are updated as necessary. Molina's policies and procedures are accessible to all employees at any time in Compliance Central, Molina's web-based compliance governance system. Workflows and other job aids are maintained within each business unit.

The compliance program implements, maintains and updates policies and procedures regarding the organization, operations and other important components of our compliance program. These documents also explain in more detail how our compliance program works, and how Molina complies with the laws that govern our business, such as those that prohibit false claims, bribery, money laundering or public corruption, or those that protect the privacy and security of the information we use to do our jobs. Molina's policies regarding confidentiality, non-intimidation and non-retaliation extend to all individuals who report compliance issues, including our members and providers.





# GOVERNANCE, COMPLIANCE OFFICERS AND COMPLIANCE COMMITTEES

The effectiveness of Molina's compliance program depends on thoughtful, proactive oversight at all levels of our operations, including, but not limited to, the roles and responsibilities held by the Board, the chief compliance officer, the Compliance Committee structure and senior management.

## Chief compliance officer

The Board entrusts the oversight and operation of Molina's compliance program to the chief compliance officer— a Molina Healthcare, Inc. executive-level leader — responsible for the oversight of compliance for Molina as a whole.

While Molina's chief compliance officer is ultimately accountable to the Board, the chief compliance officer reports directly to a member of our executive team and provides independent reports to the CEO and the Board's Quality and Compliance Committee regarding the work and standing up of our compliance program, and our compliance with state and federal requirements.

The chief compliance officer reports to the Quality and Compliance Committee at least three times per year — if not quarterly — and is empowered to report matters directly to the Board at any time without prior approval of members of executive management.

The chief compliance officer works with executive and management leaders across Molina to foster and protect our culture of compliance and assures that compliance programs throughout the organization are effective and efficient in managing risk and identifying, preventing, detecting and correcting non-compliance with Molina's policies or the federal and state requirements that govern Molina's activities and the government programs in which we work. The chief compliance officer also interacts with the Board, chief executive officer, suppliers, legal, state and federal representatives and others as necessary to ensure compliance.

The chief compliance officer is supported by several teams staffed with compliance professionals responsible for implementing and operating our compliance program. The core teams reporting up to the chief compliance officer include:

- Compliance liaisons
- Compliance operations
- Delegation oversight
- Health plan compliance officers
- Medicaid compliance
- Medicare compliance
- Marketplace compliance
- Privacy official
- Chief information security officer (CISO) and security governance:
  - Record information management
  - Physical security
  - Business continuity

The chief compliance officer, or their designee, is also responsible for cooperating with internal departments in support of Molina's compliance program, such as partnering with human resources on the uniform application and enforcement of Molina's disciplinary standards.

Performance reviews of the chief compliance officer shall be based on the chief compliance officer's job description, which shall include a description of duties and responsibilities, as well as a written statement of performance expectations.



## MHI Quality and Compliance Committee

Molina's compliance program receives formal, high-level oversight by the Board and its Quality and Compliance Committee. This committee is the governing body that approves, implements and oversees our compliance program in its guidance and oversight of our work, and oversees Molina's FWA program. The Quality and Compliance Committee meets no less than quarterly.

## Segment and health plan compliance officers

To ensure our Compliance Program has a strong presence in every area of our operations, each of Molina's business segments (Medicare, Medicaid and Marketplace) and health plans install compliance officers who serve as independent, executive-level leaders responsible for implementing this Compliance Plan as well as an addenda and work plan that documents associated compliance activities in support of the entity for which they are accountable. The compliance officers are the principal, local contact in addressing compliance questions and issues, conducting risk assessments, coordinating audits of business operations, performing investigations or assessments of suspected non-compliance, misconduct or compliance risk, facilitating corrective action, conducting training as needed on an ongoing basis, selecting an internal compliance audit work plan and monitoring FWA work conducted by the Special Investigations Unit (SIU).

Molina's compliance officers report directly to their entity's board of directors through at least quarterly formal or informal reports. The compliance officers directly contact members of the board of directors at their discretion. For purposes of day-to-day matters, performance assessments and other reviews, the compliance officers shall report to the chief compliance officer or their designee. Performance reviews of the compliance officer are based on the compliance officer job description, which includes a summary of duties and responsibilities, as well as a written statement of performance expectations. Input from the Board of Directors and key management personnel with whom the compliance officer works is also used in assessing and reviewing their performance.

All compliance officers maintain the authority and independence to review all documents, data and other information relevant to the organization's compliance activities. This includes but is not limited to, systems, member records, billing records, internal communications, sales and marketing records and records concerning Molina's arrangements with other parties, including employees, independent contractors, suppliers, physicians and other health care professionals. Compliance officers also have the authority to interview anyone within or connected to the organization in connection with a compliance investigation or designate an appropriate person to conduct such an interview. Their use of this data is monitored within the compliance organization to ensure this authority is not abused.

Our compliance officers interact with regulators, external auditors, Medicaid Fraud Control Units and other law enforcement agencies, FDRs and other suppliers, employees and members of management at every level of our organization. They are local subject matter experts and champions charged with ensuring all Molina employees are engaged and confident in our compliance program and their responsibility to support it.



## Compliance liaisons

Molina has compliance liaisons who serve as compliance subject matter experts who counsel, advise and advocate for business units to whom they are assigned. While the compliance liaisons drive compliance efforts, initiatives and returns for different functional areas, they also advise and assist the business as they identify, implement and continually enhance their first level of defense against non-compliance.

The liaisons function as operational “hubs” to ensure coordination, communication and effective relationships between these business units as well as compliance resources across the lines of business and health plans who rely on these departments to execute their business responsibilities. Additionally, the liaisons perform deep-dive analyses to assess risk, to identify the root cause of issues, initiate and monitor effective corrective action and mitigate repeat occurrences of non-compliance. The liaisons also maintain the authority and independence to review all documents, data and other information that are relevant to the organization’s compliance activities as well as interview anyone within or connected to Molina in connection with a compliance investigation or assign a designee to conduct an interview in their place. Their use of this data is also monitored within the compliance organization to ensure this authority is not abused.

## Regulatory Compliance Committee

The Regulatory Compliance Committee is a subcommittee of the subsidiary boards of directors and is responsible for oversight of the health plan’s Medicaid, Medicare-Medicaid and Marketplace compliance programs, as applicable, including the health plan’s compliance with the requirements of related regulations, laws and contracts with respect to those lines of business. The Committee reports to the board of directors and is chaired by the compliance officer. Members of the subsidiary boards of directors and senior leadership make up this committee’s membership. Assigned legal counsel attends only in an advisory role. The compliance officer serves as the chairperson of the Regulatory Compliance Committee. The Regulatory Compliance Committee meets as needed, but no less than quarterly.

Molina’s health plan compliance officers chair and select the membership of local regulatory compliance committees responsible for reviewing the status and effectiveness of compliance activities, provide updates on their own work to support the Program and assist the compliance officer in identifying meaningful compliance interventions tailored to specific local needs. The membership of the regulatory compliance committees consist of members of health plan senior management and is selected by the compliance officer who considers the input of the Board of Directors in the selection process. The board may also remove individuals from the regulatory compliance committee. At a minimum, committee membership consists of the plan president and executive leaders representing operations (e.g., contact center, appeals and grievances and claims), network management and operations, growth and member engagement, finance, quality and risk adjustment, health care services, government contracts/regulatory affairs, medical affairs or others, as necessary.





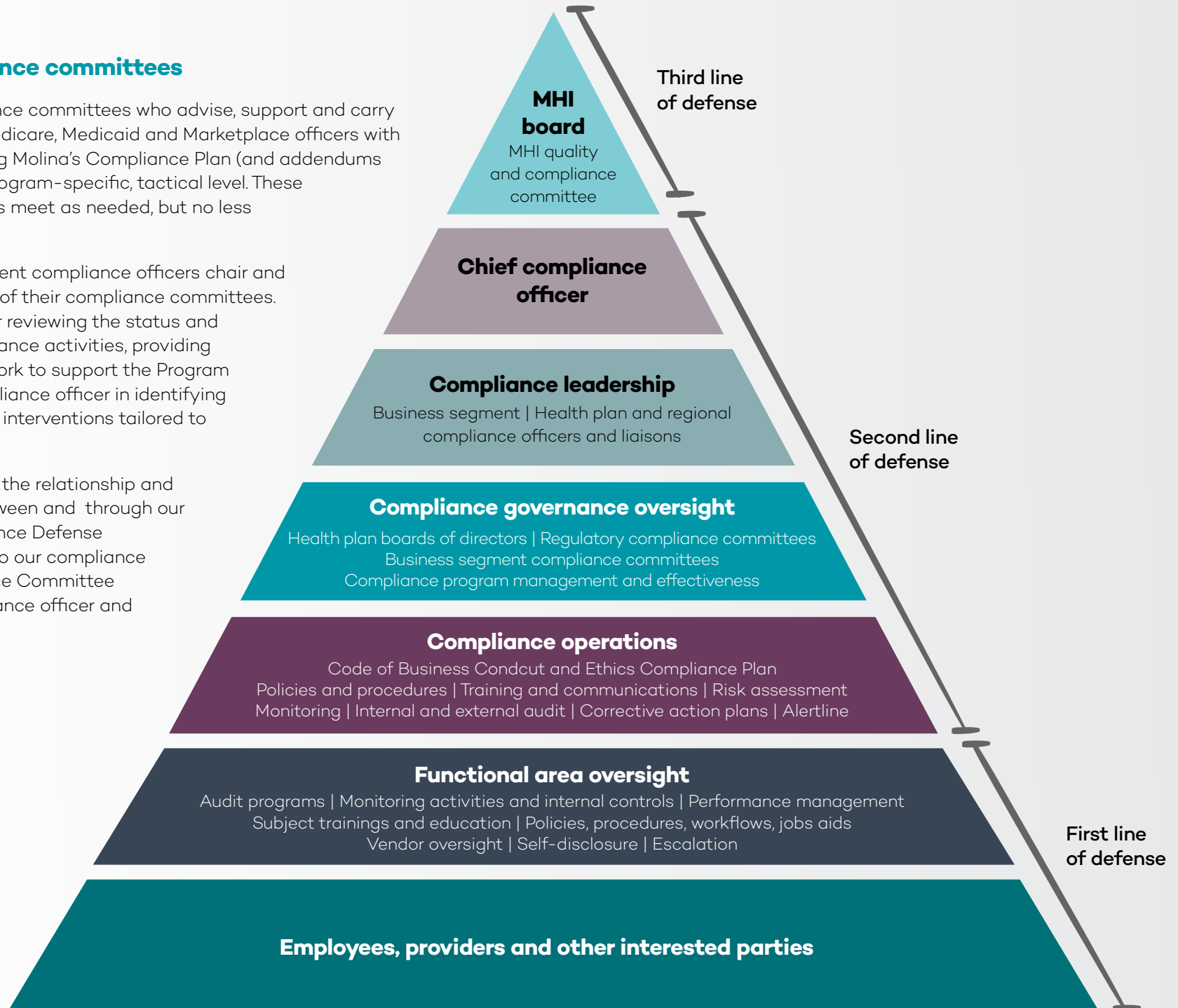


## Segment compliance committees

There are also compliance committees who advise, support and carry out directives of our Medicare, Medicaid and Marketplace officers with respect to implementing Molina's Compliance Plan (and addendums and work plans) on a program-specific, tactical level. These compliance committees meet as needed, but no less than quarterly.

Molina's business segment compliance officers chair and select the membership of their compliance committees. They are responsible for reviewing the status and effectiveness of compliance activities, providing updates on their own work to support the Program and assisting the compliance officer in identifying meaningful compliance interventions tailored to specific local needs.

This diagram illustrates the relationship and flow of information between and through our Three Lines of Compliance Defense – from our employees to our compliance officers, the Compliance Committee structure, chief compliance officer and the Board.





## Compliance program resources

Molina's compliance program is supported by centralized compliance operations teams powered by compliance professionals specializing in compliance risk assessment and internal audits, external audits, corrective action and risk management, performance monitoring and reporting. This centralized model not only provides adequate resources to support the compliance officers in the implementation of our Compliance Plan, but also leverages local input to proactively identify risk and non-compliance potentially affecting Molina as a whole, increasing the compliance program's effectiveness.

Compliance officers rely on these teams, and have access to any information, records, system, employee or other source of information necessary to fulfill their responsibilities.







## EDUCATION AND TRAINING

Molina provides effective compliance training and education to our employees so they're aware of our expectations and policies as well as their own responsibilities.

Education, training and retraining concerning compliance, program integrity matters and program requirements or job responsibilities are regular, routine and required aspects of Molina's work activities. Education and training sessions are mandatory for all employees. Molina's training and education program relies on a mix of web-based and live trainings.

New employees receive a copy of the Code on their first day of employment, and attest they have received, read, understood and will abide by the Code. New employees must complete the compliance training curriculum within **30 days** of their start date. Health plan employees also receive live compliance orientation conducted by the appropriate compliance officer/liaison or their designee. After hire, all Molina employees **must** complete the compliance training curriculum on an annual basis. Board members are required to complete required compliance trainings within **30 days** of appointment and annually thereafter.

The new hire and annual compliance training curriculum is reviewed and updated as necessary, but at least annually. It covers, at a minimum, the following topics:

- The Code of Business Conduct and Ethics
- The Compliance Plan
- FWA, especially the False Claims Act
  - Administrative remedies for false claims and statements
  - Applicable state law
- Whistleblower protections
- Health Insurance Portability and Accountability Act of 1996 (HIPAA) and Health Information Technology for Economic and Clinical Health (HITECH)
- The responsibility to report instances of suspected non-compliance and the alternative means of making such reports
- The importance of compliance and consequences of non-compliance (enforcement and discipline up to and including termination, as appropriate)

In addition to the new hire and annual compliance curriculum, members of the MHI Board of Directors and each of the subsidiary Boards of Directors also receive annual training on the following:

- The importance of compliance program training
- Fiduciary responsibilities
- Board/leadership obligations
- Responsibilities of the subsidiary Board of Directors

Molina's training system maintains records of training completion in accordance with our records and information management policy. Further, timely completion of compliance training is considered while scoring the compliance goal section of employee performance evaluations, up to and including termination. Molina will consider, on a case-by-case basis, making reasonable accommodations to ensure the intended audiences receive this training in a format and/or language that is most suitable to their individual needs.

Business associates and contractors who support operations within departments across Molina are also expected to complete these trainings on time. Failure to meet these requirements results in Molina terminating the individual. The management team for whom they provide support is responsible for overseeing these employees.

Live trainings can be provided by the compliance officer or their designee, as necessary.

In addition to compliance-focused training, it's Molina's expectation that all employees be trained on program requirements and policies and procedures governing their job responsibilities at the time of hire, and when necessitated by a change in law, rule, requirement or Molina process. These trainings are provided by members of management or subject matter experts within the applicable business unit with support from the compliance officers, as necessary.

Compliance officers and department staff receive and are encouraged to individually seek out ongoing training on industry best practices and current events from internal and external sources not only as part of their professional development, but to further enhance the effectiveness of our compliance program.





## MONITORING AND AUDITING

Molina's compliance program includes monitoring and auditing activities to assess compliance with state and federal requirements, proactively detect process issues or deficiencies of non-compliance and validate effectiveness of remediation of non-compliance within our operations. This oversight is part of the compliance work plans that are implemented by our compliance officers.

The compliance department facilitates a centralized key performance indicator (KPI) reporting structure that's used by business areas across Molina to monitor their compliance with internal and external performance targets. Business areas use these metrics to self-monitor their performance and address failures at the ground level. The compliance department uses the same metrics as an added layer of oversight and accountability, watching for performance trends in need of correction. This review happens for the entire Molina enterprise, within each business segment and health plan. The chief compliance officer and executive leaders across the organization meet monthly to review KPI that are not compliant and discuss plans to correct course. KPI results are reported to the regulatory compliance committees, business segment compliance committees and parent company and subsidiary boards of directors.

Molina also deploys proactive, targeted and regular efforts to prevent, detect and address FWA issues. This work is detailed in the FWA work plan implemented by the SIU. The delegation oversight team is responsible for oversight, monitoring and auditing of FDR-related entities. This can result in corrective action, enforcement of performance guarantees or termination of business relationships.

Molina's compliance committee structure is responsible for the oversight of our monitoring and auditing efforts.





## Risk assessment

To ensure Molina's compliance program and the activities that support it are effective, our compliance officers facilitate an annual compliance risk assessment of our functional and operational areas. The compliance risk assessment takes into consideration the type, implication, probability, impact, severity of risk presented by each area to the Medicare, Medicaid and Marketplace programs, as well as to Molina and our members, providers and regulators. The risk assessment contemplates performance on internal controls and key performance indicators, internal or external threats, results of internal and external audits, initiated corrective action, compliance reports, incidents or notices of non-compliance, trends noted in ongoing monitoring and known risks or anticipated program requirement amendments for each functional area.

The results of the risk assessment are used to inform compliance internal audit work plans that include the type and schedule of audits of functional areas planned for the year. The compliance internal audit work plan is executed by the internal compliance audit department at the discretion of the compliance officers. The risk assessment results are also used by our compliance officers to structure compliance work plans that outline compliance activities for the year, like department-specific trainings, new corrective action or remediation plans, new or updated internal controls to monitor risk development or remediation, enhancing communication with employees or reports shared with leadership. The compliance internal audit work plan is part of the compliance work plan.

Compliance officers are responsible for implementing work plans and reporting on their status within the compliance committee structure. Compliance officers disclose non-compliance or illegal conduct to regulators or law enforcement agencies, as required.

## Auditing and monitoring activities

Molina uses auditing and monitoring to proactively identify areas of compliance deficiency, respond to reports of suspected non-compliance, assess continued compliance and the effectiveness of corrective measures implemented to address deficiencies. Molina conducts these activities for each functional area as well as the Medicare, Medicaid and Marketplace business segments.

Auditing and monitoring might be performed on a noticed or unnoticed basis at the discretion of the compliance officer. These activities can be completed through several methods, including, but not limited to:

- Desk audits
- Surveys
- Interviews
- Document audits
- Phantom member claims or inquiries
- Phantom provider claims or inquiries
- Audits of business unit audit methodologies and field work and
- KPIs

The compliance officers have the discretion to initiate auditing and monitoring in all areas involving compliance, including, but not limited to:

- Claims payment timeliness and accuracy
- Utilization management
- Care coordination
- Customer service
- Appeals and grievances
- Implementation of new program requirements
- Risk adjustment
- Quality reporting on the overutilization or underutilization of services

The results of Molina's auditing, monitoring or investigational activities are maintained by the compliance program and shared with the associated board of directors, compliance committees and management, as appropriate.







## Screening for excluded, suspended or terminated individuals and entities

### Employees, board members, third-party employees and contractors

Molina is committed to hiring qualified individuals and maintaining our culture of compliance. Molina completes pre-employment background checks on **all** applicants prior to employment and does not hire individuals who have been found guilty of a health care-related crime, or individuals who are suspended, excluded or debarred from participation in state and federal health care programs. This includes a check of suspension and exclusion lists maintained by the United States DHHS OIG General Services Administration (GSA), the CMS Preclusion List as well as every suspension and exclusion list maintained by state Medicaid agencies to determine if any applicant, employee, board member, provider or contractor is ineligible to participate in state and/or federal health care programs.

Once hired, all employees, board members, third-party employees and contractors are screened against all exclusion lists monthly. Human resources report the results of these screens monthly.

Molina reviews any issues that are flagged in the report and takes appropriate action should an issue be identified and/or deemed unresolvable, which could result in appropriate action including termination, removal from position or suspension pending investigation and resolution of the matter.

Employees **must immediately** disclose to human resources and their supervisor any debarment, exclusion or other event that makes them ineligible to perform work related directly or indirectly to federal or state health care programs. Failure to do so could result in corrective action up to and including termination.

### Providers, subcontractors and FDR entities

Molina conducts these same checks during the process of engaging the services of new vendors, network providers and subcontractors, and at least monthly thereafter for existing vendors, subcontractors and network providers. It's our policy not to engage or pay for the services of an individual or entity that is debarred, suspended or excluded from participation in state and federal health care programs. Molina's credentialing, procurement and operations teams are responsible for monitoring the exclusion lists as part of their day-to-day functions. If we find that inappropriate payment has been made to an ineligible individual or entity, steps are taken to prevent similar payments from being made, recover those funds and disclose the payment, as required. Any of these entities must disclose to Molina any disbarment, exclusion or other event that makes them ineligible to perform work related directly or indirectly to federal or state health care programs.

### Clinical licensure and scope of practice

Molina employs many clinicians who play crucial roles in our operations. To ensure we have qualified individuals serving our members and providers, Molina monitors the licensure status of our clinical staff to make sure these key team members are working within their scope of practice and with a license in good standing with the applicable governing body. Failure to renew the requisite license, certification or registration prior to the expiration date could result in termination of employment.



## Conflicts of interest

Molina expects all employees to make decisions objectively and act in the best interest of Molina. A conflict of interest exists when:

- An employee's duty to act in Molina's best interests is or can be compromised by actual, potential or perceived benefit to that employee (other than a nominal one) from another source; or
- An employee uses their position with Molina for personal financial gain, or an employee's decision-making is, or could reasonably be, influenced by the promise of, or potential for, personal gain.

Because it's impossible to describe every actual, potential or perceived conflict of interest, we rely on the commitment of our employees to exercise good judgment, seek advice from compliance and human resources when appropriate and adhere to the highest ethical standards in carrying out job responsibilities on behalf of Molina.

Employees are expected to avoid situations where personal or other professional interests could conflict with those of the Company and must report any perceived or actual conflict. Failure to disclose a conflict promptly, accurately and completely could result in corrective action up to and including termination.

More specifically, **all** employees have a duty to report and disclose **all** relevant information related to an actual, potential or perceived conflict of interest by completing Molina's Conflict of Interest Form. This reporting must be made upon hire, as an annual update and ongoing basis as an employee's circumstances create the potential for a conflict of interest. In addition, **all** employees **must** attest, at least annually, to the requirements and obligations in this policy through the annual Molina compliance training and attestation process.

If an actual, potential or perceived conflict exists, the human resources and/or compliance department(s) works with the involved employee and, when necessary, with the employee's immediate supervisor and/or other member(s) of Molina's management to ensure timely and effective resolution to avoid or mitigate any potential, actual or perceived conflicts of interest. Any necessary research is performed and, where appropriate, a plan for resolution and/or mitigation as well as a timeline are developed. To the extent practicable, confidentiality shall be maintained by Molina's human resources and compliance departments, management and any other employee(s) whose assistance is sought in achieving effective resolution of a potential or actual conflict of interest. Molina is committed to taking appropriate action to address conflicts, which could include soliciting written representations from employees about what has been agreed to as a plan for resolution or mitigation, prohibiting certain arrangements or behavior, issuing corrective action or terminating employment. For more information, please review Molina's Conflicts of Interest policy.







## EFFECTIVE LINES OF COMMUNICATION

Molina's employees are our first line of defense against non-compliance and unethical behavior. All employees are made aware of their responsibility to promptly report any suspected non-compliance, privacy or security violations, potential misconduct and allegations of potential FWA and to raise any issues, questions or concerns so that those matters can be investigated and acted upon as necessary. We understand that raising concerns like this might be difficult, but it is **absolutely necessary**. We **cannot** address issues that are not reported.

Molina expects its leaders to operate with an open-door policy, and welcome reports, questions and concerns with an open mind. We accept and respond to any report made. To that end, we provide our employees with many reporting methods, including, but not limited to our confidential and anonymous Alertline – where reports can be made to our toll-free phone line or publicly accessible website, dedicated compliance, privacy, security and payment integrity teams and an open-door policy of both corporate and plan-level compliance personnel for more personal reporting.

Our Code of Business Conduct and Ethics establishes the responsibility of each employee to **immediately** escalate any suspected incidents of non-compliance or violations. Individuals failing to report a suspected violation will be subject to Molina's disciplinary standards, up to and including termination.

Reports related to suspected compliance, privacy, security or FWA issues can be made:

- Directly to the compliance officer:
  - By phone
  - Teams meeting or message
  - Email
- Using Molina's 24/7 third-party compliance reporting system, Alertline, which allows the caller options to provide their name or report anonymously or confidentially
  - To report by phone, call (866) 6063889 toll free
  - To report online: [MolinaHealthcare.Alertline.com](https://MolinaHealthcare.Alertline.com)
- To any member of the Compliance Committee, human resources, legal or any member of management
- To our privacy or security officials
- Using contact information for state or federal government agencies responsible for investigating suspected FWA
  - Contact information for local FWA contacts can be found in the relevant Compliance Plan Addendum and relevant human resources policies

Because Molina's Alertline is publicly accessible, it can be used by **anyone** who suspects compliance issues, unethical behavior or FWA – including employees, members, providers and other interested parties. Molina's provider network is trained on the use of the Alertline. This information can be found in provider training materials, provider handbooks and on our website. Our member and provider materials and public website also all document the lines of communication outside parties may use to contact the compliance department.







## Non-retaliation policy

Molina **does not** tolerate retaliation for reports made in good faith, including bringing perceived inappropriate conduct to Molina's attention, attempting to prevent unlawful conduct or for participating in an investigation by Molina, a state agency or the United States Equal Opportunity Commission (EEOC). Employees are encouraged and expected to report perceived retaliatory behavior to their management team and/or human resources. Any person who is found to have engaged in retaliatory behavior will be subject to disciplinary or corrective action, up to and including termination. Molina's policies regarding confidentiality, non-intimidation and non-retaliation extend to all individuals who report compliance issues, including our members, providers and other interested parties.





## RESPONDING TO ISSUES AND CORRECTIVE ACTION



It's Molina's policy that our compliance officers conduct timely and reasonable investigations of potential compliance matters to determine whether a violation of policy, applicable law, regulation, contractual requirement or the Compliance Program has occurred and ensure the organization has taken **all** appropriate and timely steps to correct any wrongdoing.

Reporting suspected non-compliance is **everyone's** job. Compliance can be alerted to potential non-compliance by many sources, including, but not limited to a leader's self-disclosure of an issue or a report from another department, a complaint from a member or provider, internal or external audit findings, results of monitoring activities like KPI reporting, Alertline allegations or a communication or non-compliance action from a regulator. Compliance officers and business area leaders — with the support of compliance operations — are responsible for the initiation of corrective action plans to minimize the risk of reoccurrence of any deficiency, no matter how it has been discovered.

Molina does not consider corrective action plans to be punitive. Rather, we use them to document our detection of a deficiency and how we proactively took appropriate action to ensure its remedy. All our corrective action plans are recorded in Compliance Central. Owners of corrective action are assigned in Compliance Central where they document their

root cause analysis and results, plan different remediation steps, establish deadlines for each step, provide evidence that the corrective action plan has been completed and is effective in remediating the issue. The executive leader of the department in which the non-compliance occurred is ultimately responsible for developing and executing a corrective action plan that's appropriate for the circumstances and the structure of the business unit(s) involved. Once a corrective action plan is complete, compliance monitors its effectiveness before it's closed. Depending on the deficiency, a thorough validation review might be completed on the affected business function to ensure the issue is completely remediated.

Information on the development, execution and timeliness of corrective action is reported to executive leadership, the appropriate compliance committee, board of directors and/or Regulatory Compliance Committee. Compliance officers must also make reports, as necessary, to the appropriate entities. These reports can include self-disclosure of non-compliance, or repayment of funds, depending on the issue.

Where appropriate, individuals with specific investigative expertise in the management of fraud investigations are utilized to investigate instances of suspected fraud. Compliance officers might designate or maintain standing contracts with such individuals for that purpose.





## ENFORCEMENT AND DISCIPLINE

Molina has high expectations for all our employees, which at a minimum include following the Code, complying with federal and state requirements as well as Molina policies. These expectations, including their responsibility to report suspected compliance issues and participate in their correction, are established in our compliance disciplinary standards and human resources policies and procedures. All employees have access to these documents via the Hub.

Corrective action does not apply only to instances of non-compliance. Molina's disciplinary standards apply to every employee at every level of our organization. It's our policy to apply our disciplinary standards and corresponding corrective action fairly and consistently to employees whose conduct or performance conflicts with our Code of Conduct and Business Ethics, and/or deviates from company rules, program requirements and other standards, including, but not limited to regulatory contract requirements and federal, state and local laws, rules and regulations.

In the event a Molina employee's actions result in non-compliance, they could be subject to corrective disciplinary action, up to and including termination. Compliance works with management and human resources to determine appropriate forms of enforcement and discipline in instances of non-compliance to help ensure disciplinary standards are applied fairly and consistently. If there is disagreement on the discipline proposed, compliance may seek additional recommendations to further ensure fairness and consistency. In addition, the violation of certain laws and/or regulations might require Molina to report the violation to a regulatory or law enforcement agency or their designee, and/or could subject the employee to criminal prosecution as well as civil penalties that involve substantial monetary fines.

### Partnering with human resources

Disciplinary action, if any, is reviewed by human resources for appropriateness, consistent with the Molina human resources corrective action policy and documented in the involved employee(s) personnel file(s). Human resources and compliance regularly collaborate to improve adherence to compliance standards and ensure that disciplinary actions related to compliance matters imposed on employees are applied in a fair, consistent and appropriate manner. The collaboration includes, at a minimum, strategic joint initiatives, a review of trends in disciplinary actions and case review of disciplinary actions related to compliance, privacy and cybersecurity issues.







## PRIVACY AND SECURITY

Molina's business is based on the trust of our members, regulators and industry health partners. We are trusted to handle the most sensitive and private information in a secure and professional manner. Molina is committed to satisfying federal and state requirements that protect the privacy and confidentiality of our members' and providers' information, and to continuously enhancing and strengthening our technology and security protocols.

Molina's privacy official implements and oversees our privacy Compliance Plan, which includes policies concerning our approach to maintaining the confidentiality and privacy of protected health information (PHI), personally identifiable information (PII) and other sensitive information used by Molina in accordance with federal and state laws, regulations and contractual obligations to conduct our business, as well as protecting any records, documents or information containing PHI or PII from improper use and unauthorized disclosure.

Any unauthorized use or disclosure of PHI must be immediately reported to Molina's privacy official at (866) 665-4629 or [HIPAAMailbox@MolinaHealthcare.com](mailto:HIPAAMailbox@MolinaHealthcare.com).

Molina's security official implements and oversees policies to ensure that electronic PHI is secured during storage and use, and to safeguard our data from being compromised by bad actors.

Any cybersecurity event, such as any act or attempt – successful or unsuccessful – to gain unauthorized access to, disrupt or misuse Molina's information systems or confidential information, including PHI or PII, must be immediately reported to Molina's chief information security officer at (844) 821-1942 or [CyberIncidentReporting@MolinaHealthcare.com](mailto:CyberIncidentReporting@MolinaHealthcare.com).







## THIRD-PARTY OVERSIGHT

Molina conducts its business with an unwavering commitment to compliant and ethical conduct. The Code provides a detailed roadmap to that commitment, and it applies to subcontractors, vendors and other stakeholders. It's our absolute expectation that we conduct business in accordance with federal and state requirements, as well as ethical and professional business practices. We hold our suppliers to the same standards. Molina further details the expectations of its third parties in its Third-Party Code of Business Conduct and Ethics.

Molina's delegation and vendor oversight programs are responsible for determining a potential business partner's readiness to handle business functions on our behalf.

## FRAUD, WASTE AND ABUSE

Molina plays a crucial role in expensive programs funded by state and federal governments. Therefore, we have a duty to assist regulators and law enforcement agencies charged with protecting communities and taxpayers from FWA that can occur in our health care system. Molina's FWA plan and annual fraud audit work plan include a specialized assembly of administrative, management, training and data-driven strategies managed by our SIU, and are focused on preventing, detecting and correcting provider and member FWA in support of Molina's initiatives to deliver high-quality health care to our members. Molina's payment integrity and FWA plan captures claims payment controls as well as FWA detection, investigation and prevention practices. The FWA plan and annual fraud audit work plan complements the Compliance Plan.

The SIU reports on the status and outcome of their work to the compliance officers who are the accountable points of contact for program integrity, and relay this information to senior leadership, compliance committees and regulators as required.

Allegations of suspected FWA can be reported to Molina's compliance officers and SIU for review and investigation via the Alertline, which can be accessed by phone toll free at (866) 606-3889 or online at [MolinaHealthcare.Alertline.com](https://MolinaHealthcare.Alertline.com).





## COMPLIANCE OVERSIGHT AND GOVERNANCE TOOL

To ensure efficient and effective compliance program implementation, administration and governance, Molina operates a compliance oversight and governance tool – Compliance Central. Compliance Central is a cloud-based platform used by the Molina compliance department and other stakeholders to manage day-to-day compliance activities, such as audits and corrective action plans. It also serves as a platform for employees to view key compliance documents, such as state contracts or policies and procedures. Key modules available in Compliance Central include:

- Government contracts library
- Policy and procedure library
- Internal audits
- External audits
- Issue management
- Corrective action plans
- Regulatory library
- Reports filing tracker

In Compliance Central, our compliance officers and other Molina leaders can oversee and view compliance matters, incidents and risks and monitor many aspects of compliance incidents in real time.







## CONCLUSION

Our Compliance Plan is intended to help you understand how Molina's Compliance Program works and why our employees' role as our first line of defense is so important. Our Compliance Program cannot succeed with our employees' dedication to working with **Integrity Always.**

## QUESTIONS

Any questions or concerns pertaining to the Code of Conduct and Business Ethics, the Compliance Plan, any of Molina's policies and procedures and/or federal or state requirements should be directed to the compliance department or chief compliance officer, or legal department or chief legal officer. Questions and concerns can be submitted through the Alertline by calling (866) 606-3889 toll free or visiting [MolinaHealthcare.Alertline.com](https://MolinaHealthcare.Alertline.com).

Employees seeking assistance must act in accordance with the guidance and advice they receive.

**Thank you!**





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