



BLACK, GOULD & ASSOCIATES, INC.

## COMPLIANCE MANUAL

### Mission Statement

To uphold the highest standard of excellence and provide ongoing compliance training and support to staff and downstream entities, allowing them to operate confidently and successfully within the framework of established laws, regulatory requirements, and Policies and Procedures. A culture of mutual communication, education and inquiry provides clients, agents and our staff the accessibility necessary to form the most effective methods to achieve and maintain regulatory compliance.

### Vision Statement

Through our commitment to excellence, we expect to achieve the highest level of regulatory compliance for our downstream entities in order to assist them in maximizing their business opportunities. Our desire is to meet requirements, and also promote the ethical responsibility to conduct business in accordance with only the highest standards of honesty and integrity.

### Responsibilities and Obligations

Black, Gould & Associates, Inc.'s (BGA) Compliance Program is guided by the principles contained within contracted carriers' corporate responsibilities and compliance programs. It includes the 7 key elements of an effective compliance program (see below), which will foster a culture that promotes prevention and detection of conduct that does not conform to the laws, regulations and company policies associated with government-funded healthcare programs. These 7 key elements include:

1. **Established Policies and Procedures** – The policies and procedures of BGA serve as a guide for employees, contracted agents and business partners in regard to compliance standards and the procedures and practices relating to compliance.
2. **Compliance Officer and Committee** – An effective compliance program must have a Compliance Officer to oversee the entire program. The Compliance Officer's responsibilities include developing, operating and monitoring the compliance program; along with reporting to management on a periodic and as needed basis. The compliance officer is also responsible for

coordinating and participating in the training of all employees, independently investigating compliance matters and ensuring that any necessary corrective action is taken.

3. **Effective Training and Education** – A necessary component of an effective compliance program is the proper and periodic education and training of all BGA personnel and contracted agents at all levels. BGA’s Compliance organizations must administer training specific to requirements to ensure understanding of applicable laws, regulations and policies. This training should be in addition to mandatory annual certification training/testing requirements. All employees will be trained to ensure they’ve gained the necessary knowledge of all laws, regulations, and best practices of a successful Compliance Program.
4. **Effective Lines of Communication** – The compliance officer must effectively create and maintain effective lines of communication. It is crucial to the success of the program that all employees, staff and contracted agents have an effective way to ask questions and report concerns or violations when the need arises. This may include a process, such as a hotline or other reporting system, to encourage questions and allegations and procedures to protect the confidentiality or reports and anonymity of the complainants and to protect employees, staff and/or contracted agents against retaliation.
5. **Internal Monitoring and Auditing** – There will be ongoing evaluation and monitoring of the compliance program to ensure its effectiveness. BGA will utilize multiple avenues for internal monitoring and auditing purposes. BGA will monitor the information gathered from monitoring efforts, which may result in the correction and/or modification of BGA’s internal processes; re-coaching and re-training efforts of employees and/or contracted agents; or disciplinary action taken by BGA and/or contracted carriers. BGA’s Compliance department must immediately notify appropriate contracted carriers of any egregious compliance failure.
6. **Disciplinary Enforcement** – Depending on the severity of violations, re-training and disciplinary actions up to and including termination may be taken if the monitoring and auditing process uncovers any egregious compliance errors.
7. **Mechanisms for Responding to and Reporting Detected Problems** – All reports and/or indications of suspected noncompliance will result in an immediate investigation to determine whether there has been a violation of law or other requirements; and, if so, make sure all affected parties are notified of the breach, and do everything possible to correct/minimize the severity of the violation. All suspected incidents or breaches will be reported to each carrier’s Compliance Department upon discovery.

## **Structure and Membership of BGA's Compliance Department**

The Compliance Officer will be the head of the Compliance Program. She will be responsible for everything regarding compliance. It is her responsibility to keep the lines of communication open and fluid, not only with employees, staff and contracted agents, but with senior management as well. The Compliance Officer is also responsible for training and educating all employees regarding compliance. However, the success of any compliance program depends on the diligence of everyone involved to be aware of all rules and regulations and adhere to them, as well as help monitor for possible breaches and violations, and if any are found report them immediately according to BGA's Policies and Procedures.

## **Knowledge of Regulations and BGA's Policies**

BGA's Compliance Program will establish and maintain an inventory of applicable policies and procedures, regulations and guidance documents applicable to the day-to-day duties of BGA's employees and contracted agents. Additionally, broader, more general compliance requirements pertaining to, but not limited to, Information Security, Records Management, and Privacy and Security Awareness will be addressed in these policies and procedures. These will include, but are not limited to, HIPAA regulations, CMS guidelines, and Federal, State, and/or Local laws and regulations.

## **Oversight of BGA's Compliance Program**

To help ensure the success of the Compliance Program, BGA will conduct annual reviews and audits of compliance operations and performance. The goal of this internal monitoring is to uncover any non-compliance issues, so they can be addressed internally, and remediated before any actual breach of compliance occurs. This internal checks and balances system will help ensure the success of the Compliance Program. BGA's Compliance department will immediately notify each appropriate carrier of any compliance failure by reporting such incidents or breaches to each carrier's Compliance Department or Legal Office.



BLACK, GOULD & ASSOCIATES, INC.

## **BUSINESS CODE OF ETHICS & CONDUCT**

BGA endeavors to maintain a culture of integrity and trust among our agent partners, employees, officers and directors so as to reflect our values throughout our business actions. Our Business Code of Ethics and Conduct (“BCEC”) establishes the high standards for making ethical decisions and strategies and is agreed to by our staff and affiliates as their personal commitment to ethical and compliant marketing and sale practices.

### **General Business Practices and Expectations:**

1. I shall conduct myself, at all times, in an ethical manner with respect for the personal rights and needs of my clients.
2. I understand it is my responsibility to accurately represent each carrier through which I am contracted, including all regulations set forth by the carrier and applicable federal and state governmental agencies.
3. I will not make statements or engage in activities that purposefully mislead, confuse members or misrepresent the carriers, its products or Centers for Medicare and Medicaid Services (CMS).
4. I will not disparage a competitor, its plans or Original Medicare in an effort to influence an enrollment of a consumer into a specific carrier plan.
5. I will never make offers of gifts, payments or share commissions as an inducement for consumers to enroll in a product I represent.
6. I will never accept gifts or other financial incentives as an inducement to enroll consumers into a specific carrier plan, arrange to share or split any payment or commission (agent level) or otherwise allow myself to be influenced or coerced in any way into conducting unethical business.
7. I will never use any form of coercion, deception sympathy appeal or other high-pressure tactics to enroll a consumer in a product I represent. I will always give clear and accurate

information regarding the carriers I represent and will avoid the use of false, misleading or exaggerated statements.

8. I will not discriminate by reason of race, creed, color, sex, age, national origin or economic status. Enrollments in any product shall not be predicated on age or medical condition, except as provided by federal rules of access to Medicare. I understand that discrimination based on health status or disability is prohibited.
9. I understand to sell Medicare products I must annually complete and pass each carrier's required certifications and am required to keep current all applicable state licenses.

### **Applications:**

10. I will ensure that all information on the application is completed accurately by the consumer, their legal representative or by me, the agent, in their presence with their permission.
11. I will qualify all consumers to ensure they meet CMS eligibility requirements, without denying the consumer's right to apply.
12. I will not ask a consumer to sign an incomplete enrollment application or hold that application on behalf of the consumer.
13. I will promptly submit all applications upon receipt as required by BGA in accordance with each carrier's submission guidelines, using the carrier's preferred method.
14. I will only use the Writing Number issued to me by each carrier on enrollment applications. I will never use the number of another agent on enrollment applications, nor place my Writing Number or my signature on an application that I did not complete or sell.

### **Marketing:**

15. I am aware that marketing activities for Medicare products are strictly regulated by both state and federal law and by rules disseminated by CMS and I agree to comply with these requirements.
16. I understand, when marketing Medicare products, I must use sales and marketing materials that have been approved by both the carrier and CMS or meet the criteria for "generic marketing" set forth in specific carrier guidelines.
17. I understand that I cannot use carrier logos without prior written permission from the carrier.

- 18. I understand it is my responsibility to comply with federal and state regulations for sales and marketing activities. I commit to conducting myself and my sales activities in compliance with CMS rules and guidelines and other applicable laws and regulations.
- 19. I understand any unsolicited direct contact, including but not limited to door to door solicitation; cold calling; leave behinds at or on a consumer's personal property and emails are strictly prohibited unless requested by the consumer.

**Privacy & Security:**

- 20. I will protect the privacy of my clients and preserve the confidentiality of their records, enrollment application, and any other health information in accordance with FMO and carrier Privacy Policies and Procedures guidelines, as well as federal and state regulations.

**I understand that any deliberate violation of this stated Code of Ethics could result in termination of my contract with each carrier; and that such violation may cause the suspension of any pending compensation. I understand that BGA is required to report any breach of the Code of Ethics to the appropriate carrier's Compliance Department and/or CMS.**

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Signature**

**Date:** \_\_\_\_\_



BLACK, GOULD & ASSOCIATES, INC.

## POLICIES AND PROCEDURES

### PRIVACY & SECURITY

- I. Policy Applicability** - Policies apply to and address disclosure and use of beneficiary personal information, encryption and decryption of email transmissions, secure disposal of beneficiary personal information, workstation use and security, breach of security and required reporting, and resolution activities.

Stakeholders	Products	Functional Owners
<ul style="list-style-type: none"> <li>Downline Agents/Agencies</li> <li>Downline Compliance liaisons</li> <li>BGA Captive Agents and/or Solicitors</li> <li>BGA Compliance Committee</li> <li>BGA Support Staff</li> </ul>	<ul style="list-style-type: none"> <li>All Medicare regulated insurance products including Medicare Advantage, Special Needs, Private Fee for Service, Chronic Illness and Prescription Drug Plans under all Carriers represented by BGA agents or downline. These products include but are not limited to UnitedHealthcare, Humana, Aetna, Coventry, Cigna HealthSpring, HealthNet of AZ, Caremore, BlueCrossBlueShield of AZ and Anthem products.</li> <li>All State regulated Medicare insurance products including Medicare Supplement plans.</li> </ul>	BGA: <ul style="list-style-type: none"> <li>Managing Officer</li> <li>Compliance Lead</li> <li>Marketing Reps</li> <li>Senior Dept. Support Staff</li> </ul>

- II. Policy Statement** - BGA is committed to safeguarding its members' Private Health Information (PHI) through compliance with all State and Federally mandated Privacy and Security regulations.

- III. Policy Purpose** - The intent of BGA's Policies and Procedures: Privacy and Security document is to clearly state the responsibilities of each agent with regards to the security, protection, maintenance and storage of personal client information, as well as agent documents; thus ensuring compliance with stated policies and procedures.

## **IV. Policy Provisions & Exhibits – Procedures for maintaining compliance**

### **A. Agent Information and Documentation**

#### **1. Document Collection:**

- a. Agent contracting is done via the carriers' e-Contracting (when available).
  
- b. If e-Contracting is not available, contracts and documentation are primarily transmitted and collected through email.

#### **2. Document Maintenance :**

- a. All agent information and contracting paperwork **MUST** be stored in a secure location with access limited to Agency Principals and/or individuals who assist with contracting, certifications and/or commissions. The preferred method of storage is in an electronic format with password protected access or an Agent Management web-based storage system.
  
- b. BGA stores all agent documents and information in individual agent folders in an Agent Management web-based storage system.

### **B. PHI (Protected Health Information) & PII (Personally Identifiable Information)**

#### **1. Definition:**

- a. PHI: Identified individual + health information (applying for and/or enrolled in a health plan is considered 'health information').
  
- b. PII: First/Last name in combination with one or more of the following: Driver's license #, State ID #, Account #, Credit/debit card # w/ security code, access code or password.

#### **2. Agent Responsibility:**

- a. CMS requires all PHI and PII to be protected and secured in accordance with government and carrier regulations.
  
- b. BGA prescribes additional security requirements for its agent/agency partners.
  
- c. BGA provides detailed PHI & PII training for all agents/agencies contracted to sell Medicare plans. Training is available through the following:
  - Compliance videos and webinars
  - Compliance Section in Monthly Newsletters
  - Individual consultation/coaching, as requested by agent/agency



## **C. Member Information and Enrollment Applications**

### **1. Document Collection:**

- a. Agents collect PHI & PII from prospective Members in a variety of approved formats:
  - In person (after CMS approved appointment)
  - US postal service
  - Approved carrier customer or agent websites/portals (availability varies by carrier)
- b. Agents are required to protect collected PHI & PII information from initial contact through the duration of the business relationship. This includes information gathered through approved marketing activities (i.e. business reply cards, website inquiries, information gathered at any event, meeting, etc.)
- c. Agents collect applications and process them according to the carrier requirements. Agents must protect the applications and its contents at all times.
- d. Completed applications are sent to BGA or the carrier for processing. A completed detailed process is outlined in the Agent Oversight Policies and Procedures portion of this document.

### **2. Document Maintenance/Storage:**

- a. BGA maintains all enrollment applications processed through BGA's offices indefinitely. All records are scanned and filed electronically by member name, agent Writing Number and effective date of the policy into BGA's system.
- b. BGA stores Scope of Appointment forms for Agents who are contracted through BGA. All agents are required to maintain their Scope of Appointment forms in accordance with CMS/Carrier guidelines.
- c. BGA maintains all enrollment applications in a password protected secured electronic format on the BGA system in accordance with HIPAA regulations.
- d. When BGA receives paper applications via mail, fax or in-person delivery, the application is processed according to the carrier's guidelines.
  - i. If the carrier has an electronic application processing system:
    - Data entry team enters the member information
    - Scans and saves the application according to the guidelines
    - Deposits the paper application into a locked Commercial Document Destruction receptacle

- Contents of the receptacle are shredded on property once a week
- ii. If the carrier does not have an electronic application processing system:
  - Data entry team processes according to carrier requirements
  - Scans and saves the application according to guidelines
  - Deposits the application into a locked Commercial Document Destruction Receptacle
  - Contents of the receptacle are shredded on property once a week.

### 3. Document Destruction:

- a. In accordance with CMS and carrier regulations, all documents with PHI and PII as well as EPHI are destroyed after 10 years.
- b. BGA informs agents/agencies of policies via webinar, newsletter and through the distribution of the Compliance Manual on the BGA agent portal.

### 4. Maintenance of Records

BGA stores all records in a secured electronic format, available to carrier or its representatives during normal business hours.

## D. Password Security

### 1. Password Requirements:

- a. Passwords must be complex enough to ensure security.
- b. Passwords must be stored in a secure location with access limited to an Agency Principal and trusted staff member(s).
- c. BGA strictly prohibits sharing passwords outside of the BGA Medicare Dept.
- d. BGA designates an employee who stores passwords on the secure server.

## E. Security Breaches

- a. In the event of a security breach of anything holding PHI, the Compliance Dept. of the applicable carrier must be notified immediately (within 24 hours).
  - UnitedHealthcare Compliance Dept. email: [compliance\\_questions@uhc.com](mailto:compliance_questions@uhc.com)
  - UnitedHealthcare PSMG Privacy Office: [psmg\\_privacy@uhc.com](mailto:psmg_privacy@uhc.com)
  - UnitedHealthcare Ethics & Compliance help center: 800-455-4521
  - Aetna/Coventry Compliance Dept. email: [medicarecompliance@aetna.com](mailto:medicarecompliance@aetna.com)

- Aetna/Coventry AlertLine website: [www.aetna.alertline.com](http://www.aetna.alertline.com)
  - Aetna/Coventry AlertLine help center: 888-891-8910
  - Humana: Privacy Information Line: 866-861-2762
  - Health Net Integrity Line: 888-866-1366
  - Health Net Fraud Hotline: 800-977-3565
  - Blue Cross® Blue Shield® of Arizona FWA Hotline: 602-864-4875
  - Blue Cross® Blue Shield® of Arizona Advantage Hotline: 855-729-9719
  - Cigna HealthSpring FWA Hotline: 800-667-7145
  - CareMore Health Plan Compliance HelpLine: 877-725-2702
- b. BGA requires downline agents/agencies also notify BGA within 24 hours of the breach:
- Compliance Officer  
Kristy Galligan  
602.776.1356  
[Kristy.galligan@blackgould.com](mailto:Kristy.galligan@blackgould.com)
- c. BGA keeps each carrier informed of any investigations, results, employee discipline and legal action regarding a breach of security. BGA recommends downline agents/agencies notify BGA and the carrier of similar issues.
- d. BGA observes a policy of no-retaliation and non-intimidation for reporting potential security breaches to Compliance Department



BLACK, GOULD & ASSOCIATES , INC.

## POLICY MANAGEMENT

**I. Policy Applicability** - Policies apply to and address policy formatting, policy review and revision schedule, policy ownership determination and policy approval processes.

Stakeholders	Products	Functional Owners
<ul style="list-style-type: none"> <li>• BGA Principals</li> <li>• BGA Compliance Committee</li> <li>• BGA Support Staff</li> <li>• Downline Agents/Agencies</li> <li>• Downline Compliance liaisons</li> </ul>	<ul style="list-style-type: none"> <li>• Creation, Approval, Maintenance and Updating of policies and procedures for BGA relating to the sale of all Medicare regulated insurance products including Medicare Advantage, Special Needs, Private Fee for Service, Chronic Illness, Medicare Supplements and Prescription Drug Plans represented by BGA agents or downline.</li> </ul>	BGA: <ul style="list-style-type: none"> <li>• Managing Officer</li> <li>• Compliance Lead</li> <li>• Marketing Reps</li> <li>• Sales Staff</li> </ul>

**II. Policy Statement** - BGA views its organization as organic and therefore is constantly undergoing changes creating a need for continual review and updating of policies and procedures.

**III. Policy Purpose** - The intent of BGA’s Policies and Procedures: Policy Management document is to define the process through which BGA creates, approves and reviews policies and procedures, thus creating continuity and consistency in policy management.

**IV. Policy Provisions & Exhibits**– Procedures for maintaining consistency

**A. Policy Creation**

1. BGA uses an informal approach to creating policies and procedures. The process is detailed below:

a. BGA Management and the Compliance Officer are responsible for creating and managing policies; however, any BGA employee, captive agent or downline agent may suggest new policies or processes for consideration.

- b.** New policy suggestions may be submitted in person or via phone conversation or email.

## **B. Policy Approval**

1. BGA Management and the Compliance Officer weigh the necessity of new policy/procedure proposals in an open discussion format. In this format, BGA candidly discusses the pros and cons of implementing the new policy.
2. The Compliance Officer and Compliance Committee are responsible for ensuring all policies and procedures are in compliance with each carrier and CMS regulations (applicable to the policy/procedure).
3. If a new policy/procedure is agreed upon, BGA Management and Compliance Officer:
  - a.** Determine the course of action necessary to ensure all affected parties understand the policy and are informed of their responsibilities in regards to upholding the policy/procedure.
  - b.** Ensure Compliance Committee oversees adherence, as necessary.
  - c.** Ensure the Compliance Committee disseminates the information to BGA Employees, Agents and/or Downline Agents as appropriate.
4. BGA reviews new policy/procedure submissions on an as needed basis.
5. BGA reviews all Policies & Procedures annually.

## **C. Policy Effectiveness Reviews, Maintenance & Updates**

1. The Compliance Officer & Compliance Committee review the significance and effectiveness of existing policies and procedures periodically throughout the year and annually in the fall.
2. Compliance Officer and/or Committee (at a minimum) meet quarterly with BGA Management to go over carrier compliance evaluations/scorecards. Policy and procedure effectiveness is discussed and if appropriate, changes are made.
3. Policies/procedures updates may also be prompted by an event that demonstrates the necessity for change of an existing policy.
4. The Compliance Officer and/or Compliance Committee members are responsible for writing and adding policies and procedures to the P&P manual.

#### **D. Policy Dissemination and Implementation**

1. BGA disseminates policies and procedures to the appropriate parties, including Medicare team members, downline agents and agency partners in one or all of the following formats:
  - Email
  - Conference/individual call
  - In-person meeting(s)
  - Web conference/videos/seminar
  - BGA Agent Portal
  - Newsletters
2. All applicable policies and procedures are added to the P&P manual and uploaded to the BGA Agent Portal.
3. This P&P manual is a confidential document and proprietary property of BGA.
4. Distribution of this document without express written permission from BGA Management or Compliance Officer is prohibited.
5. The BGA Department Manager assigned to implementing policies/procedures is responsible for ensuring all parties are following the guidelines as outlined.
6. BGA Compliance Officer and Compliance Committee check adherence and effectiveness of policy/procedures via the following avenues:
  - a. Annual review of BGA policy/procedures performance against carrier key compliance indicators.
  - b. Informal audits of Employee, Agent, and/or Downline Agent performance.
  - c. Notification from a Carrier of an Agent issue or non-compliance.
  - d. Notification from Carrier of the necessity of a performance audit for specific Agent / Agency.



## BLACK, GOULD & ASSOCIATES , INC. AGENT OVERSIGHT

- I. Policy Applicability** - Policies apply to those who conduct agent oversight activities, including the processes for monitoring agent activity, how oversight will be conducted and the frequency of the observation.

Stakeholders	Products	Functional Owners
<ul style="list-style-type: none"> <li>• BGA Principals</li> <li>• BGA Compliance Committee</li> <li>• BGA Support Staff</li> <li>• Downline Agents/Agencies</li> <li>• Downline Compliance liaisons</li> </ul>	<ul style="list-style-type: none"> <li>• All Medicare regulated insurance products including Medicare Advantage, Special Needs, Private Fee for Service, Chronic Illness and Prescription Drug Plans under all Carriers represented by BGA Insurance Group agents or downline.</li> <li>• All State regulated Medicare insurance products including Medicare Supplement plans.</li> </ul>	BGA: <ul style="list-style-type: none"> <li>• Managing Officer</li> <li>• Compliance Lead</li> <li>• Sales Director</li> <li>• Marketing Reps</li> </ul>

- II. Policy Statement** - BGA is committed to ensuring all sales activities are compliant with Federal, State and Carrier regulations.

- III. Policy Purpose** - The intent of BGA’s Policies and Procedures: Agent Oversight document is to detail the responsibilities for agents and their managers/upline as related to sales and marketing processes; thus strengthening the collective commitment of all BGA Agents/Agencies to achieve and maintain compliance.

**IV. Policy Provisions & Exhibits** -Procedures for maintaining compliance

**A. Agent Sales & Marketing**

**1. Sales Events**

- a. Presentations/Community Meetings
  - i. BGA regularly communicates to downline agents/agencies Carrier/CMS guidelines and requirements for performing and reporting Presentations or Community Meetings.
    - Information is disseminated via:
      - Webinars/Videos/Sales Meetings

- Emails/Newsletters
  - Posting on BGA Agent Portal
  - Individual call, when appropriate
- ii. BGA reviews carrier reports on agent compliance in relation to presentations/community meetings as they are provided.
- As “at risk” behavior is identified, a Compliance Committee Member or Marketer may perform outreach to the agent or upline to present information.
    - Issues/problems are discussed, as well as, possible solutions to infraction.
    - BGA will direct agent to appropriate information to assist for future compliance. (i.e. Carrier Job Aid, Agent Handbook, CMS guidelines, etc.)
    - Conduct Ride-alongs as required by carriers.
- iii. BGA encourages all captive and downline agents to attend specific carrier training seminars/webinars prior to conducting a presentation or community meeting event.
- At these training seminars, Agents learn the CMS regulations and presentation guidelines.
  - As Agents MUST report Community Meetings to the carrier they are representing, BGA informs Agents to utilize that specific carrier’s CMS Approved presentation.
- iv. If no CMS compliant carrier sales training seminars are available, BGA recommends agents to utilize CMS approved, written guidelines for sales presentations provided by the carriers, local carrier representatives and/or BGA will train agents. Because of the thorough nature of certain carrier’s meeting materials, BGA typically recommends agents use one particular carrier’s community meeting/sales presentation material as a guideline.
- v. BGA is diligent in its attempts to ensure agents performing community meetings are educated and trained on presentation regulations and how to report community meetings/presentations to each carrier.
- BGA provides periodic training for interested and/or participating Agents.
  - BGA makes periodic contact with downline agents who perform community meetings to ensure agents are aware of and following compliance regulations.
  - BGA works closely with each carrier to gain feedback and insight on compliance monitoring of downline agents performing community meetings.



b. Sales Event Reporting

Agents are required to report all sales events according to BGA and CMS regulations.

- i. Events must be reported to each carrier using the carrier's report forms and following specific procedures. If an agent wants to cancel a previously reported event (although this action is highly discouraged), the agent **MUST** do so according to carrier and CMS regulations.
- ii. BGA Marketing or Individual Account Executives provide training and direction for agents on how to file sales events with BGA.

c. Retail Programs

When available, BGA offers agents the opportunity to participate in Retail Programs through various carriers. The Retail Programs primarily entail an agent staffing a booth or temporary kiosk placed in a participating retail establishment (i.e. Walgreens, Kroger's, Wal-Mart, etc.). These programs are typically available during Annual Enrollment Period and in some instances throughout the year.

- i. BGA oversees participating agents and to ensure Agents have met all the program requirements for involvement.
- ii. BGA assigns brokers to the Retail Team.
- iii. BGA personnel attend carrier seminars and meetings to ensure participation requirements are understood.

**2. Sales Materials**

- a. BGA provides support and, when necessary, training on how to use each carrier's website for ordering or downloading of enrollment kits, marketing materials and/or additional sales support documents.
- b. BGA trains agents via detailed email instructions, teleconference and/or webinar.
- c. BGA maintains a supply of Arizona enrollment kits, applications, provider directories, etc. When necessary, local agents may collect the appropriate sales supplies from the BGA office.
- d. Prior to providing supplies to an agent, BGA requires the agent is licensed and certified to sell that product. Carrier websites are checked to confirm agent eligibility.

### **3. Marketing/Advertising**

- a. BGA requires that agents use pre-approved or generic marketing pieces for advertising whether for individual/agency promotion or sales events.
  - i. Many carriers provide customizable CMS approved Marketing pieces through their Agent portals. BGA encourages agents to use these materials.
  - ii. Agents requesting to create marketing or advertising pieces that are outside of the materials available on the carriers' websites are advised to follow CMS Medicare Generic Marketing Guidelines.
  - iii. Agents are encouraged to contact BGA Individual Account Executives or Compliance Committee for questions regarding marketing guidelines.
  - iv. BGA informs every new agent via email and new agent training of BGA's Individual Account Executives' availability to assist with sales, marketing and compliance questions.

### **4. Appointments**

- a. Regulations

CMS has specific requirements that govern the sale of Medicare products to Medicare Beneficiaries. It is essential Agents understand the regulations prior to meeting with prospects.

  - i. Agents receive training through one or more of the following methods:
    - Carrier specific training seminars/webinars
    - Monthly BGA New Agent training meetings.
    - Annual carrier testing and certifications
- b. Scope of Appointment

CMS requires Agents to document a Medicare Beneficiary's willingness to discuss their Medicare health insurance plans through the use of a Scope of Appointment (SOA) form.

  - i. Agents are required to use a CMS approved carrier-specific or generic Scope of Appointment form.
  - ii. Each Carrier provides a Scope of Appointment form for Agents to use.
  - iii. Agents are encouraged to have the Scope of Appointment form signed 48 hours prior to the sales meeting.
    - Various exceptions to this rule exist and agents are informed of the approved exceptions during various training options.
    - In the event an Agent cannot obtain the Scope of Appointment form 48 hours in advance, they may have the prospect sign the form BEFORE

they begin discussing their Medicare plan options.

- The Scope of Appointment form typically has a place to explain why the SOA was not collected in advance. Agents must complete this section of the form when applicable.
- iv. BGA requires Agents submit the Scope of Appointment according to each carrier's requirements.
- v. Agents are required by CMS to keep a copy of the SOA for their records. See Privacy & Security policy for details.

## **B. Enrollment Applications**

### **1. Document Submission**

BGA prefers agents submit their MA and PDP paper applications to BGA for processing.

- a. Submission Options : Agents are required to follow CMS and carrier guidelines when submitting applications.
  - i. Agents may submit paper applications to BGA in a variety of formats. See BGA Application Processing Procedures and BGA Application Guidelines available on the BGA Agent portal.
  - ii. Upon issuance of a writing number, BGA agents receive copies via email of the BGA Application Processing Procedures and BGA Application Guidelines forms.
  - iii. BGA team members reinforce email notification efforts in their individual conversations with agents. Additionally, BGA holds regular webinars for agent training on application submission options.

### **2. Submission Timeline Requirements**

BGA strongly recommends agents submit applications either to BGA or the carrier within 24 hours of their signature date.

- a. To allow time for the carriers to process MA and PDP applications, most carriers require the applications be sent to the carrier within 24 hours of the enrollee's signature/receipt date. Specific carrier guidelines may vary.
- b. CMS requires all MA and PDP applications be processed within 7 days of the enrollee's signature/receipt date.

### **3. Late Applications**

- a. A "late application" is defined as an application received by the carrier over 48 hours from enrollee's signature/receipt date.
- b. If BGA receives a late application:

- The agent is contacted that day by an Application Processing team member.
- The circumstances of the late application are gathered.
- Immediately the agent is educated of the consequences of submitting late applications and guidance is provided to prevent future issues.
- If BGA is notified through a carrier report of an agent with multiple late applications, BGA Marketers will contact the agent or the agent's upline via phone for training/education.

#### **4. Document Processing**

- a. Agent applications
  - i. Each carrier has specific requirements on how to process applications. BGA follows each carrier's process as required.
  - ii. BGA processes MA and PDP paper applications for all downline agencies/agents that choose to utilize this service.
  - iii. BGA ensures all agents are informed of their responsibilities and the processes required to compliantly submit applications.

#### **5. Application Quality Control**

BGA strives for excellence in the consistency and accuracy of Enrollment Applications.

### **C. Risk Identification & Prioritization**

#### **1. Agent Risk Detection & Monitoring**

BGA identifies and monitors compliance risks through a variety of formats including, but not limited to, carrier compliance reports, agent outreach, and communication with local carrier sales managers.

- a. BGA Compliance Officer and/or Compliance Committee reviews issues or risks immediately upon notification or detection and determine a course of action.
- b. Priority is given to agents/agencies that have multiple Allegations to Medicare (CTM) or compliance infractions.
- c. Carrier Compliance Reports
  - i. Carrier reports vary according to individual compliance policies and procedures.
- d. Agent Responsibilities
  - i. Agents are required to respond to allegation questionnaire

- ii. BGA assists and coaches agents (as requested) in responding to member allegations.

- e. BGA Agent Outreach

BGA conducts on-going outreach to agents for the purposes of ensuring continued engagement and compliance in the Medicare industry. This communication format allows agents to ask questions related to sales, compliance, marketing, etc.

- i. If risk is detected, agent receives immediate instruction & coaching to ensure he/she understands regulations and responsibilities.

- ii. Agents are also directed to BGA Agent portal where compliance guidelines are outlined from CMS and various carriers.

- d. Informal Detection Sources

BGA believes our hands-on approach to supporting downline agents allows for spontaneous interaction and therefore provides the unique opportunity to discover potential risks before they occur.

- i. Information obtained in this collegial manner is not recorded; however, it does provide the opportunity for BGA to do on-the-spot coaching/education.

- ii. BGA processes MA and PDP applications (as individual carriers allow), which often uncovers potential risk factors in regard to agents completing applications correctly, submitting applications according to required timelines, etc.

- iii. When issues are identified, agents are immediately coached by a BGA team member.

## **D. Monitoring & Action**

BGA strives for a day-to-day approach to compliance. In other words, as compliance-related issues are identified, when possible, they are addressed that day. This philosophy is integrated throughout the culture of BGA. All team members are instructed to inform the Compliance Officer or a Compliance Committee member of any potential problems/risks as they are detected.

- 1. Carrier Reports

Carrier Compliance Reports provide the opportunity for BGA to view month-over-month statistics on producing agents.

**E. Communication of Discoveries**

BGA disseminates information regarding compliance issues and/or allegations in variety of formats: direct agent outreach via phone call or email, regular compliance webinars and compliance newsletters.



# BLACK, GOULD & ASSOCIATES, INC

## Training and Education

**I. POLICY APPLICABILITY** - Policies apply to the training and education requirements, offerings, frequency, methods and testing requirements, as well as, topics covered.

Stakeholders	Products	Functional Owners
<ul style="list-style-type: none"> <li>BGA Principals</li> <li>BGA Compliance Committee</li> <li>BGA Support Staff</li> <li>Downline Agents/Agencies</li> <li>Downline Compliance liaisons</li> </ul>	<ul style="list-style-type: none"> <li>All Medicare regulated insurance products including Medicare Advantage, Special Needs, Private Fee for Service, Chronic Illness and Prescription Drug Plans under all Carriers represented by BGA agents or downline.</li> <li>All State regulated Medicare insurance products including Medicare Supplement plans.</li> </ul>	BGA: <ul style="list-style-type: none"> <li>Managing Officer</li> <li>Compliance Lead</li> <li>Sales Director</li> <li>Marketing Reps</li> </ul>

**II. POLICY STATEMENT** - BGA is committed to ensuring all Agents have the tools necessary to achieve success, as well as, reach sales goals while maintaining compliance with all Federal, State and carrier regulations and guidelines.

**III. POLICY PURPOSE** - The intent of BGA’s Policies and Procedures: Training and Education document is to detail the requirements necessary for an Agent to sell Medicare products and to define the process used to ensure compliance.

**IV. POLICY PROVISIONS & EXHIBITS** – Procedures for maintaining compliance

**A. Training & Education**

**1. General Policies**

Carrier training and certification provides agents with essential product information as well as CMS regulations regarding the sale of Medicare products. To ensure every agent in BGA understands the importance of compliance with CMS regulations, BGA:

- a. Utilizes all of the carriers' resources including product and pre-requisite certifications, information on carrier agent portals, training from the carrier Sales Management Teams and carrier webinars.

- b. Holds live monthly New Agent Training and compliance webinars utilizing CMS guidelines for Medicare Sales and Marketing as well as other compliance regulations.
  - i. Compliance updates are gathered from carrier newsletters, webinars & email communication.
  - ii. Compliance training information is obtained from risks and trends identified throughout the year.
  - iii. Does not require nor administer testing for agents or staff.
- c. Training Resources
 

BGA, in accordance with carrier and CMS requirements, works diligently to ensure all Agents are trained and certified to sell Medicare products. Agents are trained through one or more of the following:

  - Annual certifications required by each carrier
  - AHIP certifications (if applicable)
  - Carrier sponsored live training meetings and product rollout seminars
  - Carrier webinars
  - Communication between agents and BGA team
  - BGA training/sales/compliance meetings

## 2. Training Support

- a. General Policies
 

BGA maintains an “open-door” policy with all agents. This philosophy provides agents with quick and easy access to an individual that can answer their questions and is essential in demonstrating to BGA agents that they have the support they need to sell Medicare products.

  - i. BGA Marketing and Agent Services Representatives regularly speak with agents to discuss/answer compliance questions, DOs and DON'Ts of marketing, sales, etc. and to ensure agents are informed of their responsibilities as it relates to compliance with CMS regulations, carrier specifications and the BGA policies and procedures.
  - ii. Compliance questions, concerns and collection of generic marketing materials can be addressed to the BGA Individual Account Executive or BGA Marketing.
- b. New Agents
 

BGA understands the importance of ensuring new agents are engaged in compliant practices while selling Medicare products.

  - i. BGA performs the following for each new direct agent:
    - Copy of carrier welcome letter sent with new Writing Number.
      - Ensure agents know how to order supplies, use carrier and BGA portal



- Drive attendance to BGA New Agent & Sales training
- Encourage Marketing activities that are compliant with CMS regulations and marketing guidelines
- Inform agent of tools available on BGA & carrier portals

c. Continuing Agents

BGA defines a “continuing agent” as someone who has been contracted through BGA with one or more carriers for a minimum of 6 months or someone who was previously contracted with another FMO or as a captive agent with a carrier for a minimum of one year.

- i. BGA contacts continuing agents periodically throughout the year to ensure agents are up-to-date on CMS & carrier requirements.
- ii. BGA performs the following for all continuing agents:
  - Outbound Re-certification calls & emails
  - Outbound AEP preparation calls & emails
  - Monthly sales meeting webinars
  - Meetings include: Compliance updates & reminders, industry and carrier news
  - Monthly Newsletters with Compliance information

**3. Certification**

Agents are required to complete each carrier’s annual certification courses for the products the agent intends to sell. The certification process varies between carriers; and includes a combination of online certification coursework and/or in-person training seminars.

a. Monitoring & Outreach

BGA monitors agent product certification through reports provided by each carrier and available on the carrier’s agent portal. Additionally, BGA:

- i. Performs extensive outreach via email and phone calls to agents to encourage and ensure agents hold the appropriate certifications.
- ii. Reminds agents through personal phone calls, emails, webinars & compliance newsletters of their responsibility to ensure he/she is certified to sell a specific product PRIOR to meeting with client.
- iii. BGA is available to assist agents in verifying their certifications through each carrier.

**4. Licensing**

a. License & Appointments

- i. Agents must hold the appropriate license and appointment in every state they wish to sell insurance.

- ii. BGA relies on carrier record maintenance, contracting processes and State Department of Insurance websites to verify an agent has a valid insurance license.
  - iii. BGA requires agents to keep track of their State license renewals and continuing education requirements.
  - iv. If BGA is notified that an agent's license has expired, the agent is contacted to determine whether the agent intends to continue selling or not.
  - v. Agents are informed of the CMS & carrier guidelines regarding maintaining licensing & appointments to continue receiving renewal commissions.
- b. Errors & Omissions
- As required by the carrier, agents must possess proper E&O coverage.
- i. BGA provides a reputable resource for agents to purchase an E&O policy through a reliable provider. Agents are not required to use this provider; it is strictly a service for BGA agents.
  - ii. BGA requests a copy of agent's E&O during the initial contracting process (when required by the carrier). After initial contracting, it is the agent's responsibility to keep E&O coverage updated.
  - iii. If BGA is notified of an agent's E&O lapsing or if coverage falls below required limits, the agent will be contacted and educated on the E&O requirement.
  - iv. Each year agents are encouraged to send updated copies of their E&O to BGA.

## **B. Compliance**

BGA focuses resources to ensure agents are trained to compliantly sell Medicare products. The following are key areas of focus for compliance training and education.

- Unqualified Sales
- Marketing Guidelines
- Late Applications
- Events
- Rapid Disenrollments
- Allegations

### **1. Unqualified Sales**

#### a. Definition

An unqualified sale is defined as a sale made by an agent who does NOT hold the proper licensing, appointment or certification PRIOR to the submission of an enrollment application.

- Agents who do not complete or fail the required training and/or certifications are not allowed to sell Medicare products until they complete the appropriate training and certifications for that year and product.

- Agents MUST maintain the appropriate State Insurance License(s) and Appointment(s) to remain eligible to sell Medicare products.
- Agents whose license(s) lapse(s) and/or who fail(s) to maintain their carrier appointments are NOT allowed to sell Medicare products until they have their license and appointment(s) reinstated.

b. Unqualified Sale Prevention

Preventing agents from performing an unqualified sale is a priority for CMS, each carrier and BGA. As such, BGA performs a variety of tasks to ensure agents are informed of their responsibilities and the consequences of an unqualified sale.

- BGA utilizes carrier reports and annual assessments to identify at-risk agent behaviors, trends and Compliance Best Practices.
- Information is presented to all agents/agencies through meetings, compliance newsletters and through individual outreach (as necessary).

c. Unqualified Sale Consequences

- If an agent sells a product without the proper appointments or certifications he/she will NOT receive commission for that sale and the agent may face disciplinary action.
  - i. Disciplinary Consequences include but are not limited to:
    - Additional required training modules
    - In-person meeting with carrier's local Sales Manager
    - Additional training by BGA
    - Restricted participation in marketing/sales programs
      - Potential Contract Termination
    - If an agent sells a product without the proper state license, he/she will have their contract with that carrier terminated for a minimum of one year.
  - ii. In many cases, agents may be able to re-contract with the specific carrier after one year has lapsed. This process varies by carrier.

**2. Marketing & Event Guidelines**

- BGA performs individual outreach to agents to ensure they are up-to-date on current marketing & event guidelines.
- BGA encourages all agents to send marketing materials (ads, flyers, etc.) to BGA Compliance dept. for review. Compliance Committee reviews ads and makes suggestions (as needed) to ensure the marketing is compliant.
- BGA provides compliant generic advertising templates on the BGA agent portal for agents to utilize.
- Numerous Marketing & Event webinars are stored on the BGA Agent portal for agent use.

- Marketing & Event guidelines are a regular subject covered in BGA Compliance newsletters.

### **3. Late Applications & Rapid Disenrollments**

- BGA receives reports on agents who have late applications or who show a history or issue with rapid disenrollments.
- BGA team member performs outreach to specific agents, as necessary, to ensure the agent understands the importance of meeting required guidelines.

### **4. Allegations**

- BGA works with agents through individual outreach, email, bi-monthly compliance updates, and compliance newsletters to teach agents how to avoid member allegations.
- Emphasis is focused on what the agent can do in marketing, member appointments and through follow up.



**BLACK, GOULD & ASSOCIATES, INC**

**Corrective & Disciplinary Action**

**I. Policy Applicability** - Policies apply to the explanation and dissemination of information regarding compliant activities and the actions required of those who monitor agent misconduct.

Stakeholders	Products	Functional Owners
<ul style="list-style-type: none"> <li>BGA Principals</li> <li>BGA Compliance Committee</li> <li>BGA Support Staff</li> <li>Downline Agents/Agencies</li> <li>Downline Compliance liaisons</li> </ul>	<ul style="list-style-type: none"> <li>All Medicare regulated insurance products including Medicare Advantage, Special Needs, Private Fee for Service, Chronic Illness and Prescription Drug Plans under all Carriers represented by BGA agents or downline.</li> <li>All State regulated Medicare insurance products including Medicare Supplement plans.</li> </ul>	<p>BGA:</p> <ul style="list-style-type: none"> <li>Managing Officer</li> <li>Partner</li> <li>Compliance Lead</li> <li>Sales Director</li> <li>Marketing Reps</li> </ul>

**II. Policy Statement** - BGA strives to provide an open, personal and collegial relationship between the Agent and BGA. This philosophy promotes communication and provides a platform for coaching and corrective training in a non-threatening environment, thus creating “partners in the field” who feel comfortable contacting BGA for guidance.

**III. Policy Purpose** - The intent of BGA’s Policies and Procedures: Corrective and Disciplinary Action document is to provide all Agents a detailed process for the investigation and corrective or disciplinary action of member allegations against the agent, agent CMS violations and/or any other agent violation of acceptable business practices relating to the sale of Medicare health plans.

**IV. Policy Provisions & Exhibits**– Procedures for maintaining compliance

**1. Member Allegations Notification/Response Process**

**1. Allegation Notification**

BGA receives notification from certain carriers regarding member allegations against agents.

- a. Each carrier's notification process varies and notifications are not consistent between carriers.
- b. There are many carriers that do not inform BGA of a allegation against an agent.
- c. BGA encourages agents to contact BGA's Individual Account Executives or Marketing Dept. if they receive notification of an allegation.
  - Upon notification, BGA maintains electronic copies of member allegations and the agent's responses.
  - BGA maintains records indefinitely.

## **2. Allegation Response Action Plan**

The following steps outline BGA's process for action on a member allegation when BGA is notified either by the agent or carrier.

- a. BGA Compliance Committee:
  - Sends a copy of the allegation to the agent and/or agent's upline.
  - Reviews the allegation for details.
  - Contacts the agent or upline via email or phone to ensure they understand they must respond to the allegation.
  - If necessary, gathers information regarding the circumstances of the appointment.
  - When requested, provides guidance/feedback on the most appropriate way to respond to the allegation (i.e. complete details of case, professionalism, etc.)Assesses and provides feedback to the agent (when appropriate) on their response to the allegation, prior to submission to the carrier.

## **3. Outcomes to Allegation Investigation**

### **a. Unfounded Allegation**

If the carrier finds the allegation to be unfounded, typically there is no corrective plan of action required by the carrier for the agent or BGA

### **b. Founded Allegation**

i. If the carrier finds the allegation to be founded, the agent may receive a corrective plan of action from the carrier, which may include, but is not limited to:

- Additional training courses.
- One-on-one training with a carrier sales manager.
- Required "ride-along" observation.

ii. A substantiated allegation may also result in the termination of an agent contract depending on the circumstances of the issue and/or is the agent has a chronic problem with member allegations.

iii. Agent Actions determined to be fraudulent may result in immediate “for-cause” termination of their contract. For-cause terminations result in the complete and total loss of agent commissions, both pending and renewals.

iv. Many carriers allow agents to appeal a termination. Depending on the circumstances of the termination, the BGA Compliance Officer may assist the agent in the appeals process.

#### **4. Allegation Follow-up**

- a. BGA relies heavily on each carrier to communicate outcomes and corrective action plans as a result of a allegation investigation.
- b. At this time, BGA does not have access to all carriers’ investigatory outcomes and therefore, are unable to always ensure agents complete their corrective action courses.
- c. When BGA is notified of an agent’s issue with completing corrective action, BGA performs the following:
  - Immediate outreach via call and email to inform agent of their responsibility and to determine the reason for their lack of action.
  - Depending on circumstances, a BGA Compliance Committee member may coordinate contact between carrier and agent and facilitate the agent’s completion of correction action.

#### **5. Corrective and/or Disciplinary Actions and Terminations**

##### **a. General Policies**

BGA works in conjunction with each carrier to ensure consistency in processes for corrective and disciplinary actions and terminations; consequently the carrier’s policies and procedures are, in most cases paralleled.

##### **i. Philosophy/Processes**

In accordance with carrier and CMS requirements, BGA takes a proactive approach by providing Training & Education to prevent agents from incurring Corrective & Disciplinary Action.

ii. Depending on the issue requiring corrective or disciplinary action, BGA may also require one of more of the following for the agent/agent upline:

- Coaching from BGA Compliance/Sales Departments or agent’s upline.
- A warning issued in writing from BGA via email to the agent/upline.
- Termination of contract from BGA:
  - BGA notifies carrier of the agent or upline’s termination.

- Carrier may choose to terminate contract, or allow agent to write directly with carrier.
  - Recommendation for Termination of Contract From carrier.
- b. BGA may recommend termination of contract from carrier for one or more of the following agent actions:
- i. Repeated or egregious violations of CMS regulations, BGA Policies and Procedures and/or carrier Policies and Procedures.
  - ii. Proven unethical and/or unapproved sales, marketing or recruiting practices.
  - iii. Violation of generally accepted business practices.

## **6. Notification and Communication of Corrective and Disciplinary Actions or Terminations**

BGA utilizes one or all of the following methods to notify the appropriate parties of corrective or disciplinary actions or terminations.

### **a. To agent**

- i. Informal – Utilized on a first or minor infraction
  - Personal contact via phone call
  - information unsecured email
- ii. Formal – Utilized on a continuous or major infraction
  - Formal secured email
  - Letter delivered via US Post Office
  - Registered letter (if necessary)

### **b. To carrier**

BGA notifies carriers of BGA-recommended agent terminations via email or through monthly reporting as applicable.

## **7. Maintenance of Records**

- a. BGA stores all records in a secured electronic format, filed individually in the agent file indefinitely.
- b. Compliance and Disciplinary Action records are maintained indefinitely.