

# COMPLIANCE PROGRAM DESCRIPTION

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# INTRODUCTION

It is the intent of Ritter to promote excellence and quality in the products and services we provide to our business partner, agents, and customers. As matter of principle, Ritter seeks to do business in a fair and honest manner. To further its business principle, Ritter is committed to maintain a culture of compliance and integrity that incorporates the legal, business, and ethical standards that Ritter expects in its business operations. Ritter strives to maintain a formal process of ongoing review, risk assessment, and improvement to ensure that sufficient processes are in place to maintain compliance with applicable federal and state laws and regulations.

As a Field Marketing Organization (“FMO”) in the senior life and health insurance markets, Ritter has contracts as a First Tier, Downstream, and Related Entity (“FDR”) with insurance carriers that offer Medicare Advantage (“MA”) and Prescription Drug Plans (“PDP”). As such, Ritter is cognizant of the importance of complying with the applicable laws, regulations, and Centers for Medicare & Medicaid Services (“CMS”) guidelines pertinent to these products.

Ritter’s Compliance Program is an essential business tool for promoting legal and ethical business conduct and preventing, detecting and resolving non-compliance and illegal conduct, including fraud, waste and abuse of government funded programs.

The purpose of this Compliance Program Description is to outline the ways in which Ritter employees and business partners can ensure that Ritter operates in compliance with such laws and regulations. This document also includes a detailed work strategy that outlines key compliance activities.

# PROGRAM DEFINITION AND ELEMENTS

The United States Sentencing Commission, created in 1984, instituted the Federal Sentencing Guidelines, which set forth the requirements for an effective compliance program. The program requirements were subsequently amended in 2010. The Office of Inspector General (“OIG”) of the Department of Health and Human Services has also prepared additional, detailed guidelines on compliance programs for various entities in the health care industry. As an organization closely aligned with the health care industry, Ritter’s Compliance Program is developed with intent to meet the OIG’s Seven Elements of an Effective Compliance Program, as follows:

## **1. Implementation of standards of conduct and written policies and procedures that promote ethics and compliance and prevent and detect criminal conduct.**

The Ritter Code of Business Conduct (“Code”) reflects the Company’s commitment to the highest standards of ethical business conduct. The Code is designed to be a clear and concise collection of company-wide standards. In addition, the Code reflects a commitment to quality in Ritter’s operations and in the products and services the Company provides.

The Code is included as part of the new employee orientation process and can be accessed on Ritter’s [intranet site](#). In addition, the Code is accessible by contracted agents on Ritter’s [agent facing website](#). The related policies are housed in the Ritter intranet site and are accessible by all employees. New employees are required to review the Code and sign and return the *Ritter Code of Business Conduct Certification* to the Compliance Officer, attesting they have read, understood, and agreed to comply with the provisions in the Code and related policies upon hire and annually thereafter. Complying with the Code is a condition of employment at Ritter.

On an annual basis, the Compliance Committee ratifies the Code.

Operational policies and procedures are in place to ensure compliance with applicable laws, regulations, and CMS guidelines pertinent to Ritter’s role as a FDR.

In addition, Ritter has in place privacy and security policies and procedures which set forth the standards for employees to safeguard confidential and protected health information entrusted to Ritter. The Company is committed to complying with applicable laws, regulations and policies related to privacy of health information. All employees are required to complete

training on HIPAA privacy and security policies and are required to perform their work duties following the minimum necessary standard to Protected Health Information under the HIPAA privacy rule.

Ritter is committed to prevent, detect, and correct incidents that could lead to fraud, waste, or abuse (“FWA”). Ritter’s FWA plan begins with initial background checks to review employee’s backgrounds against both the Office of Inspector General (OIG) List of Excluded Individuals and Entities and General Services Administration (GSA) Excluded Parties List System, which is now accessed through the Streamline Verify System, for all employees prior to hire or contract and monthly thereafter. In addition, agents who are contracted with Ritter to sell any MA or PDP products are subject to a monthly verification against the OIG and GSA Lists.

All Ritter employees play an important role in the Ritter fraud prevention program and are required to report any suspected FWA incidents.

## **2. Designation of a Compliance Officer and Compliance Committee that are accountable to senior management.**

Ritter has designated a full-time Compliance Officer (“CO”) to oversee the Company’s ethics and compliance matters. The CO reports directly to the President of Ritter to ensure compliance matters are handled in an objective manner.

Ritter also established a Compliance Committee to provide oversight responsibilities of all relevant issues involving compliance and business ethics matters which pertain to Ritter. The Committee provides support to the CO in planning, overseeing, implementing, managing, and enforcing all compliance matters. The purpose of the Committee is to allow Ritter and the CO to benefit from the combined perspectives of individuals with diverse responsibilities and expertise throughout the Company.

The Committee assists the CO in carrying out the initiatives of Ritter’s Compliance Program, including but not limited to the Company’s Code of Business Conduct, agent compliance oversight, and compliance with CMS requirements as an FDR to Ritter’s business partners, and in encouraging a culture of ethics and compliance throughout the Company.

## **3. Implementation of effective compliance training and education programs.**

The CO provides general compliance and FWA training to all employees. All new employees are required to undergo the initial training, which includes the Company’s Code, HIPAA Privacy and Security, and the Medicare FWA training.

The CO may require additional specialized compliance training as deemed appropriate.

Specialized training may be developed by the CO, by Human Resources, or by the applicable business units.

On an annual basis, employees are required to attend a refresher training.

#### **4. Development of effective lines of communication throughout the organization to receive complaints and compliance concerns without fear of retaliation.**

Ritter's policy is to provide a reprisal-free environment that encourages employees to raise ethical, legal, or compliance concerns without fear of retaliation. Retaliation is prohibited against those who, in good faith, report concern to management. Knowledge of a possible violation of a law or regulation that is not reported may result in disciplinary action.

Ritter employees may report compliance or ethical concerns to his or her immediate supervisor. Alternatively, employees may discuss any compliance concerns with the CO. Employees can contact the Compliance Officer at 717-903-3981 for any compliance concern. Alternatively, employees may report compliance concerns anonymously to the Ritter Compliance email box at [complianceofficer@ritterim.com](mailto:complianceofficer@ritterim.com). Note that, when sending emails to the Ritter Compliance email box, employees must send the email from an email account outside of the Ritter company email system in order to maintain anonymity.

Ritter takes compliance matters seriously, and as such, all reported concerns will be investigated by the CO or other appropriate areas.

#### **5. Provision of internal monitoring.**

An important aspect of the internal monitoring activities is assessing areas of risk in substantive regulatory changes and seeking input from Ritter management, particularly in areas supporting MA and PDP businesses. Based on the results of the risk assessment, the CO develops a work plan for oversight monitoring and compliance reviews.

#### **6. Enforcement of standards through well-publicized disciplinary guidelines.**

Disciplinary guidelines are included in the Ritter Employee Handbook, which is distributed to all new employees. These guidelines are strictly enforced at all levels and without prejudice.

#### **7. Implementation of a system for promptly responding to detected offenses and development of corrective action plans.**

Ritter's policy is to provide a reprisal-free environment that encourages employees to raise

ethical or compliance concerns without fear of retaliation. Retaliation is prohibited against those, who in good faith, report wrongdoing to management or the CO. Ritter takes ethical and compliance matters very seriously, and all reported matters will be thoroughly investigated.

Disciplinary or corrective action in response to a substantiated allegation is an integral part of the Ritter Compliance Program. Ritter implements corrective actions whenever there is a confirmed incident of non-compliance. Ritter may identify the incident of non-compliance through a variety of sources, such as self-reporting channels, insurance carrier audits, internal review, or agent complaints. Whenever Ritter identifies an incident of misconduct, non-compliance or FWA, Ritter takes prompt action to investigate the matter. Ritter will determine the root cause and outline effective corrective action, as deemed appropriate.

The CO is responsible for reviewing cases of misconduct or non-compliance related to employees or agents, and when applicable, for disclosing such incidents and coordinating corrective action to insurance carriers. Because of the complex nature of some of the cases that may be involved, particularly fraud investigations, the CO may delegate all or a portion of this responsibility to the appropriate internal expert.



