Department: Compliance	Effective Date: 04/01/2011
Unit: Special Investigations	Most Recent Revision Date: 2/1/2018
Procedure Title: Protocol for Prevention and Detection of Financial Exploitation of the Elderly or Disabled Adults Cases	Applies to: ☑ MCS Advantage, Inc. ☑ MCS Life Insurance Company ☑ MCS General Insurance Agency ☑ MCS Healthcare Holdings, LLC
Approved by: Corporate Compliance Committee	

PURPOSE

To describe MCS Healthcare Holdings LLC's (MCS) protocol to prevent and detect financial exploitation activities, to allow the identification of suspicious behavior or indicators of financial exploitation of the elderly or adults with disabilities, in accordance with the applicable rules and regulations, and to establish the steps to be followed in the event financial exploitation of the elderly or adults with disabilities is suspected.

PROCEDURES

A. Employees and FDRs

1. MCS's employees or FDRs (First Tier, Downstream and Related Entities) that interact with clients, members/subscribers, insured, or elderly or disabled adult prospects must be alert and observe their behavior and that of their companions, if applicable. MCS employees must be able to identify and handle suspicious behavior and/or suspicious insurance business activities that indicate possible financial exploitation.

2. At the time of identifying a suspicious behavior or suspicious insurance business activity, the employee or FDR must take the following steps:

   a. Verify the documents that authorize a third party to act on behalf of the elderly or disabled adult client, insured or beneficiary.
   b. Verify the documents that authorize a person to act on behalf of the elderly or disabled adult, considering the legal limitations concerning tutelage, powers of attorney and any other special law.
   c. If possible, assess the reasons why the elderly or disabled adult has made unusual changes in the services or insurance products he/she requested.
   d. Inform the elderly or disabled adult of the possibility of becoming a victim of financial exploitation to prevent this from happening or that the situation repeats itself.
   e. Alert the person or disabled adult (as long as he/she is not exposed to any risk or harm in any way), tutor or representative, that possible illegal financial exploitation activity is being suspected.

3. Every employee of MCS or an FDR that identifies suspicious behavior and/or suspicious business activities must immediately notify MCS's Compliance Department through the following email address mcscompliance@medicalcardsystem.com.

a. The referral to the MCS's Compliance Department must include the description of the suspicious behavior and/or suspicious business activities and the documentation related to said behavior and/or activities, if any.

B. Chief Compliance Officer

1. The MCS's Chief Compliance Officer and/or his/her designee sends the suspicious situations and/or referrals to the Special Investigations Unit (SIU) of the Compliance Department for the pertinent investigation (See Section C for the details of the investigation process).

2. The Chief Compliance Officer and/or SIU AVP determines, following the applicable investigation, which suspicious activities must be reported to the pertinent agencies.

3. The Chief Compliance Officer and/or SIU AVP contacts and maintains communication with the applicable agencies in the event financial exploitation cases are detected. See Section C.

4. The Chief Compliance Officer and the SIU AVP develop and coordinate annual trainings regarding the Policies and Procedures related to financial exploitation of the elderly and adults with disabilities for the benefit of the supervisors and MCS employees directly exposed to vulnerable clients. Annual trainings may be conducted through:
   a. Electronic learning tools;
   b. MCS's bulletin and/or weekly newspaper ("MCS Informa");
   c. In-person trainings; and
   d. Any other mechanisms, as applicable.

5. The Chief Compliance Officer and the SIU AVP develop and coordinate mechanisms to educate MCS's members/subscribers regarding rules and regulations related to the financial exploitation of the elderly and disabled adults. These trainings may be conducted through:
   a. MCS's bulletin and/or newspapers;
   b. Letters to members/subscribers; and
   c. Any other mechanisms, as applicable.

6. The Chief Compliance Officer and the SIU AVP develop and coordinate mechanisms to educate FDRs regarding rules and regulations related to the financial exploitation of the elderly and disabled adults. These trainings may be conducted through:
   a. MCS's bulletin and/or newspapers;
   b. Letters to members/subscribers; and
   c. Any other mechanisms, as applicable

7. The Chief Compliance Officer and/or SIU AVP coordinates and monitors the regulations, laws or tendencies related to financial exploitation of the elderly or disabled adults and the related investigations.

C. Investigations

1. The Special Investigations Unit receives the referral from the MCS's employees or FDRs through the email address mcscompliance@medicalcardsystem.com and proceeds with the investigation in coordination with the Chief Compliance Officer within the next twenty four (24) hours from having identified the possible financial exploitation case of an elderly or disabled adult.

2. The SIU Investigator and/or SIU Specialist and/or SIU Technician are assigned to carry out the pertinent investigation once the existence of a possible financial exploitation case is determined. This investigation shall be completed within the next three (3) business days from the date the case was referred or prior to this time period depending on the severity of the case. Cases that need more time to complete the investigation must be documented providing evidence of the need to extend the time period. This time period shall not exceed five (5) business days.

3. The SIU Investigator and/or SIU Specialist and/or SIU Technician must complete an investigation of the referred situation according to the SIU Policy CA-FWA-004- Investigation Management Process of Suspected Fraud, Waste and Abuse/Integrity.

4. The SIU Investigator and/or SIU Specialist and/or SIU Technician interviews, if needed, the client, beneficiary, insured, or elderly or disabled adult, that is suspected that may have fallen victim to financial exploitation, addressing the following questions:
   a. Who handles your finances, your insurance issues, your bills, and your medical plan?
   b. How did you find out about the insurance offer that you are applying for?
   c. Did somebody talked to you about said offer?
   d. Has somebody asked you to name him/her as beneficiary of this insurance product?
   e. Do you understand the details of your insurance business?
   f. Do you have any doubts regarding said insurance business?
   g. Who explained it to you?
   h. Where you accompanied at the time you received this information?
   i. Have you given a power of attorney to any person?
   j. Do you have advance directives or a will? Has somebody asked you to have it?
   k. Other applicable questions that may apply according to the referred and/or identified patterns.

5. The SIU Investigator and/or SIU Specialist and/or SIU Technician document in a file the case investigation and prepare the report with the findings. The Investigation Report is reviewed by the SIU AVP and/or Chief Compliance Officer, in cases that the situations are referred to the designated agencies.

6. The report must include a detailed review of the insured elderly or disabled adult record, client or beneficiary victim of the possible financial exploitation.

7. The SIU AVP and/or his/her designee must carry out the pertinent referrals no later than five (5) business days to: Department of the Family Affairs, Office of the Advocate of the Elderly, and, in emergency cases, the Police of Puerto Rico, if applicable, and Social Security Administration, if applicable. Cases where financial exploitation of an adult with disability is suspected, the referral is made to the Department of the Family, the Office of the Older Persons Advocate. In emergency cases the referral is made to the Puerto Rico Police Department and, if applicable, to the Social Security Administration.

8. Every referral to the applicable agencies shall include the following:

   a. Name, information and description of the possible financial exploitation victim;
   b. Information and description of the suspect with the intent to commit a financial exploitation act;

c. Description of behavior of suspicious insurance business activities that could be classified as financial exploitation; and if applicable, what actions, if any, has MCS taken to offset the possible financial exploitation;
d. Additional agencies to which the case has been reported.

9. The referrals to the Department of the Family are made via telephone call. The designated investigator and/or auditor registers in the investigation's records the number of the complaints received during the call for appropriate follow up. Referrals to the Office of the Commissioner of Insurance are made in hard copy and MCS receives an acknowledgement of receipt from this agency.

10. The investigation records are kept in accordance with MCS Policy - 010: Document Retention and Access to Records by Federal and Commonwealth Regulatory Authorities which establishes a ten (10) year period.

11. The Chief Compliance Officer and/or SIU AVP and/or their designee are the liaison between MCS and the designated agencies if additional information or actions are needed to complete the investigation.

12. If the case is classified as "urgent" due to the severity of the situation submitted, the MCS's Chief Compliance Officer and/or SIU AVP and/or their designee shall refer said case to the designated agencies prior to the time period established.

D. Affirmative Actions

1. The SIU implements affirmative actions to prevent financial exploitation These actions include:
   a. Periodically educating staff regarding conduct that could constitute financial exploitation of older persons or adults with disabilities, and the management and prevent such conduct;
   b. Maintaining an educational campaign for employees, beneficiaries and FDRs regarding the financial exploitation of older persons or adults with disabilities;
   c. Maintaining contact with other entities that will assist in obtaining information regarding new schemes related to financial exploitation of older persons or adults with disabilities.
   d. Monitoring members/subscribers to ensure they receive appropriate health care treatment. Monitoring may include:
      i. Refer cases to MCS's Case Management Department
      ii. Refer cases to MCS's mental health vendor to follow up the mental treatment of the member/subscriber

DEFINITIONS

1. <u>Adult with disability:</u> Means any adult that has a physical, mental or sensory disability that substantially limits one or more essential life activities; has a history or medical record of a physical, mental or sensorial disability. This physical, mental or sensorial disability limits the capacity or the knowledge to make responsible decisions regarding his or her own person, and the management of assets, property or estate.

2. <u>Employee</u>: All persons hired voluntarily and directly by MCS, classified as exempt or non-exempt, in order to perform some functions for remuneration, under the direction of another person.

3. <u>FDR:</u> MCS's First Tier, Downstream or Related Entity

4. <u>Financial Exploitation:</u> Means the improper use of funds of a capable older person or of an adult with a disability, of his or her property or resources by another individual, including, but without limitation, misrepresentation, embezzlement, conspiracy, falsification of documents, falsification of records, coercion, transfer of property or denial of access to assets.

5. <u>First Tier Entity:</u> Any party that enters into a written arrangement, acceptable to CMS, with an MAO or Part D plan sponsor or applicant to provide administrative services or health care services to a Medicare eligible individual under the MA program or Part D program. (See, 42 C.F.R. § 423.501).

6. <u>Guardianship</u> – Means overseeing the care of the person and the person's assets, or only the assets of persons who are not under *patria potestad* and are unable to govern themselves. Guardianship is governed by the provisions of the Puerto Rico Civil Code.

7. <u>Elderly</u> – Means any person who is sixty (60) years old or more, who has the full legal capacity and ability to perform essential life functions such as mobility, communication and self- care.

8. <u>Protocol</u> – A set of standards or procedures that MCS will use to prevent, detect, and manage possible cases of financial exploitation of older persons or adults with disabilities.

9. <u>Related Entity</u>: Any entity that is related to an MAO or Part D sponsor by common ownership or control and performs some of the MAO or Part D plan sponsor's management functions under contract or delegation; furnishes services to Medicare enrollees under an oral or written agreement; or leases real property or sells materials to the MAO or Part D plan sponsor at a cost of more than $2,500 during a contract period. (See, 42 C.F.R. §423.501).

10. <u>Representative of the older person or adult with a disability</u> – Means the relative, guardian, caretaker or individual who by means of a court order, administrative order, legal document or authorization executed by the adult with a disability has been granted the necessary power to secure or transact matters related to insurance.

11. <u>Suspicious Behavior</u>: Includes, but is not limited to:
    a. The elderly or disabled adult shows signs of abandonment or negligence as if he/she is not receiving adequate care according to his/her needs.
    b. The elderly or disabled adult visits the facilities accompanied by someone who is not aware of his/her life circumstances or health conditions.
    c. The elderly or disabled adult looks confused, nervous or afraid.
    d. The elderly or disabled adult is accompanied by someone who does not allow him/her to address the company representative, employee or associate fluently or directly.
    e. The elderly or disabled adult does not remember having applied for an insurance-related business or does not remember the main clauses of his/her policy and is worried or confused regarding the details of his/her policy.
    f. The elderly or disabled adult offers contradictory or questionable explanations to justify any insurance-related business.
    g. The elderly or disabled adult states that he/she is afraid of being evicted or placed in an institution if he/she does name as beneficiary his/her tutor, representative or any other caregiver.
    h. An individual or family member requests information, in a demanding manner, regarding the elderly or disabled adult insurance benefits, without his/her authorization.

i. There is more than one person or family member alleging to have tutelage of the elderly or disabled adult and of his/her assets.

j. The person alleging to have tutelage or have been designated as the authorized representative, fails to show evidence regarding his/her authority or the evidence shown is contradictory, or seems fraudulent.

12. Suspicious Business Activities: Includes, but are not limited to:
    a. Suspicious signatures or differences in documents related to the insurance business requested or maintained.
    b. The elderly or disabled adult states or appears to be unaware of the transactions, claims, insurance applications, among other matters, related to the insurance business.
    c. Any person requests a change in the home or mailing address previously given by the person or disabled adult, without his/her authorization.
    d. Any person requests information regarding a product or service applied by the elderly or disabled adult, without his/her authorization.
    e. Any person requests, in a demanding manner, information regarding the benefits or designated beneficiaries of the policies or requests MCS's forms to change the beneficiary address and/or made other changes.

ATTACHMENT(S)

N/A

RELATED MCS POLICY

MCS-Policy-025 Policy Prevention and Detection of Financial Exploitation

POLICY REVISIONS:

DATE	CHANGE(S)	REASONS
2/1/2018	Include that the Policy is approved by the Corporate Compliance Committee	Annual Review
2/1/2017	Reflect changes to MCS's Compliance Department structure and other minor changes of wording	Annual review
11/4/2015	Clarify the applicable MCS Retention Policy and changes in format and typographical errors	Annual review
10/30/2014	Separate Policy from Procedure and provide more details related to MCS' Protocol to manage potential financial exploitation cases	Annual Review
07/01/2013	Reflect change of financial exploitation policies, procedures and investigations processes from the Compliance Investigations Unit to the Special Investigations Unit and define new roles and responsibilities according to this change.	Change of financial exploitation policies, procedures and investigations from Compliance Investigations Unit to the Special Investigations Unit.
07/18/2013	Conversion to new format	Annual Review