

Anti-Kickback Policy

Policy Intent

The purpose of this policy is to comply with certain requirements set forth in the Federal Anti-Kickback Statute with regard to Medicare or other federal health care programs.

Policy Owner

RealValue Patents Pharmacy Inc

Policy Scope

This policy applies to all departments of RealValue Patients Pharmacy (RVPP) and its subsidiaries.

Policy Detail

POLICY: RealValue Patients Pharmacy (RVPP) must ensure that all employees, including management, and any contractors or agents are educated regarding the federal anti-kickback statutes and the role of such laws in preventing and detecting fraud, waste and abuse in federal health care programs.

Anti-Kickback Statute

Section 1128B(b) of the Social Security Act 942 U.S.C. 1320a-7b(b)) provides criminal penalties for individuals or entities that knowingly and willfully offer, pay, solicit or receive remuneration in order to induce or reward business payable (or reimbursable) under Medicare or other Federal health care programs. In addition to applicable criminal sanctions, an individual or entity may be excluded from participation in the Medicare and other Federal health care programs and subject to civil monetary penalties. For purposes of the anti-kickback statute, "remuneration" includes the transfer of anything of value, directly or indirectly, overtly or covertly, in cash or in kind

Reporting Concerns Regarding Anti-Kickback Statute

RealValue Patients Pharmacy (RVPP) takes issues regarding the anti-kickback statutes seriously. RealValue Patients Pharmacy (RVPP) encourages all employees, management, and contractors or agents of RealValue Patients Pharmacy (RVPP) to be aware of the laws regarding anti-kickback statutes and to identify and resolve any issues immediately.

Document No: RVPP-0001

Title: Federal Anti-Kickback Statute

Effective Date: 01/06/2014 last Review Date: 10/22/18 Approved By: RVPP CEO.

Document Type: (check all that apply) Policy x Procedure x Standard Training Manual/Work

PURPOSE This policy is to ensure compliance with the Federal Anti-Kickback Statute. **SCOPE** The policy applies to all RVPP Agents.

POLICY. The Federal Anti-Kickback Statute prohibits the payment or receipt of any "Remuneration" that is intended to induce referrals or the purchasing, leasing or ordering of any item or service that may be reimbursed, in whole or in part, under a Federal Health Care Program, such as Medicare or Medicaid. It also prohibits the payment or receipt of any Remuneration that is intended to induce the recommendation of the purchasing, leasing or ordering of any such item or service 2. RVPP provides goods or services that may be reimbursed in whole or in part by Medicare, Medicaid or other government programs, such as outpatient prescription drugs and specialty pharmacy services. A payment or other Remuneration offered by RVPP to induce referrals or the purchase of such goods or services could violate the Federal AntiKickback Statute. For example, payments made to clients or other payers to induce the award of business, payments or financial assistance provided to physicians to induce referrals, and free goods provided to patients to induce their selection of their health care provider could violate the Federal Anti-Kickback Statute.

3. The Federal Anti-Kickback Statute also prohibits the receipt of Remuneration that is intended to induce purchases, or recommendations of purchases, of goods or services. For example, payments

received by RVPP from pharmaceutical companies that are intended to induce RVPP's purchase of drugs or RVPP's recommendation of drugs to plans could violate the Federal Anti-Kickback Statute. 4. The federal government has created a number of "safe harbors" under the Federal Anti-Kickback Statute. If a transaction, relationship, or payment is structured in a manner that meets the requirements of a safe harbor, it can be protected from civil or criminal penalty under the Federal Anti-Kickback Statute. RVPP will in all instances seek to structure its relationships in a manner to meet the requirements of available safe harbors. The following are examples of safe harbors applicable to RVPP's business practices: a. The discount safe harbor protects payments between parties that take the form of appropriately disclosed rebates or discounts. This safe harbor provides protection for discounts and rebates paid by pharmaceutical companies to RVPP, as well as discounts and rebates paid by RVPP to clients. b. The GPO safe harbor provides protection for administrative fees paid to RVPP by pharmaceutical companies when RVPP is acting in the capacity of a GPO for its health plan clients. c. The personal services safe harbor offers protection for fair market value payments made for legitimate, commercially reasonable and necessary services, subject to the satisfaction of certain additional safe harbor requirements. This safe harbor is relevant to RVPP service agreements, including service contracts with pharmaceutical manufacturers, physician consultants, and clients, and pharmacy service agreements. 5. Other safe harbors may also be available for a particular business arrangement. The RVPP Legal Department will provide guidance on the appropriate structure of such relationships. 6. Because the Federal Anti-Kickback Statute is an intent based statute, failure to satisfy a safe harbor does not mean the conduct is illegal. Rather, the analysis of each arrangement should begin with the question of whether anything of value is being offered or exchanged to induce referrals, recommendations or the purchase of goods or services. In addition, the RVPP Legal Department is required to provide guidance on the analysis and decision for each new arrangement. 7. Responsibility for compliance with the Federal Anti-Kickback Statute policy: a. This policy supplements the RVPP Code of Conduct, which sets forth appropriate legal and ethical behaviour Agents must follow. All Agents will comply, at all times, with the Federal Anti-Kickback Statute while performing their job duties and responsibilities for RVPP. b. RVPP has developed controls for protection against legal risk to the company through this policy, and this policy will be strictly enforced. i. All Agents are expected to report to the Compliance Officer or other appropriate individual any suspected violations of the Federal Anti-Kickback Statute or RVPP Policies and Procedures. All Agents have the right to use the Ethics Line (1-347-699-1237). ii. Failure by any Agent to comply with this policy could lead to disciplinary action, up to and including termination of employment or assignment and legal action. In addition, a violation of the Federal Anti-Kickback Statute can result in criminal and civil penalties. A violation is a felony punishable by a fine of up to \$25,000 per violation and imprisonment for up to 5 years. In addition, civil monetary penalties may be imposed of up to \$50,000 for each violation plus damages of up to three times the total amount of the unlawful Remuneration. iii. A violation of the Federal Anti-Kickback Statute may also result in RVPP's exclusion from participation in the Medicare and Medicaid programs.

Pre-Approved Policy Exceptions

- No exceptions.

Process for Seeking Additional One Time Policy Exceptions

- No exceptions.

Procedures

Procedures: I. ANTI-KICKBACK STATUTE prohibits anyone from knowingly and willfully soliciting, offering, receiving or paying any form of remuneration to induce referrals for any items or services for which payment may be made by any federal health care program unless the transaction is structured to fit within a regulatory exception. A violation of the ANTI-KICKBACK STATUTE is an automatic violation of the federal False Claims Act. ANTI-KICKBACK STATUTE is very broad and applies to any form of remuneration, including kickbacks, items or services for which fair market value is not paid, business opportunities, perks or anything else of value offered in exchange for referrals. The statute applies if "one purpose" of the transaction is to generate improper referrals. ANTI-KICKBACK STATUTE also applies to any persons who make or solicit referrals, including health care providers, managers, program beneficiaries, vendors and attorneys. ANTI-KICKBACK STATUTE only applies to referrals for items or services payable by government health care programs such as Medicare or Medicaid. II. When submitting claims, enrolment or other data to CMS for payment purposes, RealValue Patients Pharmacy Inc, as appropriate, will certify that the data is true and accurate to the best of the company's knowledge,

information and belief. III. In the event RealValue Patients Pharmacy Inc identifies or discovers a potential violation of ANTI-KICKBACK STATUTE (including any violation by a delegated entity or network provider) the company will investigate and remediate the potential violation, to include informing the government. IV. RealValue Patients Pharmacy Inc may require its delegated entity or network provider to certify that any data submitted to RealValue Patients Pharmacy Inc is true, accurate and complete. V. Inquiries that relate to this RealValue Patients Pharmacy Inc Network Policy or matters that are not specifically addressed by this policy should be directed to the RealValue Patients Pharmacy Inc Manager of Compliance. VI. To monitor adherence to applicable laws, statutes and regulations, RealValue Patients Pharmacy Inc should conduct a periodic review and analysis to determine if there are any changes in its benefits, policies & procedures, and management protocols which impact compliance. VII. To monitor adherence to applicable laws, statutes and regulations, RealValue Patients Pharmacy Inc should notify its entities of changes impacting compliance, including parity of health care services such as mental health and/or substance use disorder parity (“MHPAEI”), as applicable.

Supporting Process Guides, Standards, Procedures

- Social Security Act, Section 1128B
- Code of Conduct