

NHP/NHIC ~ Medicare Advantage Plans Financial Affairs and Beneficiary Protections

Abstract/Purpose:

NHP/NHIC will retain books, records and accounts that accurately and fairly reflect all transactions as well as asset disposition and valuation for a minimum of ten years after close of the contract year, or completion of an audit, whichever is later. It is the plan's legal obligation to protect its enrollees from incurring liability for payment of any such fees resulting from plan insolvency and provide continued coverage as required under current laws and regulations.

POLICY:

Proper Financial Record Keeping, Accounting and Auditing

NHP/NHIC strives to maintain its business records in an accurate, reliable and properly stored condition. NHP/NHIC will retain books, records and accounts that accurately and fairly reflect all transactions as well as asset disposition and valuation for a minimum of ten years after close of the contract year, or completion of an audit, whichever is later. Plan Representatives comply with General Accounting Practices (GAP) when preparing financial statements and calculations related to such topics as assets, liabilities, income, cash flow, and expenses. Reasonable and thorough auditing procedures will be followed to ensure the accuracy of prepared financial documents.

Financial Reporting

NHP/NHIC expects its Plan Representatives to conduct NHP/NHIC's financial affairs with honesty and integrity in all aspects of accounting, recording and reporting of NHP/NHIC's financial status. NHP/NHIC does not condone, under any circumstances, the making of any false bookkeeping entry, report or statement for any purpose. They must also file required reports in a timely manner with appropriate regulatory agencies. Plan Representatives must be completely forthright with any agent or examiner lawfully appointed to examine NHP/NHIC's financial condition or any NHP/NHIC's financial affairs or transactions. NHP/NHIC Plan Representatives must not file with any public official or agency, make or publish any false statement or conceal certain aspects of NHP/NHIC's financial condition or status that must be disclosed by law.

Financial Solvency

NHP/NHIC Plan Representatives will at all times honestly and realistically evaluate NHP/NHIC's adherence to its plan of financial solvency to adequately protect NHP/NHIC's members from the risk of insolvency. NHP/NHIC will ensure that it provide continuation of enrollee health care benefits for all enrollees through the contract period for which CMS payments have been made. NHP/NHIC's plan for the risk of insolvency will be regularly reviewed and filed with the appropriate regulatory agency to ensure that it is sufficient to meet the needs of its members. The Medicare Program periodically reviews the financial solvency of its contractors. Associates involved in these reviews must make full disclosure to CMS and take any other necessary steps to protect Medicare members from potential adverse effects of insolvency. NHP/NHIC will provide for continuation of enrollee health care benefits for all enrollees, for the duration of the of contract period for which CMS payments have been made and for all enrollees who are hospitalized on the date NHP/NHIC's contract with CMS terminates, or, in the event of insolvency, through the enrollee's date of discharge.