

**Medicare Managed Care Manual**  
**Chapter 21 – Compliance Program Guidelines**  
**And**  
**Prescription Drug Benefit Manual**  
**Chapter 9 – Compliance Program Guidelines**

**(Chapter 21 – Rev. 110, 01-11-13)**  
**(Chapter 9 – Rev. 16, 01-11-13)**

**§ 50.1.3 – Distribution of Compliance Policies and Procedures and Standards of Conduct**

(Chapter 21 - Rev. 109, Issued: 07-27-12, Effective: 07-20-12; Implementation: 07-20-12)

(Chapter 9 - Rev. 15, Issued: 07-27-12, Effective: 07-20-12; Implementation: 07-20-12)

42 C.F.R. §§ 422.503(b)(4)(vi)(A), 423.504(b)(4)(vi)(A)

In order to be effective, compliance policies and procedures and Standards of Conduct must be distributed to employees who support the sponsor's Medicare business. Distribution must occur within 90 days of hire, when there are updates to the policies, and annually thereafter. Sponsors may choose their distribution method. Some examples are furnishing hard copies at the time of hire and electronic copies thereafter, emailing an electronic copy, or posting on the company intranet. The sponsors should have a method to demonstrate that the Standards of Conduct and policies and procedures were distributed to employees.

The Standards of Conduct should be written in a format that is easy to read and comprehend. Sponsors should consider translating Standards of Conduct and policies and procedures into other languages as necessary.

In order to communicate the sponsor's compliance expectations for FDRs, sponsors should ensure that Standards of Conduct and policies and procedures are distributed to FDRs' employees. Sponsors may make their Standards of Conduct and policies and procedures available to their FDRs. Alternatively, the sponsor may ensure that the FDR has comparable policies and procedures and Standards of Conduct of their own.

The sponsors should have a method to demonstrate that Standards of Conduct and policies and procedures were distributed to FDRs' employees. Sponsors or the FDR may make the policies available through methods such as a fax blast, placement on an FDR portal, in contract materials, etc. A best practice is to include appropriate contract provisions in the FDR contract, coupled with periodic monitoring of a sample of FDRs based on risk assessment, including a review of the FDRs' compliance policies and procedures and Standards of Conduct.