



ASC Exception Committee Charter

Overview:

COMMITTEE GOAL/MISSION: The ASC Exception Committee evaluates requests for account credits or administrative exceptions due to issues such as pharmacy or benefit coding errors, pricing discrepancies, vendor processing limitations or delays, service warranty disputes, operational impacts affecting member access or account satisfaction.

COMMITTEE PURPOSE: There are situations when extenuating circumstances result in a request for an ASC account exception to not adjust claims or for BCBSMA to absorb the financial impact. Account Service leaders review the request and follow the procedure to send this to the exception committee for review. ASC Exception Committee exists to review and escalate account specific issues that result in financial exposure, administrative errors, or contractual ambiguities, where traditional claim reprocessing is not feasible or would create additional risks. The goal of the committee is to assess these exceptions equitable and consistently while preserving client relationships and aligning with corporate standards.

Operating Guidelines:

Guidelines to request account recovery exceptions were created to provide more transparency around the request and review process. Criteria include benefit year for impacted claims, contract renewal status, past negative impact, past credits received, anticipated credit, direct impact to members (e.g., cost-shared, HSA accounts), and error identification by account. If a recovery issue was first internally received or identified by your department and consideration for exception request exists after reviewing recovery exception request guidelines, please reach out to your ASC consultant to research details of the case, partner with you, and determine best course of action (e.g., escalation to ASC Exception Committee or proceeding with recovery). *No commitment to grant an exception or credit should be made to the account until proper review is finalized.

Considerations for reviewing exception requests:

1. Are impacted claims within the current benefit year? Yes/No
2. Is this account's renewal of contract coming up soon? Yes/No
3. Is account out to bid? Yes/No
4. Has the account had significant negative impact (e.g., past errors) from BCBSMA in the recent past? Yes/No
5. Has account received credits in the past? Yes/No
 - a. List total amount of credit granted for account in the past < Enter Value >
6. What is the average anticipated credit amount for this account? (enter a single, whole number, e.g., 20,000)?
7. Is there anticipated direct negative impact to members (cost-shared, HSA accounts) for this recovery? Yes / No
8. Did account identify the issue and alert BCBSMA? (e.g., account conducted external audit or received member concerns and notified BCBSMA) Yes/No



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EXECUTIVE SPONSOR(s): Dawn Perry, SVP, Chief Audit & Risk Officer

CHAIR(s): Colleen Williams, Senior Programming Consultant, Audit & Risk

MEMBERSHIP:

Voting Members			
Name	Title	Department	Responsibilities
Mandy Polisky	Underwriter	Underwriting	Evaluate whether the financial resolution aligns with the original underwriting assumptions and pricing strategy for the account and determine if the resolution introduces future pricing risks, and if there are broader implications for rating methodology or stop loss exposure.
Andrew Curry – Executive Level	Chief Underwriter	Underwriting	
MaryJo Coady	Director	Account Service	Provide context on the client relationship, account history, and strategic importance of the group. Also denying or approving the request impacts client retention, and break down in expectations during the sale or renewal process, and give input into high priority or at risk account.
Dennis Charland – Executive Level	SVP Sales Commercial Markets	Sales	
Letitia Howard	Vice President	Claims Operations	Identify root causes related to processing or system errors, and evaluate the feasibility of claim reprocessing or manual interventions. Determine if there were system configuration or coding error and determine if the issue can be resolved through reprocessing, or would that introduce additional risk and determine what operational resources or limitations affect the resolution.
Ted Burke – Executive Level	SVP	Service and Operations	
Michael O’Leary	Director	Finance	Assess the financial impact of the proposed resolution and ensure alignment with internal financial controls and risk thresholds. Determine the total cost of the credit adjustments, determine if a financial precedent is being set that could affect future accounts and determine if the decision aligns with corporate financial strategy.
Brett Painchaud	SVP	Finance	
Angela Evans	Director	Benefit Services Administration	Identify root causes related to processing or system errors, and evaluate the feasibility of claim



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Voting Members			
Name	Title	Department	Responsibilities
Ted Burke	SVP	Service and Operations	reprocessing or manual interventions. Determine if there were system configuration or coding error and determine if the issue can be resolved through reprocessing, or would that introduce additional risk and determine what operational resources or limitations affect the resolution.
Dawn Perry	SVP, Chief Audit & Risk Officer	Audit & Risk Management	Ensure that exception handlines is consistent with enterprise risk appetite and internal controls. Review and approve escalated cases that exceed established thresholds or present elevated strategic or financial risk. Validate that committee processes are compliant wotj aidot and regulatory expectations.
Non-Voting Members			
Name	Title	Department	Responsibilities
Colleen Williams	Senior Programming Consultant	Audit & Risk Management	Operational facilitator and neutral coordinator responsible for scheduling committee meetings or facilitate asynchronous reviews via email. Ensure all relevant documentation, root cause analysis and financial impact summaries are gathered and distributed prior to review. Maintain a centralized record of decisions, rationales and trends for quarterly reporting. Monitor and follow-through on approved resolutions and escalate any delays or policy concerns.
Mitzie Wisdom	Risk Manager	Risk Management Advisory Services	
Theresa Tillmon	Senior Director	Audit	
Gregory Buchanan	Associate Director	Benefit Service Administration	
Denise Dwyer	Senior Manager	Claims Operations	

Membership will be reviewed and updated no less than annually by the Committee Chairs.

MEETINGS: The ASC exception committee convenes on an as-needed basis. Meetings are scheduled in response to submitted exception requests that require cross functional review and consensus.



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Urgent matters may be addressed via e-mail to facilitate timely decision making. Meetings are held virtually via secure conferencing platforms such as Microsoft Teams unless otherwise required. email based discussions are facilitated when a full meeting is not necessary or when timing is critical. The meeting purpose is to review the submitted exception request, discuss root cause, financial exposure, and strategic implications, determine whether to approve, deny, or escalate the request and capture decisions for tracking and quarterly reporting.

The meeting activities may include presentation of case summary by the risk manager or submitting party, cross functional discussions and Q&A and the final determination in documentation of outcomes. The Senior Programming Consultant or Risk Manager is responsible for developing the meeting agenda and distributing materials at least 24 hours in advance when feasible.

The agenda includes the request summary key documentation, decision history if applicable, and a list of discussion points or discussion decision needs. In urgent cases the risk manager will circulate key materials via email and summarize responses to document consensus.

The frequency of the meetings will be reviewed on a yearly basis. Committee members are expected to attend all meetings but may be represented by an appropriate replacement in their absence.

Responsibilities:

OBJECTIVES: The objective of the ASC Exception Committee is to preserve trust and satisfaction among key accounts. Ensure consistent and fair application of exception criteria. Reduce recurrence of preventable issues through data-informed feedback. Support enterprise-level financial integrity and compliance.

DECISION-MAKING: Cases are submitted with supported documentation (e.g., root cause analysis, financial impact, prior attempts to resolve). The committee reviews and discusses the requests during scheduled meetings or via emails for urgent cases. Decisions are made by consensus or majority vote with consideration for financial stewardship, member impact and reputational risk. The outcome may include approval of an account credit. Denial of the exception or escalation to executive leaders for further review. Any request with a financial impact of \$100k will automatically be escalated to executive leadership for review and approval. The ASC Exception form is used when an exception for an ASC account recovery or credit to the account for incorrectly processed claims due to business considerations is being requested.

EXPECTED OUTCOMES: the ASC exception committee is accountable for ensuring that exception requests are evaluated consistently, resolved efficiently and align with enterprise risk posture and financial integrity. The committees work results in both immediate decisions, and long-term insights to drive improvement.

Each request is either approved, denied, or escalated within an appropriate time frame to minimize business disruption. Recommendations are made to reduce the likelihood of similar exceptions occurring in the future. Supports the preservation of high-value accounts by ensuring fair, well



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documented exception handling. Trends and root causes are synthesized to inform leaders and influence broader decision business decisions.

REPORTING STRUCTURE OF COMMITTEE: A quarterly summary of exceptions reviewed is shared with senior leadership. This includes trends, root causes, credit amounts issued, and risk mitigation recommendations. The committee also conducts periodic reviews to identify recurring themes and recommend process improvements.

CONFIDENTIALITY

In conducting its business, members of the Committee will take special care, consistent with the Company's Code of Ethics and Conduct (the Blueprint) to protect the confidentiality of sensitive information it receives.

CONFLICTS OF INTEREST

Committee members will promptly disclose any conflict of interest they may have with respect to any matter to be discussed by the Committee.

POLICIES: [To the extent the committee is governed by or responsible for oversight of any policies list those policies.]

ANNUAL REVIEW: The Committee Charter will be reviewed and updated annually, and when significant changes occur such as leadership changes, changes in focus to respond to revised corporate priorities, changes in reporting, changes in decision making authority and/or structure, and/or responding to external changes such as regulatory updates.

Document Information: [Version control and record of annual review and updates.]

REVISION HISTORY:

Version	Date	Revision Summary

DOCUMENT OWNER:

Name	Organization
Colleen Williams	Audit & Risk
Mary Jo Coady	Sales – Account Service

REVIEWERS:



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Name	Division	Versions