

# CHILDREN'S HEALTH SYSTEM



## CORPORATE COMPLIANCE PROGRAM

CORPORATE COMPLIANCE DEPARTMENT  
2010



# CHILDREN'S HEALTH SYSTEM

## CORPORATE COMPLIANCE PROGRAM

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## **SECTION 1 - INTRODUCTION**

# CORPORATE COMPLIANCE PROGRAM

## 1.1 INTRODUCTION

The Compliance Program applies to all employees, contractors, medical staff, and affiliates of Children's Health System (CHS) and directs the relationships between CHS patient, medical, and business communities. Employees are required to comply with the policies and procedures of CHS, including the Compliance Program Manual, as a condition of employment.

A compliance program can be defined as:

*a coordinated effort throughout the organization which attempts to prevent illegal and unethical activity by providing methods to identify and report such activity to the appropriate individuals and by taking action to correct and deter such activity.*

CHS strives to ensure equitable and quality care for all patients in response to individual needs. CHS is committed to providing a safe, compassionate, informative environment for patients and patients' families. CHS treats all patients with dignity and respect. Patients are admitted, treated, and discharged based on their medical needs. CHS provides medical screenings to all patients who present to the Emergency Department for treatment, without prior knowledge of or inquiry into insured status or ability to pay.

The Compliance Program is designed to encourage and promote an organizational culture that strives to prevent, detect, and resolve problems created when conduct, however well-intentioned, does not align with applicable laws, regulations, and CHS policies and procedures.

The Compliance Program benefits CHS by monitoring the effectiveness of internal systems and management directives and by protecting CHS and its employees against potential civil and criminal penalties should a violation of federal or state regulations occur.

The Compliance Program Manual serves as a written statement of CHS commitment to comply with applicable laws and regulations governing healthcare and to provide the quality of healthcare consistent with our mission. CHS maintains high ethical standards and is committed to conducting business in compliance with the standards set forth herein.

The Compliance Program Manual is a dynamic document that may be modified or expanded to include additional information and regulatory

guidance as it becomes available. Questions about the Compliance Program Manual or application of the standards should be addressed to the Compliance Officer, a supervisor, or senior administrator.

## **SECTION 2 – COMPLIANCE PROGRAM**

## 2.1 STANDARDS

The Compliance Program addresses the seven elements of an effective Corporate Compliance Program as outlined in the Federal Sentencing Guidelines and set forth in the Office of Inspector General (OIG) Compliance Guidance for Hospitals. CHS depends on continued participation in the Medicare and Medicaid programs to support our mission to our patients and community. Medicare and Medicaid laws prohibit reimbursement when falsifying billing or medical necessity, taking kickbacks, making self referrals, or manipulating bad debt or charity guidelines are indicated. As a tax-exempt organization, CHS is required to comply with applicable tax laws, engage in and record activities to support charitable efforts throughout the organization and community, and to ensure resources are used diligently and in a manner that benefits the public and not personal or private agendas.

CHS must demonstrate compliance with the standards governing these programs and initiatives as follows:

- Honest communication and accurate reporting is expected from all individuals in the performance of their responsibilities and in communications on behalf of CHS;
- CHS shall maintain compliance guidelines and policies to be followed by employees, contractors, and affiliates. In addition, CHS policies and procedures address specific risk areas. These policies include, but are not limited to: Administrative, Financial, Human Resources, Medical Information Systems, Access Center, Pharmacy, Laboratory, Infection Control, and Waste Management;
- The Corporate Compliance Officer, at the direction of the CHS Board of Trustees, shall be assigned responsibility for oversight of the Compliance Program;
- CHS shall take diligent steps to ensure individuals or entities are not associated with or have authority over or access to CHS operations if these individuals or entities are known to engage in illegal activity or are excluded from participation in federally-funded programs;
- The Corporate Compliance Office shall effectively communicate compliance standards and procedures to employees, contractors, and affiliates by requiring participation in education programs or by circulating information and publications;

- CHS shall be responsible for implementing monitoring and auditing systems designed to detect compliance violations and for providing and publicizing a reporting system whereby employees, contractors, and affiliates may report violations without fear of retaliation;
- CHS and its employees will not engage in any activity that may jeopardize its tax-exempt status. CHS and its employees must avoid situations that compensate above a fair market value for items or services rendered and report taxable amounts to the proper agencies. CHS files tax and information returns in a manner consistent with applicable laws;
- CHS employees will not engage in any fraudulent financial scheme or billing activity. CHS bills for only medically necessary services which are performed and priced according to customary charges for such services. No false or misleading entries will intentionally be submitted on a bill or claim;
- Employees will not engage in any activity or arrangement at the direction of another employee, agent, or contractor that may result in false or misleading submissions;
- Falsifying information on a claim or bill will subject the employee or contractor to disciplinary action up to and including termination of employment or contract and expose the employee or contractor to possible civil and criminal fines, prosecution, and exclusion from federally-funded programs;
- Detected violations will be fully investigated and reasonable measures taken to prevent recurrence, including modification to the Compliance Program;
- CHS compliance standards will be enforced in a manner consistent with established disciplinary mechanisms, including measures for failure to report a suspected violation.

## **2.2 COMPLIANCE PROGRAM OVERSIGHT**

The CHS Compliance Program (Program) will be implemented under the guidance and supervision of the Board of Trustees. The Program provides for the designation of a Corporate Compliance Officer (CCO) responsible for managing and administering the operational tasks involved with implementing and maintaining an effective Program. The Program prescribes a Corporate Compliance Committee as an advisory team to the CCO.

### **A. CORPORATE COMPLIANCE OFFICER**

The Corporate Compliance Officer has direct access to the Finance & Audit Committee of the Board of Trustees and CHS Chief Executive Officer (CEO). The CCO has unrestricted authority to review all documents and information relevant to compliance and audit activities; unfettered access to employees, contracted professionals, contracted agents, and other third parties retained by CHS regarding operations. The CCO may review contracts and arrangements involving compensation and referrals and seek advice of legal counsel as needed.

The CCO has appropriate authority and responsibility for:

- Developing, modifying, and implementing compliance policies and procedures;
- Administering compliance activities and supervising compliance staff;
- Monitoring compliance with the Code of Conduct;
- Evaluating, investigating, and documenting reports of non-compliant activity;
- Maintaining compliance reporting systems;
- Coordinating internal compliance investigations and routine audits;
- Developing and reviewing compliance education programs;
- Serving as coordinator for external investigations and inquiries related to the Program;
- Serving as Chairperson of the Corporate Compliance Committee;
- Reporting compliance issues and activities to the Finance & Audit Committee of the Board of Trustees on a regular basis;
- Preparing formal and informal responses to governmental investigations, inquiries, and requests with guidance from the Patient Safety/Risk Management Officer and Senior Management as appropriate.

## **B. THE BOARD OF TRUSTEES—FINANCE AND AUDIT COMMITTEE**

The Finance and Audit Committee shall oversee the work of the CCO. The Committee's function in this capacity includes, but is not limited to:

- Evaluating the effectiveness of proposed annual audit plans;
- Assessing existing policies and procedures presented by the CCO to address legal and specific risk areas;
- Recommending outside consultants or legal counsel for assistance when necessary.

## **C. THE CORPORATE COMPLIANCE COMMITTEE**

CHS established the Corporate Compliance Committee to advise, inform, and partner with the CCO in extending the compliance function throughout CHS. The Committee consists of an interdisciplinary team including representation from administration, finance, human resources, information systems, privacy and security, compliance, risk management, research administration, nursing, patient access, physician practices, and operations. The Committee will assist and advise the CCO in communicating compliance program elements, notify the CCO of potential risk areas, monitor preventive programs, detect and report potential regulatory violations, assist in project completion as needed, and provide feedback on compliance activities under their supervision. The Committee serves as a communication link to employees about the Program and, therefore, promotes the fulfillment of compliance responsibilities at the operational level.

The Committee is an integral part of the CHS commitment to compliance.

## **2.3 CODE OF CONDUCT**

It is the policy of CHS to maintain and enhance an environment which encourages and assists employees in complying with applicable laws, regulations, accreditation standards, ethical guidelines, and policies and procedures. In support of this policy, a formal Code of Conduct is essential to assist employees, contractors, and affiliates in making appropriate decisions relating to CHS values, mission, and commitment to the highest business and ethical standards. These guidelines exist to evaluate situations by applying consistent processes and achieving uniform decisions.

The Code of Conduct is developed, revised, and maintained by the Compliance Office and is distributed to employees, agents, and affiliates representing CHS. The Code is available on the CHS website.

Failure to abide by the Code or the guidelines contained herein shall result in review and possible disciplinary action according to established CHS disciplinary mechanisms.

The following pages contain specific examples of activities which constitute fraud and abuse or are in direct conflict with CHS policies and procedures. Although not all inclusive, guidance for conducting activities according to regulatory standards is also included.

### **A. BILLING AND CODING PRACTICES**

The False Claims Act prohibits knowingly submitting a false claim to the government or causing others to do so. The intent of government initiatives establishing the need for hospitals to implement Compliance Programs is to prevent fraud, abuse, and waste of federal healthcare funds. Mistakes in coding and billing, even unintentional, can have devastating consequences for CHS including fines, penalties, criminal prosecution, and exclusion from participation in federal healthcare programs, such as Medicare and Medicaid.

Examples of billing compliance violations include:

- billing for services not provided;
- misrepresenting services provided;
- billing Medicare separately for outpatient diagnostic services in the 72 hours prior to inpatient admission;
- billing separately for services included in global or composite rates;
- double billing or duplicate charges;
- using a secondary diagnosis as primary to manipulate higher reimbursement;

- coding a higher diagnostic code than is appropriate to receive higher reimbursement;
- billing Medicare or Medicaid for services that should be paid by another source, i.e., grant or research funding, workers' compensation, liability insurance, or primary group health plan;
- billing patients for items or services that should be billed to Medicare or Medicaid;
- billing Medicare or Medicaid patients at higher rates than patients with other payers;
- billing for non-covered services as covered services;
- billing for services of a non-licensed practitioner;
- utilizing "split-billing" schemes (billing for services provided during one encounter as several encounters using different dates) to manipulate payment;
- misrepresenting date of service, date of procedure, frequency, duration or description of services rendered, or the identity of the patient or the individual rendering the services.

## **B. MEDICAL NECESSITY**

Medical necessity is defined as what is "reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed bodily member. The service in question is generally accepted in the medical community as safe and effective for the condition for which it is used. The service was ordered and authorized by a physician."

CHS submits claims only for services believed to be medically necessary and ordered by an appropriate, licensed individual. The OIG recognizes that licensed healthcare professionals must be able to order services that are appropriate for the treatment of the patient. Medicare, Medicaid, and other healthcare plans will pay for services that meet appropriate medical necessity standards. Upon written request, CHS will provide documentation, such as medical records or physician orders, to support the medical necessity of services provided. These requests must be in accordance with recognized privacy and security guidelines.

Examples of fraud and abuse regarding medical necessity are:

- unnecessary admissions;
- manipulating length of stay to use available insurance coverage;
- falsely certifying services as medically necessary, i.e., lab tests and home health benefits;
- providing durable medical equipment that exceeds patient needs;
- over-utilization of services without regard for outcomes, patient condition, medical need, or physician orders.

## C. ANTI-KICKBACK AND SELF REFERRAL LAWS

Financial arrangements between hospitals and physicians, contractors, or other facilities in order to receive referrals, services, or generate referral business are illegal under Stark Rules and Medicare/Medicaid anti-kickback provisions. Any act resembling a kickback, bribe, rebate, or self-referral is expressly prohibited.

Stark Rules address financial relationships between physicians and certain types of healthcare providers in an effort to ensure financial interests do not affect the physician's medical judgment.

Stark I legislation addresses clinical laboratory services. Labs that provide free or discounted services or supplies to referring physicians or hospitals may be in violation of this law. Labs can appear to be "paying" for referrals through the provision of free or discounted services or supplies. The following activities can result in Stark violations:

- making direct or indirect payments for referrals of patients;
- receiving payments for referrals of patients;
- receiving paybacks or rebates on lab services referred to the hospital by a physician;
- providing rental or lease arrangements below fair market rate in exchange for referrals;
- providing non-cash items in exchange for referrals including goods, services, office space, or salary supplements;
- providing free pickup or disposal of biohazard waste;
- providing free computers or fax machines to physicians in exchange for referral arrangements;
- providing free lab testing for physicians or other referral sources, i.e., courtesy services for providers, family members, or employees;
- providing free services for physicians or other referral sources, i.e., home health coordinators, discharge planners, phlebotomists, infection control services, chart review services.

Some exceptions for supplies or computer equipment exist if the items are used exclusively for the purpose intended and have no other value to the physician. Any proposed arrangement, however, should first be reviewed by the Compliance Officer, the Risk Manager, or legal counsel.

Stark II legislation prohibits a physician from making a referral for a designated health service (DHS) to any entity with which the physician or member of physician's immediate family has a financial relationship.

Designated Health Services (DHS) include: clinical lab services, physical and occupational therapy, imaging services, radiation therapy, durable medical equipment, parenteral/enteral nutritional services, prosthetics, orthopedics, home health services, outpatient prescription drugs, and inpatient or outpatient hospital services.

A financial relationship is defined as direct or indirect ownership or investment interest or direct or indirect compensation arrangement between a physician or a physician's immediate family member and the entity.

Stark III expands the definition of "entity" to include the entity that submits the claim for the DHS and the person or entity that actually performs the DHS.

There are numerous possibilities for arrangements between physicians or physician groups and hospitals. These arrangements are very difficult to analyze for Stark law violations or exceptions and, therefore, must be reviewed and clarified by the Risk Manager or legal counsel.

Anti-Kickback statutes are not limited to physicians. These rules prohibit CHS employees, contractors, and affiliates from knowingly and willfully receiving or offering payment of cash or non-cash items or services in exchange for patient referrals; receiving or offering payment for purchasing, leasing, doing business, or recommending business. The Anti-Kickback statute is intended to prevent payments for referrals involving an individual or entity. The concern is that such payments could cause a person or entity to make a referral based on financial interest instead of the patient's best interest or medical needs, or that decisions regarding purchases on behalf of CHS are influenced by personal financial interest rather than the best interest of CHS.

Thus, employees are prohibited from taking any kind of kickback, bribe, gift, rebate, or other inducement offered in exchange, or that can be perceived to be in exchange, for doing business with CHS or for patient referrals. These rules apply to recruitment of physicians, selection of research subjects, and purchase of physician practices.

#### **D. BAD DEBT**

Under the Medicare program, providers are reimbursed for qualifying bad debt that relates to Medicare beneficiaries' coinsurance (co-pay) and deductible amounts. This reimbursement occurs through the

Medicare Cost Report and can be allowed only if specific criteria are met.

In general, bad debt can be defined as an amount remaining from an account or other receivable when, after reasonable collection efforts, the facts or circumstances indicate the amount is uncollectible or unrecoverable.

To qualify for reimbursement through the Medicare Cost Report, these co-pays and deductibles must also meet the following criteria:

- the amounts must be related to covered services;
- the provider must be able to prove reasonable collection efforts were made;
- the debt must be determined uncollectible;
- the provider must establish and document there is no likelihood of recovery.

Reasonable collection efforts are evidenced through provider diligence to (1) produce an accurate detail bill and (2) document the provider's prudent and routine attempts to collect, i.e., routine number of statements, follow-up letters, calls, or other contacts with the person legally responsible for the bill. The same collection efforts are used for all accounts. If indigence is determined, documentation of the determination must be maintained in the patient file or account notes.

Failure to follow the guidelines on qualifying bad debt may be construed as an offer to induce Medicare beneficiaries or falsifying information on the Medicare Cost Report. Such action on the part of a provider constitutes a violation of anti-kickback statutes.

The following may be considered violations:

- routinely waiving co-pays or deductibles without formally certifying a financial hardship;
- misuse of the financial hardship or indigence criteria;
- not making reasonable collection efforts as outlined above;
- claiming co-pays or deductibles on the Medicare Cost Report that have been waived.

## **E. CREDIT BALANCES**

CHS follows the rules governing reporting of credit balances. CHS is responsible for identifying and reporting excess or improper payments received which may occur from errors in billing or payment processing. Medicare requires the provider to complete a Medicare Credit Balance Certification Report within 30 calendar days following the end of each

calendar quarter, regardless of whether there are credit balances to report.

The Chief Financial Officer reviews the report and signs the required forms to be submitted to the Centers for Medicare and Medicaid Services (CMS). The Report serves as the provider's attestation there are no credit balances or the credit balances that exist are being reported in detail. The Medicare fiscal intermediary refunds credit balances through Voluntary Check Return Transmittal Forms.

## **F. PATIENT AND BUSINESS RECORDS AND RECORD RETENTION**

Truthful and accurate records are essential to quality of care and compliance with reimbursement regulations.

CHS must maintain hospital records with integrity and accuracy. This includes patient charts, test results, research eligibility and results, payroll and pension details, business expenses, revenues, and other patient- or business-related documents. CHS will not tolerate inappropriate altering of records.

Financial records are maintained in accordance with Generally Accepted Accounting Principles. No undisclosed funds or accounts may be maintained.

Narcotics, drug samples, and drug inventories are controlled and documented according to Pharmacy Policies and Procedures.

CHS is required by federal and state laws to retain records for specified periods. These guidelines relate to all aspects of healthcare records. CHS requires records to be retained according to established Record Retention Policy (ADM G-16). Due to the sensitive nature of patient and employee records, records should be stored securely and destroyed in a manner that maintains confidentiality, i.e., shredding, incineration, and mutilation.

*Refer to Record Retention Policy ADM-IM 13  
Medical Information Systems Policies and Procedures*

## **G. PRIVACY AND CONFIDENTIALITY**

CHS is required by law to strictly protect the confidentiality of patient, business, and employee information. Only authorized individuals may access, use, or disclose confidential patient and business information as required by their job responsibilities. Seeking access to confidential

information for any purpose other than to perform job responsibilities may result in disciplinary action up to and including termination. Employees, business associates, and certain contractors and affiliates are required to sign a statement of confidentiality as a condition of employment or business affiliation.

Failure to respect confidentiality of CHS data or sign the confidentiality statement may result in immediate termination. Failure to report a suspected breach of confidentiality may result in disciplinary action up to and including termination.

Patient, business, and employee information considered protected and confidential includes, but is not limited to the following:

- Records or information (financial, medical, or personal) regarding the history, religious affiliation, condition, care, treatment, or billing of a patient;
- Records or information relating to medical staff, staff credentials, disciplinary actions, peer review activities, or confidential comments regarding patient care;
- Records or information related to pending, threatened, or potential lawsuit or other legal action against CHS;
- Records or information relating to CHS current, proposed, or future business plans, strategies, prices, costs, terms of contracts, and finances;
- Records or information concerning an employee's terms of employment, work history, personal activities, disciplinary records, or related information;
- Records or information regarding compliance reports or investigations or information under attorney-client privilege related to compliance activities.

CHS complies with the Health Insurance Portability and Accountability Act of 1996 (HIPAA). HIPAA Privacy standards apply to verbal, written, and electronic patient information.

Confidential patient information may not be discussed with anyone not involved in the patient's care or without a legal right to know, or in public areas, open office areas, hallways, elevators, or outside CHS where inappropriate disclosures can occur.

Personal camera or video devices may not be used to take pictures of patients or data. Posting patient information to personal weblogs, web diaries, or other similar electronic communications is prohibited. CHS established policy statements regarding social media activity and maintaining professional boundaries.

The CHS Privacy Program provides guidance and policies designed to protect patient privacy and confidential information. Questions regarding disclosures of data or breaches of confidentiality may be directed to the CHS Privacy Officer.

Release of patient records to anyone outside CHS must not occur without court order or valid authorization from the patient or patient's parent or guardian. Patient care and treatment records are released in accordance to Medical Information Systems Policies and Procedures. If subpoenas or court orders are presented for records, the Risk Manager and Director of Medical Information Systems must be contacted.

Employee information is maintained in relation to employment at CHS. Access to this information is restricted for protection from those who would misuse or inappropriately disclose current or former employees' information. For more information on confidentiality of personnel records, see Human Resources Policy B-06.

*Refer to Consent for Video/Photos of Patients ADM-C 01  
Confidentiality Guidelines ADM-IM 01  
Patient Privacy/Protection of Sensitive PHI ADM-IM 02  
Confidentiality of Health System Data ADM-IM 10  
Social Media/Networking ADM-IM 17  
Corporate Communications "Web and Social Media" Policy  
Human Resources "Confidentiality of Personnel Records" HR B-06  
Medical Information Systems Policies and Procedures*

## **H. PUBLIC COMMUNICATIONS, MARKETING, AND FUNDRAISING ACTIVITIES**

Requests by the public or media for information regarding a patient, medical program, or CHS activity must be referred to the Corporate Communications staff. Corporate Communications staff will interact directly and respond with appropriate information.

Communications must be factual, informative, and clear to our patients, families, and the community. The CHS name may not be used for commercial or promotional purposes by unauthorized persons or entities or be identified with another organization or its members without authorization.

Corporate Communications staff is responsible for developing public interest communications regarding CHS and its patients and families. Confidential information is protected and may not be used without proper permission from the patient's parent or legal guardian.

Marketing activity by CHS is conducted in a factual, honest, and proper manner. CHS does not engage in misleading, false, or deceptive advertising or representation and does not engage in misleading, false, or disparaging remarks regarding other entities.

Fundraising is important to continuing the CHS Mission. CHS relies on contributions from donors and grantors to support many activities. Fundraising is coordinated through the Children's Hospital Foundation (Foundation). CHS encourages and supports employee involvement in fundraising through the Foundation, as advocates for children's health issues, and in serving children through projects with other agencies with a similar mission to children.

The Foundation is responsible for maximizing the effectiveness of fundraising programs and for safeguarding the organization's reputation and integrity in the community.

The Foundation is committed to honesty and ethical conduct in all aspects of its operations, including protecting patient, family, and donor privacy.

Donors and grantors are informed as to how contributions and grants are utilized in accordance with the donor's intentions or grantor's guidelines and in compliance with applicable laws. The Foundation provides donors and grantors with appropriate acknowledgement and recognition for their gifts and grants and ensures the information about their donation is handled with dignity and respect.

*Refer to Corporate Communications Policies and Procedures  
Donations Policy ADM-G 10  
Fundraising Policy ADM-G 11*

## **I. CONFLICTS OF INTEREST**

CHS respects the right of employees to engage in outside business or personal activities which are legal and do not conflict with CHS job performance and responsibilities. Employees shall recognize CHS as their primary employer and shall not use CHS time, resources, facilities, or equipment to advance or promote those activities.

Employees, contractors, and affiliates are required to disclose participation in outside transactions or arrangements that may conflict with the best interest of CHS or give the appearance of representing CHS.

A conflict occurs when involvement (direct or indirect) in an outside entity may affect, or be perceived to affect, an individual's professional judgment or conduct regarding CHS; when an individual has competing personal, political, or financial interests which negatively affect work performance, responsibilities, or loyalties.

Conflicts can also occur when an employee's immediate family member has an involvement or interest in a competitor, outside business, or enterprise. Family member is defined as the employee's spouse; child; parent; grandparent; grandchild or great-grandchild; siblings; spouses of children, grandchildren or great-grandchildren; in-laws; and an individual residing in the employee's home.

The following are activities that should be disclosed and/or avoided:

- Ownership of an interest in or employment with an outside concern which does business with CHS. (This does not include ownership of stock in a publicly traded corporation representing less than 5% interest in the entity.)
- Involvement with an organization, directly or indirectly, that conducts business with, seeks to conduct business with, or is in direct competition with CHS in the sale, purchase, or ownership of property; in business investments; employment; consulting agreements; serving as an officer or board member; participating in fundraising; or, in the use of his/her name where a business connection between CHS and the organization may be inferred.
- Use or disclosure of confidential, privileged, or sensitive information regarding CHS operations, patients, employees, or medical staff for personal gain or advantage. Use of the CHS name or tax-exempt status for personal purchases or personal benefit.
- Acceptance of gifts, money, loans, entertainment, or other favors from an organization that does business with, seeks to do business with, or is in competition with CHS.

### Honoraria

Honoraria opportunities, not as a CHS representative, must be conducted on the Employee's personal time and not conflict with CHS responsibilities.

Honoraria for speeches and articles may be retained by the Employee unless:

- The speech or article is prepared at the direction of CHS in which case the honoraria will revert to CHS;
- The speech is presented at a meeting which the Employee is attending during work hours. In such cases, the Employee must choose between the honoraria or using personal time.

### Consulting, Outside Employment, and Business Opportunities

Arrangements for consulting, outside employment, or business opportunities shall be fully disclosed and approved by the COI Review Team *prior* to beginning the commitment and must also meet the following criteria:

- Consulting opportunities, not as a CHS representative, must be conducted on the employee's personal time and not conflict with CHS responsibilities;
- Compensation received for consulting at the direction of CHS during work hours will be paid directly to CHS;
- Employees are not permitted to promote or operate personal enterprises such as catalog sales, vending machines, cleaning or rental services, etc. on CHS property;
- Employees are not permitted to use CHS time, resources, facilities, or equipment to advance or promote outside activities or employment.

### Service on Boards

Arrangements for participation as an active Board member for an organization that conducts business with, seeks to conduct business with, or competes with CHS shall be disclosed and approved by the COI Review Team *prior* to beginning the commitment.

Compensation received for Board participation during an Employee's work time will be paid directly to CHS.

### Disclosure Requirements

Many conflicts can be managed by disclosing them to CHS Management and the Corporate Compliance Officer.

CHS requires annual disclosure by Trustees and key employees regarding involvement in outside activities or interests.

New employees or employees new to a key position within CHS shall disclose potential conflicts at the time appointed to the applicable position. Employees that identify a potential conflict are required to disclose and report the information immediately.

*Refer to Conflict of Interest Policy ADM-G 07*

## **J. GIFTS**

Employees may not accept personal gifts, services, or entertainment, including anything of value provided at no charge or at a discount, such as loans, cash, gift certificates, personal services, gifts given under the pretense of prize winnings, travel, transportation, use of a vehicle or vacation facility, stocks or securities, home improvements, tickets to sporting or theatre events. Employees may not accept nor solicit monetary gifts, gratuities, or tips from patients or families.

- Non-cash gifts from patients/families of nominal value, i.e., cookies, candy, fruit, home-made mementos, etc., may be accepted and shall be shared with colleagues whenever possible.
- Cash gifts and donations of other than nominal value should be directed to the Children's Hospital Foundation.
- Employees shall not give personal gifts to patients/families. Cards and notes may be used as expressions of caring.
- Patients hospitalized during special events, birthdays, or holidays may receive gifts as coordinated through Social Services or the normal CHS environment of compassionate care.
- Services given to patients/families are allowed only if made available to all patients/families.

*Refer to Donations ADM-G 10  
Flowers ADM-G 03*

## **K. POLITICAL ACTIVITY**

CHS encourages employees to participate in the electoral processes afforded them as citizens. Employees must ensure participation is not perceived as representative or on behalf of CHS. CHS is a not-for-profit organization which is prohibited from supporting or endorsing political candidates, parties, or party agendas. Even the perception of political sponsorship can jeopardize CHS tax-exempt status and result in loss of not-for-profit benefits. The loss of these benefits would threaten the financial viability of CHS operations and, consequently, its mission to provide healthcare for children.

No employee or contractor may contribute money, property, or services as an endorsement of a political candidate, platform, or party as a representative of CHS—only as individuals using personal funds.

CHS contacts and dealings with government agencies and officials are conducted in an open, honest, and ethical manner. Any attempt to influence government agencies or officials with improper offers is absolutely prohibited.

Participation in political activities which would violate the IRS 501(c)3 tax exemption guidelines and U.S. Congressional Gift Rules and Ethics Laws are expressly prohibited. Such activity includes but is not limited to:

- Campaigning for or promoting candidates or groups of candidates, conducting activities as an elected official, lobbying (unless part of CHS job description), political fundraising, displaying or wearing campaign paraphernalia on CHS leased or owned property or while serving as a CHS representative.

Note: The law does not prohibit CHS Senior Executives from providing employees education on legislative actions that have the potential to impact the mission of CHS. Where healthcare issues are concerned, CHS may publicly offer recommendations concerning healthcare laws or regulations under consideration.

- Service on advocacy boards or special interest panels that may negatively impact CHS while serving as, or perceived as serving as, a CHS representative.

#### *Employees and Immediate Family Members Seeking or Holding Elected Office*

When employees commit to seek or hold elected or appointed political office, they are required to complete and submit a Disclosure Statement to the Corporate Compliance Officer immediately under the CHS Conflict of Interest Policy. The Disclosure Statement is found in Administrative Policy E-12 "Conflict of Interest."

By submitting a completed Disclosure Statement to the CCO, the employee acknowledges understanding and adherence to the following stipulations:

- The employee's interest or participation must not reflect negatively on CHS or interfere with their job responsibilities;

- The employee may not post signs, banners, or stickers, solicit votes or voter support, question colleagues regarding their political beliefs or voting district, or otherwise campaign through verbal, electronic or printed communications on CHS property;
- CHS resources, copiers, phones, fax, work hours, etc., may not be used to promote, prepare for, or participate as a candidate or elected official;
- CHS proprietary information, i.e., mailing, fundraising, patient, and/or donor lists may not be used as sources for campaign solicitation;
- CHS employees shall conduct their campaign or official duties on personal time or using paid time off (PTO);
- Employees may not display the CHS logo on apparel or other items during public campaigning or official public appearances, nor may they display any campaign paraphernalia on CHS property.

Questions regarding political campaign activity may be directed to the Corporate Compliance Officer, the Director of Government Relations, or a Human Resources Consultant.

*Refer to "Guidelines for the Employee Candidate" section of this manual.  
Conflict of Interest Policy ADM-G 07*

## **L. ETHICAL WORK RELATIONSHIPS**

CHS defines ethics as making choices consistent with the elements described in the Code of Conduct, CHS internal policies and procedures, and external guides—such as federal, state, and local laws and regulations. The choices we make in performing our responsibilities reflect our personal integrity, professional judgment, and sense of obligation to our patients and the CHS community.

CHS policy requires the workplace environment to be free of any form of harassment or violence. Fair and equitable treatment of patients, employees, contractors, and others is crucial to fulfillment of the CHS mission and vision. We ensure equal consideration of all persons regarding recruitment, applications, employment, promotions, transfers, benefits, and discipline.

Employees must not be subjected to discrimination or harassment on the basis of race, color, creed, religion, national origin, gender, age, disability, veteran status, or any other factor protected by law.

CHS staff will not be subjected to disruptive or unacceptable behavior by coworkers, supervisors, or others in authority which includes, but is

not limited to: verbal attacks, derogatory statements exceeding constructive criticism; verbal outbursts; threats; comments documented in medical records that are focused on negative or derogatory statements about coworkers or the work environment rather than patient care; negative or derogatory statements about a coworker's, patient's, or patient family's political, social, or religious beliefs, or family or socioeconomic status not factors in continuum of care decisions; sexual harassment including suggestive jokes or comments; inappropriate touching or gesturing; physical outbursts using equipment or supplies; intimidating verbal or physical actions; refusal to acknowledge or accept direction, instruction, policies or assignments to disrupt work flow, environment, or disrespect others; deliberate lack of participation, civil communication, or cooperation within work environment in order to retaliate or disrespect others; damage another's property; and in the case of clinicians, performing self-administration of treatments in presence of coworkers, patients, or patient families.

An employee who believes they have been subjected to any of the situations described above should report it immediately to the Human Resources Department. Even in the absence of a formal complaint, supervisors who are aware, or should be aware, of an unacceptable situation or behavior shall take corrective action immediately.

### *Personal Boundaries*

Because CHS promotes teamwork within a positive and caring environment, employees may develop close work relationships and are often tempted to share intimate or confidential details about themselves or their personal lives with their coworkers and supervisors. Employees must remember to respect their own and others' boundaries. The information shared may interfere with the focus on patient care, the department, or the workplace. Unsolicited personal information may lead to a negative reputation or perception of an employee by coworkers at a later time. It is for these reasons CHS encourages employees to be discreet and only share appropriate information about themselves they are willing to have disclosed. If a coworker shares confidential information with you, be respectful of that trust.

For more information or questions relating to personal work relationships, contact CHS Human Resources Department, a chaplain, or social worker.

## Professional Boundaries

CHS has one of the most profound missions in healthcare. We deliver state of the art healthcare and provide the highest level of personal caring for our patients. The CHS reputation is well-deserved and being trusted during some of the most difficult times in a family's life is something to be proud of and to protect.

However, our desire to provide the highest degree of compassionate care does not come without hidden risk. There may be times when we become so involved in a patient's care or with the family that we form a special bond. It is at this point that the line between professionalism and personal involvement becomes dim, or even non-existent. We can easily lose sight of professional objectivity—blurring our values with those of the family, patient, or other caregivers and increase stress during situations where a personal or emotional involvement can impair objectivity.

Professional boundaries are the “invisible lines” that guide professional behavior and facilitate a safe relationship with the patient based on the patient's needs. Professional boundaries protect both the patient and the provider. Setting professional boundaries helps limit emotion-driven involvement that is inherent given the professional's position and access to intimate knowledge about the patient or family.

Even with the best intentions, an inappropriate personal involvement with patients or their families will confuse professional boundaries and consequently lead to an erosion of the trust and reputation that CHS strives to protect. In order to maintain professional boundaries, we must apply clearly defined and consistent limits on personal involvement when contemplating the scope of care provided for each patient and family.

Providing access to the professional's personal contact information, i.e., phone number, email, or other personal or social networking platforms; allocating inappropriate amounts of time to be with one patient or trading assignments to be with a particular patient; providing care or services outside the scope of practice or outside work hours; providing personal transportation for the patient or patient's family; and, allocating personal time to be with the patient or patient's family are examples of personal involvement that have the potential to breach professional boundaries.

A helpful guide is to reflect on this question - Is what I'm about to do for this patient or family, something I am willing and able to do for all the patients in my care today?

Contact Nursing Administration, Human Resources, Corporate Compliance, a social worker, or chaplain if you have questions concerning professional boundaries.

*Refer to CHS Web and Social Media Policies and Procedures  
Social Media/Networking Policy ADM-IM 17  
Human Resources Policy F-01 "Workplace Violence"  
Acceptable Physician Behavior Policy ADM-OA 10*

## **M. RELATIONSHIPS WITH COMPETITORS, BUSINESS PARTNERS, VENDORS, AND CONTRACTORS**

### *Competitors, Customers, Suppliers*

Federal antitrust laws provide for free trade and enterprise and prohibit any activity that would act to restrain or diminish business competition. In compliance with these laws, CHS employees shall:

- avoid discussing prices with competitors in order to set or "fix" prices;
- avoid discussing service areas or targeted markets in relation to dominating services or agreeing to divide services among competitors;
- avoid sharing trade secrets;
- avoid acting out of personal interest to boycott or refuse to deal with certain competitors;
- avoid false, damaging, or misleading remarks about competitors or other companies;
- avoid unfair competition identified in the marketplace;
- avoid unethical or illegal means to obtain proprietary information about a competitor;
- avoid discussing sensitive or proprietary CHS information with competitors;
- avoid purchase arrangements where the purchase of one product or service is "tied" to or dependent on another purchase.

### *Business Partners and Vendors*

CHS is committed to fair, reliable, and honest relationships with business partners and vendors. Relationships and interactions are held to the highest standard of ethics, free of commercial interest or inappropriate marketing influence.

Business partners, vendors, and contractors are expected to abide by the CHS Code of Conduct and applicable laws and regulations in order to share in the CHS commitment to guard against fraud and abuse.

Business partners, vendors, and contractors will be treated equitably without deception or discrimination in a manner consistent with good business practice.

Business relationships must be based on solid business principles, both in fact and appearance, so as not to be construed as influencing job performance of an employee or vendor/contractor.

Selection of a business partner, vendor, or contractor is made solely on the basis of business, medical, clinical, or research criteria, cost, and quality. CHS conducts business transactions with business partners, vendors, and contractors free of gifts, bribes, favors, or other improper inducements in exchange for influence or assistance in business transactions.

CHS employees who participate in business decisions and vendor/contractor selection are not permitted to accept personal gifts, money, or entertainment from vendors. Employees are expected to exercise sound judgment before accepting any item of value offered from a vendor, supplier, or contractor. CHS prohibits employees from accepting any item from a vendor/contractor that affects or appears to affect decisions or influence actions.

Employees and their family members shall not use the CHS name or tax-exempt status to negotiate personal purchases or discounts from vendors.

Employees shall not seek improper discounts, bribes, or other inducements or misuse discounts, rebates, and allowances. Appropriate discounts, rebates, and allowances are permitted when approved through CHS Materials Management and do not constitute illegal or unethical payments.

Contracts and purchasing agreements must be consistent with ethical and fair negotiations ensuring the data represented is current, accurate, and complete. Contracts must be routed through the Risk Management Department for review prior to execution.

A potential conflict of interest occurs in contractual relationships or purchasing decisions when a financial relationship exists between employee and vendor or contractor and must be disclosed through the Conflict of Interest Disclosure procedure (ADM Policy G-07).

### Construction Projects

Construction projects require CHS to obtain certificates of need, licensure, and permits as applicable. CHS complies with codes and standards currently adopted and enforced by the Alabama Department of Public Health. Drawings and specifications for projects are reviewed by the CHS Facilities and Development Department.

## **N. PROTECTION OF ASSETS**

CHS has many valuable assets—employees, property, confidential information, funds, computer technology, and intellectual property. These assets are to be used for CHS purposes only. Employees are responsible for safeguarding CHS assets from loss, theft, or misuse. Without prior authorization, these assets are not to be used for non-CHS purposes.

CHS maintains a property accounting system for acquisitions, transfers, and disposals of property, plant, and equipment. This information is maintained in order to properly report accurate and reliable financial information. The financial records, expense reports, studies, time sheets, etc. will reflect the true nature of each transaction.

### Travel Expenditures

Travel expenditures should be in accordance with the employee's responsibility to the organization and its needs and resources. No employee should experience financial gain or loss due to reimbursement of travel on behalf of CHS. Employees shall abide by CHS policies governing travel advances, allowable expenses, and requirements for reimbursement.

*Refer to Employee Travel Policy FA-18*

### Computer and Email Usage

Computers and email are a vital part of operations. Many employees depend on these electronic systems to perform job-related tasks. Employees must consider risks to safety, security, and confidentiality of data that passes through the computer systems. Much of this data is sensitive patient information. Maintaining the security of this information is a high priority.

Data security is facilitated internally by assignment of confidential computer identification codes (User ID and password). Through these

identification codes, computer and email usage will be monitored by CHS. Obscene, offensive, discriminatory, or threatening communication is expressly prohibited.

CHS may limit computer, software, or internet access by job description. Subject to a limited amount of personal use, the internet and email access should be used for CHS purposes only.

CHS requires only properly licensed software be installed on CHS computers. The use of "pirated" or unlicensed software programs is prohibited.

### Intellectual Property

CHS routinely develops new treatments, tests, protocols, and patient care strategies through its commitment to pediatric research. Information created through research activities is proprietary in nature and must be safeguarded from inappropriate disclosure. CHS employees, investigators, and agents must not disclose this information without proper authorization.

Projects, discoveries, inventions, strategic plans, logos, phrases, trademarks, symbols, photographs, videos, books, and software resulting from employee activities or created by CHS are considered intellectual property owned by CHS.

If you have questions regarding CHS intellectual property, contact the CCO or the HIPAA Privacy Officer/Risk Manager

*Refer to Computer Usage Policy ADM-IM 14  
Electronic Mail Policy ADM-IM 15  
Internet Usage Policy ADM-IM 16*

## **O. COPYRIGHTS, PATENTS, LICENSES**

CHS employees will not misuse or misappropriate confidential or proprietary information belonging to another individual or entity. CHS employees will not use publications, documents, or other printed materials in violation of copyright, patent, or licensure laws.

Employees shall be diligent in not using confidential business information obtained from competitors, i.e., customer lists, price lists, executed contracts, or other information unfairly for CHS advantage.

Questions concerning reproduction of materials or resources should be directed to the Risk Management Department.

## **P. SAFE ENVIRONMENT**

### *Patient Safety*

In our mission as a healthcare provider, we strive for excellence in patient care, medical education, and safety awareness. CHS uses federally-approved drugs, devices, and procedures or drugs and devices deemed investigational but approved by the CHS Institutional Review Board. Distribution of unapproved drugs and devices is a violation of the law resulting in fines and imprisonment. Distribution refers to the representation, use, sale, or prescription of an unapproved drug or device.

CHS exercises performance improvement and risk management processes which include an incident reporting system and, where appropriate, assigning focus teams to provide ongoing assessment and tracking for potential medical incidents. In accordance with our emphasis on prevention of potential medical incidents, universal precautions are observed where applicable.

### *Research*

CHS respects the rights and dignity of research subjects and is committed to scientific integrity and safety. Research, investigations, and clinical trials involving human subjects are conducted in accordance with approved research protocols, the CHS Institutional Review Board, and CHS policies and procedures.

Misconduct in research is prohibited. CHS participates in approved research projects and experimental testing and dispenses only approved drugs and devices. The results of CHS research activities are published. Grant money provided in association with specific research or studies is used in compliance with applicable laws. CHS files accurate reporting of research funds to assure appropriate use of government funds.

### *Drugs and Alcohol*

CHS prohibits the illegal possession, distribution, or use of drugs or alcohol. CHS employees are prohibited from being on CHS property under the influence of drugs or alcohol and may be subjected to drug testing.

### Occupational and Environmental Safety

CHS is committed to being a community leader in protecting and preserving natural resources. CHS maintains a system to operate and manage its facilities in a manner that is safe functional, effective, and supportive of the environment. CHS complies with applicable environmental laws and regulations and cooperates with local, state, and federal inspection requirements. CHS adheres to requirements regarding medical waste disposal. Employees are educated at orientation and annually on policies and procedures relating to occupational safety and medical waste management.

*Refer to Infection Prevention and Control Policies and Procedures  
Human Resource Policy F-05 "Infraction of Health System Rules"*

## **2.4 COMPLIANCE EDUCATION**

For compliance education to be effective, it must occur on all levels of the organization and be applicable to the level of authority and responsibility. Education sessions highlight Compliance Program elements, current fraud and abuse laws, the CHS Code of Conduct, and, where applicable, specific issues outlined in the Office of Inspector General (OIG) Annual Work Plan. Education sessions will be delivered in a manner that reflects the mission and ethical guidelines relevant to CHS and its community.

Employees, contractors, agents, and affiliates are required to adhere to the Code of Conduct. Initial training is provided by the Department Director from which they are contracted, or new hire orientation, or the Compliance staff. General training includes a review of the Code of Conduct and concludes with the individual signing a statement certifying they have received and agree to abide by the Code of Conduct. The certifications are maintained in appropriate departments.

Annual reinforcement of compliance knowledge is accomplished through mandatory computer-based training and testing. Completion of annual compliance education is included in performance evaluations, mandatory for continued employment, and reported to Senior Management.

Specialized education for employee groups or departments is provided by the Compliance Officer and/or Compliance staff. Often the need to address specific compliance issues related to job responsibilities is identified and an education program is designed and delivered to address those issues.

## **2.5 COMPLIANCE COMMUNICATION**

### **A. ACCESS TO THE COMPLIANCE OFFICER**

The Corporate Compliance Officer (CCO) promotes an open line of communication with employees. CHS employees may seek clarification of a concern, issue, or question through electronic communication or personal contact with the CCO. The CCO adheres to a strict code of confidentiality whenever possible when receiving information regarding suspected compliance violations. CHS policies prohibit retaliation against an individual for submitting a report of potential fraud and abuse or other concerns when made in good faith.

Compliance staff sign a statement of confidentiality regarding sensitive information that may be disclosed during audits and investigations.

### **B. DISSEMINATION OF INFORMATION AND STANDARDS**

The CCO and compliance staff review websites of federal and state agencies for updates on laws and regulations and websites of 3<sup>rd</sup> party payers for billing and claims information. Relative updates are communicated to CHS Directors and Vice-Presidents. The CCO and Staff are alert to healthcare fraud and abuse reports in the news and from compliance educational events and forward information to applicable CHS Directors and Vice-Presidents. The Compliance Staff subscribe to and remain actively involved in compliance networking associations where compliance issues are discussed and information exchanged.

### **C. CHS DIRECTORS AND MANAGERS**

Directors and Managers must explain and ensure understanding of the basic principles of the Compliance Program by their staff. Directors and Managers must be aware of disciplinary standards for violations of the Code of Conduct and the disclosure protocol for reporting conflicts of interest.

### **D. COMPLIANCE REPORTING**

The Compliance Program established external Compliance Hotline (**800-624-9775**) and Reporting Website **[www.integrity-helpline.com/chsys.jsp](http://www.integrity-helpline.com/chsys.jsp)** services to encourage employees to report incidences of suspected non-compliance. Reports may be submitted anonymously. These services are available 24 hours a day, 7 days a week.

External Hotline operators receive calls, screen information, and document the report. The report is categorized and assigned a number which is provided to the caller. The caller may use the number to check with the service to receive available updates on the investigation. The numbering system is also used for maintaining internal tracking report details and resolutions by the CCO.

Reports of suspected violations may also be submitted to the CCO (205-939-9006).

Employees have the right to report a suspected compliance violation without fear of retaliation or adverse consequences.

The CCO reviews each report to determine the correct approach to investigation.

Every effort is made to keep report details confidential.

#### **E. DUTY TO REPORT**

As a condition of CHS employment or contract, employees, contractors, and affiliates are responsible for identifying and truthfully reporting misconduct that could result in harm or a violation of the Compliance Program or governing laws or regulations.

Employees, contractors, and affiliates are required to comply with CHS Policies and Procedures, including the Compliance Program.

Failure to abide by the CHS Compliance Program or to report a suspected violation shall be grounds for disciplinary action which may include termination of employment or contract.

## 2.6 AUDITING AND MONITORING

The Corporate Compliance Officer (CCO) is responsible for auditing and monitoring of the Compliance Program and activities throughout the organization for compliance with current healthcare laws and regulations. Audits may be conducted by the CCO, Compliance Staff, external auditors, or consultants.

In furtherance of the CHS commitment to Compliance and the obligation imparted to CHS as a participant in federally-funded healthcare programs,

- CHS will provide necessary resources, continuing education, and staff to facilitate an effective audit function;
- CHS expects employees, contractors, and affiliates to abide by applicable laws and regulations and to support compliance efforts;
- CHS will monitor claims accuracy to reduce deficiencies in claims submission processes;
- The CCO shall be notified and receive final results of all compliance audits within the organization.

The Compliance Department conducts audits in accordance with Internal Auditing Standards, including work paper formatting, labeling and referencing audit file documents, and proper organization of the audit file.

- The Compliance Department is independent of Management, Administration, and physicians in the performance of audit work.
- The Compliance Department shall have unrestricted access to relevant resources, records, personnel, and areas of operations.
- Compliance audits are reported in written evaluative reports and identify findings and corrective actions as needed.
- The CCO reports directly to the Finance and Audit Committee of the Board of Trustees.

An annual audit plan is developed by the CCO to include all aspects of CHS operations identified as risk areas, with weighted consideration given to areas identified in the Office of Inspector General (OIG) Annual Work Plan. The annual audit plan is reviewed by the Finance and Audit Committee of the Board of Trustees.

Effective methods are employed in compliance auditing and monitoring which may include periodic department-specific reviews by knowledgeable staff auditors, random audits of Medicaid/Medicare claims, analysis of deviations in periodic data, and random reviews to assess compliance with regulations governing coding (CPT/HCPCS, ICD-9), financial data, kickback arrangements, physician self-referral

prohibitions, reimbursement, claims development, marketing, and other areas of concern.

As part of the audit process the auditor will:

- submit an introductory audit letter and ensure understanding of the audit process;
- perform site visits;
- interview management and key staff;
- document general and specific information regarding operations;
- compare information obtained from management and staff for consistency;
- review coding, billing, information systems data, patient health records, personnel records, financial records, and other CHS records as needed to complete the audit;
- document and retain information to support reimbursement from claims or Medicare Cost Report;
- review policies and procedures and other data developed or generated by departments;
- analyze deviations and trends in statistical data for the given period;
- review audit work and documents with management and key staff;
- log and track audits internally for reporting purposes.

Subsequent audits may occur to verify corrective actions were implemented and are effective in preventing recurrences.

Audit reports and supporting documentation related to compliance investigations are retained in Compliance Department confidential files for no less than seven years.

#### *Monitoring for Exclusion, Suspension, Debarment*

The OIG recommends healthcare providers conduct a reasonable and prudent background investigation of employees, medical staff, vendors, and contractors against government sanctions lists.

In accordance, the Compliance Program establishes oversight procedures to provide reasonable assurance that CHS does not knowingly hire, grant privileges to, or conduct business with individuals or entities currently excluded, sanctioned, debarred, or otherwise ineligible to participate in federally-funded programs.

Eligibility of prospective employees, volunteers, medical staff and allied health professionals, vendors and contractors is verified prior to initiation of services by screening for exclusion against the OIG and

GSA (General Services Administration) lists posted on agency websites.

Initial screenings are conducted by Human Resources, Medical Staff Services, and Risk Management with results documented and retained by those departments. Subsequent screenings of employees, volunteers, medical staff, vendors, and contractors are conducted and/or verified by the Corporate Compliance Department no less than annually. Documentation of the subsequent screening results is retained by the Corporate Compliance Department.

Purchase orders, work orders, and contract terms and conditions include certification language to protect CHS from knowingly contracting with an ineligible person or entity.

Change in status or eligibility shall be reported to the CCO immediately.

Questions regarding this process should be addressed to the CCO or may be referenced through CHS Administrative Policy G-05 Exclusion and Verification Screening.

### Coding

Reviews of coding accuracy are performed to effectively and continuously improve information management and data accuracy. Coding of inpatient, one-day surgery, emergency department, and referred testing accounts is performed by CHS Medical Information Services (MIS) coders.

Coders are responsible for reviewing medical record documentation and applying appropriate codes for principal diagnosis, secondary diagnosis, and principal and secondary procedures in accordance with guidelines for regulatory compliance, ICD-9CM and CPT coding.

Coders are credentialed and certified. Nationally-recognized manuals, resources, guides, software programs, and information networking sites are provided to assist in achieving coding accuracy. Continuing education for coders is provided through professional associations including American Health Information Management Association (AHIMA), Alabama Association for Health Information Management (AAHIM), Child Health Corporation of America (CHCA), and closing sessions of audits by Health Information Associates (HIA).

New coders have a 90-day probationary period within which they are monitored and oriented to CHS coding resources and software

programs. Results from their work are reviewed for competency and used for training.

Each quarter, an external consultant performs a review of coding for accuracy and regulatory compliance. The audit results are used for quality improvement and continuing education.

Information regarding a diagnosis or procedure not clearly or completely stated within the medical record by the physician requires the coder to submit a Physician Query Form to the physician for clarification. The Form is also submitted when questionable, ambiguous, or conflicting documentation is present. The Physician Query Form is not intended to prompt or lead the physician but to clarify documentation and facilitate accurate coding of the highest degree of specificity.

The Physician Query Form is not kept as a part of the medical record. If the physician determines a change to previously documented information is necessary, the physician will complete, date, and initial an addendum to the record. The addendum is filed with the medical record.

Coding issues identified during claims submission are forwarded to the MIS Coding Supervisor for review. If the Coding Supervisor determines a correction is needed, the error is reviewed with the coder responsible and the code is corrected and resubmitted.

*Refer to MIS Policies and Procedures*

### Medical Review

The Medical Review staff is responsible for reimbursement analysis, billing inquiries and complaints, and referred services billing. The Medical Review Auditor and Medical Review Manager perform chart audits, respond to billing inquiries, investigate patient complaints, and perform special reviews related to billing, coding edits, and Medicare claims.

Billing inquiries and patient complaint audits include a review of the medical record and billing information. When the review is completed, a written response is provided to the party that requested the review. The Medical Review staff may meet with a parent to discuss the review when necessary. Patient complaints are given high priority.

If a discrepancy is noted, the Medical Review staff will take appropriate steps to correct the account and prevent future occurrences, such as

addressing the problem with the responsible party or providing billing and coding education.

The Medical Review Auditor reviews commercial inpatient accounts with total balances exceeding \$15,000. Focused audits are performed based on aberrant trends or issues identified.

Issues that may indicate a compliance problem are forwarded to the CCO.

The Medical Review staff is responsible for CHS charge master maintenance. The Charge Master Coordinator develops and maintains the charge master and researches coding and revenue reporting requirements.

### Billing

The Access Center Divisional Director monitors compliance with Access policies that impact billing through standard reports including: Outpatient Exception Report, Discharges, Duplicate Account Report, Inpatient and Outpatient Accounts for Same Patient/Same Date of Service, Pre-Registration Accounts for unbilled charges, and a report of Medicare accounts to ensure all forms for secondary payer are completed.

Reports of claims edits are reviewed by a Claims Manager who investigates and resolves discrepancies.

## 2.7 ENFORCEMENT AND DISCIPLINE

The CHS Compliance Program provides guidance regarding disciplinary action for individuals who fail to comply with the CHS Code of Conduct, CHS Policies and Procedures, or applicable federal and state laws and regulations.

The intent of the Compliance Program Enforcement and Discipline standard is to ensure fair and impartial reviews of incidents and situations that may warrant disciplinary action, loss of privileges, or termination.

The Compliance Program incorporates, by reference, Human Resources Policies that identify degrees of disciplinary action and consequences that may be imposed for individuals failing to comply. Human Resource Policy F-05 "Infraction of Health System Rules" outlines sanctions ranging from written counseling to suspension and termination, as appropriate.

Formal disciplinary action is taken when attempts by management to affect the necessary changes have failed. The goal is to affect change in behavior and culture, assure equitable application, and safeguard CHS patients, assets, and resources.

The following list is not intended to be all inclusive. Progressive discipline may be applied when:

- an employee, contractor, or affiliate violates the Code of Conduct or applicable laws and regulations;
- an employee, contractor, or affiliate knowingly fails to report a violation of the Code of Conduct or applicable laws and regulations;
- an employee, contractor, or affiliate is told or coerced to not report a violation or follow proper channels to report a violation;
- an employee, contractor, or affiliate engages in kickbacks or self-referral violations;
- management fails to ensure staff compliance;
- management does not correct a known compliance violation;
- management does not communicate compliance requirements to staff;
- a manager is involved in or has knowledge of retaliation against staff for reporting a compliance violation.

The nature, severity, and appropriateness of disciplinary actions are based on the facts and circumstances in each case.

### Compliance as an Element of Performance Evaluations

CHS expects its leaders to lead by example. CHS Managers and Supervisors shall promote a culture of compliance and provide staff with information needed to meet compliance requirements.

The Compliance Program requires adherence to and promotion of the Compliance Program elements be included in performance evaluations. In addition, Management can be sanctioned for failing to adequately inform staff or failing to detect non-compliance where reasonable diligence by the Manager or Supervisor would have uncovered the problem or violation.

## **2.8 INVESTIGATION AND CORRECTIVE ACTION**

Upon report or reasonable indication of suspected non-compliance, the Corporate Compliance Officer (CCO) will initiate an investigation of the conduct in question to determine whether a material violation has occurred and if so, take steps to correct the problem. As appropriate, such steps may include a corrective action plan, an immediate referral to criminal and/or civil law enforcement authorities, a report to the Government or other external agency, and the submission of overpayments, if applicable.

### **A. PURPOSE OF THE INVESTIGATION**

- To identify situations in which laws, rules, regulations, and standards governing CHS have not been followed;
- To identify individuals who may have knowingly or inadvertently caused claims to be submitted or processed in a manner that violated applicable laws, rules, regulations or standards set forth;
- To facilitate the correction of practices not in compliance with applicable laws, rules, regulations and standards;
- To implement procedures necessary to ensure future compliance;
- To protect CHS in the event of civil or criminal enforcement actions;
- To preserve and protect CHS assets.

### **B. CONTROL OF THE INVESTIGATION**

Compliance reports from any source shall be forwarded to the CCO who will document the report and investigate complaints related to government payment programs. The CCO will be responsible for directing the investigation of the alleged compliance problem or incident. In undertaking this investigation, the CCO may solicit the support of the Human Resources Consultant, the Patient Safety/Risk Management Officer, the Privacy Officer, external legal counsel, and other internal and external resources with knowledge of applicable laws and regulations and required policies, procedures or standards relating to the specific problem.

These persons shall collaborate with the CCO and shall be required to retain and submit relevant evidence, notes, findings, and conclusions.

The CCO will follow the investigation process closely to ensure appropriate action is taken and adequate resolution is thoroughly documented.

### **C. INVESTIGATIVE PROCESS**

Upon receipt of a complaint or other information (including audit results) suggesting the existence of a pattern of conduct in violation of compliance policies or applicable laws or regulations, an investigation will begin under the direction and control of the CCO. Steps to be followed in undertaking the investigation include:

1. Notify Administration and/or the Chairman of the Finance and Audit Committee of the nature of the complaint.
2. Initiate the investigation without delay. The investigation will include, as applicable, but need not be limited to:
  - Interviewing the complainant (if possible) and other persons who may have knowledge of the alleged problem or process;
  - Reviewing applicable laws, rules, regulations, or standards to determine whether a problem actually exists;
  - Recommending removal of employee/contractor/affiliate from current work activity until investigation is completed if the CCO believes the integrity of the investigation appears compromised due to the presence of employee/contractor/affiliate under investigation (unless an undercover operation is in effect).
3. The CCO should take appropriate steps to secure or prevent destruction of documents or other evidence relevant to the investigation.
4. Disciplinary action warranted as a result of the investigation shall be administered in accordance with CHS guidelines.
5. If the review results in conclusions or findings contrary to the complaint and determines no laws, rules, regulations, policies, or procedures have been violated, the investigation will be closed. If the initial investigation concludes there is improper billing, conduct, or activity, or that additional evidence is necessary, the investigation will proceed to the next step.
6. Identification and review of representative bills or claims submitted to payer programs may be necessary to determine the

nature, scope, frequency, duration, and potential financial impact of the problem.

7. Interviews will be conducted with the person(s) who appear to play a role in the process in which the problem exists. The purpose of the interview will be to determine the facts related to the complaint and may include, but will not be limited to:
  - Individual understanding of applicable laws, rules, regulations, and standards that govern the situation;
  - Identification of persons with supervisory or managerial responsibility in the process;
  - Adequacy of the training of individuals performing the functions within the process;
  - Extent to which any person knowingly or with reckless disregard or intentional indifference acted contrary to applicable laws, rules, regulation or standards.
8. Consult with external counsel as to potential civil or criminal liability of CHS or individuals.
9. Prepare records of the investigation to include:
  - summary report describing the nature of the problem and the investigative process;
  - copies of interview notes, key documents, and list of witnesses interviewed;
  - documentation of interviews and notes on persons believed to have acted deliberately or with reckless disregard or intentional indifference toward applicable laws, rules, regulations, standards and policies;
  - if a billing issue, an estimate of the nature and extent of the resulting overpayment, if any.

If possible and appropriate, upon completion of the investigation process and implementation of a corrective plan, the complainant shall be updated on the issue.

#### **D. ORGANIZATIONAL RESPONSE**

##### *Criminal Activity*

In the event an investigation uncovers what appears to be criminal activity on the part of an employee, contractor or affiliate, CHS will obtain guidance from legal counsel and proceed with the following steps:

1. Immediately stop all billing related to the problem or the process in violation of the law, rule, regulation, or standard in the area(s) where the problem exists until such time as the offending practices are corrected.
2. Initiate appropriate disciplinary action against the person(s) whose conduct appears to have been intentional, willfully indifferent, or with reckless disregard for the applicable law, rule, regulation, or standard.
3. Appropriate disciplinary action will include, at a minimum, the removal of the person from a position with oversight for or impact upon the claims submission or billing process and may include, in addition, suspension, demotion, and discharge, or termination of the contractor's contract.

When Medicaid is involved, the appropriate state agency and/or the Alabama Attorney General will be notified. In the event both Medicare and Medicaid claims are involved, CHS will notify the programs through the local United States Attorney's Office or the local office of the United States Department of Health and Human Services Office of Inspector General Division, or as advised by CHS legal counsel. CHS, through legal counsel, shall make every effort to negotiate a voluntary disclosure agreement where applicable.

#### Other Non-Compliance

If an investigation reveals problems that do not appear to be the result of conduct that is intentional, willful, or with reckless disregard for the applicable laws, rules, regulations or CHS policies and procedures, CHS will undertake the following steps:

1. Determine and quantify improper payments, duplicate payments, or payments for services not rendered or not provided as claimed;
2. Correct the defective practice or procedure as quickly as possible;
3. Calculate and repay to the appropriate entity payments resulting from the act or omission in accordance with OIG self-disclosure guidelines;
4. Initiate disciplinary action, if any, by referral of the facts and circumstances to the Human Resource Director.

5. Initiate and oversee an appropriate education program to prevent recurrence of similar problems.

### Reporting

If CHS finds credible evidence of misconduct and, after a reasonable inquiry, believes the misconduct may violate criminal, civil or administrative law, CHS shall promptly report the matter to the appropriate government authority, including federal/state/local law enforcement officials having jurisdiction over the matter.

CHS will provide all non-privileged evidence relevant to the investigation to the government authority. If, under advice of counsel and with guidance from government authorities, the CCO is requested to continue the investigation, the CCO shall notify the appropriate government authority of the outcome of the investigation, including a description of the impact, if any, on applicable healthcare programs or beneficiaries.

The Office of Inspector General (OIG) will consider good faith reporting and cooperation as mitigating factors in determining administrative sanctions should CHS become involved in an OIG investigation.

Failure to repay overpayments within a reasonable period of time could be interpreted as an intentional attempt to conceal or withhold the overpayment. This failure could establish a basis for criminal violation with respect to CHS as well as individuals who may have been involved. For this reason, overpayments resulting from a Medicare, Medicaid, or other federal healthcare program or from a contractor through the programs should be promptly returned to the payer or contractor. The OIG maintains voluntary disclosure protocols and when applicable, the CCO will consult with CHS Administration, Risk Management, and others as necessary to coordinate the documentation and distribution of information to the OIG in conjunction with voluntary disclosure activity.

**SECTION 3**  
**RESPONDING TO GOVERNMENT AND OTHER AGENCIES**

### **3.1 RESPONDING TO INVESTIGATIONS AND INQUIRIES**

In today's healthcare environment, investigations are becoming commonplace. For that reason, it is important that you understand your rights should someone from the government approach you for information about CHS.

Federal and state governmental agencies that may become involved in investigating hospitals include the Office of Inspector General (OIG), the Centers for Medicare and Medicaid Services (CMS), the Federal Bureau of Investigation (FBI), the United States Attorney's Office, the Alabama Attorney General's Office, and state health and human services agencies and/or their agents.

Some surveys or investigations, such as the Joint Commission on Accreditation of Healthcare Organizations Survey, will be coordinated through CHS Administration. Your supervisor will alert you to the survey or investigation and will help coordinate the timing. However, it is possible an investigator could approach you without the prior knowledge of CHS Administration. Contacts could occur while the employee, contractor, or affiliate is at work or at home. The employee, contractor, or affiliate has the right to determine the time and place for being interviewed by the agent.

CHS shall be fully informed about any pending investigations and contacts by agents with CHS employees, contractors, or affiliates.

CHS expects employees, contractors, and affiliates to immediately notify the Corporate Compliance Officer (CCO) after receiving an inquiry, subpoena, or other legal request for information regarding CHS from investigative agencies.

After identifying the agent and coordinating the request through the CCO, CHS employees, contractors, and affiliates will fully cooperate with the scope of a government investigation.

No CHS employee, contractor, or affiliate may destroy information or documents believed to be relevant to an investigation. Such action will result in termination of employment or contract and may result in civil fines and/or criminal prosecution.

The following is information regarding employee, contractor, or affiliate rights and obligations concerning requests for interviews by government investigators:

1. Always ask agents for their identification. Make a photocopy of the identification and other papers that may be presented. Advise the agent you will be happy to cooperate, but to protect your rights and the rights of CHS, you are required to contact your supervisor, the CCO, or Risk Manager before questioning.
2. Employees, contractors, or affiliates may be requested by government agents to be interviewed at home or in the office. You have the right to determine the time and place of the interview. If an employee, contractor, or affiliate consents to an interview, it can be scheduled on CHS time.
3. Each employee, contractor, and affiliate has the right to speak with a government representative as well as the right not to speak with the representative. CHS takes no position on whether an employee, contractor, or affiliate should participate in an interview. Do not become intimidated or bullied by the investigator. Determine whether to consult personal legal counsel or CHS legal counsel prior to participating in a requested interview. If you desire, the CCO or Risk Manager can be present with you during the interview.
4. Interviews become part of an ongoing civil/criminal investigation. Information provided by an employee, contractor, or affiliate to a government representative during an interview can be used in subsequent administrative, civil, or criminal proceedings. Employees, contractors, or affiliates may be subpoenaed to testify before a jury regarding interview responses.
5. If the employee, contractor, or affiliate has no objection, the CCO, Risk Manager, or legal counsel may attend the interview. Whether CHS counsel would serve as an observer, CHS representative, or employee, contractor, or affiliate representative would depend on the request of the employee, contractor, or affiliate and, additionally, on the circumstances surrounding the reasons for the interview.
6. An employee, contractor, or affiliate has the right to stop an interview at any time.
7. When speaking with an investigator, questions must be answered truthfully and completely. If you do not know the answer, or cannot remember, simply say that you do not know.

8. Do not provide CHS documents to an investigator unless you have been authorized to do so by the CCO or Risk Manager.

If you have questions, please contact the CCO or Patient Safety/Risk Management Officer.

## **GUIDELINES FOR CAMPAIGNING FOR AND SERVING IN POLITICAL POSITIONS**

Employees who seek or hold elected or appointed political office, or whose immediate family members seek or hold elected or appointed office, are required under the CHS Conflict of Interest Policy to submit a Disclosure Statement to the Corporate Compliance Officer. The Disclosure Statement is found in Administrative Policy and Procedure E-12 "Conflict of Interest."

By submitting the Disclosure Statement to the CCO, the employee acknowledges commitment and adherence to the following stipulations:

The employee's interest or participation must not reflect negatively on CHS or interfere with their CHS job responsibilities.

The employee may not post signs, banners, or stickers on CHS property, solicit votes or voter support, question colleagues regarding their political beliefs or voting district, or otherwise campaign through verbal, electronic, or printed communications on CHS property.

CHS resources, copiers, phones, fax, office time, etc., may not be used to conduct political activities as a candidate or elected official.

CHS proprietary information i.e., mailing, fundraising, patient, and donor lists may not be used as sources for campaign solicitation.

CHS employees shall conduct all campaign or official duties on personal time or using paid time off (PTO).

Employees may not display the CHS logo on apparel or other items during public campaigning or official public appearances and may not display campaign paraphernalia on CHS property.

Questions regarding political campaign activity may be directed to the Corporate Compliance Officer, the Director of Government Relations, or a Human Resources Consultant.

## **ADDITIONAL REFERENCES**

Federal Civil False Claims Act (31 USC 3829-3733)

Stark I, II, III: Self Referral Law/Limitations on Certain Physician Referrals (Section 1877 of the Social Security Act/ 42 USC 1394 nn) Stark III Final Rule (72 FR 51012)

Anti Kickback Statute (Section 1128B of the Social Security Act/ 42 USC 1320a-7b)

HIPAA (45 CFR Parts 160 and 164)

Deficit Reduction Act (S. 1932)

Screening for Excluded Individuals and Entities (42 CFR 1001.1901b);  
OIG Special Advisory Bulletin, September 1999, The Effect of Exclusion on Participation in Federal Health Care Programs

CHS HIPAA Manual <http://hipaa.chsys.org>