



Children's
of Alabama

**CORPORATE COMPLIANCE
PROGRAM MANUAL**

CORPORATE COMPLIANCE DEPARTMENT
Revised 2022



Children's
of Alabama

MISSION, VISION, AND VALUES

The **mission** of Children's of Alabama is to provide the finest pediatric health services to all children in an environment that fosters excellence in research and medical education. Children's will be an advocate for all children and work to educate the public about issues affecting children's health and well-being.

The **vision** of Children's of Alabama is to be nationally recognized as a comprehensive regional and national pediatric healthcare center providing one class of excellent patient care through innovative and proven clinical care, education, and research.

The **values** of Children's of Alabama are:

- Trust
- Teamwork
- Compassion (for patients, families, and employees)
- Innovation
- Commitment

These five values are at the core of the desired behaviors noted in the Children's of Alabama Code of Conduct. The Code of Conduct is reviewed in detail in the Compliance Program Manual, along with other elements of an effective compliance program. The overarching goal of the Children's Compliance Program is to promote an organizational culture that emphasizes high ethical standards and adherence to all applicable laws, regulations, policies, and ethical guidelines.

CORPORATE COMPLIANCE PROGRAM MANUAL

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SECTION 1 - INTRODUCTION

CORPORATE COMPLIANCE PROGRAM

1 INTRODUCTION

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

The Program is a combined effort throughout the organization with the goal of preventing illegal and unethical activity. This is achieved by providing methods to identify and report such activity to the appropriate individuals and by taking action to correct and deter such activity. It 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 Children's policies and procedures.

Policies and procedures described herein benefit Children's by monitoring the effectiveness of internal systems and management directives and by protecting Children's 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 Children's commitment to comply with applicable laws and regulations governing healthcare and to provide the quality of healthcare consistent with our mission. It 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 Corporate Compliance Officer (CCO), a supervisor, or senior administrator.

Children's maintains high ethical standards and is committed to conducting business in compliance with the standards set forth in the Program.

SECTION 2 – COMPLIANCE PROGRAM

2.1 STANDARDS AND THE LAW

The Compliance Program addresses the seven elements of an effective Compliance Program as outlined in the Federal Sentencing Guidelines and set forth in the Office of Inspector General (OIG) Compliance Guidance for Hospitals. Children's depends on continued participation in the Medicare and Medicaid programs to support our mission to our patients and community. Medicare and Medicaid laws prohibit billing for services that are not medically necessary or not performed, taking kickbacks, making self-referrals, or manipulating bad debt or charity guidelines. As a tax-exempt organization, Children's 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.

Children's must demonstrate compliance with the standards governing these programs and initiatives

- Children's and its employees are expected to provide honest communication and accurate reporting in the performance of their responsibilities on behalf of Children's.
- Children's shall maintain compliance guidelines and policies to be followed by employees, contractors, and affiliates. In addition, Children's policies and procedures address specific risk areas. These policies include, but are not limited to: Administrative, Financial, Human Resources, Health Information Management, Patient Access, Pharmacy, Laboratory, Infection Prevention, and Waste Management.
- The Corporate Compliance Officer, at the direction of the Children's Board of Trustees, shall be assigned responsibility for oversight of the Compliance Program.
- Children's shall take diligent steps to ensure individuals or entities are not associated with or have authority over or access to Children's 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 Department shall effectively communicate compliance standards and procedures to employees, contractors, and affiliates by requiring participation in education programs or by circulating information and publications.
- Children's 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.
- Children's and its employees will not engage in any activity that may jeopardize its tax-exempt status. All employees must avoid situations that compensate above a fair market value for items or services rendered and report taxable amounts to the proper agencies. Tax and information returns are filed in a manner consistent with applicable laws.
- Children's employees will not engage in any fraudulent financial scheme or billing activity. Children's 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.
- Children’s compliance standards will be enforced in a manner consistent with established disciplinary mechanisms, including measures for failure to report a suspected violation.

2.2 CODE OF CONDUCT

It is the policy of Children’s to maintain and enhance an environment that 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 (Code) is essential to assist employees, contractors, and affiliates in making appropriate decisions relating to Children’s 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 is developed, revised, and maintained by the Compliance Department and is furnished to employees, agents, and affiliates representing Children’s. It is available electronically on the Children’s Intranet (The Red Wagon) under Policies and Procedures, in the CoA Resources folder located on the desktop of employees’ computers, and on the public domain (www.childrensai.org) by clicking the Corporate Compliance and Internal Audit link at the bottom of the Home page.

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

A. PROVIDE QUALITY CARE

Children’s strives to ensure equitable and quality care for all patients in response to individual needs. We are committed to providing a safe, compassionate, informative environment for patients and patients’ families. All patients are treated with dignity and respect. Patients are admitted, treated, and discharged based on their medical needs.

Patient Rights

Children’s understands and respects that each of our patients have unique cultural, social, and spiritual backgrounds. Patients, parents, and legal guardians have the right to reasonable and informed participation in the care of our patients.

Employees are required to obtain informed consent from patients, parents, or legal guardians and to honor advanced directives. When necessary, patients, parents and legal guardians have a legal right to discuss their concerns with a representative of Children’s and to remain informed of our findings, as prescribed by law.

Admission, Discharge, and Transfer

Children's abides by the Emergency Medical Treatment and Active Labor Act (EMTALA). When a patient comes to the Emergency Department (ED) and requests an examination or treatment for medical conditions, including active labor, Children's employees will provide the appropriate medical screening examination, regardless of age or payment status.

Research

Children's 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, standards of the UAB Institutional Review Board, and Children's policies and procedures.

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

Refer to: EMTALA – Emergency Patient Transfer Guidelines policy

B. SAFE ENVIRONMENT

Patient Safety

In our mission as a healthcare provider, we strive for excellence in patient care, medical education, and safety awareness. Children's uses federally-approved drugs, devices, and procedures or drugs and devices deemed investigational. These are approved by the UAB Institutional Review Board, with whom Children's has a contract. 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.

Children's 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.

Drugs and Alcohol

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

Occupational and Environmental Safety

Children's is committed to being a community leader in protecting and preserving natural resources. Children's maintains a system to operate and manage its facilities in a manner that is safe, functional, effective, and supportive of the environment. Children's complies

with applicable environmental laws and regulations and cooperates with local, state, and federal inspection requirements. Children's 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 policies and procedures
Infraction of Health System Rules policy*

C. PRIVACY AND CONFIDENTIALITY

Children's 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 Children's 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 financial, medical, or personal records or information

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

Children's complies with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the HIPAA Omnibus Rule (including the Federal Data Breach Notification Law). HIPAA regulations apply to verbal, written, and electronic patient information that reasonably could reveal a patient's identity. Data breaches should be reported within 24-48 hours via any of these methods: your supervisor, the Corporate Compliance Hotline (toll-free at 800-624-9775 or online form on The Red Wagon) or the HIPAA Privacy Officer. Children's has a Data Breach Response Plan and is committed to data breach prevention.

Confidential patient information may not be viewed by, or discussed with, anyone not involved in the patient's care or without a legal right to know. In addition, this

information may not be discussed or viewed in public areas, open office areas, hallways, elevators, or outside Children's 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, social media or other similar electronic communications is prohibited. Children's has established policy statements regarding social media activity and maintaining professional boundaries.

The Children's 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 Children's Privacy Officer. Release of patient records to anyone outside Children's 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 with Health Information Management (HIM) policies and procedures. If subpoenas or court orders are presented for records, the Risk Manager and Director of Health Information Management must be contacted prior to the release of records.

Employee information is maintained in relation to employment at Children's. 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 the Human Resource policy titled *Confidentiality of Personnel Records*.

In the event of a privacy breach or suspected misuse of confidential information, immediately contact the HIPAA Privacy Officer or file a Hotline report to provide details to thoroughly investigate the matter.

*Refer to: ADM Photography Consent Policy
Confidentiality Guidelines
Confidentiality of COA Data
Confidentiality of Personnel Records
Internet and Email Usage policy
Patient Privacy/Protection of Sensitive PHI
Professional Boundaries policy
Release of Patient Information
Social Media/Networking policy*

D. POSITIVE WORKPLACE

Children's defines ethics as making choices consistent with the elements described in the Code of Conduct, Children's 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 Children's community.

Children's 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 Children's 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.

Children's staff will not be subjected to disruptive or unacceptable behavior which includes, but is not limited to

- threats or retaliation
- damage to property
- verbal attacks or outbursts
- written or verbal negative or derogatory comments exceeding constructive criticism
- sexual harassment including suggestive jokes or comments, inappropriate touching, or gesturing
- intimidating verbal or physical actions
- disruption of workflow due to the refusal of another employee to acknowledge or accept direction, instruction, policies, or assignments

If an employee believes they have been subjected to such situations, they should immediately report it to their supervisor or Human Resources. 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 Children's 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 Children's encourages employees to be discreet and only share appropriate information about themselves that 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 Children's Human Resources Department, a chaplain, or social worker.

Refer to: Conduct in the Workplace policy
Infraction of Health System Rules policy
No Harassment policy
Professional Physician Behavior Policy
Workplace Violence policy

E. CONFLICTS OF INTEREST (COI)

Conflicts of interest occur when our judgment to make a good business decision is influenced by potential financial or personal gain. We are prohibited from engaging in a conflict of interest and must avoid even the appearance of wrongdoing.

Gift Giving

Employees should not give gifts to patients/family members; however, gifts may be provided for special celebrations, like birthdays, by contacting Child Life and Education. Because of Federal limits on gift giving (\$15 per gift/\$75 annually per patient), all occasions like this must be coordinated through Children's.

Providing personal funds or transportation to patients/families violates professional boundaries. For families in need, contact Social Services for possible resources.

Employees may not give gifts, such as cash, gift cards, meals, etc., to referral sources and/or physicians.

Gift Receiving

Employees should never request or accept cash gifts, gift cards, or other gratuities from patients, patient family members, vendors, or other business partners. Food gifts that can be shared among the department or floor staff and are of minimal value may be acceptable. If in doubt, contact the Compliance Department staff for guidance.

Political Activity

Children's encourages employees to participate in the electoral processes afforded them as citizens. Employees must ensure participation is not perceived as a representative of, or on behalf of Children's. Children's 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 Children's tax-exempt status and result in loss of not-for-profit benefits. The loss of these benefits would threaten the financial viability of Children's 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 Children's—only as individuals using personal funds.

Children's 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 Children's job description), political fundraising, displaying or wearing campaign paraphernalia on Children's leased or owned property or while serving as a Children's representative;

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

- service on advocacy boards or special interest panels that may negatively impact Children's while serving as, or perceived as serving as, a Children's representative.

Employees and Immediate Family Members Seeking or Holding Elected Office

When employees, or their immediate family members, commit to seek or hold elected or appointed political office, the employee is required to inform the Corporate Compliance Officer and submit a Conflict of Interest Disclosure Statement, according to the Children's *Conflict of Interest* policy. The COI Disclosure Statement can be obtained by contacting the Compliance Coordinator.

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

- political interest or participation must not reflect negatively on Children's or interfere with an employee's job responsibilities;
- no one may post signs, banners, or stickers, solicit votes or voter support, question colleagues/employees regarding their political beliefs or voting district, or otherwise campaign through verbal, electronic, or printed communications on Children's property;
- children's resources, copiers, phones, fax, work hours, etc., may not be used to promote, prepare for, or participate as a candidate or elected official;
- children's proprietary information, i.e., mailing, fundraising, patient, and/or donor lists may not be used as sources for campaign solicitation;
- children's employees shall conduct their campaign or official duties on personal time or by using paid time off (PTO);
- the Children's logo may not be displayed on apparel or other items during public campaigning or official public appearances, nor may anyone display any campaign paraphernalia on Children's property.

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

Outside Business Opportunities

Children's respects the right of employees to engage in outside business or personal activities which are legal and do not conflict with Children's job performance and responsibilities.

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 Children's; when an individual has competing personal, political, or financial interests which negatively affect work performance, responsibilities, or loyalties.

Conflicts can also occur when an individual'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, domestic partner, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, great-grandchildren, or an individual residing in the employee's home, or as otherwise defined under current Internal Revenue Service regulations.

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 Children's (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 Children's 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 Children's and the organization may be inferred;
- use or disclosure of confidential, privileged, or sensitive information regarding Children's operations, patients, employees, or medical staff for personal gain or advantage. Use of the Children's 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 Children's.

Honorariums

Honorarium opportunities, not as a Children's representative, must be conducted on the employee's personal time and not conflict with Children's responsibilities.

Honorariums for speeches and articles may be retained by the employee unless:

- The speech or article is prepared at the direction of Children's, in which case the honoraria will revert to Children's
- The speech is presented at a meeting which the employee is attending during work hours

Arrangements for consulting, outside employment, or business opportunities shall be fully disclosed and approved by the COI Review Team (may include Vice Presidents, Senior Executives, Chief Executive Officer, a Risk Manager, and the Corporate Compliance Officer) *prior* to beginning the commitment and must also meet the following criteria:

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

Disclosure Requirements

Many potential conflicts can be managed by disclosing them to Children's Management and the Corporate Compliance Officer.

Children's requires annual disclosure by trustees, key employees and certain other employees regarding involvement in outside activities or interests.

New employees or employees new to a key position within Children's 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.

Any circumstances described above need to be reported on a Conflict of Interest Disclosure Form, which can be obtained by contacting the Compliance Coordinator.

*Refer to: Conflict of Interest policy
(includes a reference for Identifying and Managing Potential Conflicts of Interest)
Donations policy
Patient Assistance and Gifts policy*

F. PROPERTY AND ASSETS

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

Children's 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.

Computer, Internet, and Email Usage

Computers, the Internet, 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 Children's. Obscene, offensive, discriminatory, or threatening communication is expressly prohibited. All suspicious emails that may compromise Children's data should be reported immediately to IT.

Children's 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 Children's purposes only.

Only properly licensed software shall be installed on Children's computers. The use of "pirated" or unlicensed software programs is prohibited.

Refer to:

*Internet and Email Usage policy
Phishing policy*

G. PATIENT AND BUSINESS RECORDS, RECORD RETENTION AND DESTRUCTION

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

Children's 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. Children's will not tolerate inappropriate altering of records or inclusion of comments regarding the patient/family member's political, social or religious beliefs, or socioeconomic status that are not factors in continuum of care decisions.

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

Narcotics, drug samples, and drug inventories are controlled and documented according to federal law and/or Pharmacy policies and procedures.

Children's is required by federal and state laws to retain records for specified periods. Children's requires records to be retained according to established record retention policies. Specific retention timelines can be document and department specific. The list below is not all-inclusive. Verify retention and destruction guidelines for the specific department before destroying records.

Due to the sensitive nature of patient and employee records, paper records should be stored securely and destroyed in a manner that maintains confidentiality (i.e. shredding, incineration or mutilation). Electronic records should be maintained and destroyed in accordance with relevant laws and Children's policies and procedures.

*Refer to: Health Information Management policies and procedures
Legal Medical Records Standards policy
Pharmacy policies and procedures*

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 Children's. Employees shall abide by Children's policies governing travel advances, allowable expenses, and requirements for reimbursement.

Refer to: Travel, Expense & Corporate Card policy

H. CHARGING, CODING AND BILLING 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, waste, and abuse of federal healthcare funds. Mistakes in coding and billing, even unintentional, can have severe consequences for Children's 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.

Medical Necessity

Medical necessity is considered to be a service that is ordered and authorized by a physician, is reasonable and necessary for the diagnosis or treatment of illness or injury

or to improve the functioning of a malformed bodily member, and is generally accepted in the medical community as safe and effective for the condition for which it is used.

Children's 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, Children's 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;
- providing durable medical equipment that exceeds patient needs;
- over-utilization of services without regard for outcomes, patient condition, medical need, or physician orders.

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.

Credit Balances

Children's follows the rules governing reporting of credit balances. Children's is responsible for identifying and reporting excess or improper payments 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 (CFO) 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.

In addition, under the Affordable Care Act, when a Medicare or Medicaid overpayment does exist, it must be properly reported and returned by the later of (i) the date which is 60 days after the date on which the overpayment was identified or (ii) the date any corresponding cost report is due.

Children's *Credit Balances, Refunds, and Unclaimed Property* policy addresses the appropriate processes for each type of payer credit balance and incorporates the federal requirements along with the State of Alabama Unclaimed Property Law requirements.

Refer to: Credit Balances, Refunds, and Unclaimed Property policy
False Claims Act policy

I. ETHICAL WORK STANDARDS

Children's defines ethics as making choices that follow the highest standards of integrity and professionalism.

Relationships with Patients

Children's has one of the most important missions in healthcare. We deliver state-of-the-art healthcare and provide the highest level of personal caring for our patients. The Children's 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, inappropriate personal involvement with patients or their families will confuse professional boundaries and consequently lead to an erosion of the trust and reputation that Children's 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.

Personal involvement that breaches professional boundaries includes

- providing access to your personal contact information (e.g. phone number, address/email, or social network information)
- allocating inappropriate amounts of time with one patient
- trading assignments to be with a particular patient
- providing care or services outside the scope of practice or outside work hours
- providing personal resources (e.g. time, money, transportation) to the patient or patient's family

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 now and in the future?"

Contact Social Services, Human Resources (Emotional Wellness Director), Nursing Administration, Pastoral Care, or Corporate Compliance if you have questions concerning professional boundaries.

*Refer to: Corporate Communications policies and procedures
Professional Boundaries policy
Social Media/Networking policy
Workplace Violence policy*

Relationships with Business Partners

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

The physician self-referral law, commonly referred to as the **Stark Law**, addresses 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 is legislation that applies only to physician referral for 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 Law** 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 CCO, the Risk Manager, or legal counsel.

Stark II legislation, which is composed of Phase I, II, and III, 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.

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 Children's 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 Children's are influenced by personal financial interest rather than the best interest of Children's.

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 Children's or for patient referrals. These rules apply to recruitment of physicians, selection of research subjects, and purchase of physician practices.

Eliminating Kickbacks in Recovery Act (EKRA)

EKRA was enacted to fight patient brokering and recovery profiteering related to opioid related fraud. Similar to the Anti-Kickback Statute, EKRA prohibits anyone from paying, receiving, or soliciting, any remuneration (including any kickback, bribe, or rebate, cash, or non-cash items) for referrals. 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.

Unlike the Anti-Kickback Statute, EKRA applies only to recovery homes, clinical treatment facilities, or laboratories, including hospital laboratories. At Children's, these rules only apply to our Laboratory. EKRA applies to state and federal healthcare programs and private health insurance plans, whereas the Anti-Kickback Statute, only applies to state and federal healthcare programs (e.g., Medicare, Medicaid, Tricare, VA, and Indian Health Services).

Intellectual Property

Children's 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. Children's 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 Children's are considered intellectual property owned by Children's.

Children's employees will not misuse or misappropriate confidential or proprietary information belonging to another individual or entity. Children's 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 Children's advantage.

If you have questions regarding Children's intellectual property or questions concerning reproduction of materials or resources, contact the Risk Management Department.

Refer to: Anti-Kickback Statute
Conflict of Interest policy
Non-Monetary Compensation to Physicians and Incidental Medical Staff Benefits policy
Stark Law

J. EXTERNAL RELATIONS

Corporate Communications

Requests by the public or media for information regarding a patient, medical program, or Children's 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 Children's 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 Children's 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 Children's is conducted in a factual, honest, and proper manner. Children's 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

Fundraising is important to continuing Children's mission. Children's relies on contributions from donors and grantors to support many activities. Fundraising is coordinated through the Children's Hospital Foundation (Foundation). Children's encourages and supports employee involvement in fundraising 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. It 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, as well as ensures the information about their donation is handled with dignity and respect.

*Refer to: Corporate Communications policies and procedures
Donations policy
Fundraising policy*

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, Children's employees shall avoid

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

Business Partners and Vendors

Children's 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 Children's Code of Conduct and applicable laws and regulations in order to share in the Children's commitment to guard against fraud and abuse. They will be treated equitably, without deception or discrimination, and 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. Children's 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.

Children's 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. Children's 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 Children's 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 Children's 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.

Construction Projects

Construction projects require Children's to obtain certificates of need, licensure, and permits as applicable. Children's 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 Children's Facilities Development Department.

Refer to: Conflict of Interest policy

K. GOVERNMENT AGENCIES

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 Children's.

Government and agency investigations or inquiries may be presented in letters, faxes, telephone calls or personal visits (announced or unannounced). In some cases, employees may even be contacted outside of work. These agencies include, but are not limited to, the Centers for Medicare and Medicaid Services (CMS), the Office of Inspector General (OIG), the Federal Bureau of Investigation (FBI), the Office for Civil Rights (OCR), the Alabama Attorney General's Office, and state health and human services agencies and/or their agents.

Onsite Investigations or Inquiries

As soon as the employee becomes aware of a potential onsite investigation, the employee should page the **Risk Manager On Call (RMOC) by calling 205-638-9100** and requesting the operator to page the RMOC. The employee should request the agent's identification and refrain from signing any documentation until the RMOC is present to consent to a search.

Outside Interviews

Children's **RMOC should be paged immediately by calling 205-638-9100** and asking the operator to page the RMOC. The RMOC or Children's legal counsel should be

present to talk to and handle the requests from the investigator. Children's has a right to determine the time and place of the investigation.

Inquiries by Letter, Fax, or Phone

- Audit notices or "demand" letters should immediately be forwarded to the Corporate Compliance Officer
- Correspondence or calls from attorneys, government, or law enforcement agencies regarding patient information should promptly be forwarded to the HIPAA Privacy Officer
- Do not offer confidential information over the phone. Ask for the caller's contact information and report this to the RMOC or the Compliance Officer.

No Children's 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.

- 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. Children's 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 Children's 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
- 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
- If the employee, contractor, or affiliate has no objection, the CCO, Risk Manager, or legal counsel may attend the interview. Children's counsel would serve as an observer or a representative for Children's, the employee, contractor, or affiliate depending upon the individual's request or on the circumstances surrounding the reasons for the interview
- An employee, contractor, or affiliate has the right to stop an interview at any time
- 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
- Do not provide Children's documents to an investigator unless you have been authorized to do so by the RMOC or the CCO

If you have questions, please contact the Risk Manager On Call or the CCO.

2.3 COMPLIANCE PROGRAM OVERSIGHT

The Children's Compliance 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 responsible for managing and administering the operational tasks involved with implementing and maintaining an effective Program. The Program prescribes a Compliance Steering Committee as an advisory team to the CCO.

A. CORPORATE COMPLIANCE OFFICER

The Corporate Compliance Officer has direct access to the Corporate Compliance Committee of the Board of Trustees and Children's 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 Children's. 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 Compliance Steering Committee;
- reporting compliance issues and activities to the Corporate Compliance 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 – CORPORATE COMPLIANCE COMMITTEE

The Corporate Compliance 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;
- reviewing ongoing auditing and monitoring activities and subsequent follow-up for implementation of audit recommendations.

C. THE COMPLIANCE STEERING COMMITTEE

The Compliance Steering Committee is an integral part of the Children's commitment to compliance. It was established to advise, inform, and partner with the CCO in extending the compliance function throughout Children's. The Steering Committee consists of an

interdisciplinary team including representation from functional units across the organization. Members serve on a two-year rotating basis. The Committee will assist and advise the CCO in communicating compliance program elements, notifying the CCO of potential risk areas, monitoring preventive programs, detecting, and reporting potential regulatory violations, assisting in project completion as needed, and providing 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.

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 Children's Code of Conduct and, where applicable, specific issues outlined in the Office of Inspector General (OIG) Work Plan. Education sessions will be delivered in a manner that reflects the mission and ethical guidelines relevant to Children's 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, by New Employee Orientation (NEO), or by the Compliance staff. General training includes a review of the Code of Conduct and having the individual sign a statement certifying they understand and agree to abide by the Code. Copies of the Code are provided electronically to new hires and volunteers through the electronic HR and Volunteer Services onboarding processes. Current copies of the Code are also readily available on both the public (Internet) and private (Intranet) Children's domains. Contract workers attending NEO are given a paper copy and submit a signed Compliance Acknowledgement Page to the Compliance Department for recordkeeping on the Compliance network drive.

Annual reinforcement of compliance knowledge is accomplished through mandatory computer-based training. Completion of annual compliance education is included in performance evaluations, mandatory for pay increases, and reported to Senior Management. Non-compliance can result in disciplinary procedures.

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.

*Refer to: Performance Evaluation policy
Infraction of Health System Rules*

2.5 COMPLIANCE COMMUNICATION

A. ACCESS TO THE COMPLIANCE OFFICER

The Corporate Compliance Officer promotes an open line of communication with employees. Children's 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. Children's policies prohibit retaliation against an individual for submitting a report of potential fraud and abuse or other concerns when made in good faith.

B. DISSEMINATION OF INFORMATION AND STANDARDS

The CCO and Compliance staff review websites of federal and state agencies for updates on laws and regulations. Relative updates are communicated to Children's 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 Children's 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. CHILDREN'S 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. DUTY TO REPORT

As a condition of Children's 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, governing laws, or regulations.

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

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

E. COMPLIANCE REPORTING

In-House Reporting

Remember that the chain of command does not have to be followed when reporting suspected compliance violations; however, in some instances, a supervisor may be able to immediately resolve potential violations without contacting the Compliance Department. Keeping supervisors informed of potential violations is important and many situations can be resolved at this level.

Electronic and Telephone Reporting

When the need arises to contact the Compliance Department, the **Compliance Hotline (800-624-9775)** and Web Reporting Site <http://childrensal.ethicspoint.com> offer other methods for employees to report incidences of suspected compliance violations online and by telephone. This service is available 24 hours a day, 7 days a week, 365 days a year. Reports may be made anonymously.

How It Works:

- external (outsourced) Hotline operators receive calls, screen information, and document the report; the caller has the option to disclose their name or to remain anonymous
- the caller is asked for details of the suspected violation (dates, department/location, what occurred, etc.), names/titles of those involved, with whom you have discussed this issue, and when
- the report is then categorized according to the severity of the suspected violation and caller is assigned a **Report Key Number**, which should be written down and kept in a safe place;
- the caller must **use the Report and their unique password** to check the status of the investigation or **to answer additional questions** via the Reporting Website or Hotline. 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 directly to the CCO (**205-638-7134**). This method does not ensure anonymity. Please prepare to include the same details listed above to allow for a thorough and accurate investigation. In all cases, the CCO reviews each report to determine the correct approach to investigation.

Employees have the right to report a suspected compliance violation without fear of termination, demotion, or other adverse consequences as a result of reporting.

Every effort is made to keep report details confidential and anonymous to the extent the law provides; however, if the reporting employee has discussed the issue with others, anonymity cannot be protected by the Compliance Department.

By Mail

Suspected violations that are not of an urgent nature (e.g. involving harm to another person) may also be reported in writing and mailed to:

Children's of Alabama
Corporate Compliance Officer
1600 7th Avenue South
Birmingham, AL 35233

If remaining anonymous, please be sure to include all of the details listed above.

F. HUMAN RESOURCE MATTERS

Compliance reporting methods are not meant to be, or imply a substitution for, involvement by the Human Resources Department but are offered to make certain that

Children's of Alabama is *doing the right thing*. To assist us in our efforts to address compliance concerns, employees are urged to report human resource-related matters to their HR Consultant or an HR Manager before contacting the Compliance Officer or Hotline/Reporting Website.

2.6 AUDITING AND MONITORING

The Corporate Compliance Officer 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, internal auditors, external auditors, or consultants.

In furtherance of the Children's commitment to Compliance and the obligation imparted to Children's as a participant in federally-funded healthcare programs

- Children's will provide necessary resources, continuing education, and staff to facilitate an effective audit function
- Children's expects employees, contractors, and affiliates to abide by applicable laws and regulations and to support compliance efforts
- Children's 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 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 Corporate Compliance Committee of the Board of Trustees

An annual audit plan is developed by the CCO to include all aspects of Children's operations identified as risk areas, with weighted consideration given to areas identified in the OIG Work Plan. The annual audit plan is reviewed by the Corporate Compliance 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 and ICD codes), 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 Children's 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 according to the department's Record Retention and Destruction policy.

Patient Registration

The Patient Registration Divisional Director monitors compliance with Patient Registration policies that impact front-end revenue cycle billing through review of Standard Soarian Worklists:

- Unviewed Eligibility
- Unattended Encounters
- Encounters Insurance Verification
- Encounters in Progress
- Missing Data
- Appointments & Encounters
- Missing or Incomplete MSPQ (Medicare Questionnaire/Dialysis)
- Encounters Incomplete Insurance
- Incomplete Check In (Quick Reg updates)
- Completed Encounters
- Today's Encounters

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 Children's Health Information Management (HIM) 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 and the current editions of the ICD and CPT codes.

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, which may include 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 the external firm that performs coding accuracy reviews.

New coders have a 90-day probationary period within which they are monitored and oriented to Children's coding resources and software programs. Results from their work are reviewed for competency and used for training.

At least annually, 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 or Clinical Documentation Excellence department 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 HIM 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: HIM policies and procedures

Charge Master

The Soarian Masterfile staff is responsible for Children's charge master maintenance. The Soarian Masterfiles Manager develops and maintains the charge master and researches coding and revenue reporting requirements. Listed below are the Masterfiles that are maintained in this department:

- Accommodation Charge Rules
- Automatic Charge Rules
- Service Catalog
- Service Catalog Import/Export
- Price List Catalog
- Service Map Sets

- Associated Service Maps
- Payer/Health Plan Master
- Reimbursement Expression Masterfile

Medical Audit

The Medical Auditors perform the following functions:

- review commercial inpatient accounts with total balances exceeding \$35,000;
- perform focused audits based on aberrant trends or issues;
- assist third party payers, or their designees, in performing patient bill audits in accordance with applicable contractual agreements, including exit interviews with the external auditor and agreeing upon adjusted bills, if appropriate.

Revenue Cycle

The Revenue Cycle staff is responsible for responding to billing inquiries, investigation of patient complaints, performance of special reviews related to billing and NCCI (National Correct Coding Initiative) edits and Soarian worklist error resolution. Soarian worklist resolution is performed primarily utilizing the Encounter Billing Exception Worklist, but the team is available for special projects as required.

Billing inquiries and patient complaint reviews include review of the medical record and billing information. When the review is completed, a written response can be provided to the party that requested the review. If no written response is required, a telephone response is provided. The Revenue Cycle Manager or Director may meet with a patient, parent, or legal guardian to discuss the review when necessary. Patient complaints are given a high priority.

If an error in billing is noted, the Revenue Cycle staff will take appropriate steps to correct the account.

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

Monitoring for Exclusion, Suspension, Debarment

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

In accordance, the Compliance Program establishes oversight procedures to provide reasonable assurance that Children's 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 exclusions using an external service that compares Children's databases against federal and state databases.

Initial screenings are conducted by Human Resources, Medical Staff Services, and Accounting with results documented and retained by those departments. Subsequent screenings of employees, volunteers, medical staff, trustees, vendors, and contractors are conducted and/or verified by the Corporate Compliance Department on a regular basis, but not less than quarterly. Documentation of the subsequent screening results is retained by the external agency used by the Corporate Compliance Department. Monthly detail reports are then downloaded and stored on the Children's network drive.

Contract terms and conditions include certification language to protect Children's 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 Children's Administrative policy **Exclusion Screening and Verification Process**.

2.7 ENFORCEMENT AND DISCIPLINE

The Children's Compliance Program provides guidance regarding disciplinary action for individuals who fail to comply with the Children's Code of Conduct, Children's Policies and Procedures, or applicable 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 **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 Children's patients, assets, and resources.

Although not intended to be an all-inclusive list, progressive discipline may be applied when an employee, contractor, or affiliate

- violates the Code of Conduct or applicable laws and regulations
 - knowingly fails to report a violation of the Code of Conduct or applicable laws and regulations
 - is told or coerced to not report a violation or follow proper channels to report a violation
 - engages in kickbacks or self-referral violations;
- or, when management
- fails to ensure staff compliance
 - does not correct a known compliance violation

- does not communicate compliance requirements to staff
- 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

Children’s expects its leaders to lead by example. Children’s 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 Program elements which are 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 RESPONSE AND PREVENTION

Upon report or reasonable indication of suspected non-compliance, the Corporate Compliance Officer 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.

A. PURPOSE OF THE INVESTIGATION

The goals of the investigation are to

- identify situations in which laws, rules, regulations, and standards governing Children’s have not been followed;
- 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;
- facilitate the correction of practices not in compliance with applicable laws, rules, regulations, and standards;
- implement procedures necessary to ensure future compliance;
- protect Children’s in the event of civil or criminal enforcement actions;
- preserve and protect Children’s assets.

B. CONTROL OF THE INVESTIGATION

Compliance reports from any source shall be forwarded to the CCO who will document the report and investigate. 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 Human Resources, 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, abnormal audit results, or other information that suggests a violation of compliance policies or applicable laws, an investigation will begin under the direction and control of the CCO.

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).

The CCO should take appropriate steps to secure or prevent destruction of documents or other evidence relevant to the investigation.

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.

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.

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:

- assessment of the individual's understanding of applicable laws, rules, regulations, and standards that govern the situation;
- identification of persons with supervisory or managerial responsibility in the process;
- a review of the adequacy of the training of individuals performing the functions within the process;
- evaluation of the extent to which any person knowingly or with reckless disregard or intentional indifference acted contrary to applicable laws, rules, regulations, or standards.

As needed, the CCO will consult with external counsel as to potential civil or criminal liability of Children's or individuals.

Records of the investigation will be prepared 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 possible and appropriate, upon completion of the investigative 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, Children's will obtain guidance from legal counsel and proceed with the following steps

- 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.
- 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.

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. In addition, this discipline may also include suspension, demotion, or discharge, or termination of the vendor's contract.

When Medicaid or Medicare is involved, the appropriate government agencies will be notified, as required by law. In coordination with legal counsel, Children's 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 Children's policies and procedures, Children's will undertake the following steps as needed:

- Determine and quantify improper payments, duplicate payments, or payments for services not rendered or not provided as claimed;
- Correct the defective practice or procedure as quickly as possible;

- Calculate any overpayments resulting from the act or omission and repay the appropriate entity, and report the incident in accordance with OIG self-disclosure guidelines;
- Initiate disciplinary action, if any, by referral of the facts and circumstances to the Human Resource Director.
- Initiate and oversee an appropriate education program to prevent recurrence of similar problems.

Reporting

If Children's finds credible evidence of misconduct and, after a reasonable inquiry, believes the misconduct may violate criminal or civil law or regulations, Children's shall promptly report the matter in writing to the appropriate government authority, including federal/state/local law enforcement officials having jurisdiction over the matter. This includes notice to HHS of any violations of federal criminal law affecting an award.

Children's will provide all relevant, non-privileged evidence 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 Children's become involved in an OIG investigation.

Failure to repay overpayments within 60 days 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 Children's, 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 related government contractor should be promptly returned to the payer or contractor. The OIG maintains voluntary disclosure protocols and, when applicable, the CCO will consult with Children's Administration, Risk Management, and others as necessary to coordinate the documentation and distribution of information to the OIG in conjunction with voluntary disclosure activity.

E. PREVENTION

Children's Compliance staff actively monitor the progress of the implementation of management action plans, which have been created to correct and prevent any future occurrences of issues that are discovered during auditing and monitoring activities. In addition, many compliance activities, such as the HIPAA program, exclusion screening activities, various educational programs, and the annual risk assessment, are proactive in nature and thus are the foundation of preventing violations from initially occurring.