

Klickitat County Public Hospital District District #1
Doing Business as Klickitat Valley Health

District Compliance and Ethics Plan
Approved by the Board of Commissioners 9/21/2016

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I. Introduction

General Statement

Klickitat County Public Hospital District #1 (“District”), doing business as Klickitat Valley Health, requires all District Representatives to act in a legal and ethical manner, consistent with all applicable governmental standards and requirements. This District Compliance Ethics Plan (“Plan”) is designed to enhance and further demonstrate the District’s commitment to achieve the highest level of awareness of governmental and legal requirements and ethical considerations.

It is the responsibility of each District Representative to comply with the Plan. The Plan is not intended to set forth all of the substantive programs and practices of the District that are designed to achieve compliance and ethical behaviors. The District maintains various compliance and ethics practices and those practices continue to be part of its overall legal compliance and ethics effort.

Purpose and Objectives of the Plan

The purposes and objectives of this Plan are to:

- (1) Establish organization-wide standards and procedures to be followed by all District Representatives to ensure compliance with applicable federal, state and local health care laws, regulations and ordinances;
- (2) Designate a Compliance and Ethics Officer responsible for directing the effort to enhance compliance and ethics, including implementation of this Plan
- (3) Document the District's compliance and ethics efforts;
- (4) Ensure Discretionary Authority is not given to inappropriate persons;
- (5) Provide a means for communicating to all District Representatives the overall standards and procedures all are expected to follow;
- (6) Establish minimum standards for billing and collections activities, including a system of monitoring and oversight of billing activity to ensure adherence to the standards and procedures established;
- (7) Provide a means for reporting questionable billing activities to the District;
- (8) Provide for the verification of compliance and ethics with this Plan;

- (9) Provide a mechanism to investigate any alleged violations and to prevent violations in the future;
- (10) Increase awareness of District Representatives concerning applicable billing requirements consistent with this Plan and applicable District policies and procedures; and
- (11) Provide for regular review of overall District compliance efforts and applicable District policies and procedures to ensure that practices reflect current requirements and that other adjustments are made to improve this Plan.

This Plan applies to all employees, Commissioners, physicians on the medical staff, allied health professionals on the medical staff, students, volunteers, agents and independent contractors and their staff providing direct patient care and ancillary services (hereinafter referred to as “District Representatives”). Each District Representative is responsible for their own conduct in complying with the Plan’s content.

This Plan is designed to establish a culture within the District that promotes prevention, detection, and resolution of instances of conduct that do not conform to applicable federal and state laws governing health care programs and to the District’s business and ethical policies. The District has developed procedures to comply with the laws, regulations and guidelines for health care programs. While the contents in this Plan are intended to set forth those compliance procedures that pertain to health care programs, as well as to ethical behavior, the District expects each District Representative to always strive to obey government laws and regulations.

The Plan or excerpts from it shall be distributed to selected District Representatives and shall be available upon request to any District Representative and to any entity requesting the document as a public record. In addition, any supplemental data dealing with specific compliance topics may be distributed to the affected District Representatives in certain areas as deemed appropriate by the Compliance and Ethics Officer. The term “affected” refers to any District Representatives that, in the discretion of the Compliance and Ethics Officer, need to receive special attention on compliance matters. This Board approved Plan shall be posted for public access via the District website www.kvhealth.net.

This Plan shall be monitored on a regular basis by the Compliance and Ethics Officer and reviewed no less frequently than annually by the Compliance and Ethics Committee. The Compliance and Ethics Officer, in consultation with the Compliance and Ethics Committee, may draft revisions to the Plan as necessary. This plan and any revisions to this Plan shall be approved by the Board of Commissioners of the District.

The District is committed to maintaining a high standard of ethical business conduct.

The District shall strive to keep its operations, activities and business affairs in compliance with applicable laws and regulations which govern the principles and criteria contained in this Plan. Therefore, District Representatives shall comply with the provisions contained in this Plan. Additionally, District Representatives must comply with other District policies and procedures, including those contained in the employee handbook and other policy and procedural manuals.

II. District Standards of Conduct

The District's Standards of Conduct establish behavioral expectations and the basic legal principals under which the District Representatives must operate. These Standards of Conduct are neither exclusive nor complete. District Representatives are responsible for ensuring that their behavior and activity is consistent with these District Standards of Conduct, the Employee Handbook, Medical Staff Bylaws, and applicable laws and regulations. Questions about the existence, interpretation or application of any law, regulation, policy or standard should be directed, without hesitation, to an employee's supervisor, the Compliance and Ethics Officer, or the District CEO. Because laws, regulations and policies are constantly evolving, this Plan will be revised and updated as needed. Revisions will be communicated in a timely manner to District employees through administrative notification.

A. Fraud and Abuse

The District requires that the District Representative adhere to the standards contained in this Plan, as well as other District policies and guidelines, including those contained in the employee handbook and other policy and procedural manuals, while serving in their respective capacities on behalf of the District. Conduct that does not comply with these standards is not authorized by the District and shall not be tolerated. Failure to comply with these standards may constitute a violation of the law and shall be subject to disciplinary or other action. If a question arises as to whether any action complies with said policies or laws, the District Representative shall present that question either to their supervisor or directly to the Compliance Officer. Conduct that does not comply with the standards as contained in this Plan shall be immediately reported to the Compliance Officer. The District expects the District Representative to abide by the following standards:

1. No District Representative shall make any false statement of any kind in any claim or application for health care benefits.
2. No District Representative shall retain on behalf of the District any funds from any federal, state or private insurance program that the District Representative knows have not been properly paid.

3. No District Representative shall knowingly submit on behalf of the District any claim for health care benefits if he/she has reason to believe the services were not medically necessary.
4. No District Representative shall pay or offer to pay any source for referrals of individuals to the District for services. No District Representative shall receive or attempt to receive payments from any source for referrals of individuals to other organizations.
5. No District Representative shall present a claim on behalf of the District to any governmental agency or other payer that is for an item or service that the District Representative knows was not provided or that the employee knows was false. No District Representative shall make any false representations regarding coverage of any patient services.
6. No District Representative shall engage in any conduct or scheme to cheat or defraud any health care program or governmental agency.
7. No District Representative shall falsify or conceal any facts concerning the delivery of services or payments of benefits in connection with any health care program.
8. No District Representative shall either destroy the information or records related to a potential health care offense or obstruct the investigative process.
9. No District Representative shall use any funds obtained improperly or illegally from any health care program.
10. No District Representative shall fail to report an incident which shall be considered as a violation of any standard of conduct as contained in this Plan or in any other District policies.
11. No District Representative shall prevent a person who acts pursuant to their responsibilities under this Plan from making reports for alleged facility mismanagement or fraudulent activities.

B. Honest Communications

The District requires the District Representative to perform their duties and responsibilities honestly and ethically. The District expects verbal and written communications from the District Representative to other persons to be honest and ethical at all times. The District Representative shall not make false or misleading statements to any person or persons regarding the services or products provided by the District.

C. Misappropriation of Proprietary Information

District Representatives are prohibited from misappropriating any confidential or proprietary information. This shall include software, contracts, agreements, documents, records and other sensitive or restrictive information which may not be used in an unauthorized manner.

D. Confidentiality

The District's policy is that its operations, activities and business affairs, including those relating to patient matters, shall be kept confidential, subject to necessary compliance with applicable state and federal laws, rules and regulations including, but not limited to, state open records law pertaining to governmental hospital districts.

1. **Patient.** The confidentiality of patient information and records is essential. District Representative shall maintain the confidentiality of patient information and records and shall not inappropriately release information to other employees, third District Representative, vendors, or the public which may result in injury to either the patient, the District or to other District Representative. An exception shall be made for any proper requests made in accordance with applicable laws and regulations.
2. **Corporate.** District Representative with either access to or the ability to obtain confidential information about the business matters of the District shall not discuss such information with anyone except those who have a legitimate need to know the confidential information about the business matters of the District to perform their job functions. An exception shall be made for any proper requests made in accordance with applicable laws and regulations.
3. **Personnel.** Information relating to employees of the District is confidential. Personnel information shall be maintained in accordance with District guidelines and applicable laws governing employment. Personnel having access to such information shall exercise due care in protecting its confidentiality and limit the dissemination of such information to only those individuals in the organization who need the information to perform their job functions. An exception shall be made for any proper requests made in accordance with applicable laws and regulations.

E. Conflicts of Interests

Policy: The District recognizes that there is a potential for conflicts of interest. In conducting its business activities, Commissioners, management, committee members, employees, contractors and other persons owe a duty of loyalty to the District. Toward that end, the District has established guidelines to avoid conflicts of interest and protect the assets of the District. Persons holding such positions may not use their position to profit personally, or to assist in profiting in any manner at the expense of the organizations.

1. All elected and appointed officials as well as employees of a political subdivision must comply with the Revised Code of Washington on conflicts of interest as well as any other state law governing official conduct.
2. Any member of the District's Board of Commissioners who has a "substantial personal or private interest" in any measure, bill, order or ordinance proposed or pending before the District Board of Commissioners must disclose that interest to the secretary or clerk of the District's Board of Commissioners. Substantial personal or private interest is defined according to the Board of Commissioners' Conflict of Interest policy.
3. *Procedure* – The department managers and the purchasing coordinator of the District are prohibited from the following acts:
 - a. Failure to notify administration of a private interest, direct or indirect, in any vendor doing business with the District; or
 - b. Accepting personal gifts or gratuities directly or indirectly from vendors doing business with the District, except for non-monetary gifts or gratuities of a nominal value.
4. Department managers and the purchasing coordinator are to sign a conflict of interest statement annually (every June) or at the time of employment.
5. In the event that a department manager or purchasing coordinator are aware of a situation whereby he/she or a relative has a private interest, or employment, either direct or indirect, in a vendor or physician doing business with the District, he/she must notify the administrator immediately. The administrator shall determine within 30 days of receipt of the notice whether or not the private interest constitutes a conflict of interest. If a conflict of interest exists, the management employee has 60 days to divest their interest in the vendor or leave the employ of the District.
6. Management employees determined to be accepting personal gifts and gratuities (other than non-monetary gifts of nominal value) directly or indirectly from vendors may be subject to disciplinary action by the District.

Disclosure Reports: Each elected official and any employed general counsel shall disclose the following information by May 1, if any such transactions occurred during the previous calendar year.

1. For such person, and persons within the first degree of consanguinity or affinity of such person, the date and the identities of the District Representative to each transaction with a total value in excess of five hundred dollars, if any, that such person had with the District, other than

compensation received as an employee or payment of any tax, fee or penalty due to the District, and other than transfers for no consideration to the District.

2. The data and the identities of the District Representative to each transaction known to the person with a total value in excess of five hundred dollars, if any, that any business entity in which such person had a substantial interest, had with the District, other than payment of any tax, fee or penalty due to the District or transactions involving payment for providing utility service to the District, and other than transfers for no consideration to the District.

Outside Employment: Disciplinary action may be taken if an employee's performance is affected by another job or they are performing work duties for another employer while on duty at the District. Activities which, in the judgment of Administrator, are in conflict with the institution's objectives may constitute grounds for dismissal or other action.

Procurement of Services and Goods: It is the practice of the District to initiate fee for service/supplies and/or contractual service/supply agreements on a fair and impartial basis. Any contract for a service/supply which is found by the Administrator and Board of Commissioners to have been procured through the unfair influence of an employee may be terminated and re-bid. Such action by an employee may result in disciplinary action.

F. Business Relationships

Business transactions with vendors, contractors and others shall be transacted free from offers or solicitation of gifts and favors or other improper inducements in exchange for influence or assistance in a transaction.

1. Employees and Commissioners may not personally accept monetary gifts or gratuities from either patients or suppliers. However, the District may conduct fundraising activities which are intended for charitable purposes. Soliciting monetary gifts for charitable purposes on behalf of the District, or the Klickitat Valley Health Memorial Foundation shall be permissible. Whenever monetary gifts or gratuities are offered by patients or suppliers, they should be gracefully declined. If a supplier or anyone else persists in offering monetary gifts, report such activity to the Compliance Officer. Employees or Commissioners may accept occasional nonmonetary gifts of a nominal value. Employees or Commissioners who fail to comply are subject to disciplinary action which may include discharge. Likewise, gifts or gratuities may not be given by any individual representing the District for the purpose of inducing or influencing referrals. Such gifts may constitute a violation of the law. Any

questions about whether the gifts or gratuities may be received or given shall be referred to the Compliance Officer for review and approval.

2. *Workshops, Seminars and Training Sessions.* Attendance at local, vendor sponsored workshops, seminars and training sessions shall be permitted with prior approval by the employee's immediate supervisor or administration. Attendance at out of town seminars, workshops and training sessions, which are at the vendor's expense, is permitted only with the prior approval of the Compliance Officer.
3. *Contracting.* Business relations with contractors shall be conducted at arms length, both in fact and in appearance, and in compliance with the District purchasing policies. Contractors shall disclose personal and business relationships with the District's employees and Commissioners. Contracts shall be approved by the Administrator or designee and/or the Board of Commissioners subject to existing policies. The District may from time to time engage legal counsel to conduct an independent review of its contracts.
4. *Business Inducements.* The District shall follow the policy of not entering into contracts or financial arrangements that are designed to induce such referrals in violation of the anti-kickback statute, Stark self-referral law, or similar federal or state statutes or regulations. Furthermore, the District shall not offer or provide gifts, other than non-monetary gifts of nominal value, free services, or other incentives to patients, relatives of patients, physicians, Districts, contractors, nursing facilities, assisted living facilities, or other potential referral sources for the purpose of inducing referrals in violation of the anti-kickback statute, Stark self-referral law or other federal or state statutes or regulations. Business inducements which are intended to generate referrals may violate the law and are prohibited under this Plan.
5. *Write-offs and Discounts.* The District shall discount standard charges when required by contractual agreements as permitted under federal and state law. The Administration may also adjust patient bills due to concerns about patient satisfaction issues. The District shall make a reasonable collection effort on unpaid accounts, unless the patients are determined to be financially indigent. Those accounts that cannot be collected shall be written off according to District's policies.

G. Protection of Assets

All employees and Commissioners are responsible for the preservation and protection of the District's assets. Employees shall make prudent and effective use of the District's resources and accurately report their financial condition.

1. *Internal Control.* The District has established control standards and procedures to provide that assets are properly used and that financial information is reported properly. Maintaining internal control standards is the responsibility of employees of the District.
2. *Financial Accounting and Reporting.* It is the District's policy to ensure that financial and accounting information is reported accurately, timely and completely. Improper or fraudulent reporting, documentation or accounting is contrary to the District's policy and may be in violation of applicable laws. The following are examples of practices that shall be prohibited:
 - a. Falsifying either the reasons for any payment or documentation pertaining to any payment.
 - b. Recording false entries on patient charts, claims forms or any other documents.
 - c. Billing for items or services not actually rendered.
 - d. Providing misrepresented services.
 - e. Using a billing code that provides a higher payment rate than the billing code that actually reflects the service furnished to the patient.
 - f. Submitting duplicate claims or duplicate billing for reimbursement.
 - g. Submitting false cost reports.
 - h. Billing for services not covered or reimbursable.
3. *Travel.* Employees and Commissioners shall be reimbursed for travel and meal expenses incurred while performing their job duties according to the travel policy. It is the District's policy that employees and Commissioners shall not suffer or improperly gain financially as a result of performing their job duties. Employees and Commissioners shall exercise good judgment in the use of the District's assets and shall only request reimbursement for valid expenses that are reasonable, necessary and proper for the performance of the employee's job duties.
4. *Personal Use of Corporate Assets.* Employees and Commissioners shall not convert the District's assets to their own personal use. Employees and Commissioners are prohibited from the unauthorized use or taking of the District's equipment, supplies, furniture, materials or services. Any use of the District's assets for purposes not related to services provided by the District must be approved in advance by the Administrator.

H. *Background Checks*

A background investigation, including a reference check, shall be conducted before any new employee is hired. The investigation shall include a background check conducted by the Washington State Highway Patrol or another qualified entity or agency as determined by the District. The investigation shall also include, but not be limited to, an inquiry of the OIG Internet database containing information of the individuals who have been sanctioned by or excluded from participating in federally funded health programs and any requirements set forth in the District's guidelines. The criminal history and OIG background check shall be performed annually on all employees. Any employee

appearing on the OIG Internet database shall be immediately reported to the Compliance Officer. The Compliance Officer shall determine appropriate remedial/disciplinary action and report such findings/actions to the Board of Commissioners. Any applicant for such position shall be required to disclose any criminal conviction related to health care and action brought by any agency to exclude the applicant from participation in any federally funded program. Individuals who have been convicted of a criminal offense related to health care, or are listed by a federal agency as ineligible for participation in a federally funded program, shall not be employed by the District. If criminal charges related to health care are brought against an individual or if a federal agency proposes to exclude an individual from participation in a federally funded health care program, such individual shall be removed from direct responsibility for or involvement in any federally funded health care program pending resolution of such charges. If resolution of the matter results in conviction, debarment or exclusion of the individual, the District shall immediately terminate the individual's employment. The District shall also conduct investigations of prospective members of the medical staff and its vendors and contractors as prescribed in the District's policies. Furthermore, the District shall conduct annual inquiries of the OIG database for independent contractors providing service to the District.

I. Legal Compliance

District's employees are expected to be sufficiently knowledgeable of the legal aspects of their responsibilities and activities in order to reduce the risk of unintended legal violations. District's employees whose positions may impact the District's compliance with laws and regulations will attend training and educational opportunities offered by the District and pursue a reasonable amount of continuing self-education. It is the responsibility of all District employees to notify their supervisor when they have a question regarding the legal aspects of their job and when additional information is needed. If questions arise regarding the existence, applicability or interpretation of any law, the Compliance Officer should be contacted.

District's employees are required to comply with applicable laws and regulations related to their job responsibilities and to refrain from knowingly participating in illegal activities or failing to meet affirmative legal duties whether or not specifically addressed in these District Standards of Conduct.

District's employees are expected to comply with applicable antitrust and similar laws that regulate competition. Examples of prohibited conduct include:

- (1) agreements with competitors to fix prices;
- (2) organized boycotts of governmental or other payers; and
- (3) unfair trade practices.

III. Compliance Officer and Compliance and Ethics Committee

A. Appointment of a Compliance and Ethics Officer

The Plan shall be directed by a Compliance and Ethics Officer. The Chief Executive Officer shall appoint Compliance and Ethics Officer and he/she shall serve at the discretion of the Chief Executive Officer. In the event the Compliance and Ethics Officer is replaced the newly appointed Compliance and Ethics Officer shall be an executive officer or another high level official of the District. The Compliance and Ethics Officer shall report directly to the Chief Executive Officer and the Board of Commissioners. The Compliance and Ethics Officer may appoint a designee during temporary absences. The Chief Executive Officer shall temporarily serve as the Compliance and Ethics Officer in the event the Compliance and Ethics Officer is implicated in a report.

B. Duties of the Compliance and Ethics Officer

The Compliance and Ethics Officer's duties shall include the following:

1. Oversee and monitor the District's compliance and ethics activities.
2. Meet periodically with the Compliance and Ethics Committees and report to the Board of Commissioners at least annually or as needed.
3. Ensure that the Plan has been properly implemented and that revisions are made as appropriate.
4. Periodically review the Plan and recommend revisions as necessary to meet changes in the business and regulatory environment.
5. Coordinate compliance training and related educational activities for the District employees and additional District Representatives as required.
6. Review and update education or training materials to reflect current laws and regulations applicable to health care programs.
7. Coordinate internal auditing and monitoring of activities within the scope of the Compliance and Ethics work plan.
8. Review compliance in departments on a periodic basis as identified by the Compliance and Ethics Committee.
9. Coordinate the drafting and updating of standards of conduct, policies and procedures.
10. Participate in the review of contracts with independent contractors and agents for compliance issues, and, with regard to contracts with medical providers or medical provider entities, coordinate legal counsel review of such contracts as needed.
11. Ensure that the Plan and Department Compliance and Ethics Plans have been effectively communicated at an appropriate level to present and new employees of the District.
12. Receive and investigate reports of conduct that violates the Standards of Conduct and with regard to reports of possible illegal conduct coordinate with legal counsel on investigation of possible illegal conduct.
13. Establish and administer a communication system that shall be available to employees to report any suspected illegal conduct or other conduct that

violates the Standards of Conduct without fear of retribution or retaliation. Notify appropriate law enforcement agency(ies) of possible illegal misconduct.

14. Participate in the Compliance and Ethics Committees appointed in accordance with Section III (C) of this Plan.

C. Appointment of a Compliance and Ethics Committee

The Board of Commissioners shall establish and maintain a Compliance and Ethics Committee comprised of at least two Board members (one as the Chair of the Committee). The Chair of the Compliance and Ethics Committee shall appoint other members including the Compliance and Ethics Officer and selected KVH staff, and others as needed.

The Compliance and Ethics Committee members shall work with the Compliance and Ethics Officer in the design, implementation and ongoing review of their departmental participation in the Plan. Committee members may participate in reviews or audits of department activities and assist in developing specific standards of conduct and policies and procedures. The Committee members shall also coordinate compliance training, relay compliance related communications, and monitor compliance efforts in their department. The Committee members shall report to, and coordinate with, the Compliance and Ethics Officer with respect to compliance and ethics related activities in their department. The Compliance and Ethics Officer shall be responsible to work with the managers and supervisors from other departments to ensure their participation in and compliance with the Plan.

1. To assure proper coordination of the compliance effort, the Compliance and Ethics Committee shall meet periodically to discuss, review and resolve compliance and ethics issues. The Compliance and Ethics Committee's functions shall include, but not be limited to:
 - a. Analyze business and legal requirements with which the District must comply;
 - b. Assess existing policies and procedures to determine their adequacy in meeting the District's objectives;
 - c. Conduct periodic risk assessments and review the results of internal audits;
 - d. Develop new standards of conduct, policies and procedures and recommend and monitor the development of internal systems and controls to promote compliance;
 - e. Assist in developing work plans to address potential compliance issues uncovered in the course of conducting risk assessments or audits;
 - f. Determine the appropriate approach/strategy to promote compliance with the Plan and detection of any potential violation;

- g. Maintain a system to solicit, evaluate and respond to complaints and problems;
- h. Perform such special projects as requested by the Compliance and Ethics Officer.

D. District's Managers and Supervisors

Managers and supervisors have a responsibility to know and understand the laws and regulations that apply to their area of responsibility and to exhibit a strong commitment to compliance. Based upon their knowledge of laws and regulations and the identification of compliance risk factors, they will develop and implement internal controls to provide reasonable assurance that the employees they supervise comply with laws and regulations. The level of compliance within their area of responsibility will be monitored using measures identified with the Compliance and Ethics Officer. Managers and supervisors will encourage open communication among employees concerning compliance and ethics matters. Managers and supervisors will evaluate the compliance performance of employees during their annual review and will use due diligence in hiring and retaining employees.

IV. Education and Training

The Plan shall require training and education for employees so that each has a clear understanding of their responsibilities and rights under the Plan. The education and training shall emphasize the District's commitment to compliance with laws, regulations and guidelines governing health care programs. Failure to comply with training requirements or to attend scheduled training sessions of the District or of each department may result in disciplinary action or loss of affiliation. It is not necessary, however, that every employee be educated concerning every aspect of the Plan. The Compliance and Ethics Officer shall determine, in cooperation with the Compliance and Ethics Committee, the materials and the training that each classification of employee shall receive. Tracking of employee compliance and ethics education is the responsibility of the Human Resource Department. The Compliance and Ethics Officer shall promptly respond to any questions of each employee regarding the compliance and ethics materials.

A. Other Training and Education

In addition to the new employee orientation compliance training, the Compliance and Ethics Officer or a designee shall provide for additional training (e.g. seminars, live or videotaped presentations, or more detailed written materials) in targeted departments covering specific issues identified by the Compliance and Ethics Committee. Such training shall utilize in-house expertise whenever possible. However, the Compliance and Ethics Officer may request the services of outside

experts to conduct specialized or highly technical training. New hire orientation and annual education shall include a summary of the Standards of Conduct and all staff will be expected to sign an acknowledgement of receipt and review of the Standards of Conduct.

B. Government Compliance Alerts and Guidance Rules

The OIG and other government agencies periodically publish fraud and abuse alerts, interpretations and compliance guidance regulations. The Compliance and Ethics Officer or a designee shall distribute copies of this material to the Compliance and Ethics Committee and to other affected employees as deemed appropriate. Of particular importance are the compliance guidance regulations which are published by the OIG which include the District compliance guidance, the home health agency compliance guidance, the laboratory compliance guidance and the District Representative billing compliance. In identifying potential risk areas and developing or revising policies and procedures to strengthen controls over these areas, the Compliance and Ethics Officer or a designee shall further ensure that affected employees receive the HCFA, Intermediary, Carrier and other agency manual revisions, instructions, regulations, bulletins or other material which is considered necessary to properly perform their job duties and responsibilities. Additionally, all District employees shall receive training regarding fraud and abuse reporting and protection from retaliation.

C. Competency Assessment/Recordkeeping

Education and training is part of the District's competency assessment program. The Compliance and Ethics Officer or designee shall enlist the assistance of the HR department and others for education and training relating to compliance ethics issues. The HR Department, with the input of each affected department, shall develop an appropriate education competency assessment for affected employees. An employee's competency shall be evaluated in orientation and throughout employment. Documentation of the competency validation shall be retained by the District in accordance with its record retention program.

D. New Employees

New employees shall receive the compliance and ethics materials relative to their job duties as a part of their orientation.

V. Testing and Monitoring

To detect areas of potential noncompliance and improve the quality of the work product, an ongoing evaluation process is very important to the success of the District's

Compliance and Ethics Plan. The District shall conduct the following testing and monitoring process:

A. Periodic Testing

The District shall have an annual financial audit conducted by an independent public accounting firm. In addition, the District shall schedule periodic testing of targeted areas to determine if they are in compliance with the procedures and standards of conduct established in this Plan. Examples of such testing shall include but not be limited to:

1. Charge Description Master reviews
2. Medical record reviews
3. Billing and coding reviews
4. Human resource reviews

Such testing shall be coordinated by the Compliance and Ethics Officer or a designee. Whenever possible, such testing shall be conducted by in-house personnel. However, under certain circumstances, the Compliance and Ethics Officer may engage outside auditors per District policy. The Compliance Officer may seek the advice of legal counsel before engaging the outside auditors.

B. Testing Techniques

The Compliance and Ethics Officer and staff or external auditors shall consider techniques such as the following:

1. Interviews of personnel involved in management, operations, billing and other related activities.
2. Reviews of written policies and procedures prepared by the different departments of the District.
3. Analytical or comparative reviews.
4. Examinations of supporting documents and records.
5. Surveys or questionnaires.
6. On-site visits.

C. Other Monitoring

1. On an annual basis, the Compliance Officer may retain an independent firm to review records and reports which are required to be maintained in accordance with the provisions of this Plan.
2. Copies of correspondence relating to audits, denials, differences, surveys, complaints, investigations or inquiries from an organization administering a

health care program shall be immediately copied and directed to the Compliance and Ethics Officer.

D. Investigations and Corrective Action

If an audit discloses potential violations or misconduct, the procedures outlined in Article IX and X of this Plan shall be followed. In addition, the Compliance and Ethics Officer shall, with assistance of the Compliance and Ethics Committee, ensure that policies and procedures are updated and additional training is provided where necessary to prevent continued noncompliance.

VI. Effective Lines of Communication for Employees and other staff

A. Employee's and other Staff's Responsibility

Employees and staff of the District shall have the following responsibility with respect to this Plan:

1. To report to the District as truthfully and factually as possible violations of the law occurring within the District or involving the District's assets, or any violations of the standards contained in this Plan.
2. To seek clarification of any questions the employees and other staff may have with this Plan on their job duties.
3. A question which cannot be resolved internally, that involves billing, coding, documentation, or reimbursement matters shall be reported to the appropriate agency.
4. To cooperate fully with the Board of Commissioners and the Compliance and Ethics Officer and their agents in their efforts to implement and maintain the Plan.
5. To cooperate fully in any investigations or audits conducted in connection with this Plan.

B. Reporting Mechanisms

An employee or other staff shall report in good faith their belief of violations of the Plan or applicable laws, or seek guidance regarding any questions he or she may have with regard to the Plan or the carrying out of their job duties, as follows:

1. By contacting the employee's or other staff's direct supervisor to determine if it is a compliance issue or not. If the complaint involves the employee's or other staff's direct supervisor then their next level supervisor should be contacted .

2. By requesting a meeting with the Compliance and Ethics Officer.
3. By mailing their written question/concern to:

Compliance and Ethics Officer
310 S. Roosevelt
Goldendale, WA 98620

4. By calling the Compliance and Ethics Hot Line at 1-800-609-9789 and leaving a detailed message. The Hotline number shall be posted on bulletin boards throughout the District, contained in the KVH Phone Directory, and posted on the KVH website (www.kvhealth.net). Calls to the Hot Line may be made anonymously.

The investigation of complaints shall be initiated within two business days. Notification shall be provided to the reporting employee (if known) that the report has been received and is being reviewed. Reports shall be taken seriously and shall be responded to as soon as possible.

C. Questions or Concerns

Upon receipt of a question or concern about a compliance or ethics related issue, the employee's supervisor or the department manager shall promptly deliver a report of the question or concern to the Compliance and Ethics Officer. However, if the supervisor or the department manager believes that the question or concern involves an allegation of a violation of the law or the Plan by the Compliance and Ethics Officer, the question or concern shall be delivered immediately to the Chief Executive Officer and to the President of the Board of Commissioners.

D. Recordkeeping

A record shall be made of each report received by the Compliance and Ethics Officer or a designee on a form prepared for this purpose. The Compliance and Ethics Officer or a designee shall record information pertaining to the report which is necessary to conduct an appropriate investigation. This information shall include pertinent details relating to the reported incident including the time and date, person or persons involved in the incident, description of the incident, results of the investigation and final disposition of the complaint or inquiry. If the employee or other person was seeking information regarding the Standards of Conduct or some other matter such as their job duties, the Compliance and Ethics Officer or a designee, shall record the nature of the call or report and the information requested and shall respond to the employee as soon as possible if their name is known.

E. Retaliation

Any threat of discrimination against, retaliation against, dismissing or in any manner penalizing a person who acts pursuant to their responsibilities under the Plan is not only against the District's policy, but also in some instances, is a violation of the law. Retaliation, if proven, shall be subject to appropriate discipline. Employees, who in good faith, report potential compliance issues shall not be retaliated against. However, employees who file false or misleading claims shall be subject to disciplinary action. In addition, employees who report acts of misconduct or violations that they have committed shall not be immune from disciplinary action.

F. False Report

Any attempt to harm or slander another through false accusations, malicious rumors or other irresponsible actions are a violation of the District's policy. Such attempts, if proven, shall be subject to discipline or loss of affiliation.

G. Confidentiality

The District, at the request of an employee making a report, shall provide such anonymity to the employee or other staff as is possible under the circumstances provided such confidentiality is, in the judgment of the Compliance and Ethics Officer, consistent with the District's obligation to investigate employee concerns and take necessary corrective action. However, the District cannot provide any assurances of anonymity if an external investigation is performed. The Compliance and Ethics Hotline (1-800-609-9789) allows for completely anonymous reporting.

VII. Enforcing Employee Standards through Well Publicized Disciplinary Guidelines

Employees who have failed to comply with the District's Standards of Conduct or Federal and State laws governing health care programs shall be subject to disciplinary actions. Those who have otherwise engaged in wrongdoing that has the potential of impairing the District's status as a reliable, honest and trustworthy health care provider shall also be subject to disciplinary action.

A. Management Responsible for Discipline

The Compliance and Ethics Officer, in consultation with the Director of Human Resources and/or the department manager, shall establish procedures for the discipline of employees because of violations of the Plan and the Standards of Conduct contained in the Plan.

B. Persons involved in Improper Activities

Any employee who violates the Plan or the Standards of Conduct contained in the Plan shall be appropriately disciplined as provided by the District's personnel policies. Violations include the failure to report suspected improper activity. Disciplinary action may range from a warning to termination and may include mandatory training. Any disciplinary action shall be appropriately documented in the employee's personnel file, along with a statement of the reasons for imposing such discipline.

C. Reports to the Board

The Compliance and Ethics Officer shall report at least annually to Board of Commissioners regarding disciplinary actions involving the Plan.

VIII. Investigations of Potential Noncompliance

Upon receipt of audit results, reports or complaints suggesting possible noncompliance with the laws or rules of Medicare, Medicaid, other federal or state health care programs, or private health care plans or contracts, the District shall follow the investigation policies and procedures set forth below:

- **Purpose of Investigation.** The purpose of the investigation shall be to identify those situations in which the laws, rules or standards of Medicare, Medicaid, other federal or state health care programs, or private health care plans or contracts may not be followed; to identify individuals who may have knowingly or inadvertently caused claims to be submitted or processed in a manner which violates applicable laws, rules or standards; to facilitate the correction of any practices not in compliance with the applicable laws, rules or standards; to implement those procedures necessary to ensure future compliance; to protect the District in the event of civil or criminal enforcement actions and to preserve and protect the District's assets.
- **Control of Investigations.** The Compliance and Ethics Officer shall be responsible for directing the investigation of the alleged problem or incident. At the discretion of the Compliance and Ethics Officer, the information or report received may be forwarded to legal counsel who may assist in the investigation of the alleged problem or incident. In conducting an investigation, the Compliance and Ethics Officer or legal counsel may request the support of District's staff, internal counsel and auditors, consultants, and other external resources with the technical expertise or knowledge to assist with the specific problem or incident. These persons shall function under the direction of the Compliance and Ethics Officer or legal counsel and shall be required to submit relevant evidence, notes,

findings and conclusions to the Compliance and Ethics Officer or legal counsel depending upon who is directing the investigation.

• Investigative Process. The following steps are not all inclusive but are the basic procedures to be undertaken:

a. Interviews of the persons who may have knowledge of the alleged problem or process and a review of the applicable laws and regulations which might be relevant to or provide guidance with respect to the appropriateness of the activity in question, to determine whether or not a problem actually exists.

b. A review of representative bills or claims submitted to or under the Medicare, Medicaid, other federal or state program, or private health care plan or contract, and/or relevant contracts, cost reports, invoices, ledgers and other documents, to determine the nature of the problem, the duration of the problem, and the potential financial magnitude of the problem.

c. Interviews of the person or persons who appeared to play a role in the process or who have knowledge of the problem. The purpose of these interviews shall be to determine the facts related to the alleged problem or incident as opposed to making judgments and may include the following steps:

- (1) The understanding of the applicable laws, rules and regulations of the person or persons involved in the situation;
- (2) The identification of persons with supervisory or managerial responsibility in the process;
- (3) The adequacy of the training of the individuals performing the functions within the process;
- (4) The extent of which any person knowingly or with reckless disregard or intentional indifference acted contrary to the applicable laws, rules or regulations;

d. Preparation of a summary report which (i) defines the nature of the problem, (ii) summarizes the investigation process, (iii) identifies any person whom the investigator believes to have either acted deliberately or with reckless disregard or intentional indifference toward the applicable laws, rules and policies, and (iv) if possible, estimates the nature and extent of the resulting overpayment by the government, if any.

e. If the review results in conclusions or findings that the conduct is permitted under applicable laws, regulations or policy or that the alleged problem or incident did not occur, the investigation shall be closed.

f. If the investigation concludes that there is improper billing occurring, that practices are occurring which are contrary to applicable law or, that inaccurate claims are being submitted, corrective action shall be taken in accordance with Section IX.

g. If the identity of the person or persons filing the complaint is known, the Compliance and Ethics Officer shall report to that person or persons that an investigation has been completed and, if appropriate, the corrective action shall be taken.

IX. Organizational Response

If, upon conclusion of an investigation, it appears that there are genuine compliance concerns, the Compliance and Ethics Officer shall immediately formulate and implement a corrective action plan. The corrective action plan shall be designed to ensure that the specific issue is addressed and, to the extent possible, that similar problems do not occur in other departments or areas. The procedure for undertaking corrective action shall include, but need not be limited to the following:

A. *Possible Criminal Activity*

If the investigation uncovers what appears to be criminal activity on the part of any employee or other District Representative, the District shall:

1. Notify legal counsel, the District liability insurance carrier, and the Board of Commissioners.
2. Immediately stop billing or other activities related to the problem until such time as the offending practices are corrected.
3. Initiate appropriate disciplinary action against the person or persons whose conduct appears to have been intentional, willfully indifferent or with reckless disregard. Appropriate disciplinary action shall include, at minimum, the removal of the person from any position with oversight for or involvement with the claims submission or billing process and may include, in addition, reprimand, suspension, demotion, or discharge.
4. Notify the appropriate law enforcement or regulatory authorities with the advice of legal counsel no later than 60 days after credible evidence has been obtained to confirm that a violation has occurred.
5. Modify the applicable policies and procedures.

6. Undertake an appropriate program of education to prevent similar noncompliance in the future.

6. Take any other action deemed appropriate under the circumstances.

B. Other Noncompliance

If the investigation reveals problems which do not appear to be the result of conduct which is intentional, willfully indifferent, or with reckless disregard, the District shall undertake the following steps:

1. **Improper Payments.** If the problem results in duplicate payments by Medicare, Medicaid, other federal or state health care programs, or private health care plans or contracts, coding or claims submission errors, payments for non-covered services or for services not rendered or provided other than as claimed or any other type of overpayment resulting from billing or payment errors, the District shall:

a. Stop billing or other activities of the type which is a problem until such time as the offending practice is corrected;

b. Determine, in consultation with legal counsel and the Board of Commissioners, the need to calculate and repay the overpayments to the appropriate Fiscal Intermediary, Carrier, or other payers.

c. Initiate such disciplinary action, if any, as may be appropriate given the facts and circumstances. Appropriate disciplinary action may include, but is not limited to, reprimand, demotion, suspension or discharge; and

d. Promptly undertake an appropriate program of education to prevent future similar problems.

e. Modify the applicable policies and procedures.

2. **No Improper Payment.** In the event the problem does not result in an improper payment by Medicare, Medicaid, and other federal or state health care program, or a private health care plan or contract, the District shall:

a. Correct the defective practice or procedure as quickly as possible by finding the real problem and resolving it with the proper solution.

- b. Initiate such disciplinary action, if any, as may be appropriate given the facts and circumstances. Appropriate disciplinary action shall be consistent with District's guidelines.
- c. Promptly undertake an appropriate program of education to prevent future similar problems.

B. Future Actions

Any issue for which a corrective action plan is implemented shall be reviewed in future audits of the affected department or area. The Compliance and Ethics Officer shall periodically report to Board of Commissioners on the nature of the investigations that have been conducted, the findings, the corrective actions and the repayment, if applicable, of funds to Federal, State or other agencies.

X. Record Retention

The purpose of the record retention policy is to provide guidelines as to the creation, maintenance, retention and destruction of documents, and to establish a mechanism for periodic review of the retention periods and of the District's compliance with requirements of this policy and of applicable document retention periods specified by law or regulation. The District shall follow the record retention requirements required by applicable laws, regulations, and contractual agreements. It is expressly prohibited to alter documents to deceive another person or entity, to conceal information to distort the truth, to destroy records to hide the facts or to obstruct an investigation in any way by tampering with the District's records.

XI. Departmental Compliance and Ethics Plans

Every KVH Department shall development, implement, maintain, and periodically revise a Departmental Compliance and Ethics Plan approved by the Compliance and Ethics Officer.

In addition to identified department specific compliance and ethics issues each District Departmental Compliance and Ethics Plan covers the same ten primary risk areas. The primary risk areas covered in the Departmental Compliance and Ethics Plans are to be used as reference and training tools and are as follows:

1. Physician orders and referrals
2. Kickbacks and rebates
3. Medical necessity and covered service requirements, including the issuance of Advance Beneficiary Notices (ABNs)
4. Medicare Secondary Payer billing requirements
5. HIPAA – Patient Privacy Act
6. Documentation requirements for services provided

7. Charging, coding and submission of charges
8. Guidelines for developing regular education and training programs
9. Guidelines for performing internal audits, receiving allegations, and providing feedback of results
10. Corrective action plans, employee sanctions, and continuing compliance procedures

A. Physician orders and referrals

Department services should not be performed without a signed medical provider order. CMS clearly states that for Medicare and Medicaid patients, a signed order by a medical provider is required. The admission order should also include the medical provider's intent related to status. If the admission status is indicated as Inpatient the Severity of Illness and Intensity of Service criteria must be met to support the status. All department services must be furnished to an individual who is under the care of a medical provider unless specifically exempted from this requirement by the CEO upon recommendation of the Compliance and Ethics Committee.

Examples of Patient Status are:

Inpatient: A patient who presents to the District based on a medical provider order stating the patient status is "inpatient". An inpatient requires a level of care that can only be provided in an acute care District setting. Medical providers expect that, due to the severity of the patient's condition, the intensity of services and treatment will exceed 24 hours for inpatients.

Outpatient Types:

Observation: A patient who presents to the District based on a medical provider order stating the patient status is "observation". An observation patient has an unstable/unresolved condition for which it is reasonable and necessary to evaluate and/or treat in an acute care District setting, but not clearly needing inpatient status.

The medical provider's plan of care must include the evaluation of the patient's condition through diagnostic services and/or therapeutic treatments and continued observation of the patient's response to these interventions. After 24 hours, the patient's condition must be evaluated against inpatient criteria to determine the need for discharge or admit as inpatient. (Some patients may

require continued outpatient observation status up to 48 hours before a decision to discharge or to become an inpatient is made).

Surgical / Procedural Daycare (SDC): A patient who presents to the District based on a medical provider order stating the patient status is “outpatient”. An SDC patient is scheduled for a planned surgical or other invasive procedure requiring standard pre and post operative or procedural care and will be expected to discharge within 24 hours.

The medical provider’s plan of care must reflect that the patient is expected to follow standard pre & post surgical/procedural norms and to be discharged when discharge criteria is met and/or within 24 hours. The patient status remains SDC until discharge as long as his or her care remains under the physician’s original plan of care.

Clinical: A patient who presents to the District based on a medical provider’s order for a one time only diagnostic or therapeutic service on an ambulatory basis. The medical provider must provide a written order and document the diagnosis for which each test is ordered (medical necessity). It is not expected that the patient will receive nursing care or any post procedure monitoring.

Recurring: A patient who presents to the District based on a medical provider’s order stating the patient is to receive a **series** of outpatient services or treatments for one specific medical problem or diagnosis. The physician’s initial plan of care must reflect a series of treatments for the patient to be registered recurring on the initial day of treatment.

Emergency Room: A patient who presents to the District Emergency Department for the evaluation, diagnosis and treatment of a condition that requires immediate or urgent medical attention. The Emergency Department medical provider formulates the plan of care at the time the patient is evaluated. An ER patient may subsequently be admitted to inpatient, or observation status. A patient may also be discharged directly from the Emergency Department.

B. Referrals, kickbacks and rebates

The District will ensure the following:

- Employees and other staff shall not solicit, receive, offer to pay or pay any remuneration of any kind (including rebates, kickbacks, or bribes) in exchange for referring or recommending the referral of any individual to another person, District or medical facility of the District for services, or in return for the purchase of goods or services, to be paid by Medicare or Medicaid.
- Employees and other staff shall not offer or grant any benefit to a referring physician or other referral source on the condition that such physician or referral source refer or agree to refer any patient to a person or medical facility.
- Medical providers shall not make referrals for designated health care services to entities in which the provider has a financial interest either through ownership or investment interests or a compensation arrangement (assuming such financial relationship does not fit within an exception).
- Employees and/or providers and/or other staff shall not bill for services rendered as a result of an illegal referral. All staff are urged to use caution when engaging in transactions that involve referral sources. If a staff member believes that an illegal arrangement has been, or may be entered into involving the District and a referral source or a vendor of goods or services, they shall discuss the situation with their immediate supervisor, or with a member of the Compliance and Ethics Committee.

The Compliance and Ethics Officer, in conjunction with outside legal counsel, is available to assist in the structuring and preparation of documentation reflecting arrangements with medical providers and other referral sources. Every agreement template involving compensation or cross referrals with a medical provider or other referral source for the District shall be in writing and shall be reviewed by outside counsel prior to its execution.

C. Medical necessity and covered service requirements, including the issuance of Advanced Beneficiary Notice (ABN)

All services ordered by a physician or other medical provider must be supported by an appropriate diagnosis or sign/symptom. All types of services ordered by a medical provider for Medicare patients will be checked against Medicare coverage policies to confirm medical necessity and to issue the patient an

Advanced Beneficiary Notice (ABN) when applicable. ABNs will be issued to patients in accordance to the following Medicare guidelines:

- Before the ordered test/procedure is performed; no “blanket” or post-dated ABNs will be issued to patients
- Specific to the particular test/procedure and will include an estimate of the cost of that test/procedure
- Notification and date of the issuance will be noted on any claims sent to Medicare for medically unnecessary services

D. Medicare Secondary Payer billing requirements

The District will determine when Medicare is the primary or secondary payer according to Medicare Secondary Payer requirements and will bill Medicare accordingly.

E. HIPAA – Patient Privacy Act

All District Employees/Representatives will **use** and **disclose** protected health information (PHI) only to individuals directly involved in the treatment of the patient, or those identified by the patient upon admission or according to relevant federal and state exception guidelines. The definitions of use and disclosure are as follows:

- a. Use: The sharing, employment, application, utilization, examination, or analysis of individually identifiable health information by any person working for the District.
- b. Disclosure: For information that is PHI, disclosure means any release, transfer, provision of access to, or divulging in any other manner of individually identifiable health information to persons not employed by or contracted with the District.

Reasonable effort and care must be taken to protect the patient's health information by all District Employees/Representatives.

Notice of Privacy Practices:

All patients admitted to the District for services will be given a Notice of Privacy Practices. The purpose of the Notice of Privacy is; to provide that patients and other interested persons have a defined opportunity to receive adequate notice of the uses and disclosures of protected health information that may be made by the District, the patient rights concerning protected health information, and the District's legal duties pertaining to protected health information.

Simple do's and don'ts relating to HIPAA are as follows:

- **Do's**
 - ✓ Ask yourself, "Do I need to know this to do my job?" before looking at the patient health information
 - ✓ Close patient's room doors/curtains when caring for them and/or discussing their health. Speak softly when a roommate is present or if in a situation where information could be overheard.
 - ✓ When disposing of patient information, secure in the locked shredding bins available on your unit
 - ✓ Notify your supervisor if you see patient information in a non-secure place, or disposed of in an open trash or shredding container
 - ✓ Turn computer screens so passersby can't see information

- ✓ Double-check e-mail addresses and fax numbers before sending patient information
- ✓ Change your computer passwords regularly and log off computers when you are done
- **Don'ts**
 - ✓ Talk about patients in public places (elevators, hallways, or cafeteria lines)
 - ✓ Share computer passwords with anyone
 - ✓ Let faxes, printed e-mails, medical records lie around. File them in a secure place or dispose of them timely
 - ✓ Walk away from an open medical record to care for another patient
 - ✓ Keep white boards or other materials that connect patients' names with their conditions out in the open where passersby can see
 - ✓ Leave phone messages about a patient's health with anyone but the person you are trying to reach or leave messages containing patient protected health information on answering devices. Give out a patient's condition or location without making sure the patient is listed in the directory

If you see a potential violation please report it to your supervisor. For more detailed information regarding the HIPAA Privacy Policies, please contact the Medical Records supervisor or the HIPAA Privacy Officer

F. Documentation requirements for services provided

Complete, accurate, legible and appropriate documentation assists all individuals involved in the care of patients. Services billed to Medicare/Medicaid must be substantiated by complete, legible documentation that clearly identifies the services being rendered and justifies medical necessity for the service. The contents of a patient's medical record should be clear, concise and complete upon review by any external District Representative. Providers must maintain complete documentation that is acceptable to Medicare/Medicaid, Peer Review Organizations, Third District Representative payers and the judicial system.

Mandatory documentation requirements for a medical record include the following:

- Complete, accurate, legible and timely.
- All entries must be dated and authenticated.
- Documentation of each patient visit should include:
 - ✓ Date
 - ✓ Patient's diagnosis
 - ✓ Patient's legal name and address

- ✓ Date of Birth
- ✓ Sex
- ✓ Age

- Each patient visit should include documentation that supports the patient diagnosis(sign/symptom), test ordered, complications, co morbidities, and any abnormal test results
 - ✓ When copying a page, copy the complete page including the date.

Medical records should be accurate, credible, thorough, legible and timely. Taking the time to document properly will expedite claim processing. Adequate, legible documentation is indispensable to those who are responsible for completion of various insurance forms and to ensure proper payment for services provided.

G. Charging, coding and submission of charges

Every District department that submits charges for services provided will be required to implement the following policies and procedures:

- ✓ Charge and bill for services provided by an authorized medical professional in accordance with Federal and State regulations.
- ✓ Charge and bill for services after they are performed and documented.
- ✓ Confirm the ICD-9 or ICD-10, CPT, HCPCS codes and all modifiers used by the billing and/or coding staff accurately describes the service performed.
- ✓ Charge and bill for services using information submitted by qualified personnel; if required information is missing contact the appropriate personnel to obtain it prior to the submission of the bill.
- ✓ Ensure all information obtained from a physician or the physician's staff, is immediately documented and maintained.
- ✓ Confirm the appropriate documentation supports the claim prior to billing and ensure it is readily available for audit and review.

H. Guidelines for developing regular education and training programs

Education Policy. To comply with Federal and State regulation we require all District Employees and Representatives to acquire mandatory, specific training on a continual basis. Training includes the knowledge of Federal and State statutes/ regulations; documentation and billing guidelines; private payer policies, and corporate ethics. The training is intended to emphasize our commitment to Compliance and Ethics both as a privilege and obligation.

The District will develop process tools to ensure there is an effective line of communication between Administration, the medical staff, the clinical department(s), and the admitting, coding and billing office staff to prevent fraud, abuse and lost charges from occurring.

Certain District functions (i.e. the coding of medical services) create a greater legal exposure for the District and therefore require specialized training. Any District Employee/Representative who feels that they have a need for specialized training regarding Federal and State regulation, please notify your supervisor. In addition to the risk areas previously identified, the District will seek to train appropriate District staff on the following topics:

- Confirming of diagnoses.
- Amending medical records.
- Documentation of medical services provided.
- Ordering medical procedures and prescribing medications without proper authorization.
- Submitting a claim for physician or other medical provider services rendered by a non-physician (i.e. the “incident to” rule and the physician’s physical presence requirement).
- Signing a document for a medical provider without the medical provider’s authorization.
- Reporting misconduct or unethical behavior.
- Complying with government reimbursement principles
- Paying and receiving remuneration to induce referrals.

The Compliance and Ethics Officer, in conjunction with the Compliance and Ethics Committee, is responsible for the implementation, coordination, and evaluation of educational policies, procedures, and programs that are appropriate and relevant to maintain the District-wide Compliance and Ethics Plan.

Initial training: The Compliance and Ethics Officer, with the help of Department Managers and Human Resources, will assure that each new Employee and existing Employees and District Representative receive initial training regarding the District Compliance Plan. The training should occur within 60 days of the employee or District Representative’s hire date. It is the responsibility of the Department Manager to confirm the training is completed within the timeframe specified. Department Managers are to make sure that new hires understand that compliance training is mandatory. Training regarding certain issues will be available to the medical staff as well. Initial training should include, but is not limited to the following:

- Provide a simple, clear explanation of the District's Compliance and Ethics Program.
- Identify the standards of business conduct all District Employees/Representatives are required to follow.
- Specify by function the appropriate level of training regarding Federal and State statutes/regulations, and if applicable private payer policies.
- Communicate the consequences that will ensue from any violation of the Compliance and Ethics Program.

Documentation and billing training: District Employees/Representatives responsible for documentation and billing are required to have additional training that will include, but is not limited to the following:

- Identify the principles and rules of proper documentation.
- Confirm the submission of accurate bills for services rendered to patients.
- Communicate applicable federal and state program reimbursement rules and regulations.
- Require each District Employee/Representative who documents or bills to provide a written understanding that they have a personal obligation to ensure the accuracy of information.
- Provide legal sanctions for the submission of false or inaccurate information.

Continuing Education: Continual training will be provided to all employees as the Compliance and Ethics Officer, Compliance and Ethics Committee, and Department Manager deem necessary to ensure the best practices for carrying out our Compliance Program initiatives. Training may be carried out through any of the following methods:

- Inservice or departmental training
- Seminars
- Computer Based Training courses
- Internet training courses
- Resources including OIG Fraud Alerts, publications, books, newsletters, and/or periodicals.

District employees are expected to be aware of all procedures of the Compliance Program, including the mandatory duty of all employees to report actual or possible violations of all billing and claims submission fraud and abuse laws and regulations.

I. Guidelines for performing internal audits, receiving allegations, and providing feedback of results

The District strongly encourages two-way communication in regards to compliance issues. The District Compliance and Ethics Committee and others involved in disseminating compliance information will provide training, information about District standards, results of audits, and other compliance information to District Employees/Representatives. In tandem, District Employees/Representatives are encouraged to notify the Compliance and Ethics Officer or Committee if they have any questions or problems concerning compliance issues. If a possible compliance violation it is the responsibility of the Compliance and Ethics Officer to conduct a complete investigation and resolve the issue in accordance with our policies.

Government Investigation notice: Any District Employee/Representative receiving notification from a governmental agency that is or will be conducting an investigation of the District must immediately notify the Compliance and Ethics Officer. Some of the governmental entities that may be involved in investigating Districts for various reasons include, but are not limited to, the Office of Inspector General, the Health Care Financing Administration, the Federal Bureau of Investigations, the Department of Justice, the United States Attorney's Office, Fiscal Intermediary, the State Attorney General's Office, the State Department of Health, the State Department of Human Services and their agents.

Audits: The Compliance and Ethics Committee may choose to conduct random audits of either certain departments or certain procedures for compliance in addition to the audits generated by compliance concerns or complaints.

❖ District Compliance and Ethics Investigations

If a potential incident of fraud or abuse is reported the Compliance and Ethics Officer that is inconsistent with District billing, documentation, and /or compliance policies, an investigation will occur. All District Employees/Representatives are to cooperate fully with any investigations performed by the Compliance and Ethics Officer, Compliance and Ethics Committee, or District legal counsel.

After review and investigation, the District Compliance and Ethics Officer or District legal counsel will prepare a written report of findings. If the report indicates that there is a need to report the errors to a specific government agency, the Compliance and Ethics Committee and legal counsel will determine the best plan for reporting and correcting the

errors. Advice from legal counsel may also be sought to determine the extent of any potential liability and the appropriate course of action.

It is important to note that the Office of Inspector General has stated that misconduct does not include inadvertent errors or mistakes. Such errors should be reported through normal channels and the applicable fiscal intermediary or CMS-designated carrier.

❖ Internal Audits to Monitor Compliance

A continual evaluation process is critical to ensure the success of the District Compliance and Ethics Program. The Compliance Officer and Compliance and Ethics Committee will maintain compliance reports derived from ongoing monitoring activities.

Under the supervision of the Compliance and Ethics Committee, District Employees/Representatives responsible for documentation, coding, and billing will ensure that a sample of medical records and corresponding bills are periodically reviewed for compliance with our billing policies and with legal requirements. A summary of the audit activity will be presented to the Compliance and Ethics Committee. The summary will include the number of charts reviewed, the results of the review, and the status of any follow-up training and/or corrective actions.

Those who audit our Compliance and Ethics Program and billing practices should:

- Possess the qualifications and experience necessary to identify potential issues with the subject matter being reviewed.
- Be objective and independent of line management.
- Have access to audit and health care resources, relevant personnel, and all areas of relevant operation.
- Provide a written summary report of the results and, if needed, specifically identify areas where corrective actions are needed.
- Encourage the Compliance Officer and Compliance Committee to request an external billing expert to review a sample of records.

Compliance audits may use any or all, but are not limited to, the following techniques:

- Review patient charts for documentation, coding (CPT, ICD-9, HCPCS, modifiers, etc), and billing accuracy.
- Test billing and coding staff on reimbursement and coverage criteria.

- Interview employees involved in management, operations, coding, billing/claim submission, and other related activities.
- Trend analysis and review of deviations in specific areas of billing and coding over a given time period.
- Review District complaint logs.
- Review written policies, procedures and documentation.
- Question District employees regarding compliance training and related issues.
- Review personnel records to determine if District Employees/Representatives have been reprimanded for violating compliance policies in the past.

J. Corrective action plans, employee sanctions, and continuing compliance procedures

Failure to follow the policies of the District Compliance and Ethics Program (including the duty to report misconduct) is considered to be a violation of District policy and may be grounds for disciplinary action by the District, including termination of employment when warranted. Failure to comply with the Compliance and Ethics Program threatens the District's status as a reliable, honest, and trustworthy health care provider. Detected but unreported/uncorrected misconduct can seriously endanger our mission, reputation, and legal status.

The District encourages and promotes the reporting of potential misconduct or areas of risk. District Employees are the front line defense against the violation of a compliance regulation. District Employees have a greater opportunity during their daily operations to identify potential areas of risk in the organization. Reporting a potential violation allows an investigation to occur and a corrective action plan to be developed, if one is necessary. Identification of potential areas of risk for the District creates a proactive, healthy corporate compliance environment where the potential for violation of a Federal or State regulation is minimized.

Whistleblower Protection against retaliation:

All District Representatives have the right and obligation to report compliance issues without any fear of retaliation. The District maintains a definitive Whistleblower Protection Policy.

The District prohibits any employee from retaliating against or engaging in harassment of another employee who has reported suspected wrongdoing. Every Supervisor and Manager has the responsibility to create a work environment in which ethical and legal concerns can be raised and openly discussed without fear

of retaliation or retribution. This includes avoiding any action that might constitute retaliation, retribution or harassment against an employee who has reported a concern. If you suspect that any District Employee/Representative is engaging in acts of retaliation, retribution or harassment against another employee for suspected wrongdoing, notify the Compliance and Ethics Officer or a member of the Compliance and Ethics Committee. Harassment, retaliation or seeking retribution against a reporting employee may lead to disciplinary action, up to and including termination of employment on the first offense.

Corrective Action Plans: Whenever a compliance issue has been identified, the Compliance and Ethics Officer with guidance and advice from the Compliance and Ethics Committee will design a corrective action plan to ensure that the specific issues are addressed and that the same problem will not occur in the future. The following are the basic elements of any corrective action plan:

- A statement of the source, nature, and scope of the problem identified.
- Recommended resolutions and remedial actions, such as refunds, correction to insurance claims, and withdrawal of third District Representative billings.
- Proposed changes to coding and billing policies and procedures.
- Mandatory education and training in addition to other corrective measures to increase adherence to the Compliance and Ethics Plan.
- Recommended and/or mandated disciplinary measures.
- Focused random reviews of records, staff performance, or billing system integrity for a defined period of time.
- Corrective actions or disclosures to regulatory agencies, carriers, and fiscal intermediaries, as appropriate.

Sanctions. Violations of compliance policies may range from simple errors to deliberate fraud. District remedial and disciplinary mechanisms recognize this variability by providing Department Managers with the flexibility to impose appropriate remedies and sanctions when compliance problems occur. However, because federal and state laws govern District coding, billing, and compliance rules and policies, it is of critical importance that we respond to instances of noncompliance fairly, firmly, and in proportion to the potential risk of harm to the District.

All supervisors and staff must recognize the importance of complying with District policies. Those who do not comply will be disciplined or possibly terminated in appropriate cases. When evaluating an employee or other staff found to be responsible for non-compliance with District policies, the Compliance and Ethics Officer and Department Manager will consider the following issues:

- Was the non-compliance the result of a mistake or purposeful fraud?
- How serious was the infraction and how often was it repeated?
- Has the employee or other staff received prior training on the issue in question and how effective was the training?

Special Note – Employees and other staff need to be aware that federal and state government regulators can impose civil money penalties for deliberate violations of federal and state rules and regulations.

Continuing Compliance Procedures: Compliance with District policies and procedures will be considered in every District Employee/Representative’s annual performance evaluation. The following are the critical aspects of this plan:

Understanding: District employees and other staff are to read and understand the plan, particularly the requirements applicable to their job functions.

Compliance: Compliance with District policies and procedures is a condition of employment and contracting with the District.

Disclosure: It is District policy to take disciplinary action up to and including revocation of privileges or termination for violations of these policies.

Supervision: Managers will be sanctioned for failure to adequately instruct their staff or for failing to detect non-compliance with District policies and legal requirements where reasonable diligence on the part of the manager would have led to the discovery of the problem or violation and given the District the opportunity to correct the problem. Managers who are non-compliant, depending on the severity of the offense, may be removed from their supervisory position.