~

COMPLIANCE PROGRAM

STANDARDS OF CONDUCT

COMPLIANCE PROGRAM
STANDARDS OF CONDUCT

SUBJECT: Corporate Compliance

PURPOSE: The purpose of this Policy is to reinforce and expand our Code of Ethical Behavior and continue the standards of **Presbyterian Hospital of Rockwall (PHR)** with regard to ethical and legal compliance in the prevention, detection, reporting and termination of fraud and misconduct.

SCOPE: This Policy applies to all employees, medical staff, and independent contractors of **PHR**, whether providing services within the parent company, a subsidiary, a corporate affiliate, or at another institution under a contract between **PHR** and such institution. This Policy is also applicable to all entities and persons who have contracted with **PHR** and who are deemed by the Compliance Committee as providing a service that warranted compliance with this program. If any employee, medical staff member, or independent contractor does not understand or require further explanation of these Standards of Conduct, he or she should seek guidance from the Compliance Officer.

INTRODUCTION

PHR seeks to promote equal employment and career advancement opportunities, and to eliminate bias due to race, religion, ethnic background, sex, age, marital status, veteran status or disability. In addition, in order to safeguard the integrity of our business operations, all persons employed and/or contracting with **PHR** are expected to:

1. Adhere to the spirit and provisions of these Standards of Conduct.

2. Avoid illegal conduct in both business and personal matters. Illegal conduct constitutes grounds for dismissal.

3. Know the contents of these Standards of Conduct and observe its letter and spirit at all times. Persons who violate the Standards of Conduct may be subject to disciplinary action, including dismissal.

4. Perform work duties in good faith, in the best interest of **PHR** and in a prudent manner as follows:

    a. Not unnecessarily or knowingly delay or neglect any **PHR** matter entrusted to him or her, or handle any **PHR** matter the person knows, or should know, that he or she is not qualified or authorized to handle; and

b. Assure all services are delivered in a timely and competent manner. Persons will be responsible to know and understand all State and Federal regulations governing their area of responsibility.

STANDARDS

Through our mission to provide the highest level of quality healthcare through behavior which exemplifies our commitment to change, growth, expansion, diversification, and financial success with exceptional individuals and teams working toward achievement of our client's goals, we acknowledge the following standards:

1. *Sound Judgment.* Every employee, medical staff member, or independent contractor performing services for **PHR** is to exercise sound judgment and the utmost good faith, care and diligence in all matters relating to their duties and responsibilities to **PHR**, guided by the highest standards of business ethics.

2. *Full Legal Compliance.* Employees, medical staff, and independent contractors performing services for **PHR** are to comply with all legal requirements in the performance of duties on behalf of **PHR**. Any violations of law and/or deviations from highest ethical standards are deemed to be outside the scope of the employment and authority of **PHR** employees and independent contractors.

3. *Noncompliance Not Tolerated.* **PHR**'s policy is to prevent, detect and terminate activity that involves fraud or other violation of law or that otherwise breaches **PHR**'s ethical standards. Violations of **PHR**'s ethical standards, including criminal conduct or other violations of legal requirements, will not be tolerated.

4. *Cooperation with Authorities.* **PHR**'s policy is to cooperate with all law enforcement agencies regarding any violations of criminal laws.

5. *Training and Information.* Employees, medical staff, and independent contractors shall carefully read education information provided by **PHR**, and shall participate in any other training provided and required by **PHR** regarding legal requirements applicable to their area of responsibility.

6. *Familiarity with Applicable Policies.* Employees and independent contractors shall be familiar with **PHR** policies and procedures applicable to them and to their activities, and with the Employee Handbook for all employees of **PHR**. Employees and independent contractors shall consult these materials as needed in the performance of their duties to assure that their conduct is appropriate.

7. *Supervisory duties:*

a. **PHR** supervisors and directors are responsible for monitoring their staff's compliance with **PHR**'s ethical standards, including compliance with applicable legal requirements.

b. Directors should be aware of the kinds of improprieties to which their departments might be vulnerable.

c. It is a violation of this Policy for a supervisor and/or director to condone fraud or other criminal activity or other violations of law or **PHR**'s ethical standards, including to knowingly permit such activity to continue without reporting it as required by this Policy.

d. Supervisors and/or directors are responsible for assuring that the employees, medical staff, and independent contractors who report to them are aware of and knowledgeable about **PHR**'s applicable policies, procedures, manuals, rules and regulations.

e. Supervisors will be sanctioned for failure to detect noncompliance where reasonable diligence on the part of the supervisor would have led to the discovery of any problems or violations and given **PHR** the opportunity to correct them earlier.

8. *Types of Unethical Behavior, in General.* Unethical and/or illegal behavior including, but not limited to the following, will not be tolerated:

a. Improper Claims. Presenting or causing to be presented to the United States government or any other health care payer a claim that involves:

i. Billing for items or services not actually documented and/or cannot be substantiated in the documentation by a Provider; or

ii. Billing for a medical or other item or service furnished by a Provider during, a period in which such person knows or should know the Provider was excluded from the Medicare program under which any claim was made;

b. False Statement . Making, using or causing, to be made or used any false record, statement or representation of a material fact for use in determining, rights to any benefit or payment under any health care program.

c. Conspiracy to Defraud. Conspiring to defraud the United States Government or any other health care payer.

d. Health Care Fraud/False Statements. Executing or attempting, to execute a scheme or artifice to defraud any health care benefit program, or to obtain, by means of false, fictitious or fraudulent pretenses, representations or promises, any other money or property owned by, or under the custody or control of, any health care benefit program;

e. Anti-Referral. Presenting or causing to be presented a claim for reimbursement to any individual, third party payer, or other entity for designated health services which known

by the person was furnished by a Provider pursuant to a referral by a physician who has a financial relationship with the Provider, as such is defined in 42 U.S.C. 1395nn;

f. Anti-Kickback. Except as otherwise provided in 42 U.S.C. 1320a-7b(b), knowingly and willfully:

   i. Soliciting or receiving any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind either:

      a. in return for referring an individual to a Provider for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part under a Federal health care program; or

      b. in return for purchasing, leasing, ordering, or arranging for or recommending purchasing, leasing or ordering, any good, facility, service or item for which payment may be made in whole or in part under a Federal health are program.

   ii. Presenting or causing to be presented a claim for reimbursement to any individual, third party payer, or other entity for designated health services which known by the person, except as otherwise provided in 42 U.S.C. 1320a-7b(b), was knowingly and willfully:

      a. solicited or received by an unrelated party for remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind either:

         i. in return for referring an individual to a Provider for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part under a Federal health care program; or

         ii. in return for purchasing, leasing, ordering, or arranging for or recommending purchasing, leasing or ordering, any good, facility, service or item for which payment may be made in whole or in part under a Federal health are program; or

         iii. offered or paid for remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind to any person to induce such person either:

            a. to refer an individual to a Provider for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part under a Federal health care program; or

b. to purchase, lease, order, or arrange for or recommend purchasing, leasing or ordering any good, facility, service or item for which payment may be made in whole or in part under a Federal health care program;

g. Antitrust. Engaging in any activity which is in restraint of trade or which monopolizes, or attempts to monopolize, any part of interstate trade or commerce; or

h. Failure to Report Violations to Compliance Officer. Failing to promptly report to the Compliance Officer (as defined below) any instance described in these Standards of Conduct with respect to **PHR** or any of its employees which is known to such person.

i. Unethical Behaviors.

a. Giving, or allowing, false impressions, on purpose.
b. Selling or buying influence or engaging in conflict of interest
c. Hiding information that should be disclosed or divulging information that is confidential or proprietary.
d. Taking unfair advantage.
e. Treating others abusively.
f. Violating rules.

j. Privacy. Failing to adhere to privacy regulations pertaining to the use and disclosure of Protected Health Information (PHI)

9. Fraud

a. Fraud is intentional deception or misrepresentation that an individual knows to be false, and that the individual makes knowing that it could result in an unauthorized benefit to himself or some other person. Intentional deceptions or misrepresentations include, for example, knowingly making a false statement; intentionally omitting information from a statement and thereby causing all or a portion of the statement to be misleading; intentionally concealing a material fact and thereby creating a false impression; knowingly submitting or inviting reliance on a writing or record or sample specimen, map, photograph, or other document or object that is false, forged, altered or otherwise lacking in authenticity or misleading in any material respect, and knowingly using a trick, scheme or devise. Fraud also includes the billing of a test, treatment, etc., knowingly, in error in order to increase reimbursement from third party.

b. Theft, embezzlement, defalcation, forgery or other alterations of documents (e.g., checks, time sheets, contracts), misappropriation of funds or supplies or other property or assets, and extortion and bribery, are examples of fraud and misconduct. The benefit which the fraud is intended to obtain may be, for example, money, services, information, employment or other advantage or gain. Fraud, like any other criminal conduct, will not be tolerated and will be reported to appropriate law enforcement authorities.

c. This program will also work to address misapplication and negligence of duties. Unintentional mistakes reported to the Compliance Committee and/or discovered during auditing and monitoring will be addressed in the same manner as intentional abuse.

d. No employee, medical staff member, independent contractor, or any other person performing services on behalf of **PHR**, shall willfully or knowingly make any false, inaccurate or materially incomplete entries in any log or record whether hard copy or computerized. A materially incomplete entry is one that is misleading because of what it omits. Failure to follow documentation guidelines that results in an error in billing, or inability to justify billing, is fraudulent.

e. No employee, medical staff member, independent contractor, nor any other person performing services on behalf of **PHR**, shall knowingly make any false or misleading statement on behalf of or about **PHR** in connection with his/her duties.

f. Employees, medical staff, and independent contractors performing services on behalf of **PHR** shall exercise care in completing or making records and reports and in making statements on behalf of or about **PHR** or in connection with his/ her duties, with a view toward accuracy, timeliness, material completeness, and confidentiality.

g. If any employee, medical staff member, or independent contractor performing services for **PHR**, learns that a statement or record that he/she made was incorrect or misleading, he or she shall immediately take appropriate steps to correct the inaccuracy or make the information not misleading, in consultation with the individual's supervisor or Compliance Officer, or other individual deemed appropriate for the situation. If in doubt as to whether a correction of any document or statement constitutes an impermissible alteration of a record, employees and independent contractors should consult their supervisor. The Compliance Officer is also available to provide assistance with such questions.

10. *Reporting of violations, whistle blowing, protection from retaliation.*

a. Every employee, medical staff member, or independent contractor shall immediately report to his/ her supervisor any activity that he or she in good faith believes constitutes a violation of this Policy, including any suspected unlawful or criminal act. Good faith reporting is an expected, accepted and protected behavior. On receipt of such a report, the supervisor shall notify the Compliance Officer. If for any reason an employee, medical staff member, or independent contractor is not comfortable reporting the suspected misconduct to his/her supervisor, he or she should report to a higher person in the supervisory chain, or to the Compliance Officer. Failure of an employee, medical staff, or independent contractor, who has actual knowledge of a clear violation of this Policy, to report such violation is itself a violation of this policy,

b. Any person who is uncertain whether a suspected activity is reportable should ask his/ her supervisor or seek clarification from the Compliance Officer. All doubts as to whether something is reportable must be resolved in this manner.

11. *Government Investigations.* **PHR** is committed to full compliance with all state and federal laws and shall cooperate with all reasonable demands made in any government investigation of **PHR**, its employees or independent contractors. However, **PHR** deems it essential for the protection of the legal rights of **PHR** and **PHR** employees, medical staff, and independent contractors that if any person receives a subpoena, inquiry or other legal document in regards to **PHR**'s business, whether at home or in the workplace, from any governmental agency, he or she shall first notify his or her supervisor, who then should alert the CEO and/or Compliance Officer as soon as possible. If a **PHR** employee is contacted at home by a governmental agency concerning **PHR**'s business, the individual is instructed to ask the agent to come back later and shall then immediately contact his or her supervisor who should then alert the Hospital President and/or the Compliance Officer as soon as possible to discuss the matter. If a **PHR** medical staff member is contacted at home by a governmental agency concerning **PHR**'s business, the medical staff member is instructed to ask the agent to come back later and shall immediately notify the Hospital President and/or the Compliance Officer as soon as possible.

12. *Advertising and Marketing.* All advertising and marketing shall be truthful and accurate.

13. *Business Conduct.* Display good judgment and high ethical standards in all business dealings in which **PHR** is represented. All **PHR**'s business affairs must be conducted with honesty, fairness and integrity. These qualities shall be evidenced by truthfulness and the absence of deception or fraud.

14. *Contracts.* All contract and other arrangements will be entered into using forms approved by **PHR** or reviewed by **PHR**'s counsel to verify that none of these compliance standards are violated by those agreements.

15. *Confidential Information.* Do not disclose any confidential information about the business conducted by **PHR** or any Provider's patient specific information to unauthorized people or utilize any of this information for personal gain. Confidential business information that may be sensitive includes, but is not limited to, strategic plans and tactics of **PHR**, planning for new or revised services or development of new business relationships. Confidential information of any sort should not be discussed in any nonbusiness situation with **PHR** or non-**PHR** staff. **PHR** personnel with access to Provider's patient specific information shall abide by the confidentiality policies related to patient care and medical record standards.

16. *Conflict of Interest.* Conduct personal business to avoid conflict of interest with **PHR**'s mission. **PHR**'s Board of Directors, officers, and members of a **PHR** committee with Board delegated powers may not realize any profit or gain as a result of a position with **PHR** apart from normal compensation and benefits.

17. *Health Care Fraud and Abuse: Office of Inspector General ("OIG") Areas of Concern.* The OIG, in its Compliance Program Guidance for various types of PHRs, identified areas which it believed posed the greatest risk of health care fraud and abuse. These areas may fit into one or more of these categories listed above and will be addressed in detail in separate policies. They are included here to heighten awareness of diligence in these areas. **DME, hospitals, physician medical practices, etc. may have different areas of risk to consider. Refer to the appropriate OIG model to assess your risk for the type of care being provided.**

    - Billing for items or services not actually documented;
    - Unbundling;
    - Upcoding;
    - Inappropriate balance billing;
    - Inadequate resolution of overpayments;
    - Lack of integrity in computer systems;
    - Computer software programs that encourage billing personnel to enter data in fields indicating services were rendered though not actually performed or documented;
    - Failure to maintain the confidentiality of information/records;
    - Knowing misuse of provider identification numbers, which results in improper billing;
    - Outpatient services rendered in connection with inpatient stays;
    - Duplicate billing in an attempt to gain duplicate payment;
    - Billing for discharge in lieu of transfer;
    - Failure to properly use modifiers;
    - Billing company incentives that violate the anti-kickback statute or other similar Federal or State statute or regulation;
    - Joint ventures;
    - Routine waiver of copayments and billing third-party insurance only; and
    - Discounts and professional courtesy.

18. *Officers and Executive Management.* Individuals shall promote integrity within the business community by demonstrating professional and ethical conduct both in personal matters and in the discharge of **PHR** responsibilities.

    a. Executive Management and Officers shall strive for excellence in performing his or her duties and shall perform them in a manner that he or she reasonably believes to be in the best interests of **PHR** and with the due care that a prudent professional in the same position would use under similar circumstances.

    b. Executive Management and Officers shall maintain a high level of integrity and shall encourage other directors, officers, employees, and medical staff to do likewise. Executive management and officers shall refrain from illegal conduct in personal and business affairs and avoid all conduct that could reasonably be expected to reflect adversely on his or her integrity or that of **PHR**.

c. Executive Management and Officers shall support and obey both the language and the spirit of the law in general and the **PHR** Standards of Conduct, avoiding efforts to circumvent the law or the Standard's provisions by devious means or questionable interpretations.

d. Executive Management and Officers shall be entitled to rely upon the opinions of lawyers and the reports and information prepared by **PHR** employees, directors, public accountants, or other outside advisors he or she deems competent and authorized, but such reliance shall not relieve the Manager or Officer of the final responsibility for making the business decisions based in whole or part upon that reliance.

e. Executive Management and Officers shall disclose directly any illegal or unethical activities by an officer, employee, or medical staff member that are likely to have an adverse effect upon the business integrity, reputation or affairs of **PHR** to the Compliance Officer.

f. Executive Management and Officers shall perform his or her duties without discriminating on the basis of race, religion, ethnic background, sex, age, marital status, veteran status, disability, or engaging in sexual harassment.

g. Executive Management and Officers shall act within the authority that has been legally delegated to him or her by **PHR**. In this regard, a Manager or Officer shall be responsible for understanding the scope of his or her delegated authority and for ensuring that his or her subordinates are informed concerning their authority.

h. Executive Management and Officers have no authority to, and shall not, either take any action that he or she knows or should know is in violation of any statute, rule or regulation, or execute any contract or any other agreement on behalf of **PHR** except as is specifically provided by the authority delegated to them or the bylaws of **PHR**. An Executive Manager or Officer who is uncertain whether he or she has authority to act or whether a proposed action has been duly authorized should seek prior guidance from a supervisor or officer.