



UNIVERSITY
HEALTH CARE SYSTEM

CORPORATE COMPLIANCE PROGRAM
JANUARY 2007

**UNIVERSITY HEALTH CARE SYSTEM
CORPORATE COMPLIANCE PROGRAM**

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UNIVERSITY HEALTH CARE SYSTEM CORPORATE COMPLIANCE PROGRAM

I. POLICY STATEMENT CONCERNING ETHICAL PRACTICES

University Health Care System (UHCS) has a policy of maintaining the highest level of professional and ethical standards in the conduct of its business. These standards can only be achieved and sustained through the actions and conduct of personnel of the UHCS (University Hospital, University Home Health, Kentwood, Westwood and all other University Health controlled businesses). Each and every employee and business associate, including management employees and business associates of the UHCS is obligated to conduct himself/herself in a manner to ensure the maintenance of the Compliance Program.

Employees and business associates must be cognizant of applicable federal and state laws and regulations that apply to and impact upon the UHCS's documentation, coding, billing, accounting, auditing and internal control processes, as well as other day to day activities of the UHCS. Each employee or business associate who is materially involved in any of the UHCS's documentation, coding, or billing has an obligation to familiarize himself or herself with such applicable laws and regulations, and to adhere to the requirements thereof.

UHCS's Code of Conduct and Compliance Standards are intended to provide guidance to our employees and business associates to ensure that quality health care is provided in an ethical and legal manner. Employees and business associates may occasionally need additional guidance concerning a particular issue and UHCS's leaders are expected to set the ethical example and make available all relevant compliance related information. It is important that everyone recognize the role the Compliance Program has in maintaining UHCS's high standards, with both the Code of Conduct and Compliance Standards, because the success of our program depends in large part on your support and cooperation.

The aim of the Compliance program is to prevent violations of the law or other improper business conduct, and detect and remediate violations should they nonetheless occur. In sum, a Compliance Program is an evolving process, which requires continuous evaluation of the regulatory and healthcare environment.

II. CODE OF CONDUCT AND COMPLIANCE STANDARDS

The Compliance Program is intended to demonstrate in the clearest possible terms the absolute commitment of the organization to the highest standards of ethics and compliance. The elements of the program include setting standards (Code of Conduct and Compliance Standards), communicating the standards, providing a mechanism for reporting potential infractions, monitoring and auditing, and maintaining an organizational structure that supports the furtherance of the program.

The different levels of the organization support these elements. Compliance oversight is regulated by the Vice President for Legal Affairs who serves as the Corporate Compliance Officer; the Compliance Counsel who reports to the Corporate Compliance Officer; the Compliance Steering Committee consisting of senior management; and Responsible Executives. Collectively, these groups and individuals are responsible for the development of the Compliance Program, including the creation and distribution of compliance standards; the development and delivery of ethics and compliance training;

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auditing and monitoring compliance with laws, regulations, conditions of participation and policies; and providing a mechanism for reporting infractions.

A. Review and monitoring of the Code of Conduct

University Health Care System has established expectations of conduct for employees and business associates in order to promote operational efficiency and safety, to ensure quality services and customer satisfaction, and to comply with the letter and spirit of applicable laws and regulations. Employee or business associate behavior that interferes with operations, discredits the organization or is offensive to patients, physicians, fellow employees and business associates or other customers will not be tolerated and will be remedied through appropriate measures, which includes disciplinary action. See UHCS policy A-25 Code of Conduct.

B. Establishment and monitoring of the Compliance Standards

Numerous federal and state laws and regulations, and provider contracts define and establish the obligations with which UHCS, UHCS employees and business associates must be knowledgeable and comply. Several of these laws are described in more detail in Appendix 1 to this policy. Any UHCS employee or business associate who violates these laws, regulations, and/or contractual provisions not only risks possible individual indictment, criminal prosecution and penalties, civil actions for damages and penalties and administrative exclusion, but also subjects UHCS to the same risks and penalties. Any violations or suspected violations should be immediately reported to a supervisor or member of management, the Compliance Officer, Compliance Counsel or the Integrity Hotline (706-774-8536).

These Compliance Standards are based upon general ethical and legal obligations. Any UHCS employee or business associate who violates these Compliance Standards will be subject to discipline, which could include termination of employment or affiliation with UHCS.

1. Administer and Record Health Care Services Properly

Patient care provided to our patients must be necessary, appropriate and well documented. We must ensure the medical necessity, as defined by the payer, of the care billed to the payer and patient and verify patient eligibility. In addition, we must accurately record services provided, documenting physician authorization when necessary. Altering, concealing, falsifying or destroying of medical records/documents will not be tolerated and will result in immediate sanctions. Each UHCS employee and business associate is responsible for the integrity and accuracy of our organization's documents and records, not only to comply with regulatory and legal requirements but also to ensure records are available to support our business practices and actions.

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2. Coding and Billing Practices

We prohibit any employee or business associate of UHCS from knowingly presenting or causing to be presented claims for payment or approval, which are false, fictitious, or fraudulent. The code billed for the health care services must be supported by adequate documentation in the patient's medical record. Operate under the assumption that if it is not documented, it did not happen and cannot be billed. Billing claims will comply with applicable federal and state payer requirements, as well as private payer contracts and agreements. Claims for health care items or services shall only be submitted when provided by qualified health care professionals. Any business associates engaged to perform billing or coding services must have the necessary skills, quality control processes, systems, and appropriate procedures to ensure billings for government and commercial insurance programs are accurate and complete.

Co-pays and deductible amounts shall be collected to the full extent required by federal and state laws, and private payer agreements. Any waivers of co-payments or deductibles are to be made in accordance with written policies and guidelines. No balance billing is allowed for covered services rendered to patients, as required under federal and state laws. Any Medicare Advance Beneficiary Notices (ABN's, also known as Medicare Waivers of Liability) must be signed before services or treatment is provided, must identify the service or treatment, and state why such service or treatment may not be covered and an approximate cost (see UHCS policy G-131 Patient Waiver for Non-Covered Service and Patient Declination of Service). UHCS shall promptly refund any identified overpayments received from any federal payment program.

3. Cost Reports

Our business involves reimbursement under government programs, which require the submission of certain reports of our costs of operation. We comply with state and federal laws, rules and regulations relating to all cost reports. These laws, rules and regulations define what costs are allowable and outline the appropriate methodologies to claim reimbursement for the cost of services provided to program beneficiaries. Given their complexity, all issues related to the completion and settlement of cost reports must be communicated through or coordinated with our Finance Department.

4. Confidentiality

Confidential information about our organization's strategies and operations is a valuable asset. Although you may use confidential information to perform your job, it must not be shared with others unless the individuals have a legitimate need to know this information and have agreed to maintain the confidentiality of the information. Also see UHCS policy F-10, Release of Information on the Condition of Patients to News Media.

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Patient Information

Sensitive information is obtained from patients in order to provide the best possible care. Our patients have the right to expect that their privacy will be protected and that patient-specific information will only be released to authorized persons. UHCS recognizes the sensitive nature of this information and is committed to maintaining its confidentiality.

Patient information, including verbal and written patient information, within the various departments and clinics is strictly confidential. Patient-specific information is not released or discussed with others unless it is necessary to serve the patient or is required by law. Disclosure of any patient information to any unauthorized person is expressly forbidden. Patient-specific information will only be released to authorized persons or by the patient's written consent. Patient information is retained in accordance with the law and any applicable record retention policy. See UHCS policy I - HIPAA.

University Health Care System Business Information

Information obtained, developed or produced by UHCS, UHCS employees or business associates is confidential and shall not be disclosed to anyone outside of UHCS. Confidential information includes, but is not limited to, patient lists, personnel data, passwords, fee schedules, clinical information, research data, financial data, and marketing strategies. Confidential information should be maintained in a secure location. Information expressly identified as "confidential" may only be disclosed or released as required in the performance of your job or as expressly authorized to appropriate UHCS employees, business associates and payer representatives. If your relationship with UHCS ends for any reason, you are still bound to maintain the confidentiality of information viewed during our employment.

Our clinical and business processes rely on timely access to accurate information from our computer systems. Your passwords act as individual keys to our network and to critical patient care and business applications, and they must be kept confidential. It is part of your job to learn about and practice the many ways you can help protect the confidentiality, integrity and availability of electronic information assets.

5. Refuse Bribes, Kickbacks and Improper Referrals

Referrals are based upon the patient's health care needs and are made and accepted in accordance with the law and our ability to render the needed services. We do not pay for referrals or accept payments for referrals that we make. No payment or other items of value shall be accepted by, or paid to, anyone that would influence the referral of a patient to a particular provider for the provision of health care services or items. Such payments or other items of value would be considered bribes, kickbacks or inducements and are prohibited. Proposed significant contractual relationships are reviewed and approved by the UHCS's Legal Affairs Department prior to acceptance. All contracts involving payments

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to physicians must be reviewed by Legal Affairs (Policy G-25). Violations of this standard may have grave consequences for the organization and the individuals involved, including civil and criminal penalties, and possible exclusion from participation in federally funded healthcare programs. See UHCS policy G-73 Organizational Ethics.

6. Internal and External Investigations and Accrediting Bodies

Internal Investigations

As part of this Plan, it may be necessary for the Corporate Compliance Officer or his/her designee, to conduct an internal investigation to determine whether or not non-compliant activity or conduct is occurring. You are expected to cooperate and assist the Corporate Compliance Officer as requested in any internal investigation.

External Investigations

UHCS will cooperate with reasonable demands made in any government investigation of UHCS, UHCS employees or business associates. However, UHCS deems it essential that the legal rights of UHCS, UHCS employees and business associates are protected. If someone who identifies himself or herself as a government agent approaches you, you must notify your supervisor who shall immediately notify the UHCS's Legal Affairs Department. Legal Affairs will verify the credentials of the government agent and/or validity of any subpoena or other request for documents. Legal Affairs shall determine the legitimacy and scope of any investigation and establish the proper procedures for cooperating with the investigation. If you are contacted at home or during non-work hours by government investigators concerning UHCS business, you should inform your supervisor as soon as possible. You may agree or refuse to talk with a government investigator and you have the right to seek legal counsel before responding to questions by a government investigator.

During a government inspection, never conceal, destroy, or alter any documents, or make false or misleading statements to the government representative. Also, do not attempt to cause another employee to fail to provide accurate information or obstruct, mislead, or delay the communication of information. Only the UHCS's Legal Affairs has the authority to authorize the release of UHCS documents (including medical records) to government investigators. If you receive a subpoena or other legal document (such as a Civil Investigative Demand) from any government agency, you should immediately contact your supervisor who should then contact the UHCS's Legal Affairs Department.

Accrediting Bodies

University Health Care System will deal with accrediting bodies in a direct, open and honest manner. No action should ever be taken that would mislead the accreditor or its survey teams, either directly or indirectly. The standards of the accrediting group will be followed. The scope of matters related to accreditation of various bodies is extremely significant and broader than the scope of this Compliance Standard.

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7. Emergency Treatment/Patient Dumping

We follow the Emergency Medical Treatment and Active Labor Act (“EMTALA”) in providing emergency medical treatment to patients, regardless of ability to pay. Provided we have the capacity and capability, stabilizing care is provided to anyone with an emergency medical condition. The providing of a medical screening examination to determine the presence of an emergency medical condition and stabilizing treatment will not be delayed to obtain financial and demographic information.

Patients will only be transferred to another facility at the patient’s request or if the patient’s medical needs cannot be met at the UHCS facility (*e.g.*, we do not have the capacity or capability) and appropriate care is knowingly available at another facility. Patients may only be transferred in strict compliance with the EMTALA guidelines.

8. Business Courtesies

University Health Care System recognize there will be times when a current or potential business associate may extend an invitation to attend a social event in order to further develop your business relationship. Sometimes a business associate will extend training and educational opportunities that include travel and overnight accommodations to you at no cost to you or UHCS. Similarly, there are some circumstances where you are invited to an event at a vendor’s expense to receive information about new products or services. Prior to accepting any such invitation, you must receive approval to do so consistent with the corporate policy (G-72 Conflict of Interest Resolution) on this subject.

Perishable or consumable gifts given to a department or group are not subject to any specific limitation. Under no circumstances may you ever accept or solicit cash, gifts or financial instruments (*e.g.*, checks, stocks).

U.S. Federal and state governments have strict rules and laws regarding gifts, meals, and other business courtesies for their employees and business associates. UHCS’s policy (A-36 Tips, Gifts and Gratuities) is to not provide any gifts, entertainment, meals, or anything else of value to any employee of the Executive Branch (Department of Health and Human Services, Internal Revenue Service, etc.) of the Federal government, except for minor refreshments in connection with business discussions or promotional items with the UHCS or facility logo valued at no more than \$10.00. With regard to gifts, meals, and other business courtesies involving any other category of government official or employee, you must determine the particular rules applying to any such person and carefully follow them.

Any entertainment or gift involving physicians or other persons who are in a position to refer patients to our health care facilities must be undertaken in accordance with organizational policies. We will comply with all Federal laws, rules and regulations regarding these practices.

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9. Maintain the Integrity of Physicians, other Business associates, consultants, and representatives

In order to ensure we fully meet regulatory obligations, UHCS employees and business associates must be informed about stated areas of potential compliance concern. The Department of Health and Human Services, and particularly its Inspector General have routinely notified healthcare providers of areas in which these government representatives believe insufficient attention is being accorded government regulations. We should be diligent in the face of such guidance about reviewing these elements of our system to ensure their correctness. UHCS will provide its employees and business associates with the information and education they need to comply fully with applicable laws, regulations and conditions of participation.

10. Conflict of Interest

A conflict of interest may occur if your outside activities or personal interests influence or appear to influence your ability to make objective decisions in the course of your job responsibilities. A conflict of interest may also exist if the demands of any outside activities hinder or distract you from the performance of your job or cause you to use UHCS resources for other than UHCS purposes. A conflict of interest is also considered to exist in any instance where an individual's actions or activities on behalf of UHCS also involve the obtaining of an improper gain or advantage to the individual, or creates an adverse effect on UHCS. It is your obligation to ensure you remain free of "conflicts of interest" in the performance of your responsibilities at UHCS. If you have any question about whether an outside activity might constitute a conflict of interest, you must obtain the approval of your supervisor before pursuing the activity. Also see UHCS policy #G-72 Conflict of Interest Resolution.

11. Treat in an Ethical Manner those to whom the University Health Care System has an obligation

Patient Care and Rights

Our mission is to provide high quality, cost effective healthcare to our patients. We treat patients with warmth, respect and dignity and provide care that is both necessary and appropriate. We make no distinction in the admission, transfer or discharge of patients or in the care we provide based on age, gender, disability, race, color, religion, or national origin. Clinical care is based on identified patient healthcare needs, not on patient or organization economics.

Upon inpatient admission, each patient is provided with a written statement of patient rights. This statement includes the rights of the patient to make decisions regarding medical care and conforms to applicable state and federal laws.

UHCS seeks to involve patients in aspects of their care or treatment. As applicable, each patient or patient representative is provided with a clear explanation of care including, but not limited to, diagnosis, treatment plan, right

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to refuse or accept care, care decision dilemmas, advance directive options, estimates of treatment costs, organ donation and procurement, and an explanation of the risks and benefits associated with available treatment options. Patients have the right to request transfers to other facilities. In such cases, the patient will be given an explanation of the risks, benefits and alternatives.

Affiliated Physicians

Any business arrangement with a physician must be structured to ensure precise compliance with legal requirements. Such arrangements must be in writing and approved by the UHCS's Legal Affairs Department.

12. Employment Practices

Hiring of Former and Current Government and Fiscal Intermediary Employees

The recruitment and employment of former or current U.S. government employees may be impacted by regulations concerning conflicts of interest. Hiring employees directly from a fiscal intermediary requires certain regulatory notifications. Employees and business associates should consult with the Human Resources Department or the UHCS's Legal Affairs Department related to such recruitment and hiring.

License and Certification Renewals

Employees and business associates and individuals retained as independent business associates in positions which require professional licenses, certifications, or other credentials are responsible for maintaining the current status of their credentials and shall comply with federal and state requirements applicable to their respective disciplines. To assure compliance, UHCS may require evidence of the individual having a current license or credential status. UHCS will not allow any employee or independent contractor to provide patient care without valid, current licenses or credentials.

Personal Use of University Health Care System Resources

It is the responsibility of each University Health Care System employee and business associate to preserve our organization's assets including time, materials, supplies, equipment, and information. Organization assets are to be maintained for business related purposes. As a general rule, the personal use of any UHCS asset without the prior approval of your supervisor is prohibited. The UHCS encourages using resources and materials efficiently and effectively. Any community or charitable use of organization resources must be approved in advance by your supervisor. Any use of organization resources for personal financial gain unrelated to the organization's business is prohibited. Also see UHCS policy G-20 Removal and Use of University Health Care System Property.

Relationships with Business Associates, Suppliers, and Educational Institutions

We must manage our subcontractor and supplier relationships in a fair and reasonable manner, consistent with applicable laws and good business practices.

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We promote competitive procurement to the maximum extent practicable. Our selection of business associates, suppliers, and vendors will be made on the basis of objective criteria including quality, technical excellence, price, delivery, adherence to schedules, service, and maintenance of adequate sources of supply. Our purchasing decisions will be made on the supplier's ability to meet our needs, and not on personal relationships and friendships. We will always employ the highest ethical standards in business practices in source selection, negotiation, determination of contract awards, and the administration of purchasing activities. We will not communicate to a third party confidential information given to us by our suppliers unless directed in writing to do so by the supplier. We will not disclose contract pricing and information to any outside parties. Any UHCS employee having a relationship with an educational institution must have a written agreement, which defines both parties' roles and the UHCS's retention of the responsibility for the quality of patient care.

Sanctioned Individuals

The UHCS shall not knowingly employ any individual, or contract with any person or entity, who has been convicted of a criminal offense related to health care or who is listed by a Federal agency as debarred, excluded or otherwise ineligible for participation in federally funded health care programs. In addition, until resolution of such criminal charges or proposed debarment or exclusion, any individual who is charged with criminal offenses related to health care or proposed for exclusion or debarment shall be removed from direct responsibility for, or involvement in, documentation, coding, billing or competitive practices. If resolution results in conviction, debarment or exclusion of the individual, the UHCS shall terminate its employment of such individual. We routinely search the Office of Inspector General and General Services Administration's lists of such excluded and ineligible persons.

III. STRUCTURE OF THE PROGRAM

A. Compliance Officer

The UHCS's Compliance Officer is selected and charged by the Board with the overall responsibility of overseeing compliance with the Compliance Program and other applicable standards. The Compliance Officer is a high level management individual and shall provide guidance and interpretation to the Board of Directors, the Chief Executive Officer (CEO), the Audit Committee, and UHCS personnel on matters related to the Compliance Program. The Compliance Officer will:

1. Provide leadership for the UHCS's compliance effort.
2. Prepare at least annually a report to the Board of Directors, the Audit Committee, and the CEO concerning the compliance activities and actions undertaken during the preceding year, the proposed compliance program for the next year, and any recommendations for changes in the Compliance Program;

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3. Periodically review and revise the Compliance Program in light of changes in the law and the requirements of federal and state funded health care programs;
4. Approve Department Compliance Plans, including department policies relating to billing and documentation;
5. Chair the Compliance Committee;
6. Approve the Compliance Program policies and procedures;
7. Review and approve education and training materials;
8. Supervise internal and external audits to evaluate compliance;
9. Address compliance issues arising from reviews or other mechanisms;
10. Investigate reports of violations or noncompliance.

In general, recommendations from the Compliance Officer regarding compliance matters will be directed to the appropriate officer or manager of the UHCS. If the Compliance Officer is not satisfied with the action taken in response to its recommendations, he/she will report such concern to the Board of Directors and the CEO. In no case will the UHCS employee or business associate endeavor to conceal wrongdoing from the Compliance Officer.

B. Compliance Counsel

The Compliance Counsel will oversee and monitor the implementation of the Compliance Program for UHCS. This includes continually assessing the effectiveness of the Compliance Program and making revisions as necessary to reflect the changes in the needs of UHCS, as well as changes in the law and governmental policies and procedures. The Compliance Counsel will:

1. Work with the Compliance Officer in the preparation and development of, and overseeing the implementation of written guidelines of the Compliance Program;
2. Develop and implement an educational training program for UHCS personnel to ensure understanding of the Compliance Program (with assistance from Hospital Education);
3. Respond and handle inquiries from any employee or business associate regarding any aspect of compliance;
4. Investigate any information or allegation concerning possible unethical or improper business practices and recommend corrective action when necessary;
5. Plan periodic audits of the UHCS's operations in order to identify and rectify any possible barriers to the efficacy of the Compliance Program;
6. Perform such other duties and responsibilities as the Compliance Officer may request.
7. Regularly and periodically monitor the issuance of fraud alerts by Office of the Inspector General of the Department of Health and Human Services. Any fraud alerts so issued shall be carefully considered by the Compliance Counsel and by the Compliance Officer. The UHCS shall revise and amend this Compliance Program, as necessary, in accordance with such fraud alerts. In

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addition, the UHCS shall immediately cease and correct any conduct applicable to the UHCS and criticized in any such a fraud alert.

8. Maintain records and reports in a secure location that are created in conjunction with the UHCS's adherence to the Compliance Program until such time as the Compliance Officer determines that the destruction of such documentation is appropriate.

C. Compliance Committee

The Compliance Officer may create one or more committees to advise the Compliance Officer/Counsel and assist in the implementation of the compliance program. Each committee may have one or more members, who may be UHCS employees, independent business associates or other interested parties, and such members shall serve at the pleasure of the Compliance Officer. The purpose of providing for such committees is to allow the UHCS and the Compliance Officer to benefit from the combined perspectives of individuals with varying responsibilities in the UHCS.

The Compliance Committee members currently include: Compliance Officer, VP of Finance, Director of Patient Financial Services, Director of Internal Audit, Director of Human Resources, Director of Access Management, Director of Health Information Services, Chief Medical Officer, Director of Case Management, Director of Revenue Management and the Compliance Counsel.

The Compliance Committee meets monthly or more often as determined by the Committee members, and is chaired by the Compliance Officer. In the absence of the Compliance Officer, the Compliance Counsel chairs the meetings. The Chief Medical Officer is the Compliance Committee Liaison to the Medical Staff Executive Committee of which the CMO is a member.

Member Responsibilities:

The committee provides guidance and direction as needed to the Compliance Officer/Counsel; reviews the results and conclusions reached from audits; recommends corrective actions with respect to noncompliance issues and makes recommendations to improve the efficacy of the Compliance Program. Compliance Committee members are expected to regularly attend Compliance Committee meetings. Any sensitive information regarding individuals or the UHCS, or information identified as confidential or proprietary learned by a member during his/her tenure on the Compliance Committee shall be considered confidential.

D. Subcommittees

At the Chair's discretion, subcommittees may be formed from among the Compliance Committee's membership to address specified issues.

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IV. DEPARTMENTAL COMPLIANCE

A.

The Departmental Compliance activities play an important role in the implementation of, and continued compliance with, the Compliance Program within Departments whose activities are at a heightened risk for compliance issues. The Departments are expected to:

1. Work with the Compliance Officer and the Compliance Committee to assure compliance with the Compliance Program in their departments, and otherwise oversee departmental compliance;
2. Cause their departments to develop and adopt departmental policies and procedures operationalizing the Compliance Program for their departments;
3. Review their departmental policies, at least annually, to assure that they comport with updates or amendments to the Compliance Program;
4. Implement corrective/disciplinary action as necessary to assure compliance, and as recommended by the Compliance Officer or Compliance Committee;
5. Provide information to the Compliance Officer or Compliance Committee, as necessary, regarding the departments and their compliance effort.

B. Departmental Compliance Plans

Certain departments shall prepare a Departmental Compliance Plan to address compliance efforts on a departmental basis. Before becoming effective, such plans shall be reviewed and approved by the Compliance Officer to ensure consistency with overall policies.

The Departmental Compliance Plans shall, at a minimum, include the following features:

1. Written policies and procedures for any billing, coding or other regulatory activities that may be undertaken by departmental personnel;
2. Educational and training programs, as coordinated with the Compliance Officer and Compliance Committee, to address compliance issues of particular importance to the department;
3. Monitoring of activities to ensure compliance with applicable laws and regulations related to this Program;
4. Annual review of the existing Departmental Compliance Plan in order to identify the need for changes and to identify specific compliance objectives during the succeeding year.

V. REPORTING VIOLATIONS

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A. Personal Obligation to Report

UHCS employees and business associates are required to report any known instance of non-compliant conduct or any suspected non-compliant conduct. Failure to report known non-compliant conduct or activity may be considered a violation of this Program. No person shall be retaliated against by UHCS or by any UHCS employee or business associate for making a good-faith report of suspected non-compliant conduct. See Appendix 1 to this policy for more information concerning the rights of individuals who report actual or suspected wrongdoing. Any supervisor or other management personnel who receives a report of known or suspected non-compliant conduct shall forward the information to the Compliance Officer/Counsel for review and follow-up.

Any UHCS employee or business associate who makes an intentionally false report of non-compliance or misuses the Hotline shall be subject to discipline.

B. Resources for Guidance and Reporting Violations

Complex and ever-changing rules and regulations govern the UHCS as it relates to the provision of health care services. UHCS recognizes that this can create areas of uncertainty for UHCS employees and business associates. Questions and concerns about the appropriate way to handle various situations may, and often do arise during the course of your job. Reports and complaints of questionable practices may be made by anyone having knowledge or information about a known or suspected questionable practice. If you believe any conduct is wrong reporting may be accomplished in any of the following ways:

1. Written or oral correspondence with your immediate supervisor or higher level management, or if discussion with management is not feasible (i.e. your most senior supervisor's conduct is suspected) or if prior communications have not produced satisfactory resolution of the concern;
2. Written or oral correspondence with the Compliance Officer/Counsel. The Compliance Officer/Counsel have an "open door" policy with respect to receiving reports of violations, or suspected violations of the Compliance Program and with answering questions related to the Compliance Program; or
3. If you believe an anonymous complaint is your only option, call the UHCS Integrity Hotline at 706-774-8536.

C. Integrity Hotline

Any UHCS employee or business associate may call the confidential Integrity Hotline to ask questions about ethical or legal conduct or to report any known or suspected non-compliant conduct or potential improper action. Calls to the Integrity Hotline will be logged.

The Integrity Hotline:

- Allows a caller to anonymously report concerns without fear of retaliation or retribution. (Anonymity will be maintained to the extent allowed by law).

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- Calls are not traced or recorded (calls are recorded on the voice messaging system if the caller chooses to leave a message, but is immediately erased after the message is retrieved).
- The Integrity Hotline provides the alternative reporting mechanism for UHCS employees and business associates to report information about known or suspected non-compliance when the UHCS employee or business associate is uncomfortable with approaching their supervisor or Compliance personnel.
- The telephone number for the Integrity Hotline, along with a copy of the Compliance Program, shall be available in conspicuous locations throughout the UHCS.
- Anonymously reported concerns are more difficult to investigate because it is not possible to acquire clarifications from the person making the anonymous report and it is not possible to provide the results of the investigation to the person submitting an anonymous report.

D. Internal Investigations of Reports

We are committed to investigating reported concerns promptly and confidentially to every extent possible. The Compliance Officer and Compliance Counsel will coordinate any findings from the investigations and immediately recommend corrective action or changes that need to be made. We expect employees and business associates to cooperate with investigation efforts. The Compliance Officer will prepare a written report or cause to be reported investigative findings to the Compliance Committee. Investigations that identify compliance issues will be reported to the CEO and Board.

E. Corrective Action

Where an internal investigation substantiates a reported violation, it is the policy of the organization to initiate corrective action including as appropriate:

1. Resolution of specific problem(s) identified;
2. Recommendations to repay and evidence of prompt repayment of inappropriate paid claims;
3. Reporting corrective action taken to government agency as determined in conjunction with UHCS's Legal Affairs Department;
4. Modification to policies and procedures to reduce likelihood of recurrence;
5. Implementing additional mandatory education and training of employees who are the subject of the corrective action;
6. Implementing disciplinary measures as imposed by the organization;
7. Imposing, as necessary, focused reviews of all of an employee's records for a defined period of time; and
8. Other reasonable corrective measures calculated to increase adherence to the Compliance Program.

If an investigation of an alleged violation is undertaken and the Compliance Officer/Counsel believes the integrity of the investigation may be at stake because of the presence of employee(s) and business associate(s) under investigation, the

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employee(s) or business associate(s) allegedly involved in the misconduct shall, at the discretion of the Compliance Officer, be removed from his/her/their current work activity until the investigation is completed. In addition, the UHCS and the Compliance Officer shall take any steps necessary to prevent the destruction of documents or other evidence relevant to the investigation. Disciplinary guidelines are followed for employees who violate, ignore, fail to recognize and knowingly fail to report activities which may be considered fraudulent or which may affect the organization's financial viability.

VI. EDUCATION AND TRAINING

A. Purpose of Educational Program

The Compliance Program promotes the UHCS's policy of adherence to the highest level of professional and ethical standards, as well as applicable laws and regulations. UHCS firmly believes that, in the rare instances when one of its employees behaves in a manner that is improper or in violation of applicable laws, rules and regulations, this misconduct is most likely a result of a lack of understanding and/or lack of education and training on the substantive rules applicable to their jobs. UHCS is committed to providing an environment of education and learning to assist employees in performing their job function in conformance with UHCS's policies and procedures and all applicable laws, rules and regulations. UHCS expects its employees to demonstrate personal responsibility for seeking the same.

B. Structure of Educational Program

Education and training programs will be implemented to ensure that each employee is aware of the applicable laws, rules and regulations and the Compliance Standards and how the employee will apply this information to the successful performance of their respective duties. UHCS will require business associates to undertake appropriate education and training programs. Such programs ensure that employees and business associates understand the consequences both to the employee and to the organization that result from any violation of these requirements. Compliance education generally focuses on the following elements:

1. An overview of the fraud and abuse laws, rules and regulations and any new risk areas relevant to UHCS;
2. An overview of the Compliance Program, Compliance related policies and procedures and the obligation of each employee to, and the opportunity for each member of the UHCS workforce to, actively participate in the program; and
3. Comprehensive training in areas of billing and reporting requirements for Medicare, Medicaid, and private insurance laws, rules and regulations (specific to department).

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Training is mandatory for all employees and attendance is documented and kept on record. The education department shall keep all records of Compliance education that includes:

1. Dates of training;
2. Target audience;
3. Format of training;
4. Name and credentials of presenter;
5. Detailed description of content;
6. Description of how training was completed for those who did not attend the session
7. Whether the training was mandatory or not.

Annual updates are also required after the individual has completed the initial training courses. Compliance training will also be completed with new hires. Compliance training will be offered to business associates, especially physicians, as UHCS assets reasonably permit. Business associates that are part of the UHCS workforce will, at a minimum, receive an orientation to the UHCS compliance program.

Education may be provided through the use of internal and/or external experts, written and oral presentations, videos, computer software, testing and periodic E-mail, mail, Communiqué newsletters or other like means of communication. The Compliance Officer/Counsel will approve all training.

C. Monitoring Adherence to the Education Program

The Compliance Program imposes several obligations on UHCS employees which will be considered in employee evaluations and if needed enforced by disciplinary measures. Each employee will be required to sign a certification that they have read, understood and agree to comply with the Compliance Program and this certification will be kept in each employee's file. It shall be the responsibility of each manager to ensure that employees under his/her supervision who are materially involved in any of the UHCS's documentation, coding, billing and competitive practices have executed such an acknowledgment.

VII. AUDITING AND MONITORING

A. Monitoring and Auditing

The Compliance Officer/Counsel shall supervise monitoring systems as they relate to procedures to ensure compliance with applicable laws and regulations pursuant to this Program. UHCS's Internal Audit Department will work in cooperation with the Compliance Officer/Counsel to fulfill the Program's requirements. Regular and periodic audits shall be conducted to determine the effectiveness of the compliance program.

B. Regular Audits

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Compliance audits shall be conducted in accordance with the comprehensive audit procedures established by the Internal Audit and the Compliance Office/Committee. Compliance audit procedures shall be conducted with the assistance of the UHCS's Legal Affairs Department and the results thereof, are confidential.

The Compliance Office/Committee may, after receiving input from the Internal Audit Department, contract with independent organizations, as needed, to review the billing process, policies and practices of UHCS to insure governmental and third party payers are billed accurately. The Compliance Office and Internal Audit will conduct general audits that will focus on high-risk areas. Departmental monitoring will focus on department specific issues and will be done under the guidance of the Compliance Office and Internal Audit. The risk areas are amended periodically based on needs identified in the Compliance Program.

C. Formal Audit Reports

Formal audit reports shall be prepared with the assistance of the UHCS's Legal Affairs Department and submitted to the Compliance Committee, the Audit Committee, and the Board of Directors to ensure that management is aware of the results and can take whatever steps necessary to correct past problems and deter them from recurring. The audit or other analytical reports shall specifically identify areas where corrective actions are needed and should identify in which cases, if any, subsequent audits or studies would be advisable to ensure that the recommended corrective actions have been implemented and are successful.

D. Procedures Following Detection of Noncompliance

Whenever a compliance issue has been identified, through monitoring, reporting of possible issues, investigations, or otherwise, the Department Director(s) shall develop a corrective action plan to address that issue. See section V. E for Corrective Action Plans.

VIII. DISCIPLINARY GUIDELINES

Disciplinary guidelines (policy A-25) are followed for employees who violate, ignore, fail to recognize and knowingly fail to report activities which may be considered fraudulent or which may affect the organization's financial viability. Disciplinary action related to compliance will be reported to compliance officer.

Enforcement and discipline in individual circumstances will commensurate with the UHCS's reasonable perception of the gravity of the circumstances, based on its investigation of the matter. The precise discipline utilized will depend on the nature, severity, and frequency of the violation. The employee or business associate will be given the opportunity to respond to the charges.

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IX. PROGRAM REVIEW

This Program is intended to be flexible and readily adaptable to changes in regulatory requirements and in the UHCS as a whole. The Program should be regularly reviewed to assess whether it is effective and should be changed as experience shows that a certain approach is not effective.

X. CONCLUSION

University Health Care System believes that the incorporation and implementation of a regulatory Corporate Compliance Program helps to improve the quality of care delivered and eliminate inefficiencies, taking the organization to a higher level of excellence. The Corporate Compliance Program serves as a guide for how UHCS conducts its operations to comply with its ethical and business policies, and all state and federal laws, rules and regulations.

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XI.

CONFIRMATION OF COMPLIANCE



I, _____, confirm that I have received instruction about the University Health Care System Corporate Compliance Program. I pledge that my actions will be in accord with the Corporate Compliance Program.

Further, I confirm that I am not aware of any violation of the Corporate Compliance Program by any UHCS employee or business associate; **or**

I have reported my concerns about a possible violation of the Corporate Compliance Program to the following named individuals:

_____ ; **or**

I have reported my concerns about a possible violation of the Corporate Compliance Program to the University Integrity Hotline (706-774-8536).

I agree to continue to abide by the guidelines for business conduct expressed in this Compliance Handbook. In the event any conduct I become aware of doesn't seem legally or ethically right, I will bring my concerns to the attention of my supervisor or, if that is not possible, to the Corporate Compliance Office (706-774-8063) or the University Integrity Hotline (706-774-8536).

Signature

Printed Name

Department Name/Number

Employee Number

Date

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XII.

APPENDIX 1

A. The Federal False Claims Act

The Federal False Claims Act (FCA) was first enacted during the Civil War to fight fraud in supplying goods to the Union Army. The law has undergone a number of changes since then and now applies to any federally funded contract or program, except tax fraud. The FCA was expanded to include Medicare and Medicaid programs in 1986.

Summary of Provisions: The FCA prohibits knowingly making a false claim against the government. False claims can take the form of overcharging for a product or service, delivering less than the promised amount or type of service, delivering less than the promised amount or type of goods or services, underpaying money owed to the government and charging for one thing while providing another.

Penalties: The FCA imposes civil penalties and is not a criminal statute. Therefore, no proof of specific intent as required for violation of a criminal statute is necessary.

Persons (including organizations such as hospitals) may be fined a civil penalty of not less than \$5,000 nor more than \$10,000, plus three (3) times the amount of damages sustained by the government for each false claim. The amount of damages in health care terms is the amount paid for each false claim that is filed.

Qui Tam (Whistleblower) Provisions

Any person may bring an action under this law (called a qui tam relator or whistleblower suit) in federal court. The case is initiated by causing a copy of the complaint and all available relevant evidence to be served on the federal government. The case will remain sealed for at least 60 days and will not be served on the defendant so the government can investigate the complaint. The government may obtain additional time to investigate for good cause. The government on its own initiative may also initiate a case under the FCA.

After the 60 day period, or any extensions, has expired, the government may pursue the matter in its own name, or decline to proceed. If the government declines to proceed, the person bringing the action has the right to conduct the action on his/her own in federal court.

If the government proceeds with the case, the qui tam relator bringing the action will receive between 15 and 25 percent of any proceeds, depending upon the contributions of the individual to the success of the case. If the government declines to pursue the case, and the qui tam relator successfully prosecutes the claim, the relator will be entitled to between 25 and 30 percent of the proceeds of the case, plus reasonable expenses and attorneys fees and costs.

Any case must be brought within six years of the filing of the false claim.

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Non-Retaliation: Anyone initiating a qui tam case may not be discriminated or retaliated against in any manner by their employer by virtue of bringing the claim. The employee is authorized under the FCA to initiate court proceedings to make him/herself whole for any job related losses resulting from any such discrimination or retaliation.

B. Program Fraud Civil Remedies Act

The Program Fraud Civil Remedies Act creates administrative remedies for making false claims separate from and in addition to, the judicial or court remedy for false claims provided by the Civil False Claims Act.

The Act is quite similar to the Civil False Claims Act in many respects, but is somewhat broader and more detailed, with differing penalties. The Act deals with submission of improper “claims” or “written statements” to a federal agency.

-Specifically, a person violates this act if he/she knows or has reason to know he/she is submitting a claim that is

- False, fictitious or fraudulent; or,
- Includes or is supported by written statements that are false, fictitious or fraudulent; or,
- Includes or is supported by a written statement that omits a material fact; the statement is false, fictitious or fraudulent as a result of the omission; and the person submitting the statement has a duty to include the omitted facts; or
- For payment for property or services not provided as claimed.

A violation of this prohibition carries a \$5,000 civil penalty for each such wrongfully filed claim. In addition, an assessment of two times the amount of the claim may be made, unless the claim has not actually been paid.

-A person also violates this act if he/she submits a written statement which he/she knows or should know:

- Asserts a material fact which is false, fictitious or fraudulent; or,
- Omits a material fact and is false, fictitious or fraudulent as a result of the omission. In this situation, there must be a duty to include the fact and the statement submitted contains a certification of the accuracy or truthfulness of the statement.

A violation of the prohibition for submitting an improper statement carries a civil penalty of up to \$5,000.

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C. Georgia Anti-Fraud Law and Training Requirements Related to Health Care

1. O.C.G.A. 49-4-146.1. Unlawful to obtain benefits and payments under certain circumstances; penalties; procedures

This Georgia statute can be described as Georgia's Medicaid Unlawful Payment Statute. Only part of the statute is included in this policy.

O.C.G.A. 49-4-146.1 (b) provides that it shall be unlawful:

(1) For any person or provider to obtain, attempt to obtain, or retain for himself, herself, or any other person any **medical assistance or other benefits or payments under this article, or under a managed care program operated, funded, or reimbursed by the Georgia Medicaid program**, to which the person or provider is not entitled, or in an amount greater than that to which the person or provider is entitled, when the assistance, benefit, or payment is obtained, attempted to be obtained, or retained, by:

- (A) Knowingly and willfully making a **false statement or false representation**;
- (B) Deliberate concealment **of any material fact**; or
- (C) Any **fraudulent scheme or device**; or

(2) For any person or provider knowingly and willfully to **accept medical assistance payments to which he or she is not entitled or in an amount greater than that to which he or she is entitled, or knowingly and willfully to falsify any report or document** required under this article.

Any person violating paragraph (1) or (2) shall be **guilty of a felony** and, upon conviction thereof, shall be punished for each offense by a fine of not more than \$ 10,000.00, or by imprisonment for not less than one year nor more than ten years, or by both such fine and imprisonment. The statute is a criminal statute and, the state has the burden of proving beyond a reasonable doubt that the defendant intentionally committed the acts for which he or she is charged. In addition to criminal penalties, any person committing abuse shall be liable for a **civil monetary penalty** equal to two times the amount of any excess benefit or payment.

"Abuse" is defined in the statute as a provider knowingly obtaining or attempting to obtain medical assistance or other benefits or payments under this article to which the provider knows he or she is not entitled and the assistance, benefits, or payments directly or indirectly result in unnecessary costs to the medical assistance program." Isolated instances of unintentional errors in billing, coding, and costs reports shall not constitute abuse. **Miscoding shall not constitute abuse if there is a good faith basis** that the codes used were appropriate under the department's policies and procedures manual and there was no deceptive intent on the part of the provider.

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In addition to any other penalties provided by law, each person violating this law shall be liable for a **civil penalty equal** to the greater of (1) three times the amount of any such excess benefit or payment or (2) \$ 1,000.00 for each excessive claim. Additionally, interest on the penalty shall be paid at the rate of 12 percent per annum.

2. O.C.G.A. 49-4-168. State False Medicaid Claims Act

This Georgia statute was enacted by the General Assembly of Georgia in 2007 to provide a state equivalent of the Federal False Claims Act to be applicable to Georgia Medicaid claims.

Summary of Provisions: The State False Medicaid Claims Act “SFMCA” prohibits any person from:

- knowingly present or cause to present a false or fraudulent claim for payment or approval to Georgia Medicaid;
- knowingly making a false record or statement to get a false or fraudulent claim paid or approved by the Georgia Medicaid program;
- conspiring to get a false or fraudulent claim paid;
- intending to defraud by delivering less property than the amount for which the person receives a certificate of receipt;
- intending to defraud by delivering a certificate of receipt without completely knowing that the information is true;
- knowingly buy or receives something of value from a Medicaid employee who is not lawfully able to sell the item; or
- knowingly make or use a false record to conceal, avoid or decrease an obligation to pay or repay money to the State.

Penalties: A violation of the SFMCA can result in civil penalties. The civil penalty will not be less than \$5,500 and not more than \$11,000 for each false or fraudulent claim, plus three times the amount of damages sustained by Medicaid.

Qui Tam (Whistleblower) Provisions: Any individual or the Attorney General for the State of Georgia may bring a civil action filed under seal against any person who has allegedly violated the SFMCA. If an individual files the action the Attorney General has 60 days to decide if it wants to join in the action. If the Attorney General joins in the action and is ultimately successful the individual shall receive at least 15 percent but not more than 25 percent of the proceeds of the action. If the Attorney General decides not to join in the action and the individual is ultimately successful the individual shall receive at least 25 percent and not more than 30 percent of the proceeds of the action plus reasonable attorney’s fees and costs. The balance of the proceeds are payable to the Indigent Care Trust Fund to expand Medicaid eligibility and services, or to support rural and other health care providers, primarily hospitals who serve the medically indigent or to primary health care programs for medically indigent citizens and children of Georgia. All actions must be brought within six years after the date the alleged violation was committed, or three years after the date when facts material to the case are known or reasonably should have been known.

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Non-Retaliation: Any employee who is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against because of lawful acts done in furtherance of a civil action under SFMCA shall be entitled to all relief necessary to make the employee whole. Such relief shall include reinstatement with the same seniority status, two times the amount of back pay, interest on the back pay, compensation for any special damages, including litigation costs and reasonable attorney's fees.

3. Georgia has a Patient Self Referral Act which, while similar to the federal Stark law in some ways, it is significantly different in terms of when it applies and to whom it applies. It can be found at **O.C.G.A. § 43-1B-1**. It is not included in this policy since it addresses mostly financial arrangements and investment interest issues by physicians.

4. GA ADC 290-9-7-.12. Human Resources Management.

Georgia hospital licensing regulations require a hospital to train its employees on the hospital's policies and procedures. Specifically, GA ADC 290-9-7.12 pertains to Personnel training programs and provides that:

Personnel Training Programs. The hospital shall have and implement a planned program of training for personnel to include at least:

1. Hospital policies and procedures;
2. Fire safety, hazardous materials handling and disposal, and disaster preparedness;
3. Policies and procedures for maintaining patients' medical records;
4. The infection control program and procedures; and
5. The updating of job-specific skills or knowledge.

5. GA ADC 290-9-7-.41. Enforcement of Rules and Regulations.

Georgia's hospital licensing regulations also contains enforcement provisions. GA ADC 290-9-7.41 provides "A hospital that fails to comply with these rules and regulations shall be subject to sanctions and/or permit revocation as provided by law. The enforcement and administration of these rules and regulations shall be as prescribed in the Rules and Regulations for Enforcement of Licensing Requirements, Chapter 290-1-6, pursuant to **O.C.G.A. Sec. 31-2-6.**"

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D. The Role Of Such Laws In Preventing And Detecting Fraud, Waste, And Abuse In Federal And State Health Care Programs

The laws described in this policy create a comprehensive process for controlling waste, fraud and abuse in federal and state health care programs by giving appropriate governmental agencies the authority to seek out, investigate and prosecute violations. Enforcement activities are pursued in three available forums: criminal, civil and administrative. This provides a broad spectrum of remedies to address the fraud and abuse problem.

Moreover, whistleblower protections, such as those included in the federal Civil False Claims Act, provide protections for individuals reporting fraud and abuse in good faith.