

CMH Regional Health System

# Corporate Compliance Handbook



Spring 2010

# Welcome —

Dear CMH Regional Health System Employee and Contractor:

CMH Regional Health System is committed to being the leading provider of healthcare services in Clinton County and surrounding areas. Our reputation and ethical business practices play an important role in the success of our hospital and entire health system.

We are committed to providing healthcare in a manner consistent with our Mission, Vision and Values. In order to ensure that a high standard of individual, organizational, ethical and legal business practices are maintained and enforced, the CMH Board of Trustees has approved and adopted a Corporate Compliance Program. The program focuses on compliance with federal, state and local laws by prevention and early detection of misconduct.

While the program does not provide an answer to every compliance issue, it does guide you to the appropriate individuals and resources to address your concerns. There is no greater obligation than to ensure we deliver top quality care in an honest, straightforward manner to the communities, patients and physicians we serve.

If you become aware of a troublesome situation that concerns you, ask a supervisor or manager for guidance and clarification. If these individuals are unable to help, contact CMH's Corporate Compliance Officer for assistance. If your concern is not promptly resolved, please call the Corporate Compliance Hotline at (888) 248-9808. Your call will be treated with confidentiality and your privacy protected. CMH prohibits retaliation or retribution toward anyone who reports wrongdoing or unethical practices. The Corporate Compliance Program applies to all CMH employees, vendors and contractors and supports the practice of unbiased reward or discipline of all employees.

Each one of us at CMH Regional Health System must commit to absolute integrity in all that we do as providers of healthcare, never tolerating improper activity in our work or the work of our peers. Together, our commitment to the Corporate Compliance Program will help fulfill CMH's Mission.

Regards,



Michael C. Choo, MD, President and CEO



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# Our Mission, Vision and Values



**Mission:**  
To Improve Lives  
Through Compassionate,  
Quality Healthcare.

**Vision:**  
CMH will be The Best Community  
Hospital in America.

**Values:**  
Safety, Trust, Respect, Integrity,  
Voice, Excellence, Service (STRIVES)

# Code of Conduct

The following Code of Conduct serves as a framework to promote ethical and legal behavior for all CMH employees, agents, and contractors and to provide a clear understanding of what is expected in the workplace. A copy of the Code of Conduct will be provided to all CMH contractors. These standards do not cover every situation. Instead, they provide general guidelines. Additional CMH policies and procedures may provide additional detail on the subject. If additional guidance or direction is required, you should talk to your supervisor, or the Corporate Compliance Officer.

## **Notice to Vendors/Contractors**

CMH Regional Health System is committed to compliance with all applicable laws and regulations. In contracting with CMH, contractors agree to act in compliance with all applicable laws and regulations, including billing and claims submission and fraud and abuse laws and regulations. CMH has implemented a Corporate Compliance Program to assure compliance with such laws and regulations.

CMH Regional Health System does not seek to gain an improper advantage by offering business courtesies such as entertainment, meals, transportation or lodging to customers, referral sources or purchasers of our organization's services. We never offer any type of business courtesy to a referral source or a purchaser of services for the purpose of obtaining favorable treatment or advantage.

## **Gifts, Entertainment and Business Courtesies with Non-Referral Sources**

These standards should not be considered in any way as encouragement to make, solicit or receive any type of entertainment or gift. These standards govern activities with individuals outside of CMH. Also, they do not apply to business courtesies with individuals or organizations who make, or are in a position to make, referrals to CMH. Business courtesies with referral

sources are addressed in Extending Business Courtesies to Potential Referral Sources section and CMH policy.

- We never solicit a gift, and we never use gifts or other incentives (whether receiving or giving) to improperly influence business relationships or outcomes.
- CMH employees may accept gifts with a value of \$50 or less in any one year from any individual or organization who has a business relationship with CMH. Gift certificates may be accepted, but never cash or financial instruments. Perishable or consumable gifts given to a CMH department or group are not subject to any specific limitation. Gifts that are received in excess of \$50 should be reported to your supervisor and returned.
- CMH employees may provide gifts to non-governmental employees provided the value of such gift does not exceed a total value of \$50.00 or less in any one year. Gift certificates may be provided, but not cash or financial instruments. United States Federal and State governmental employees have strict rules regarding gifts, meals, and other business courtesies for employees. CMH employees may not provide any gifts, entertainment, meals, or anything else of value to any employee of the federal or state governmental except for minor

refreshments in connection with business discussions or promotional items with CMH logo valued at no more than \$10. With regard to gifts to any other category of government official or employee, you should determine the particular rules or policy that apply for the recipient's organization and follow them.

- We do not encourage or solicit entertainment from any individual with whom we do business. From time to time, employees may offer or accept entertainment, but only if such entertainment is a reasonable component of the business relationship, occurs infrequently, does not involve lavish expenditures, and the purpose is not to induce or influence any business decision. For purposes of this standard, entertainment events must not include any expenses paid for travel costs or overnight lodging; the total cost per event may not exceed \$150; and business entertainment with respect to any one individual or organization must be infrequent, which means not more than two times per year. During entertainment events, topics of a business nature must be discussed and the host must be present.
- These standards may from time to time provide modest flexibility to permit appropriate recognition of efforts to those individuals who have spent a meaningful amount of volunteer time on behalf of CMH.
- Prior to accepting invitations to training and educational opportunities that include travel and overnight accommodations at reduced or no cost to a CMH employee, consult CMH policies and seek appropriate approvals.

See also CMH Policy and Procedure #030 Business Travel Expenses; CMH Policy and Procedure #246 Vendor Promotional Training and Business Associate Sponsored Seminars.

### **Gifts, Entertainment and Business Courtesies with Referral Sources**

Any entertainment or gift involving physicians or other persons or organizations who are in a position to refer patients to our healthcare facilities must be in accordance with CMH policies. We will comply with all federal laws, regulations, and rules regarding these practices. See also CMH Policy and Procedure #228 Hospital Non-Monetary Gifts to Physicians and Other Incidental Physician Benefits (Stark Law)



### **Conflicts of Interest**

A conflict of interest arises when our activities, associations, or positions outside of our work conflict with our work responsibilities and the people we serve.

- We make decisions based on quality of services, products, competitive pricing, and organizational policy, and not on personal relationships or personal benefits.
- We deal honestly and professionally with all vendors and contractors and must avoid any personal interests in the dealings between CMH and its contractors and vendors.
- All Managers, Directors, Vice Presidents, the President and CEO, and Board Members complete a Conflict of Interest statement consistent with CMH Policy.
- In addition, any employee having an interest (other than an interest of 1% or less in a publicly held company) in any vendor, customer, competitor of CMH should make prompt disclosure to management and obtain approval for continuing the relationship.
- Employees in direct supervisory positions should also disclose and obtain approval of any family relationships with other employees or with outside suppliers that deal with CMH.

Examples of conflict of interest include using your position to get a benefit from a vendor, or receiving a payment, gift or improper entertainment in exchange for a contract. An example of an improper solicitation would be an offer of some benefit or thing of value to a CMH employee by a contractor or vendor in exchange for utilizing or recommending the utilizing of a particular vendor's products or services.

### Patient Care and Patient Rights

We are committed to treating patients with dignity and respect.

- We provide patients with information regarding their rights and responsibilities.
- We honor patients' rights to participate in and make decision about their care and pain management, including the right to refuse treatment when permitted by law.
- We provide patients with information about their illness, possible treatments, and likely outcome in a manner they can understand. Interpretation services and communication aids are provided when needed.
- We welcome patient compliments, concerns and complaints so they can be addressed. Sharing concerns and complaints will not compromise patients' access to care, treatment, and services.
- We respect patients' right to privacy and confidential treatment, communications, and medical records, consistent with the law.
- We provide emergency medical treatment to all patients presenting to CMH Emergency Services, without regard to payment and consistent with the law. We provide patients with information about transfers to other facilities or organizations, and an explanation of alternatives, as appropriate.

See also CMH Policy and Procedure #093 Patients Rights and Responsibilities

### Billing and Documentation

CMH is committed to compliance with all laws governing federal and state-funded health care programs and all requirements of other insurance companies. We strive to assure that:

- Claims are submitted in a timely, complete, and accurate manner.
- Claims are for services we believe to be medically necessary.
- Claims are submitted with the most appropriate billing codes for diagnoses and procedures and the codes are supported by documentation in the patient's medical record.
- Claims are audited internally on a routine basis.

- Questions and inquiries made in regard to coding and billing are addressed and responses shall be given in a timely manner.
- Inaccuracies found in billing or coding are addressed and corrected as required by applicable laws and policies.
- Reported suspicions of intentional wrongdoing in billing and coding are investigated fully and findings of such will be addressed with discipline as appropriate.
- Billing, registration, and coding personnel are provided with the most up-to-date information on laws, guidelines, and policies that affect the work they perform.
- Information technology editing programs are utilized to assist in billing and coding to avoid issues with unbundling, medical necessity, and other compliance issues.
- Education is provided on a routine basis for coding and billing rules and guidelines and medical record documentation requirements.

### Referrals for Business "Kickbacks"

Both state and federal laws governing Medicare, Medicaid and other government and private healthcare programs impose criminal penalties on individuals and hospitals that knowingly and willfully solicit or receive payments, gifts, or other compensation that is made to any individual, physician, health care provider, or entity in return for the referral of business.

- We do not make payments to referral sources in excess of fair market value for services rendered.
- We do not provide free or discounted goods or services to referral services in exchange for the referral of business.

The anti-kickback laws have safe harbors that may apply. Contact the CMH General Counsel if you have questions.

### Relationships With Medicare and Medicaid Patients

Federal law provides for the imposition of civil monetary penalties (CMP) against any person or entity that gives "remuneration" to a Medicare or Medicaid patient that the person/entity knows or should know is likely to influence the patient to order, select, or receive items or services from a particular provider, practitioner, or supplier if such item or service is reimbursable by Medicare or Medicaid.



We are committed to treating patients with dignity and respect.

Generally, “remuneration” means anything of value, and expressly includes offering items or services for free or other than fair market value. The OIG issued a Special Advisory Bulletin in 2002 on “Offering Gifts and Other Inducements to Beneficiaries.” Included within the concept of such patient inducements are patient gifts and gratuities, cost-sharing waivers, and free transportation. While every situation should be reviewed and analyzed based on the specific facts, the following are some general principles:

#### **Gifts and Gratuities**

As interpreted by the OIG, the provision of patient incentives that are nominal in value will not result in a violation of the law. The OIG defines “nominal” to be no more than \$10 per item, or \$50 in the aggregate on an annual basis. Cash or cash equivalents, however, are not permitted. There are also special exceptions for incentives that promote the delivery of preventative care services.

#### **Cost-Sharing Waivers**

Waiving patient-owed amounts (e.g. co-payments) may constitute prohibited remuneration to beneficiaries under this law. Certain waivers of Part A inpatient cost-sharing amounts may be protected by structuring them to fit within safe harbor regulations.

In addition, hospitals (and others) may wave cost-sharing amounts on the basis of a patient’s financial need, so long as the waiver is not routine, not advertised, and made pursuant to a good faith, individualized assessment of the patient’s financial need or after reasonable collection efforts have failed.

#### **Free Transportation**

The OIG also interprets the offering of free transportation to Medicare or Medicaid patients as a possible inappropriate incentive to influence their selection of a particular provider, practitioner, or supplier. The OIG has, however, expressly permitted the offering of free local transportation of low value (i.e., within the \$10 per item and \$50 annual limits). There are also certain transportation programs that have been identified by the OIG as appropriate.

Contact CMH General Counsel if you have questions about specific situations.

#### **Physician Self-Referral Stark Laws**

Federal and state physician self-referral Stark laws prohibit physicians from making referrals for specific health care services to any entity or business in which the physician or their family member has a financial relationship. The Stark law is very complicated and has many exceptions that may apply. Contact the CMH General Counsel if you have any questions.

#### **Federal and State False Claims Laws**

There are numerous federal and state statutes that make it a crime for individuals or organizations to knowingly make a false record or file a false claim with the government for payment. “Knowingly” is defined broadly to include deliberate or reckless ignorance of facts that make up the false claim. Example of possible false claims include knowingly billing Medicare or Medicaid for services that were not provided, or services that were not ordered by a physician, or services that were not medically necessary. Penalties for violating the federal false claims statute can reach three times the value of the claim, plus up to \$11,000 per claim.

A person who knows that a false claim was presented can file a lawsuit in federal court on behalf of the government, and in some cases, receive a financial reward for bringing the information to the government’s attention. The laws protect individuals who file false claims lawsuits from being fired, demoted, threatened, or harassed by their employer for filing suit. If a court determines there was retaliation, the court can order the employer to re-hire the employee and also award back pay and attorney’s fees and court costs.

Federal law requires that CMH provide employees with detailed written information regarding the various federal and state statutes described briefly above. Please see CMH Policy and Procedure #259 Detection and Prevention of Fraud, Waste, and Abuse and Applicable Federal and State Laws for a detailed description of such laws.



### **Financial Reporting Standard**

We have established and maintain a high standard of accuracy and completeness in our financial records. These records serve as the basis for managing the business, for measuring and fulfilling the organization's obligations to patients, employees, suppliers and others and for compliance with tax and financial reporting requirements.

- We comply with the reporting requirements of applicable laws and established financial standards and generally accepted accounting principles.
- We maintain a system of internal controls to ensure accuracy and completeness in documenting, maintaining, and reporting financial information.
- We cooperate fully with auditors and regulatory agencies that examine our books and records.

### **Record-Keeping and Confidentiality**

- We retain records in accordance with applicable laws and CMH's Record Retention Policy and Procedure and follow applicable policies to protect the confidentiality and privileged nature of records.
- We use confidential information only as needed to do our jobs.
- We respect and maintain the confidentiality of patient's protected health information and strictly follow our privacy and information security policies and procedures.

Questions regarding HIPAA Privacy or security issues may be directed to the HIPAA Privacy & Security Officer.

- We do not falsify any record, contract or other document.

### **Political Activity and Contributions**

Employees are encouraged to vote and be active in politics if they so choose; however, the support of a political candidate, political party, or political action committee that contributes to candidates or political parties, must be on personal time and without the financial expense or support of CMH.

- We do not use CMH assets, such as telephones, copiers, and our work time, to support political campaigns.
- We clearly indicate that the political views we express are our own.

Employees should contact the CMH General Counsel before agreeing to participate in a political activity that involves CMH or its resources.

### **Government Investigations**

- We fully comply with the law and cooperate with any appropriate request by a governmental agency for information.

We immediately report to our manager and the Compliance Officer any non-routine inquiry, civil investigation, subpoena, or request from a governmental agency.

# Resolving Compliance Concerns

Rules and regulations change constantly within the healthcare field. This can create areas of uncertainty for employees in their daily operations. Questions and concerns about the correct way to handle different situations may arise often.

CMH encourages open discussion on compliance issues without fear of retribution. We do not condone retaliation against any employee reporting an issue or concern. It is always better to ask questions before taking action if you are uncertain about the legality of the action.

If you do have questions or concerns on compliance issues, first seek answers to the following questions:

- Is the action legal?
- Is it consistent with CMH Values set forth in the Board approved statement on Mission, Vision and Values?
- Is it consistent with the Compliance Program, its Standards of Conduct and CMH policies and procedures?
- If your answer to any of the above questions is "no!"

## **-STOP – engaging in the activity!**

Second, take the following steps in resolving your concerns:

- Discuss your questions or concerns with your immediate supervisor.
- If you are not comfortable talking with your supervisor, go to a higher level manager.
- If your question or concern involves medical record privacy or security, contact CMH Privacy & Security Officer Paula Ross, at: **(937) 382-9257**

- If you are uncomfortable speaking to a higher level manager or you feel the answers you have received have not resolved your concern, contact Laura Martin, CMH General Counsel and Corporate Compliance Officer, at: **(937) 382-9209**
- If these efforts are unsatisfactory, call the Compliance Hotline at: **(888) 248-9808**

CMH strictly prohibits retaliation or retribution toward anyone voicing questions or concerns regarding compliance.

## **Compliance Hotline**

CMH has established an outside Compliance Hotline that allows employees to report suspected wrongdoing related to ethical and compliance issues. The toll-free number is: **(888) 248-9808**

An outside independent contractor is responsible for the staffing and operation of the dedicated Compliance Hotline. The Hotline will be staffed during established business working hours. Voice mail access will be available at all other times. Upon receipt of a Hotline call, the individual staffing the hotline will make an initial statement, ask questions, listen to the report, log the call and complete a **Compliance Hotline Report Form**. An employee may make a report anonymously. If the employee chooses this option, the individual staffing the hotline will give

the employee a report number with instructions regarding when to call back so that follow-up questions can be asked if necessary. Upon receiving a Hotline report, appropriate individuals will be contacted by telephone so that questions can be developed to ask in the follow-up call.

The Hotline is intended to supplement existing internal communication channels, not to replace them. **The Compliance Hotline is available when you believe that you have exhausted normal CMH channels or feel uncomfortable about bringing an issue to your supervisor or senior management.**

It is CMH's intent to keep all information received via the Hotline in the strictest possible confidence. CMH will make every effort to keep all information regarding the reporting party's identity confidential. However, the resolution of an inquiry may require the person reporting the alleged violation to make their identity known. In such cases, CMH will share the identity of the person making the report only with persons

having need of this information in order to correct the conditions causing the violation.

Your participation in the Corporate Compliance Program requires you to report any act that you believe to be illegal or unethical. If you become aware of any wrongdoing under the Standards of Conduct set forth by the program, whether committed by yourself or by someone else, you must report the wrongdoing.

CMH shall not take disciplinary action against an employee for merely reporting truthful and accurate information regarding what they believe to be a violation of the program. Anyone who attempts to retaliate against an employee who has made a call or report to the Hotline will be subject to disciplinary action, up to and including termination of employment. If someone purposefully falsifies or misrepresents a report of wrongdoing – whether to protect him or herself or to hurt someone else – such person will not be protected from disciplinary action.



**Each one of us at CMH Regional Health System must commit to absolute integrity in all that we do as providers of healthcare**



**Our reputation and ethical business practices play an important role in the success of our hospital and entire health system.**

# Personal Responsibility & Discipline

It is the responsibility of all CMH employees to be familiar with and comply with the Corporate Compliance Program, the Code of Conduct and applicable policies and procedures, and to bring information about violations and suspected violations to the attention of management. Employees must participate in all required Compliance training as a condition of employment. Failure to follow the directives of CMH's Corporate Compliance Program (including reporting misconduct), its Code of Conduct, and policies and procedures is grounds for disciplinary action by CMH in accordance with the CMH Disciplinary Policy, including termination of employment when warranted.

## Statement of Understanding

My signature on this form acknowledges that I have received, read and understand CMH's Corporate Compliance Handbook.

I agree to comply fully with the Corporate Compliance Program as set forth in this handbook, its Standards of Conduct, all CMH policies and procedures, and laws and regulations. I understand that such compliance is a condition of my continued employment or association with CMH Regional Health System. If I have a question about the Corporate Compliance Program, its Standards of Conduct, CMH's policies, or the legality of any conduct or situation at CMH, it is my responsibility and my right to get advice from my supervisor, management personnel, or Corporate Compliance Officer, who serves as General Counsel.

I understand any failure to report a violation, even if some other employee commits the violation, can result in disciplinary action, up to and including termination of employment. I also understand that CMH Regional Health System reserves the right to amend, modify and update these guidelines.

I also acknowledge that the handbook is only a statement of principles for individual and business conduct and does not, in any way, constitute an employment contract, an assurance of continued employment or employment of any type other than employment at will.

\_\_\_\_\_  
Name (Please Print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Department