

CE-1 – Compliance and Ethics Program

Key Points

- This Policy applies to University Hospitals and all of its wholly-owned entities (collectively “UH”) including all UH employees, medical staff members and, where appropriate, others who provide services to or on behalf of UH.
- This Policy provides an overview of the UH Compliance and Ethics Program.

Policy & Procedure

1. UH is committed to ethical and lawful business conduct, including full compliance with all federal healthcare program requirements and the preparation and submission of accurate claims consistent with such requirements. The Compliance and Ethics (C&E) Program promotes a culture in which Covered Persons¹ comply with UH policies and procedures, standards of ethical conduct, federal healthcare program requirements, and follow the law.
2. The goals of the C&E Program include:
 - 2.1 Establishing UH standards of ethics in business practices.
 - 2.2 Communicating standards of ethics to all Covered Persons.
 - 2.3 Training Covered Persons about standards of ethics and applicable laws.
 - 2.4 Measuring compliance with legal standards and UH policies through monitoring and auditing.
 - 2.5 Creating procedures to prevent, detect and correct breaches of laws, policies and procedures.
 - 2.6 Requiring each Covered Person to act ethically, follow the law, report wrongdoing, and inquire about concerns.
3. **Authority, Responsibility and Reporting**
 - 3.1. Audit Committee. The UH Board of Directors (the Board) is responsible for ensuring that UH conducts its business according to applicable law and

standards of ethics. The Board's Audit and Compliance Committee (the Audit Committee) oversees the C&E Program.

- 3.1.1 The Audit Committee reviews and approves the work plan of the C&E Program every year, including training, policy making, monitoring and auditing.
- 3.1.2 The Audit Committee gets reports from the Vice President/Chief Compliance Officer (VP/CCO), the Senior VP and General Counsel (the General Counsel) and other members of the UH Senior Leadership about compliance matters.
- 3.1.3 The Audit Committee ensures that UH follows the policies and standards established by the C&E Program and that the policies and standards are effective.
- 3.2 Executive Compliance Oversight Committee. Members of UH Senior Leadership comprise the Executive Compliance Oversight Committee (Oversight Committee).
 - 3.2.1 The Oversight Committee reviews and approves the C&E Program activities and works with the VP/CCO and C&E Department to ensure that the C&E Program is part of the daily business of UH.
 - 3.2.2 The Oversight Committee makes sure that compliance activities occur within their UH departments or areas (e.g., Human Resources, Finance) and report areas of concern or achievement to the C&E Department.
- 3.3 The VP/CCO is responsible for the overall design, development, performance and improvement of the C&E Program. The VP/CCO reports directly to the UH President and CEO and to the Audit Committee.
- 3.4 Local Compliance Officers. The UH Local Compliance Officers are responsible for compliance activities within their respective UH entity. Each Local Compliance Officer has a dual reporting relationship to their entity's senior leadership and to the UH VP/CCO. The Local C&E Officers report their entities' activities under the C&E Program at least yearly to their entity's board of directors and to the UH C&E Department.
- 3.5 C&E Committees. UH has a local C&E committee for each UH hospital and certain UH wholly owned entities. Each local C&E committee has a written charter setting forth its purpose, reporting relationships, membership, meeting frequency and records, and responsibilities. Each local Compliance Officer is the chairperson of his/her facility's Compliance Committee.
- 3.6 UH General Counsel. The VP/CCO and C&E Department works with the General Counsel in the development and implementation of the C&E Program. The General Counsel:

- 3.6.1 Ensures the provision of legal counsel and support to the VP/CCO and C&E Department,
 - 3.6.2 Actively participates in the training programs that are part of the C&E Program, and
 - 3.6.3 When requested, ensures the investigation of complaints and issues raised concerning compliance with laws.
- 3.7 **Management.** Management implements the C&E Program specific to UH entities, divisions or departments. Management makes sure that employees have enough information to comply with applicable laws, regulations, and UH policies and procedures.
- 3.7.1 Management helps to identify and develop policies and procedures for high risk compliance areas.
 - 3.7.2 Management builds a culture of ethical conduct and legal compliance. The UH management team members serve as ethical role models for other UH employees and the medical staff members.
 - 3.7.3 Management supports individuals who report compliance concerns.
 - 3.7.4 Management never ignores compliance with the law or ethical standards in pursuit of business goals.

4. Elements of the C&E Program

- 4.1 **Code of Conduct.** The Code of Conduct (Code) provides guidance about legal and ethical business behavior. The Code was adopted by the UH Board in September 2006 and is periodically reviewed and amended as necessary. The Code has been provided to each employee and can be found on the UH intranet and on the UH internet site.
- 4.2 **UH C&E Policies and Procedures.** C&E policies are developed at department, entity and health system levels. UH system-level C&E policies can be found in the UH Policy and Procedure Manual on the UH intranet. C&E policies and procedures are designated with an emblem showing the policy is related to compliance or HIPAA. All entities and departments are encouraged to identify areas of compliance risk and participate in the creation of policies and processes that minimize those risks. Policies and processes developed by UH entities and departments may add to and expand UH C&E policies, but may not contradict UH policies.
- 4.3 **Training and Education.** UH Covered Persons receive training on the Code and on compliance issues and policies.

- 4.4 **Monitoring and Auditing.** With the assistance of internal auditors and external consultants, the C&E Department oversees compliance audits, with special attention given to billing, coding, physician relations and other high risk areas. UH entities and departments are expected to perform self-monitoring activities and report results to the VP/CCO and the C&E Department .
- 4.4.1 All audits are reported on a semi-annual basis to the VP/CCO and the C&E Department and summarized and reported to the Oversight Committee and the Audit Committee.
- 4.4.2 If further action is needed, the C&E Department will work with management to develop a remedial plan.
- 4.4.3 Follow-up audits and monitoring will occur to verify that actions have been effective.
- 4.4.4 The General Counsel oversees and coordinates a yearly audit of the C&E Program, or a portion of the C&E Program.
- 4.5. **Screening for Excluded Individuals.** UH will not knowingly employ, contract with or grant privileges to any individual or entity listed by a federal agency as debarred, suspended or otherwise ineligible to participate in federally funded healthcare programs. All employees and medical staff applicants receive background checks before hiring or credentialing according to UH policies. All employees, medical staff, contractors and vendors are checked against the Department of Health and Human Services Office of Inspector General (OIG), General Services Administration and the Food and Drug Administration exclusion lists in accordance with UH policy. Disciplinary actions for violations of laws, regulations and UH Policy and procedures by employees are taken according to UH policy. Disciplinary action for violations by medical staff members are taken according to UH medical staff bylaws or UH policies and procedures, as applicable, and may affect credentialed status.
- 4.6 **Internal Reporting Process.** Every employee has a duty to report misconduct. Misconduct includes ethical concerns, potential violations of the law, including federal healthcare program requirements, and suspected non-compliance with the Code, or other UH policies and procedures. Employees are encouraged to report through the chain of command, or directly to the VP/CCO or the C&E Department. A toll-free Compliance Hotline allows employees to report concerns about conduct without giving their name. The Compliance Hotline is operated by a third-party to ensure caller confidentiality and to enable anonymous reporting.

All reporters are assured that there will be no adverse action or retaliation for good-faith reporting of improper conduct.

Any information reported about suspected misconduct will be kept confidential to the extent allowed by law. Investigations of alleged misconduct

will be conducted promptly. If there is credible evidence of misconduct, corrective action will be initiated, including, as appropriate, prompt repayment to the appropriate federally-funded health care program. A remedial plan will be created to ensure not only that the specific issue is addressed, but also that similar problems do not occur in other areas or departments. Remedial plans may include requiring a change in procedure, additional staff training, or possible disciplinary measures.

- 4.7 **Failure to Comply.** Individuals who ignore or disregard the UH policies and procedures or federal healthcare program requirements will be subject to appropriate disciplinary action as well as possible civil or criminal penalties and/or exclusion from participation in federal healthcare programs. UH may also face civil or criminal penalties, including possible exclusion, if it fails to comply with federal healthcare program requirements.

¹ Covered Persons means UH Board Members, employees, medical staff members, and others who provide services to UH.

See Also

In the UH P&P, all compliance related policies, including, without limitation:

HR-8, Background Checks
C&E-02, UH Code of Conduct and Certification
C&E-03, Compliance and Ethics Training
C&E-04, Making Compliance and Ethics Reports
C&E-05, Investigating Compliance and Ethics Reports
C&E-06, Federal Exclusion Lists
C&E-08, Conflicts of Interest
C&E-09, Vendor Gifts, Meals, Other Business Courtesies and Consulting Payments
C&E-10, Vendor Relations


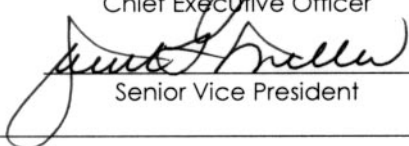
References

United States Sentencing Commission, Guidelines Manual, §8 (Nov. 2004), as may be amended;

OIG Compliance Program Guidance for Hospitals, 65 Fed. Reg. 8989 (1998);

OIG Supplemental Compliance Program Guidance for Hospitals, 70 Fed. Reg. 4875 (2005)

APPROVALS

 _____ Chief Executive Officer	<u>12/15/06</u> Date
 _____ Senior Vice President	<u>12/15/06</u> Date