



HUTCHINSON
REGIONAL HEALTHCARE SYSTEM

Corporate Compliance Program Overview

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COMPLIANCE PROGRAM OVERVIEW

DEFINITIONS

Compliance Program means our compliance and ethics program, its administration and our Code of Conduct (the “Code”). It also includes related policies and procedures, and federal healthcare programs requirements, and other applicable laws and regulations.¹

Hutchinson Regional Healthcare System means Hutchinson Regional Medical Center, Inc. (**HRMC**); Hospice and Home Care of Reno County; Health-E-Quip; Horizons Mental Health Center, Inc.; and Ray E. Dillon Living Center. “HRHS”, “our”, “us” or “we” means each company, either by itself or together, as the usage requires.

Covered Persons mean our employees and anyone else working on behalf of HRHS, e.g., all Board Members, Medical Staff, directors and Administrators (e.g., executive directors, Horizons’ CEO).² It also includes any other persons or entities that provide supplies or other services to us. (We refer to Covered Persons individually as “you”).

PURPOSE

This document is not complete. It merely provides some guidance for how HRHS designs, administers and enforces our Compliance Program. It reinforces our commitment to ethical and legal conduct. It

helps you understand the elements of our program.

If you have questions, please contact the Corporate Compliance and Ethics (CCE) Department. The CCE Department is on the first floor of our hospital, across from the HR Department.

You can call the Corporate Compliance Officer at 665-2203 or 665-2009. Or, you can email the department at compliancereports@hutchregional.com.

YOUR RESPONSIBILITIES

Our Compliance Program applies to everyone. There are no exceptions – all Covered Persons must obey our Compliance Program requirements.

You must look out for and find conduct that may or does violate our Compliance Program. *Generally, our Compliance Program requires honest identification, discussion, reporting and resolution of ethical and compliance misconduct. **You may do this without fear of retaliation.*** When you work for us or with us, you agree to: (A) voice your concerns or report possible violations; and (B) be faithful and honest in the discharge of your duties.

Failure to obey our Compliance Program may subject you to disciplinary action. Such action includes termination of your employment, contract(s) or medical staff privileges.

¹ For HRMC, our Compliance Program also includes the obligations imposed under our **Corporate Integrity Agreement** (CIA). *A copy of the CIA is available on our Corp. Compliance Intranet site.* Also, please see HRMC Policy KK125, entitled “CIA Requirements for HRMC”.

² For HRMC, see other persons or entities that are included as Covered Persons under the CIA.

THE GOAL OF OUR COMPLIANCE PROGRAM

Our goal is an effective compliance program. To be effective our program must prevent, detect and resolve misconduct and illegal activities (including fraud, waste, and abuse).

To ensure our Compliance Program is effective, we will:

- ✓ Exercise due diligence to prevent and detect criminal conduct; and
- ✓ Promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

THE ELEMENTS OF OUR COMPLIANCE PROGRAM

Due diligence and the promotion of an organizational culture *minimally* requires the following:

I. STANDARDS

- *We establish standards and procedures (and internal controls) (collectively, “Standards”) that are reasonably capable of preventing and detecting criminal conduct.*

Our Code outlines the values and beliefs we require you to follow. It stresses the importance of our *Core Values*. Finally, our Code shows our commitment to compliance with applicable laws including the prevention of fraud, waste and abuse.

In addition, we establish written policies and procedures (and other internal controls). These Standards promote adherence to our Compliance Program. Some of them address areas of special concern the Office of Inspector General for the Department of

Health and Human Services (“OIG”) has identified through its investigative and audit functions.

These Standards also tell you how to perform your assigned duties. We distribute these Standards to all Covered Persons affected by them. In certain instances we require participation in training.

Our Standards (e.g., policies and procedures) are available on our Intranet site under the “Corp. Compliance” tab.

II. COMPLIANCE OVERSIGHT

- *A governing body that knows about the content and operation of the Compliance Program and will exercise reasonable oversight with respect to the program’s implementation and effectiveness.*

Boards of Directors

Our Boards of Directors (collectively, the “**Board**”) is responsible for exercising reasonable oversight over the implementation and effectiveness of our Compliance Program. Our Board must:

- ✓ Know about the content and operation of our Compliance Program.
- ✓ Promote a culture that encourages ethical conduct and a commitment to compliance with the law.
- ✓ Ensure the Compliance Program has adequate resources, funding and staff.

Our Corporate Compliance Officer has direct personal (and unlimited) access to the Board. This helps ensure that we address compliance concerns at the highest level.

- *Our high-level personnel³ ensure we have an effective Compliance Program. We assign high-level person(s) with overall day-to-day responsibility for our Compliance Program.*

Supervisors

Our Board requires our high-level (and other supervisory) personnel to set the tone for our compliance. In general, these individuals are (*minimally*) expected to:

Prevent compliance problems by:

- ✓ Actively promoting ethical conduct.
- ✓ Actively promoting a commitment to compliance with the law.
- ✓ Identifying compliance risks associated with our businesses.
- ✓ Implementing appropriate controls and other Standards.
- ✓ Leading by example.
- ✓ Exercising supervisory responsibility in a manner that is kind, sensitive, thoughtful and respectful.
- ✓ Providing or requesting education and information to ensure their teams understand our Standards and applicable laws.

³ **High-level personnel** mean individuals who have substantial control over HRHS or who have a substantial role in the making of our Standards. The term includes: Board members; executive officers; and persons in charge of a major business or financial units.

Detect compliance problems by:

- ✓ Exercising diligence in the performance of their duties.
- ✓ Promoting a workplace that permits you to raise issues without fear of retaliation.
- ✓ Letting you know that your input is valued.
- ✓ Conducting periodic reviews to assess our compliance efforts and to identify areas for improvement.

Compliance Officer

The Board has appointed a Corporate Compliance Officer (“CCO”). The CCO oversees and monitors the implementation of our Compliance Program. **However, the CCO’s job does not diminish or relieve you from your obligations under our Compliance Program.**

The CCO is primarily responsible for:

- ✓ Regularly reporting compliance-related matters to the Board, President and CEO, and the Compliance Committee. This includes matters relating to the program’s implementation and effectiveness.
- ✓ Investigating all known or suspected violations of our Compliance Program. The CCO also coordinates any resulting corrective action.
- ✓ Periodically revising the Compliance Program.
- ✓ Developing Standards to encourage the reporting of suspected fraud or other violations.
- ✓ Developing, coordinating and participating in varied education and training programs.

- ✓ Conducting internal compliance reviews and monitoring activities.
- ✓ Developing and implementing Standards designed to ensure compliance with Federal health care program (“FHCP”) requirements.

Compliance Committee

Our Compliance Committee (the “**Committee**”)⁴ meets regularly and at special meetings. It is made up of the CCO and a group of interdisciplinary personnel. The CCO serves as its Chair. We select Committee members from throughout HRHS.

The Committee advises the CCO. It assists in the implementation of the Compliance Program. They are responsible for:

- ✓ Analyzing applicable legal requirements, and specific risk areas.
- ✓ Assessing existing Standards to ensure they adequately address our risk areas.
- ✓ Recommending and monitoring, with relevant departments, the development of internal systems and controls.
- ✓ Determining the right strategy to promote compliance and detection of potential violations.
- ✓ Overseeing monitoring of internal and external audits and investigations.

We may create other compliance committee(s) as necessary.

⁴ While carrying out their duties, the CCO and Committee are acting as a peer review officer and committee pursuant to *K.S.A. 65-4915*.

III. PERSONNEL SCREENING

- *We use due care to prevent giving substantial discretionary authority to persons whose history reflects a tendency to engage in illegal activities or conduct inconsistent with an effective Program.*

Excluded Persons or Entities

Applicants. We conduct a background investigation, including a reference check, before we hire any person who will have substantial or discretionary authority. We also check them against the List of Excluded Individuals/Entities, and the General Services Administration’s System for Award Management (collectively, “**Exclusion Lists**”).

We require applicants to disclose criminal conviction(s) relating to health care, or any action(s) brought by any agency to exclude them from participation in any FHCP. We do not employ individuals who have been recently convicted of a criminal offense related to healthcare.

Med Staff and Vendors. We do not contract, or do business, with any excluded or debarred persons or entities. We check the Exclusion Lists before (1) granting or renewing medical staff membership or other clinical privileges; or (3) doing business with other “Covered Persons”.

Removal. If we receive actual notice a person is on the Exclusion Lists, we will remove him/her from responsibility for, or involvement with, our business operations relating to any FHCP. Also, we will remove such person from any position for which his/her compensation or the items or services furnished, ordered, or prescribed by such person are paid in whole or part, directly or indirectly, by any FHCP.

Pending Charges or Proposed Exclusions. If we have actual notice that criminal charges relating to healthcare (or any proposed debarment or exclusion actions) are pending against any Covered Persons, we will take steps to ensure that such individual's responsibilities have not and will not adversely affect the quality of care rendered to any beneficiary, *e.g.*, patient, consumer or resident, or any claims submitted to any FHCP. If the charge or action results in conviction, debarment or exclusion, we will promptly terminate their privileges, employment or contract arrangement.

IV. TRAINING & EDUCATION

- *We take steps to communicate periodically our Standards and other aspects of the Compliance Program to Covered Persons by conducting effective training programs and by otherwise disseminating information appropriate to such individual's respective roles and responsibilities.*

Dissemination of Information

Where to find our Standards. Our Standards are located on our *Intranet site* under the "Corp. Compliance" tab.

New Guidance: Any new guidance can be found on the Corp. Compliance tab under the "Compliance Matters" section.

New or Revised Standards: All new or recently revised compliance-related Standards can be found on the Corp. Compliance tab under the section entitled "How Do We Conduct Ourselves?"

Certification. We require you to annually certify, in writing, that you have read this document and our Code. This certification also confirms that you will comply with our Code and this document. Medical Staff appointees and Board Members will certify

in writing upon their periodic reappointment.

Other dissemination. The CCO will notify all Covered Persons of compliance-related Standards. The CCO will remind Covered Persons of our commitment to comply with all laws and regulations.

Education & Training

We require all Covered Persons⁵ to participate in our CIA-mandated training, except medical staff members.

General Training. This training reinforces our strict compliance with the law, and the various other requirements of our Compliance Program. Our training programs include sessions that summarize our Compliance Program, fraud and abuse laws, coding requirements, claim development and submission and other FHCP and private payer requirements.

Specific Training. We may also require specific or further training for certain Covered Persons. For example, a violation may require further training; or we may require specific training for Covered Persons

⁵ "Covered Persons" include:

- a. all owners, officers, directors, and employees of HRMC;
- b. all contractors, subcontractors, agents, and other persons who provide patient care items or services or who perform billing or coding functions on behalf of HRMC, excluding vendors whose sole connection with HRMC is selling or otherwise providing medical supplies or equipment to HRMC and who do not bill the Federal health care programs for such medical supplies or equipment; and
- c. all physicians and other non-physician practitioners who are members of HRMC's active medical staff.

whose actions affect the accuracy of claims submitted to any FHCP, e.g., coders, billing; or to address specific risk areas.

Our departmental directors should help identify areas that require training. They should also help with carrying out such training.

We maintain attendance logs at all training sessions. We keep a record of the training materials. Failure to attend any mandatory training may result in discipline. Or, we may use it as a factor in your annual evaluation or renewal process.

V. MONITORING, AUDITING & EFFECTIVENESS

- *We take reasonable steps to ensure you follow our Standards. We do this by utilizing monitoring and auditing systems reasonably designed to detect criminal conduct; to evaluate periodically the effectiveness of our Compliance Program; and by having in place and publicizing a reporting system by which persons can report without fear of retribution.*

Reporting of Violations

We are committed to creating a culture that encourages and allows you to seek help, voice concerns and report violations. We do not allow retaliation against anyone who, in good faith, raises concerns or makes reports.

Open Lines of Communication. At any time, you have the absolute right to speak to your chain of command or the CCO. Also, Committee members are identified on our Intranet's Corp. Compliance tab. You may speak to any of them, especially if you are reporting violations of our Compliance Program (including fraud, waste or abuse).

Or, without telling us your name, you can call the Compliance Hotline ("Hotline").

Our **Hotline** number is **855.998.9907** (English), or **800.216.1288** (Española). You may e-mail our **Hotline** at: reports@lighthouse-services.com. **The Hotline is available 24 hours a day, seven days a week.**

Questions. If you are unsure about our Compliance Program you can seek clarification from the CCO. You can also seek out members of our Committee, or call the Hotline. See our **COMPLIANCE CONSULTS** policy (SYS:CCE002).

Reports. You can report, through their *chain of command*, e.g., supervisor, director, administration (e.g., vice presidents, executive directors), or Human Resources. You can also make a report to the CCO. Or, without identifying yourself, you can report to the Hotline. See our **COMPLIANCE REPORTS** policy (SYS:CCE003).

We also require our supervisory personnel to:

- ✓ Maintain an *open-door policy*.
- ✓ Encourage their teams to raise concerns or report known or suspected violations.
- ✓ Detect compliance issues or violations.
- ✓ Act promptly and appropriately when they acquire information relating to suspected or known violations, or concerns.
- ✓ Encourage their teams to report suspected retaliation.

Non-Retaliation

Our Compliance Program prohibits retaliation against any person who, in good-faith, tells us about issues, or reports actual or suspected violations of our Compliance Program. We want you to help us detect and prevent violations, especially those relating to violations of law or any noncompliance with FHCP requirements. See our **NON-RETALIATION** policy (SYS:CCE006).

Monitoring & Auditing

An ongoing evaluation process is critical to any compliance program. Our goal is zero tolerance for criminal conduct including fraud, waste and abuse.

We will monitor and audit the activities of our Covered Persons to detect misconduct. We also use audits and other risk evaluation techniques to assist in the reduction of identified problem or risk areas.

These types of reviews may include, but are not limited to: interviews; a review of written documentation; audits or monitoring, or trend analysis. We may review, as examples, issues related to contracts, competitive practices, coding and billing, reporting and record keeping, or any other areas of our operations.

We will use corrective action, including discipline, if any reviews show a violation of our program.

Effectiveness

Not less than annually, the CCO and the Committee will review and evaluate the Compliance Program to determine its effectiveness. In part, they will assess if the program's elements have been satisfied. We will look at the results to see if changes are necessary.

We seek constant improvement. We will modify our Compliance Program whenever necessary to ensure it is effective. We will publicize any revisions to all affected Covered Persons.

VI. DISCIPLINARY MEASURES

- *We consistently promote and enforce our Compliance Program through appropriate incentives and disciplinary mechanisms. We will discipline anyone who engages in criminal conduct or fails to take reasonable steps to prevent or detect such conduct.*

Discipline For Violations

Following our Compliance Program is a condition of employment, contractual arrangements or privileges. Failure to comply with our Compliance Program may result in disciplinary action. Such action includes termination or cancelation of contracts or privileges.

We may discipline our supervisory personnel for their failure to adequately instruct their staff, or for failing to detect noncompliance with the Compliance Program when reasonable diligence should have led to discovery and given us an opportunity to correct them earlier.

Aggregating and Mitigating Factors. When we take disciplinary action, we will assess relevant circumstances, and we may take the following into account:

1. The nature of the violation and the ramifications of the violation to us;
2. The disciplinary action imposed for similar violations;
3. The person's history of past violations;
4. Whether the violation was willful or unintentional;

5. Whether the individual was directly or indirectly involved in the violation;
6. Whether the violation represents an isolated occurrence or a pattern of conduct;
7. If the violation is being imposed as a result of a persons' failure to supervise, the extent to which the circumstances reflect a lack of diligence;
8. If the violation involves retaliation, the nature of such retaliation;
9. Whether the person in question reported the violation; or
10. The degree to which the person cooperated with the investigation.

Discipline includes private censure, suspension with or without pay, demotion, or termination (including employment, medical staff membership or contractual arrangements).

Incentives

Following the elements of our Compliance Program is a factor in our annual evaluations and your eligibility for promotion. We use our Core Values as part of our evaluation process.

VII. REMEDIAL ACTION

- *We take reasonable steps to appropriately respond to offenses once detected and to prevent reoccurrences of similar offenses and we make necessary modifications to the Compliance Program.*

Investigations. Upon reports or any reasonable indication of suspected noncompliance, the CCO will promptly initiate steps to determine whether a material violation of our Compliance Program has occurred. See our **COMPLIANCE INVESTIGATION** policy (SYS:CCE004).

Upon discovery, we promptly and thoroughly disclose to governmental authorities any conduct that may violate criminal, civil or administrative laws. We fully cooperate with any external investigation.

Corrective Action. We accept responsibility for our actions. If possible, we will cure any harm we cause. The CCO will ensure steps are taken to correct the problem including the timely refunding of any overpayments.

We take steps to prevent further similar conduct. These steps may include the modification of our Compliance Program. See our **CORRECTIVE ACTION PLANS** policy (SYS:CCE005).

VIII. RISK ASSESSMENTS

- *We conduct assessments of risk areas to determine if adequate controls are in place.*

We periodically evaluate our business to identify and assess risk areas. We will take action to reduce these risks by adopting or modifying our Standards. The CCO will review the OIG's Fraud Alerts and take reasonable action to prevent the conduct criticized in such alerts, or prevent such conduct from reoccurring.

We will periodically review for the risk of criminal conduct by:

A. Assessing the following:

- (1) The nature and seriousness of such criminal conduct.
- (2) The likelihood that certain criminal conduct may occur because of the nature of our business, and if likely, we will take reasonable steps to prevent and detect such conduct.

(3) The prior history of our organization.

B. Prioritize periodically, the actions taken pursuant to any element, in order to focus on preventing and detecting the criminal conduct identified above in (A) as most serious and most likely, to occur.

C. Modify, as appropriate, the actions taken pursuant to any element to reduce the risk of criminal conduct identified above in (A) as most serious and most likely, to occur.

CONCLUSION

You are an integral part of our Compliance Program. You need to be involved. In general, our Compliance Program seeks to:

- ✓ Promote honest and responsible corporate conduct.
- ✓ Help us identify and correct unethical or unlawful conduct.
- ✓ Encourage everyone to report concerns so we can take appropriate action.
- ✓ Minimize financial loss to federally-funded healthcare programs by early detection of improper or illegal conduct.
- ✓ Address specific risk areas to help us minimize unethical or unlawful conduct.

If you have questions about our Compliance Program (*e.g.*, what it requires, how we administer it, or enforce it), stop and ask. You can speak with your chain of command, or the CCE Department. Or, without telling us your name, by calling or emailing our Hotline

On July 22, 2015, the Board of Directors approved this Compliance Program Overview.