



HUTCHINSON
REGIONAL HEALTHCARE SYSTEM

Corporate Compliance Program Overview

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COMPLIANCE PROGRAM OVERVIEW

DEFINITIONS

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

Hutchinson Regional Healthcare System means Hutchinson Regional Medical Center, Inc. (HRMC); Hospice and Home Care of Reno County; Health-E-Quip; Hutchinson Regional Physician Network; and Horizons Mental Health Center, Inc. “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 our behalf, e.g., all Board Members, Medical Staff, directors and corporate officers (e.g., vice president, Horizons’ CEO). It also includes any other persons or entities that provide supplies or services to us. (We refer to Covered Persons individually as “you”).

PURPOSE

This overview is not complete. It merely provides an outline of our Compliance Program. It reinforces our commitment to ethical and legal conduct.

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 (CO) at 665-2203 or 665-2009. Or,

you can email the department at compliance@hutchregional.com.

YOUR RESPONSIBILITIES

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

You must look for conduct that may or does violate our Compliance Program. *Generally, our Compliance Program requires honest identification, discussion, reporting and resolution of unethical and illegal conduct. You may do this without fear of retaliation.*

When you work on our behalf, 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 punitive action. Such action includes termination of your employment, contract(s) or medical staff privileges.

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 make sure our Compliance Program is effective, we will:

- ✓ Exercise due diligence to prevent, detect, and correct illegal or unethical 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 an ethical 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 we require you to follow. No one may act contrary to our Code. It stresses the importance of our *Core Values*. Our Core Values always guide us. Finally, our Code requires us to act ethically and follow 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. In some cases, they address areas of special concern identified by the Office of Inspector General for the

Department of Health and Human Services (“OIG”) through its investigative and audit functions.

Our 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 training.

Our Standards are available on our Intranet’s “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 CO reports directly to HRHS's President & CEO. The CO has direct personal (and unlimited) access to the Board. This helps ensure that we address compliance concerns at the highest level.

- *Our high-level personnel¹ 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, we (*minimally*) expect them to:

Prevent compliance problems by:

- ✓ Actively promoting ethical conduct.
- ✓ Actively promoting a commitment to follow the law.
- ✓ Identifying 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 make sure their teams

¹ **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.

understand our Standards and applicable laws.

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 CO. The CO oversees and monitors our Compliance Program. **However, the CO's job does not diminish (or relieve you of) your obligations under our Compliance Program.**

The CO is primarily responsible for:

- ✓ Regularly reporting compliance-related matters to the Board, President and CEO, and the Board & HRHS Compliance Committees. This includes matters relating to the program's implementation and effectiveness.
- ✓ Investigating all known or suspected violations of our Compliance Program using HRO and Just Culture principles. The CO 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 make sure we comply with Federal health care programs (“FHCP”).

The CCE Department also serves as a resource to help you resolve legal and ethical issues. Its mission is to promote an open culture “that honors and protects everyone’s right to raise issues and concerns without fear of retaliation.” You can see the Mission Statement by going to the Intranet’s “Corp. Compliance” tab.

The CO acts impartially. The CO’s duty is to the organization. We do not permit the CO to treat individuals differently.

Compliance Committee

Our HRHS Compliance Committee (the “**Committee**”)² meets regularly. It also holds special meetings. It is made up of the CO and a group of interdisciplinary personnel. The CO serves as its Chair. We select Committee members from throughout HRHS.

The Committee advises the CO. 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.

² While carrying out their duties, the CO and Committee are acting as a peer review officer and committee pursuant to *K.S.A. 65-4915*.

- ✓ 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 the Compliance Program.
- ✓ Monitoring internal and external audits and investigations.

A list of current Committee members is available on our Intranet’s Corp. Compliance tab.

Our Board has also established its own Compliance Committee. The CO reports to this committee on a quarterly basis or more frequently, if events require it. We may create other compliance committee(s) as necessary.

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 obtain 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 participating 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 (2) 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 a Covered Person, 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 client, 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.

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’s* “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 are on the Corp. Compliance tab under the section entitled “How Do We Conduct Ourselves?”

Certification. We require you to certify, in writing, that you have read this document and our Code. This certification also confirms that you will comply with these documents.

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

Education & Training

³ “All 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

We require All Persons³ to participate in our mandatory compliance 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 whose actions affect the accuracy of claims submitted to any FHCP, e.g., coders, billing; or to address specific risk areas.

Our supervisory personnel 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.

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- 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.

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 a report.

Open Lines of Communication. At any time, you have the absolute right to speak to your chain of supervision, the CO, or any Committee members. 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 CO. 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 your *chain of supervision*, e.g., supervisor, director, corporate officers (e.g., vice presidents), or Human Resources. You can also make a report to the CO. If you report to the CO, you can ask him or her to keep your identity a secret. Or, without identifying yourself, you can also 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).

Federal and State laws also protect you for reporting certain matters including fraud, waste and abuse. These laws also protect you if you help the government handle a false

claim. See our **Fraud, Waste and Abuse** policy (SYS:CCE012).

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 review shows an intentional violation of our program.

Effectiveness

Not less than annually, the CO and the Committee will review and evaluate our 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 make sure 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 punitive action. Such action includes termination or cancelation of contracts or privileges.

If warranted by our Just Culture, 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 it earlier.

Aggregating and Mitigating Factors. When we take punitive action, we will assess relevant circumstances, and we may consider aggregating and mitigating factors.

Discipline includes private censure, suspension with or without pay, demotion, or termination (including employment, medical staff membership or contractual arrangements). See our **ENFORCEMENT & RESPONSE** policy (SYS:CCE011).

Incentives

Following 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 receipt of any report or any reasonable indication of suspected noncompliance, the CO will promptly initiate steps to decide if a material violation of our Compliance Program has occurred. See our **COMPLIANCE INVESTIGATION** policy (SYS:CCE004).

If asked to help, we require you to cooperate fully with the COO and to be truthful.

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

Corrective Action. We accept responsibility for our actions. If possible, we will cure the harm we cause. The CO will make sure we take steps to correct the problem including the timely refunding of any overpayments.

We take steps to prevent further similar conduct. These steps include modifying our Compliance Program. See our **CORRECTIVE ACTION PLANS – COMPLIANCE PROGRAM EVENTS** policy (SYS:CCE005).

VIII. RISK ASSESSMENTS

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

We periodically evaluate our business to identify and assess risks. We will take action to reduce these risks by adopting or modifying our Standards. The CO 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 a vital part of our Compliance Program. You need to be involved. In general, our Compliance Program seeks to:

- ✓ Promote honest and responsible 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 FHCP by early detection of improper or illegal conduct.
- ✓ Address specific risk areas to help us minimize unethical or unlawful conduct.

Every job requires you to follow our Compliance Program. In its simplest terms, you should consider compliance-related issues as a part of everything that you do. Obviously, the level of consideration will vary based on your job! In terms of growing revenue in your area, *for example*, from a business standpoint, you need to plan what you will do and whether it is profitable. From a compliance perspective, you need to assess the risks, decide what controls you need to address them, and decide how you will monitor these new controls to determine they are working. In other words, compliance is not just a *department*, it is how you go about your job.

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 supervision, or the CCE Department. Or, without telling us your name, by calling or emailing our Hotline

Board Approval Pending.