

CRAIG HOSPITAL POLICY/PROCEDURE	
Approved: CCC, DD 09/06; BOD, P&P 10/06; CC, P&P 03/08; CC 11/10, P&P 12/10; CC 04/12, P&P 05/12, 10/13, 06/15	Effective Date: 07/01
Attachments: Compliance Program Training Guide	Revised Date: 07/04, 09/06, 03/08, 11/10, 03/12, 10/13, 06/15
Forms: CC01F1 Employee Certification of Understanding	Reviewed Date: 07/05

SUBJECT: CRAIG HOSPITAL CORPORATE COMPLIANCE PROGRAM

RATIONALE: To provide standards of conduct to prevent fraud and abuse and to comply with the local, state and federal laws applicable to the hospital.

SCOPE: All staff, Medical Staff, Board of Directors

DEFINITIONS: Craig Hospital Community: Governing board members, administration, medical staff members, employees and contractors.

POLICY: All personnel will conduct themselves ethically and in conformance with all applicable local, state and federal laws which apply to the operation of the hospital, as well as with hospital policies and procedures. The Corporate Compliance Program (Program) is to prevent, detect and report incidents of noncompliance. As part of the Program, the hospital expects that all members of the Craig Hospital community will constantly strive to adhere to the Program and the Code of Conduct (CC02). The Hospital will provide ongoing education regarding all aspects of this Program. In addition, supplemental information addressing specific topics may be distributed to employees or contractors in certain areas, as deemed appropriate. This policy incorporates a number of existing Hospital policies as references. Nothing in this document changes those existing policies. Instead, this document reinforces the Hospital’s commitment to conscientiously implement and enforce those policies. The Hospital will continually monitor the implementation of the Program and may periodically revise the Program to better achieve the compliance goals of Craig Hospital. To the extent that the

Program and/or any of the policies pertain to patient care, such guidelines are advisory and do not substitute for professional medical judgment in the provision of medical care consistent with applicable standards of care.

PROCEDURE:

- I. Craig Hospital's Corporate Compliance Plan will support the Mission, Core Values and Vision of the Hospital:
 - A. Mission: To advocate for and provide exemplary rehabilitation care to people affected by spinal cord and traumatic brain injury so that they can achieve optimal health, independence, and life quality.
 - B. Core Values
 1. Foster independence through education and experiences
 2. Encourage peer support
 3. Develop a family atmosphere where caring for others is shared
 4. Embrace a culture of safety
 5. Put fun into the process of rehabilitation
 6. Advance rehabilitation through research
 7. Promote life quality through advocacy and education
 - C. Vision: Craig Hospital will be recognized internationally as a leader in providing innovative rehabilitation and healthcare services through an interdisciplinary team approach focused on delivering exception life quality and independence outcomes for people affected by spinal cord and traumatic brain injury.
- II. Code of Conduct
 - A. The governing board of the Hospital has established the Program and a general standard of conduct in recognition of the Hospital's responsibility to its patients, employees, medical staff and the community it serves. Every member of the Craig Hospital community is responsible for acting in a manner consistent with the Code of Conduct (CC 02).
 - B. In addition, Organizational Ethics (RI 33), and Patient Rights and Responsibilities (RI 29) are supplemental to the Program and the Code of Conduct.
- III. The Corporate Compliance program will:
 - A. Establish procedures to achieve compliance with the standards;
 - B. Assign to specific personnel overall responsibility to oversee compliance with the standards and procedures;

- C. Communicate effectively the compliance standards and procedures to all members of the Hospital community and assure that there is ongoing education regarding the standards and procedures;
- D. Establish consistent disciplinary mechanisms to deal with violations of law or the failure to detect or report an offense; and
- E. Establish reasonable steps to respond appropriately to offenses that have been detected and to prevent further similar offenses.

IV. Fraud and Abuse, Anti-Kickback, Self-Referral and False Claim Laws.

The Hospital is subject to various federal and state laws which regulate relationships within the health care industry. These laws are designed (a) to prevent fraud in the Medicare and Medicaid programs (and other federal health care programs) and abuse of public funds supporting the programs, (b) to regulate referrals under circumstances in which there might be financial incentive to make more referrals than are medically necessary and receive increased reimbursement from the Medicare and Medicaid programs and (c) to prohibit false or up-coded billings to the Medicare and Medicaid programs. Violation of these laws can result in significant criminal penalties and civil fines; both the Hospital and the responsible individual may be prosecuted. In order to achieve compliance with these laws, all members of the Craig Hospital community must abide by the following principles:

- A. The Hospital does not enter into contracts or other arrangements (especially between the Hospital and health care professionals or suppliers) which, directly or indirectly, pay or offer to pay for referral of patients to the Hospital for services paid for by the Medicare/Medicaid programs or by any other federal health care program.
- B. The Hospital does not enter into contracts or other arrangements which base compensation on the volume of Medicare or Medicaid services provided.
- C. The Hospital does not enter into contracts or arrangements which offer a lower than fair market price in exchange, explicitly or implicitly, for the promise of Medicare or Medicaid business.
- D. The Hospital does not intentionally bill any charge to Medicare or Medicaid for a service that was not provided.
- E. The Hospital does not make any statement on any claim form which it knows to be false or inaccurate.
- F. The Hospital does not file any claim which cannot be supported by documentation in the medical record.
- G. The Hospital does not falsely certify that a service was medically necessary.

- H. The Hospital does not engage in transactions that provide excessive economic benefits to individuals with vested interest in the Hospital (such as officers, directors, trustees, physicians and others who are able to exert substantial influence over the Hospital's affairs).
 - I. The Hospital contracts with vendors on an arm's length basis for a fair market value price.
 - J. No member of the medical staff refers Medicare or Medicaid patients to an entity in which that member of the medical staff (or a member of his/her family) has a financial relationship, if the referral is for one of the following services: home health, physical/occupational therapy, laboratory, radiology or radiation therapy or outpatient prescription drugs.
- V. Conflicts of Interest - While conflicts of interest often arise in the course of the normal business activities of the Hospital, all members of the Craig Hospital community should make every effort to avoid all potential conflicts of interest. A conflict of interest can arise from any situation in which a member of the Craig Hospital community has an opportunity to advance his/her personal interests at the expense of the Hospital's interests. (See *RI 18 Conflict of Interest*, which provides guidelines concerning specific practices.) In general, the principles applicable to possible conflicts include the following:
- A. The Hospital will purchase or sell products and services solely on the basis of their value and merit. Members of the Hospital community who are involved in purchasing goods or pricing services may not give, receive, offer or solicit any personal gifts or favors or any payment in the nature of a bribe or kickback that might appear to influence purchase and pricing decisions. However, acceptance of an occasional and nominal gift or meal with a value less than \$50.00 will not be considered a violation of this principle. Cash or gift cards in any amount are not to be accepted.
 - B. Members of the Hospital community will ensure that any outside activity, such as a second job or a significant interest in another business, does not affect the independence of an employee's or agent's judgment while on the job at the Hospital.
 - C. Members of the Hospital community will not, without prior approval, convey Craig Hospital property or proprietary information or provide unpaid services to a member of the public or to an employee or agent of another company.
 - D. Members of the Hospital community will disclose all possible conflicts of interest when those interests may affect, or be perceived as affecting, a decision regarding a proposed transaction or arrangement of the Hospital.

- E. Members of the Hospital community will not use Hospital funds to make any contribution to any political candidate. This policy does not prohibit members from personally participating in and contributing to political campaigns.

- VI. Financial Accounting Records - All financial reports, accounting records, research reports, expense accounts, time sheets and time cards, payroll records and other financial records shall accurately represent the performance of operations. The Hospital will maintain a system of internal controls which provide reasonable assurance that financial records are executed and retained consistent with local, state and federal regulatory requirements and accounting industry guidelines and that records are prepared timely and properly supported.

- VII. Claim Development and Submission; Billing and Collections
The Hospital will maintain honest, fair and accurate billing practices. Individuals involved in the billing functions shall have appropriate experience and knowledge and will be trained to perform billing functions in accordance with local, state and federal law. (see *CC 03 Claim Development and Submission Process* for details regarding claim development and claim submission; *CC 04 Health Information Management* for details regarding the importance of the medical record and its protection in the claim submission process; *CC 05 Medical Staff and Physician Relations* for requirements specific to medical staff members.) In general, the principles applicable to claim development and billing include the following:
 - A. The Hospital will bill only for services provided and documented in the medical record.
 - B. The Hospital will not duplicate bills.
 - C. The Hospital will, in general, collect coinsurance and copayment amounts not covered by a third party payor.
 - D. The Hospital will code procedures appropriately and will not provide financial incentive to members of the Hospital community to up-code procedures.
 - E. The Hospital will not unbundle services which are required to be bundled.
 - F. The Hospital will endeavor to identify incorrectly submitted or paid claims and reimburse the proper third party payor and/or patient in the case of overpayment.

- VIII. Antitrust and Trade Regulation - The Hospital will avoid activities which would unfairly or illegally reduce or eliminate competition, control prices, allocate markets or exclude competitors. In general, the principles applicable to antitrust and trade regulations include the following:
 - A. The Hospital will not discuss prices, charges, profits or service/supplier selection with other hospitals in its service area, with the intent to fix prices or

charges throughout the service area or to encourage use of one service/supplier to the exclusion of another throughout the service area.

- B. The Hospital will negotiate with contractors and suppliers on a competitive basis, based upon such factors as price, quality and service.

IX. Assignment of Responsibilities for the Corporate Compliance Program

- A. Compliance Officer - The Director of Quality Management is designated as the Compliance Officer and will serve as the focal point for compliance activities. The Compliance Officer's primary responsibilities will include:
1. Overseeing and monitoring the implementation of the Program;
 2. Reporting on a regular basis to the Hospital's governing board, President and the Compliance Committee on the progress of implementation, and assisting in establishing methods to improve the Hospital's efficiency and quality of services and to reduce the Hospital's vulnerability to fraud, abuse and waste;
 3. Serving as conduit for reports of suspected or known incidents of noncompliance;
 4. Developing policies and programs to encourage members of the Hospital community to report suspected fraud and other improprieties without fear of retaliation;
 5. Independently investigating and acting on matters related to compliance, including the flexibility to design and coordinate internal investigations (e.g. responding to reports of problems or suspected violations) and any resulting corrective action;
 6. Coordinating a response to a government investigation with input from the Corporate Compliance Committee and legal counsel as appropriate.
 7. Ensuring that contractors, including vendors, are aware of the principles in the Hospital's Program with respect to billing, marketing, coding, etc.; and
 8. Coordinating the internal auditing and monitoring activities of the Hospital.
 9. Retaining minutes, documents and outdated policies related to activities of the Corporate Compliance Committee a minimum of six years.

- B. Compliance Committee - The Compliance Committee, which shall report to the Quality Council, shall advise the Compliance Officer and assist in the implementation of the Program. The committee's functions will include:
1. Analyzing the Hospital's industry environment, the legal requirements with which it must comply, and specific risk areas;
 2. Completing risk assessments periodically, at a minimum of every three years;
 3. Assessing existing policies and procedures that address these areas for possible incorporation into the Program;
 4. Working with appropriate Hospital departments to develop standards of conduct and policies and procedures to promote compliance with the Program;
 5. Working with the Compliance Officer and the relevant departments to develop internal controls so that the Hospital's standards, policies and procedures are carried out as part of its daily operations;
 6. Determining the appropriate strategy/approach to promote compliance with the program and detection of any potential violations; and
 7. Developing a system to solicit, evaluate and respond to complaints and problems.
 8. The Compliance Committee will meet on a regular basis.
- C. Supervisory Personnel - Every supervisory employee will provide education to the employees under his/her supervision, as applicable to their work. As a condition of hire, each employee must agree in writing to abide by the principles of the Program (CC02F1 Employee Certification of Understanding).

X. Education

- A. Effective implementation of the Program requires ongoing education so that each member of the Hospital community has a clear understanding of his/her responsibilities and rights under the Program. The Compliance Officer and Compliance Committee will oversee a multi-faceted educational and training program, to include:
1. The Hospital's New Employee Orientation Program (focusing on the elements of the Program and pertinent federal and state standards);
 2. Targeted training to the administrative team members, managers, other employees and medical staff members, whose actions affect the

accuracy of the claims submitted to third party payers, including the Medicare and Medicaid programs;

3. Educational information and materials for independent contractors, vendors and agents who furnish medical services or supplies to the Hospital.
 4. All members of the Hospital community will receive relevant educational information. Failure to comply with training requirements may result in disciplinary action.
- B. The Hospital will retain records of educational materials distributed and training (including attendance logs), as appropriate.
- C. Employees, on completion of training in new staff orientation, sign the Employee Certification of Understanding (CC02F1)

XI. Communications and Reports

- A. General - All hospital personnel are encouraged to seek clarification from the Compliance Officer or members of the Compliance Committee if they have a question with regard to the Program or its requirements.
- B. Reports of Noncompliance
1. Any member of the Hospital community who, in good faith, believes that a contract, arrangement, activity, practice or procedure may not comply with the principles described in the Program should report it to the Compliance Officer by calling 303-789-8228, by e-mail, by mail or by placing their written concern in the Director of Quality Management and Compliance Officer mail box. Individuals will be permitted to report concerns on an anonymous basis. No one who reports a concern in good faith will be subject to retaliation. Reports of suspected non-compliance may also be reported directly to the hospital President, the Chair of the Finance Committee of the Board, the Chairman of the Board of Directors, or the Office of the Inspector General of the Department of Health and Human Services.
 2. An anonymous Ethics and Compliance hotline is available to staff for reporting issues at 800-398-1496; all calls are confidential.
 3. If any member of the Hospital community receives any correspondence from any regulatory authority charged with administering a federally funded health care program, he/she should immediately forward a copy to the Compliance Officer. Members of the Hospital community should also notify the Compliance Officer in

advance of any visits, audits, investigations or surveys by any federal or state agency or by an accreditation agency.

4. All reports of noncompliance will be investigated as follows: The Compliance Officer, with the assistance of legal counsel, as necessary, will determine whether the noncompliance alleged in the report, if true,
 - a. amounts to a violation of local, state or federal law,
 - b. is a violation of the Program, or
 - c. puts the Hospital at risk of significant economic injury or injury to its reputation. If it is determined that the allegation, if true, meets one of these criteria, this fact will be reported to the Compliance Committee.
5. Thereafter, the Compliance Officer, as advised by the Compliance Committee and legal counsel, shall investigate the allegation to determine whether the allegation has a basis of fact. If it does, the Compliance Officer will formulate a recommendation regarding remedial action and/or disciplinary action and regarding whether it should be disclosed to outside authorities. In general, remedial action will include:
 - a. immediate cessation of the offending activity, practice, procedure, etc.;
 - b. appropriate disciplinary action against any person who intentionally or with reckless disregard committed the act of noncompliance; and
 - c. an appropriate education program aimed at preventing future similar problems.
6. The Compliance Officer will promptly forward his/her recommendation to the Compliance Committee. The Compliance Committee will consider the recommendation; implement any remedial action it deems appropriate and direct human resources to take any disciplinary action related to an employee of the Hospital. Any recommendation regarding a report to authorities shall be taken to the Board, which shall make the final decision regarding any report to authorities, as well as any disciplinary action to be taken with respect to any member of the Hospital community other than an employee.
7. The Compliance Officer will maintain all records related to reports of noncompliance in accordance with law and in a way that assures

maximum protection under the attorney-client privilege and attorney work product doctrines.

8. The Compliance Officer will maintain a log of the reports, including the nature of any investigation and its result. The information in the log will be included in reports to the Board of Directors, the Hospital President and the Compliance Committee.
9. If the name of the reporting individual is included in the report, the Compliance Officer will notify the reporting individual of the nature of the remedial action and/or disciplinary action taken.

XII. Disciplinary Action

- A. In recognition of the seriousness of noncompliance, the Hospital may impose disciplinary action against any member of the Hospital community who violates the Program. Disciplinary action will be appropriate to the violation, including possible termination of employment, provided that the imposition of any disciplinary action will be consistent with, and in accordance with, the Hospital's human resources policies and procedures (for employees) and the Medical Staff Bylaws (for medical staff members).
- B. No member of the Hospital community will be disciplined solely on the basis that he/she reported what was reasonably believed to be an act of noncompliance or a violation of the Program, regardless of whether the report resulted in an investigation. However, a member of the Hospital community will be subject to disciplinary action if it is reasonably concluded that the report of noncompliance was knowingly fabricated or was knowingly distorted, exaggerated or minimized.
- C. In determining what, if any, disciplinary action may be taken, the Hospital will take into account that fact that a member of the Hospital community self reported, particularly if the member's conduct was not previously known to the Hospital or its discovery was not imminent, and the self report is complete and truthful. However, a self report will not guarantee protection from disciplinary action. The weight to be given to the confession will depend on all the known facts at the time disciplinary decisions are made.

XIII. Monitoring and Auditing

- A. The Hospital, through the Compliance Officer and Compliance Committee, will continually monitor the Program to promote and ensure the effectiveness of the Program. Monitoring techniques may include periodic audits by external auditors who have expertise in federal and state health care statutes, regulations and federal health care program requirements; general questionnaires to members of the Hospital community; and review of medical records.

- B. The results of monitoring and auditing activities will be reported to the Compliance Officer and the Compliance Committee.
- C. Supervisory personnel will be responsible for making reasonable and prudent efforts to build mechanisms into their activities to detect noncompliance with the principles set forth in the Program.
- D. The Hospital will coordinate routine monitoring programs to prevent and detect quality of care and liability risk, such as medical staff and Hospital quality/performance improvement committees, environment of care committee, outside financial audits and contract reviews, with the monitoring efforts under the Program.
- E. The Hospital will screen all applicants for employment to determine if they have been convicted of a criminal offense in any way related to job duties or the services to be provided.
- F. Licenses of all licensed employees are verified annually.
- G. The Hospital will monthly screen all employees, medical staff members, credentialed allied health professionals, contractors and vendors to determine if they have been listed by a federal agency as debarred, excluded or otherwise ineligible for federal program participation.
- H. The Hospital will screen all medical staff members at appointment and reappointment to determine if they have been listed by a federal agency as debarred, excluded or otherwise ineligible for federal program participation.
- I. The Compliance Officer will establish a process by which appropriate personnel are notified of changes in the laws which are applicable to the Program and will provide additional training to ensure continued compliance.

XIV. Repayment/Reports to Authorities

- A. Accounting/CMS business office personnel will report any detected overpayments, under the regulations and contractor guidelines, to the Compliance Officer who will, in turn, look for trends or patterns that may demonstrate a systemic problem. Repayment will be made, unless otherwise directed by the Compliance Officer.
- B. In the event that there is credible evidence of noncompliance and such noncompliance violates, or appears to violate, federal or state criminal or civil law such that the Hospital Board determines to report the noncompliance to authorities, the Hospital and the Board will ensure that the noncompliance is reported within a reasonable period, but not more than sixty (60) days after determining that there is credible evidence of a violation. Timely notification

is crucial to any reduction in the penalties and fines applicable to the event of noncompliance.

- C. To qualify for reduced penalties under the False Claims Act, the report must be provided to authorities within thirty (30) days after the date the Hospital first obtained information regarding a false claim. 31 U.S.C. 3729 (a)].

Initial Approvals:

Denny O'Malley	4/26/01
APPROVED: President	Date
Daniel P. Lammertse	3/20/01
APPROVED: Chair, Medical staff Executive Committee	Date
Marlene Ablin	4/26/01
APPROVED: Chair, Board of Directors	Date

REFERENCES:

- CCF01F1 - Employee Certificate of Understanding
- CC 02 - Code of Conduct
- CC 03 - Claim Development and Submission Process
- CC 04 - Health Information Management
- CC 05 - Medical Staff and Physician Relations
- RI 18 - Conflict of Interest
- RI 18F - Craig Hospital Duality/Conflict of Interest form
- RI 29 - Patient Rights and Responsibilities
- RI 33 - Organizational Ethics