



# ETHICS & COMPLIANCE PROGRAM MANUAL

2020

AUDIT & COMPLIANCE SERVICES

# ETHICS & COMPLIANCE PROGRAM MANUAL

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## PREFACE

HonorHealth has implemented an Ethics & Compliance Program to assure that its operations conform to the federal government's efforts to prevent fraud, waste and abuse within the health care industry.

HonorHealth is committed to conducting its business affairs with integrity and in compliance with federal and state laws and private payer health plan requirements. Organizational policies on ethical and legal conduct are designed to prevent, detect and resolve violations of the law. The HonorHealth *Code of Conduct* and other related policies have been implemented to reflect these commitments.

This Ethics & Compliance Program Manual ("Manual") sets forth the means by which the HonorHealth *Code of Conduct* and related policies are implemented and monitored.

HonorHealth has entrusted its management personnel with the responsibility for achieving compliance with the *Code of Conduct* and related policies. All management personnel are expected to set an example for employees by performing their responsibilities in compliance with the Ethics & Compliance Program. Further, management personnel are responsible for ensuring that their employees understand and follow the *Code of Conduct* and related policies.

Although the term "employees" is used as the target audience throughout this Manual, **the general principles of compliance are applicable to all volunteers, members of the medical staff, and individuals or organizations contracted to perform services on behalf of HonorHealth. Adherence to these compliance standards is required for all individuals and entities associated or doing business with HonorHealth.** Certain government-sponsored payer programs require that all individuals or entities acting on behalf of HonorHealth are held to the same level of ethical and compliant behavior as the organization. HonorHealth expects those acting on behalf of its patients to act in a manner that upholds compliance with all laws and regulations governing the provision of high quality health care services.<sup>1</sup>

For additional information on HonorHealth's Ethics & Compliance Program or requests for educational presentations related to compliance issues, please contact HonorHealth's Chief Audit & Compliance Officer. Please submit all suggestions for modifications or updates of this Manual to the Chief Audit & Compliance Officer.

Vice President, Chief Audit & Compliance Officer  
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<sup>1</sup> Medicare Parts C&D require all contractors of Medicare providers (known as first-tier, downstream and related entities (FDR)) to adhere to the same compliance obligations as the entity for which they are providing services.

## I. INTRODUCTION

### A. OBJECTIVE OF THE ETHICS & COMPLIANCE PROGRAM

1. HonorHealth's Ethics & Compliance Program is designed to establish a culture within the organization that promotes prevention, detection, and resolution of instances of conduct that are not consistent with its *Code of Conduct* or which do not conform to federal and state laws and private payer health plan requirements.

### B. MISSION STATEMENT AND *CODE OF CONDUCT*

1. HonorHealth's Mission Statement defines the organization's purpose and mission "to improve the health and well-being of those we serve" through its core values of innovation, collaboration, accountability, respect and empathy. The *Code of Conduct* defines the approach HonorHealth will take in order to carry out its health care mission. The *Code of Conduct* encompasses a wide-range of compliance issues and related policies as a means of providing health care with integrity, honesty and accuracy. The *Code of Conduct* applies to all employees, affiliated physicians, volunteers and contractors of HonorHealth. All applicable personnel are personally responsible and accountable for their own conduct in complying with these standards.
2. The Mission Statement and Values are the guiding philosophies which govern the conduct of all employees. In addition, the *Code of Conduct* and related policies are statements of action with which all must comply.
3. Employees may be affiliated with professional organizations which adopt their own ethical standards (e.g., nurses, accountants). Employees are encouraged to abide by the ethical standards adopted by their individual professional associations in addition to the *Code of Conduct* as such organizations are able to address ethical challenges specific to an employee's specialty, expertise and industry that cannot be comprehensively addressed by the *Code of Conduct* or this Manual.

### C. FOUNDATIONAL COMPLIANCE CONCEPTS

1. The concepts and issues described in this Manual assume an underlying commitment to foundational compliance principles. The following is a description of some of those principles:
  - a. ***The Spirit and the Letter of the Law:*** The "letter" of the law refers to the actual written word on the legal page which describes, in detail, the application of certain laws. The "spirit" of the law, as the name implies, is the spirit in which the law was written, or the intent of the law. It is not possible to write a law in such a way that it can accommodate for every instance in which that law might be violated. As such, employees are required to abide by both the spirit and the letter of the law.
  - b. ***Avoid the Appearance:*** One's actions may not actually be in violation of the law, but it may "appear" that they are in violation of the law. Employees are strongly encouraged to avoid even the appearance of violating the law. No matter how innocent in fact a particular act may be, if it is one that can lead others to believe that a violation may have occurred,

an investigation, audit or other legal action may result. The Ethics & Compliance Program is aimed at identifying processes or events throughout the organization that may even “appear” to be out of compliance with the law in order to resolve such instances and avoid unnecessary audits, investigations or other legal action from government enforcement agencies.

- c. **Conscious Avoidance:** Conscious avoidance is defined as a deliberate “closing of the eyes” and pretending not to know when someone may be violating a law. The Ethics & Compliance Program’s objective is to seek out instances of conduct that do not comply with applicable laws or regulations and resolve them, thereby reducing risk from government or other law enforcement agencies. If employees identify instances of conduct that may be in violation of the law, they should report such instances to their manager, a representative of the Audit & Compliance Services Department or the Compliance Line.
- d. **Collective Knowledge:** Collective knowledge represents the sum total of an organization’s knowledge of a process or event. Even though individual components of a process may not be in violation of a law or regulation, the collective actions of an organization (or lack thereof) could equate to a violation. Organizations sometimes compartmentalize knowledge, subdividing the elements of specific duties and operations into smaller components. The aggregate of these components constitutes the organization’s collective knowledge of a particular operation. It is irrelevant whether employees administering one component of an operation know the specific activities of employees administering another aspect of the operation. Management personnel are strongly encouraged to examine the collective processes throughout their departments, and between departments, to ensure compliance with the law. The key is to identify means of improving system processes in order to promote legal compliance.
- e. **Intent:** A key element in determining violations of the law is intent. Did the individual or organization *intend* to violate the law? This reveals whether or not an outward, conscious effort to violate the law exists. Intent is the highest burden to prove in any criminal or civil proceeding, but it also is associated with the severest penalties.
- f. **Reckless Disregard:** In an industry as complex as health care, human error represents a factor that contributes to violations of the law, albeit unintentionally. However, if an organization is conducting its business practices in such a way that due diligence is not taken to ensure that its operations and practices are in compliance with the law, it could be construed that the company is acting with reckless disregard. Reckless disregard, at its worst, could be construed as gross negligence. Staff education, training, audits, monitoring and other proactive approaches to ensuring compliance with the law constitute appropriate efforts to conducting business with responsible due diligence. Without such programmatic functions in place, errors found could place a company in a difficult position to prove that it has otherwise acted with conscious integrity.

## D. WHAT IS THE ETHICS & COMPLIANCE PROGRAM?

1. The Ethics & Compliance Program is designed to promote organizational compliance with applicable legal requirements by deterring and detecting actual or alleged violations of laws and regulations or resolving such situations, if identified. The Ethics & Compliance Program encompasses a wide array of possible legal and regulatory risk. While all risk to violating legal and regulatory requirements falls under the broader umbrella of the Ethics & Compliance Program, specific focus will be placed on those areas of particular concern to government

enforcement activity including topics with the greatest risk to government overpayments and which are associated with civil fines and penalties.

2. To combat fraud, waste and abuse, the Department of Health and Human Services' (DHHS) Office of Inspector General (OIG) has issued several publications outlining how to implement voluntary compliance programs. Guidance applicable to the operations of HonorHealth includes the following publications:
  - a. *Compliance Program Guidance for Hospitals* (Feb 1998)
  - b. *Supplemental Compliance Program Guidance for Hospitals* (Jan 2005)
  - c. *Compliance Program Guidance for Clinical Laboratories* (Aug 1998)
  - d. *Compliance Program Guidance for Third-Party Billing Companies* (Nov 1998)
  - e. *Compliance Program Guidance for Individual and Small Group Physician Practices* (Oct 2000)
  - f. *Compliance Program Guidance for Home Health Agencies* (Aug 1998)
  
3. The Compliance Program Guidance publications provide the foundation for the Ethics & Compliance Program as presented in this Manual. It has been built upon the U.S. Sentencing Guidelines'<sup>2</sup> seven elements of an effective compliance plan which include:
  - a. Written Standards of Conduct
  - b. Oversight Responsibilities including designation of a Compliance Officer and a Compliance Committee
  - c. Conducting Effective Education and Training
  - d. Developing Effective Lines of Communication
  - e. Enforcement of Standards
  - f. Auditing and Monitoring
  - g. Responding to Detected Offenses and Developing Corrective Action Initiatives

## E. WHY IMPLEMENT AN ETHICS & COMPLIANCE PROGRAM?

1. Since the early 1990s, the federal government has highly scrutinized health care providers regarding compliance with the laws and regulations governing the health care industry. As noted below, Congress has passed a number of laws aimed at ensuring compliance with regard to health care funded by Medicare and Medicaid including the following:
  - a. Health Insurance Portability and Accountability Act of 1996 (HIPAA) (Public Law 104-191)
    - i. Although widely known for its emphasis on the privacy and security of health care information, the Health Insurance Portability and Accountability Act, or HIPAA, included what is widely considered the most comprehensive set of anti-fraud provisions to affect the health care field since the 1986 amendments to the Civil False Claims Act.
    - ii. HIPAA's impact on the health care field is evidenced in the strengthening of existing civil and criminal penalties for fraud and abuse, and the expansion of the government's role in investigating and prosecuting health care fraud in the private sector. HIPAA's impact is realized through its Fraud and Abuse Control Program through revisions to current sanctions for fraud and abuse violations and increased civil monetary penalties.<sup>3</sup>

<sup>2</sup> United State Sentencing Guidelines, §8.b.

<sup>3</sup> 42 U.S.C. §1320a-7c, §1395ddd, and §1395b-5.

- b. Balanced Budget Act of 1997
  - i. The Balanced Budget Act includes several anti-fraud provisions that include tougher enforcement rules for providers and stronger sanctions as well as the closing of loopholes that may have allowed fraud and abuse to occur. The Act also imposes civil monetary penalties for individuals who contract with an individual or entity previously excluded from participating in the Medicare program.<sup>4</sup>
- c. Anti-Kickback Statute
  - i. The federal Anti-Kickback Statute (“Anti-Kickback Statute”) is a criminal statute that prohibits the exchange (or offer to exchange), of anything of value, in an effort to induce (or reward) the referral of federal health care program business.<sup>5</sup> The Anti-Kickback Statute is broadly drafted and establishes penalties for individuals and entities on both sides of the prohibited transaction. Conviction for a single violation under the Anti-Kickback Statute may result in a fine of up to \$25,000 and imprisonment for up to five (5) years or exclusion from participation in federal or state-funded health care programs.
- d. The Stark Law
  - i. The “Stark Law” is the common industry name used to refer to the Federal prohibition against physician self-referrals of Medicare patients.<sup>6</sup> The Stark law addresses the inherent conflicts of interest that exist when a physician gains financially from making patient care referrals.<sup>7</sup>
- e. The False Claims Act
  - i. The False Claims Act is a long-standing and broadly written federal statute designed to identify and punish those committing fraud against the U.S. Government. The statute offers a financial incentive for individuals, known as “relators” or “whistleblowers,” to make allegations of fraud on behalf of the Government and be paid a percentage of the recovery for their efforts and information.<sup>8</sup> Though the False Claims Act is designed to prevent many types of fraud committed by federal contractors, it has particular application in the health care industry. Updates and enhancements have been made to these laws since the late 1990s.
- f. The Deficit Reduction Act (DRA) of 2005
  - i. The Deficit Reduction Act of 2005 was enacted to address certain federal spending reductions including within the Medicare and Medicaid programs. Within this Act are provisions to identify and resolve instances of overpayments to health care providers as a result of fraud, waste and abuse in the Medicaid program. The DRA includes certain provisions requiring health care providers to educate their employees on the rights of “whistleblowers” to bring forward issues related to fraud, waste and abuse including the right to report issues without fear of retaliation.<sup>9</sup>

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<sup>4</sup> Balanced Budget Act, Public Law 105-33, Aug. 5, 1997, Subtitle D – Anti-Fraud and Abuse Provisions and Improvements in Protecting Program Integrity.

<sup>5</sup> See 42 U.S.C. § 1320a-7b.

<sup>6</sup> See 42 U.S.C. § 1395nn.

<sup>7</sup> 42 U.S.C. § 1395(h)(6); see also § 1395nn.

<sup>8</sup> See 31 U.S.C. § 3729(a).

<sup>9</sup> Public Law 109-171

- g. Fraud Enforcement and Recovery Act (FERA) of 2009
  - i. The Fraud Enforcement and Recovery Act of 2009 places greater scrutiny on providers of health care services, broadens the definition of fraud in certain circumstances and delivers greater penalties against health care providers.<sup>10</sup>
- h. The Patient Protection and Affordable Care Act (PPACA) of 2010
  - i. PPACA bolsters the government’s funding and breadth of coverage to fight fraud, waste and abuse in the nation’s health care system. This Act includes, among others, modifications to provider-physician relations including changes to Stark laws, strengthens requirements around the timing of repayment of government funds inappropriately received, and changes to application of civil monetary penalties.<sup>11</sup>

## F. BENEFITS OF AN ETHICS & COMPLIANCE PROGRAM

1. In addition to fulfilling HonorHealth’s responsibility to promote the accurate submission of claims to government and private payers, numerous additional benefits may be gained by implementing an effective compliance program. These programs make good business sense and will help the organization fulfill its fundamental care-giving mission to patients and the community and assist in identifying weaknesses in internal systems and management. Other important potential benefits include the ability to:
  - a. concretely demonstrate to employees and the community HonorHealth’s strong commitment to the honest and responsible provision of health care services and corporate conduct in harmony with its values;
  - b. create a means of direct communication to the governing board about compliance risk and related issues;
  - c. provide a means of monitoring legal relations between the organization and other health care providers, including physicians;
  - d. provide a more accurate view of employee and contractor behavior relating to fraud and abuse;
  - e. identify and prevent criminal and unethical conduct;
  - f. enhance the organization’s ability to assess, identify and mitigate risk;
  - g. improve the quality of patient care and the privacy and security of patient information;
  - h. create a centralized source for distributing information on health care statutes, regulations and other program directives related to fraud and abuse and other legal compliance issues;
  - i. develop a methodology that encourages employees to report potential compliance issues or concerns;
  - j. develop procedures that allow the prompt and thorough investigation of alleged misconduct by managers, employees, independent contractors, physicians, other health care professionals, volunteers and consultants;
  - k. initiate immediate and appropriate corrective action; and
  - l. minimize the loss to the government from false claims, through early detection and reporting, thereby reducing the organization’s exposure to civil damages, penalties, criminal sanctions, and other administrative remedies such as debarment or exclusion from government payer programs.

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<sup>10</sup>Public Law 111-21

<sup>11</sup> Public Law 111-148, Mar. 23, 2010, §10606



## II. PROGRAM STRUCTURE & FUNCTION

### A. WRITTEN STANDARDS OF CONDUCT

1. To be effective, the Ethics & Compliance Program and *Code of Conduct* must be communicated to all employees. The Chief Audit & Compliance Officer and Compliance Committee is responsible for establishing procedures to ensure that every employee, medical staff member, volunteer and contracted entity is familiar with and abides by the Program.
2. Written standards of conduct and associated policies and procedures exist to provide guidance and direction on how to comply with certain laws or the manner in which our operations are arranged to promote compliance across the organization. An explanation of the organization's ethical approach to fulfilling its Mission and Values, along with associated compliance areas, is also available through the *Code of Conduct*.
3. Compliance policies should be created to address specific compliance risk areas of concern to the government to promote awareness of these requirements to the departments or contractors that perform the underlying actions pursuant to these functions.
4. Compliance policies will be made readily available and accessible to all employees via the organization's Intranet site to ensure access to the organization's policies on compliance topics or risks.
5. Compliance policies and procedures will be understandable to those for whom they are written and updated routinely as the underlying laws, regulations and guidance changes over time.

### B. OVERSIGHT RESPONSIBILITIES

1. Governing Board – Audit & Compliance Committee
  - a. The Audit & Compliance Committee is charged with ultimate oversight of compliance at HonorHealth.<sup>12</sup> The Audit & Compliance Committee is chaired by a Chairperson appointed by the Board. The Audit & Compliance Committee meets routinely through the year and receives progress and status reports from the Vice President, Chief Audit & Compliance Officer as to the progress, activity and effectiveness of the Ethics & Compliance Program.
2. Chief Audit & Compliance Officer
  - a. HonorHealth has designated a Vice President, Chief Audit & Compliance Officer to oversee and monitor the implementation of the Ethics & Compliance Program across HonorHealth. All compliance personnel within the structure of the Ethics & Compliance Program report directly or indirectly to the Chief Audit & Compliance Officer. The Chief Audit & Compliance Officer establishes the strategy and coordinates the implementation of all aspects of the Ethics & Compliance Program.

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<sup>12</sup> "Practical Guidance for Health Care Boards on Compliance-Oversight," Office of Inspector General, April 20, 2015.

- b. The Chief Audit & Compliance Officer makes a report to the Audit and Compliance Committee at their regularly scheduled meetings or more frequently as deemed appropriate based on the nature and severity of current compliance-related issues or trends.
3. Audit & Compliance Services Department
    - a. The Audit & Compliance Services Department assists with the overall implementation of the Ethics & Compliance Program at HonorHealth. This department may be comprised of directors, managers, analysts, auditors, coordinators and other support staff to ensure the appropriate operation of HonorHealth's Ethics & Compliance Program.
  4. Compliance Committee
    - a. At the highest level, the Audit & Compliance Committee serves as the primary governing body for overseeing the implementation of the Ethics & Compliance Program.
    - b. The Compliance Committee serves as the highest management level authority on implementing the Ethics & Compliance Program. All other committees, formal or ad hoc, designated specifically to support compliance across the organization serve under the direction of the Compliance Committee.

## C. EDUCATION AND TRAINING

1. **Code of Conduct:** To be effective, the Ethics & Compliance Program and *Code of Conduct* must be communicated to all employees. The Chief Audit & Compliance Officer and Compliance Committee are responsible for establishing procedures to ensure that all employees are familiar with and abide by the Program. Training and education programs will be systematic and ongoing to enhance and maintain the awareness of Program policies among existing and new staff. In order to ensure visibility, awareness, and access by internal and external parties, the *Code of Conduct* is available on HonorHealth's Intranet site and on the organization's main Internet page.
2. **Yearly Training:** The Ethics & Compliance Program will be reviewed with all employees through annual compliance training which may include such topics as the structure of the Ethics & Compliance Program, privacy and security of patient information, fraud and abuse, marketing practices, claims submission, physician arrangements, etc. In addition, supplemental materials dealing with subjects such as compliance with fraud, waste and abuse may be distributed to those employees with specific responsibilities in areas that pose the greatest risk to the organization. Adherence to policies and procedures, including the *Code of Conduct*, is a factor in job performance and the employee evaluation process.
3. **New Hires, Appointments and Contractors:** Each new employee, medical staff member, volunteer and contractor will receive a copy of the *Code of Conduct*. All new employees to HonorHealth are introduced to the Ethics & Compliance Program as part of the New Employee Orientation process. Attendance and participation in ongoing training programs is a condition of continued employment and failure to comply with training requirements may result in disciplinary action. The *Code of Conduct* will be distributed to newly appointed medical staff members at the time of appointment. Adherence to the Ethics & Compliance Program will be

included in all contract language and this Manual will be made available to all contractors and vendors.

4. **Education and Training Oversight:** The Chief Audit & Compliance Officer and Compliance Committee are responsible for ensuring the proper content, distribution and documentation of attendance by all employees at training and education programs.
5. **Retention of Records:** Training and education programs are applicable to physicians, employees, volunteers and contractors who provide services to the organization. Training conducted in an online environment will be retained within those systems including certificates of completion and results of exams. For in-person training, management will maintain sign-in sheets to ensure that employees have completed the required training. Training offerings may include either pre, post or embedded quizzes or exams to test participants' knowledge and learning of the material presented.
6. **Specialized Training:** Departments with potential high risk for compliance issues may be given special training in addition to the annual training. The department manager of each department identified as high risk will work with the Chief Audit & Compliance Officer, or member of the Audit & Compliance Services Department, to determine the most appropriate format and depth of training based on existing needs and risks identified by government enforcement agencies.
7. **The Ethics & Compliance Program Manual:** This Ethics & Compliance Program Manual is a document to be used as a reference to employees for specific details related to the Ethics & Compliance Program. This Manual provides a description of the Ethics & Compliance Program, how it is structured, who oversees its operation, educational training requirements, auditing and monitoring activities and how occurrences of non-compliance are to be reported. This Manual is available through the Audit & Compliance Services Department's Intranet site and can be found on the Compliance Line website.

#### D. EFFECTIVE LINES OF COMMUNICATION

1. HonorHealth is committed to the belief that all employees are responsible for reporting to their manager any activity they believe is inconsistent with the Ethics & Compliance Program, the *Code of Conduct*, HonorHealth policy or any legal or regulatory requirement. Any question or concern should be reported to an employee's manager or their Compliance Officer. If the employee's manager does not resolve the issue or if the employee feels uncomfortable bringing issues forward to management, the employee is encouraged to report concerns to their Compliance Officer who will treat all calls and reports of concerns as confidential, to the extent allowable by law.
2. HonorHealth recognizes that there are situations that warrant a confidential or anonymous method for asking questions or reporting concerns. As such, a national hotline service has been retained to receive reports regarding compliance concerns. This service is referred to as the Compliance Line.<sup>13</sup> There are two ways in which an individual (the "reporter") can ask

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<sup>13</sup> HonorHealth "Compliance Line" policy, AD1401

questions or express concerns through the Compliance Line – through a web intake form or by telephone.

- a. The Compliance Line is facilitated by a national hotline agency. The Compliance Line is not staffed by HonorHealth employees. Reporters can have the confidence in knowing that their voice will not be recognized by someone within HonorHealth if they otherwise would like to remain anonymous.
  - b. The Compliance Line service is available 24 hours a day, 7 days a week, 365 days a year.
  - c. The Compliance Line toll-free telephone number is 844.732.6241. The Compliance Line website can be accessed at [www.honorhealth.ethicspoint.com](http://www.honorhealth.ethicspoint.com).
  - d. All submissions made to the Compliance Line are kept confidential to the extent allowable by law. Reporters may make an anonymous report by communicating a question or concern without leaving their name or other identifying information.
  - e. Reporters should know that it is not always possible to guarantee the confidentiality of their identity while investigating a concern based on the facts provided or the report given whether they make a confidential or anonymous call. Compliance representatives will strive to focus on addressing and resolving the issue at hand and not identifying the person reporting the issue.
  - f. Once a report is made on the Compliance Line service, the reporter is given a unique report identification number (called a “Report Key”) which they will be informed can be used to place a return call with the Compliance Line service to obtain an answer to their question or a status or resolution of their concern.
  - g. Posters providing information about how to access and use the Compliance Line are posted in employee commons areas throughout the organization. Information about the Compliance Line can also be found on the Audit & Compliance Services Intranet web site and the Compliance Line website. Additional copies of the Compliance Line poster can be obtained from the Audit & Compliance Services Department.
4. Communication of compliance questions or concerns may also be made directly to Audit & Compliance Services through a number of avenues including the following (in order of suggested priority):
- a. The Compliance Officer assigned to the reporter’s location
  - b. The Compliance Line (Toll-Free Number): 844.732.6241
  - c. The Compliance Line (Internet intake form): [www.honorhealth.ethicspoint.com](http://www.honorhealth.ethicspoint.com).
  - d. The Chief Audit & Compliance Officer’s telephone number: 480.587.5061
  - e. Written communication addressed to:  
Chief Audit & Compliance Officer  
Audit & Compliance Services  
HonorHealth  
8125 N. Hayden Road  
Scottsdale, AZ 85258
  - f. Direct communication with any representative of the Audit & Compliance Services Department
  - g. Facsimile: 480.882.5268 (ATTN: Chief Audit & Compliance Officer)
5. Confidentiality and Anonymity
- a. **Anonymity:** Through the various reporting avenues available to employees, precautions will be taken to ensure the confidentiality of reported matters and the identity of the

reporter. Employees are welcome to make an anonymous report to representatives of the Audit & Compliance Services Department. In the process of making a report, it is possible that the reporter's identity may otherwise be made known through the course of communicating the issues or investigating the concern. Audit & Compliance staff will make every effort to keep an individual's identity confidential when reporting any concern. However, should the federal government or other legal entity or agent become involved in the investigation, there does come a point by law where the reporting individual's identity may need to be revealed. It is expected that this would be a rare situation and employees are encouraged to report all instances of conduct that may be in question.

- b. **Communicating to Anonymous Reporters:** Employees should be aware that questions or concerns made anonymously may limit the organization's ability to research, investigate or resolve a particular concern if insufficient information is given to follow-up on the question or issue. Additional information may be requested if such anonymous calls are made through the Compliance Line. In these cases, communication may be made by the Audit & Compliance Services staff back to the original reporter through the Compliance Line service requesting additional information. Those reporting concerns through the Compliance Line may call the Compliance Line back to submit additional information on a previously reported concern at any time while the case remains open. A reporter's personal information (e.g., name, email address) is not provided to the Audit & Compliance Services Department when a report is made anonymously through the Compliance Line service.
  - c. **Retention of Records and Reporting:** All information collected from compliance reports are kept with the Audit & Compliance Services Department to ensure confidentiality and are shared only with those who participate in the research and resolution of the issue. Summary reports may be shared with management and governing boards in routine meetings, but will not include personally identifiable information.
6. Nonretaliation
- a. HonorHealth maintains a non-retaliation policy<sup>14</sup> for individuals reporting compliance concerns. This means that if employees make a "good faith" report pertaining to a compliance concern, they will not be punished relative to the reported concern. A "good faith" report is one in which an employee reports activities that he or she truly believes have occurred and that violate the *Code of Conduct* or any law, statute, regulation, rule or other legal requirement. Individuals do not need to prove that a compliance violation has occurred in order to report a concern. Any concern, perceived in good faith, is worth reporting so the appropriate individuals can conduct a meaningful investigation.
  - b. The non-retaliation policy does not protect a guilty individual from disciplinary action. If the employee is involved in the wrongdoing that he or she is reporting, they may still be subject to disciplinary action.
7. Reporting Process
- a. All employees at HonorHealth are responsible for acting in accordance with the following principles and procedures:

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<sup>14</sup> HonorHealth "Non-Retaliation" policy, AD1200

- i. HonorHealth is committed to establishing a work environment for employees to seek and receive prompt guidance regarding any possible violations of the *Code of Conduct* or other law, statute, regulation, rule or related policies.
- ii. HonorHealth will maintain policies to ensure open communications with employees. Audit & Compliance Services will publish written and hotline methods of communicating violations. All communications will be handled on a timely basis with confidentiality to the extent feasible and legal. Furthermore, all management personnel will have an “open door” policy to receive any employee report on possible violations.
- iii. Employees should first consult with their manager on possible violations of the *Code of Conduct* and related policies. Management should respond to questions and/or refer the possible violation to the appropriate personnel or the Compliance Officer.
- iv. Employees will cooperate with any reasonable demand made by government officials who are responsible for administering and enforcing those laws and for monitoring and regulating the organization’s activities.
- v. Any employee who receives an inquiry, subpoena or other document regarding the organization’s business, including notice of an audit, review or more formal government investigation, whether at home or in the work place, from any government agency, should notify his or her manager, Audit & Compliance Services, and/or the Legal Services Department pursuant to organizational policy.
- vi. If an employee questions whether an action is legal or has difficulty interpreting a law, he or she should consult with his or her manager, Audit & Compliance Services, or the Legal Services Department, as appropriate. Employees should report any actual or suspected violations of the *Code of Conduct* to their manager or their Compliance Officer.
- vii. Audit & Compliance Services is responsible for the review, evaluation and investigation of any reported violation, whether actual or alleged and will consult the appropriate subject matter experts, as necessary.<sup>15</sup>
- b. Employees will cooperate with any investigation undertaken by Audit & Compliance Services, internal or outside legal counsel, contractors and all governmental agencies.
- c. Audit & Compliance Services will prepare an annual report identifying compliance work, accomplishments and identified proposed changes.
- d. For outside investigations by legal counsel or government agencies, it may be appropriate to advise employees that they may be contacted by an official or other individual representing the investigating entity. The manager, senior management, legal counsel or Chief Audit & Compliance Officer will inform employees of their rights and obligations with respect to interviews with government investigators. Employees, managers, directors and senior management should refer any contact with government agents to the appropriate individuals according to organizational policy.
- e. On discontinuance of employment at HonorHealth, an Employee Exit Survey will be provided to all departing employees providing them with an avenue to communicate any perceived issues, problems or concerns regarding operations or organizational activities which they believe may be out of compliance with legal statutes and directives.

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<sup>15</sup> HonorHealth “Compliance Investigation” policy, AD1412

8. If HonorHealth is made aware of compliance concerns that impact third-party health plan operations, communication will be made to the health plan to make them aware and/or partner in resolving the concern, as applicable.

## E. ENFORCEMENT OF STANDARDS

1. Human Resources policies provide guidance for consistently applied and enforced discipline for non-compliant behavior. Furthermore, the policies provide for a fair and equitable basis for discipline. Disciplinary action taken regarding issues related to legal compliance will follow the currently established disciplinary process through the Human Resources Department.<sup>16</sup>
2. HonorHealth management will document the reasons for employee disciplinary action taken for violations of the *Code of Conduct*, applicable laws and regulations and related policies. Appropriate disciplinary action will be in accordance with Human Resources' policies. Adherence to organizational and business unit policies and procedures is a consideration in the job performance guidelines of each employee's evaluation process.
3. In accordance with the Ethics & Compliance Program, the *Code of Conduct*, related compliance and Human Resources' policies, the factors to be considered in disciplinary action will include:
  - a. Nature and ramifications of the violation
  - b. Disciplinary action imposed for similar acts of willful or unintentional violations
  - c. Audit & Compliance Services' investigation and reported conclusion of the violation
  - d. Management's failure to guide and direct the employee conduct
  - e. Retaliation against fellow employees for reporting the violation
  - f. Degree of cooperation in the investigation of the incident
  - g. Degree to which training and awareness was provided but not adhered to
4. Any violation of the Ethics & Compliance Program or key compliance risks will subject a manager, employee, agent and/or contractor to disciplinary action which may include, without limitations, termination of employment, engagement or affiliation with HonorHealth.
5. Any person in a supervisory or management role found permitting, aiding, ignoring or covering up the actions of an employee engaged in behavior that is not consistent with the organization's *Code of Conduct* and related legal and regulatory requirements may also be subject to discipline, up to termination.

## F. AUDITING AND MONITORING

1. Auditing and monitoring activities are essential to proactively, concurrently, or retrospectively evaluate operational performance to ensure compliance with applicable legal or regulatory requirements. The Audit & Compliance Services Department will oversee auditing and monitoring activities for potential compliance risk.<sup>17</sup>

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<sup>16</sup> HonorHealth "Employee Corrective Action" policy, HR1306

<sup>17</sup> HonorHealth "Compliance Auditing & Monitoring" policy, AD1201

3. Auditing and monitoring activities can address a variety of compliance risks including billing and coding, fraud and abuse, physician arrangements, privacy of patient information, etc. Auditing is the retrospective review or analysis of a process or event. Monitoring is the concurrent and/or ongoing review of a process over time using a consistent measuring standard. Both audits and monitors are used to assess whether or not the organization is achieving compliance with a particular risk area.
4. Audits will be conducted based on a pre-defined audit scope. All audit work papers will be retained by Audit & Compliance Services and an audit report outlining the findings of the audit will be communicated to key management and other applicable process owners.
5. Audits may be conducted by members of Audit & Compliance Services or they may be performed by outside contractors under the guidance of Audit & Compliance Services. Outside auditors are normally used when subject matter expertise is required to appropriately audit a topic or where resources are not available within Audit & Compliance Services.
6. Results of these auditing and monitoring efforts may be reported to the Board Audit & Compliance Committee in their regularly scheduled meetings.
7. On occasion, audits may be performed under the direction of legal counsel due to the sensitive nature of the topic being audited and information gathered may therefore be treated as subject to legal privilege and protected from disclosure. Audits conducted under legal privilege will be clearly labeled as such on all audit paperwork to promote application and recognition of the privilege.

## **G. RESPONDING TO DETECTED CONCERNS AND DEVELOPING CORRECTIVE ACTION INITIATIVES**

1. All reports of compliance concerns will be investigated by Audit & Compliance Services as appropriate to the nature of the concern. All investigations will be logged in a compliance database management system including information obtained in the research, outcome or resolution of the concern. This information will also be held confidential by Audit & Compliance Services. There may be instances where legal counsel is enlisted to oversee the investigation depending on the nature and severity of the events or processes involved.
2. When a compliance concern, or a risk for a possible compliance concern, is identified, corrective action will be taken to mitigate or eliminate the compliance risk from occurring or recurring. Appropriate actions may include development of policies and procedures, providing education or awareness training, applying coaching, counseling or disciplinary action, improving processes, correcting errors, making refunds to government or private payers, etc.
3. For findings involving high-risk compliance concerns, Audit & Compliance Services will work with management to develop a formal corrective action plan to address or correct the issue. Formal corrective action plans are implemented for compliance concerns that may involve processes that span across multiple departments or that raise significant risk to the organization to warrant a more formal approach to addressing and resolving the issue.



Corrective action plans will memorialize the risks identified, the corrective actions taken, the person(s) responsible for implementing the action(s) and an estimated date by which the action(s) will be completed. All corrective action plans will be retained in the compliance issues management tracking database for monitoring and reference.

4. Where compliance risks identify an overpayment to a government payer, such overpayments, once identified, will be returned to the applicable government entity within 60 days of the date of discovery.<sup>18</sup>

## H. COMPLIANCE RISK ASSESSMENT

1. Each year, a comprehensive risk assessment will be performed across the organization pursuant to HonorHealth's Enterprise Risk Management (ERM) program to evaluate current risks to compliance. The source of information from which the risk assessment is conducted includes the following factors:
  - a. Review of industry literature to determine focus areas or trends for risk
  - b. Office of Inspector General annual Work Plan focus areas
  - c. Interviews with senior leaders or leaders in key high-risk areas
  - d. Analysis of previously reported compliance concerns
  - e. Interviews with industry experts on present and future risk trends in the industry
  - f. Feedback from management and governing board member through surveys or other mechanisms
  - g. Recent audits conducted either internally or externally that address compliance risk
2. Based on the results of the risk assessment, a formal Compliance Services Work Plan will be created which will include, among other things, an auditing and monitoring program for the year.

## III. ADDITIONAL RESOURCES

### A. RESOURCES

1. All employees, volunteers, physicians, contractors and vendors are encouraged to address compliance concerns directly with HonorHealth management responsible for the applicable business unit or function or with the assigned Compliance Officer in order to facilitate a timely and effective resolution of questions or concerns. If individuals still feel their concerns have not been addressed after bringing them to the organization's attention, listed below are some additional resources available to ask questions or express concerns. **Before using any such additional resources, it is important to consider that most external government or accrediting bodies expect individuals to first bring their concerns to the organization before contacting the government agency to allow the organization to immediately address the issue and resolve any concerns.**
  - a. Office of Inspector General (OIG) Department of Health and Human Services (DHHS)

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<sup>18</sup>Federal Register, Vol. 63, No. 35, p. 8998, "Compliance Program Guidance for Hospitals"

- i. The Inspector General Act of 1978 gave the OIG the authority to accept complaints from HHS employees and the general public concerning criminal activity, fraud, waste, abuse and mismanagement of DHHS programs and operations. OIG Hotline Operations is a component of the OIG, Office of Investigations, overseeing several hotlines through which complaints and information are received. OIG Hotline Operations reviews and processes complaints which may or may not result in an investigation, audit, or inspections performed by the OIG, or administrative action by an Operating Division of Staff Division of HHS. As a result, the OIG Hotline helps ensure the proper and efficient use of taxpayer dollars and government resources.
  - ii. The Office of Inspector General (OIG) for the Department of Health and Human Services (DHHS) maintains a hotline to which questions or concerns can be directed. The hotline number is (800) HHS-TIPS or (800) 447-8477.
  - iii. Questions or concerns can also be reported by mail at: U.S. Department of Health and Human Services Office of Inspector General, Attn: OIG Hotline Operations, PO Box 23489, Washington, DC 20026 or by fax at (800) 223-8164.
  - iv. For more information refer to <https://forms.oig.hhs.gov/hotlineoperations>.
- b. The Office for Civil Rights (OCR) Department of Health and Human Services (DHHS)
- i. The Office for Civil Rights accepts complaints if individuals believe that a covered entity or business associate violated their (or someone else's) health information privacy rights or committed another violation of the Privacy, Security or Breach Notification Rules.
  - ii. Privacy or security concerns can be reported via mail, e-mail, fax or electronically through the OCR's website at: <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>.
  - iii. For more information refer to: <http://www.hhs.gov/ocr/privacy/hipaa/complaints/index.html>.
- c. DNV-GL Healthcare
- i. DNV-GL provides accreditation and clinical excellence certifications to hospitals. DNV-GL maintains an online Hospital Complaint reporting process when quality of care concerns are identified.
  - ii. Hospital complaints can be reported via the Internet at: <http://dnvglhealthcare.com/patient-complaint-report> or by phone at 866-496-9647
  - iii. Patient Safety Events can also be reported by fax at 513-947-1250.
- d. The U.S. Equal Employment Opportunity Commission (EEOC)
- i. The U.S. Equal Employment Opportunity Commission (EEOC) is responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information. It is also illegal to discriminate against a person because the person complained about discrimination, filed a charge of discrimination, or participated in an employment discrimination investigation or lawsuit.
  - ii. Filing a charge for of employment discrimination can be made at: <http://www.eeoc.gov/employees/howtofile.cfm>.
- e. Arizona Health Care Cost Containment System (AHCCCS)

- i. The Office of Inspector General (OIG) is responsible for the integrity of the \$9 billion Arizona Health Care Cost Containment System (AHCCCS), Arizona's Medicaid program. The OIG is also responsible for handling reports of fraud and abuse of the AHCCCS program. The OIG provides a way for members, plans, providers, and the public to report all forms of suspected fraud, waste or abuse of the program.
- ii. To report suspected fraud by medical provider, call:
  - o In Maricopa County: 602-417-4045
  - o Outside of Maricopa County: 888-ITS-NOT-OK or 888-487-6686
- iii. If someone has a question about AHCCCS fraud, abuse of the program, or abuse of a member, contact the AHCCCS Office of Inspector General (OIG) send an e-mail to [AHCCCSFraud@azahcccs.gov](mailto:AHCCCSFraud@azahcccs.gov).

## B. COMMENTS AND QUESTIONS

1. If individuals have comments or questions related to HonorHealth's Ethics & Compliance Program they are encouraged to contact the Vice President, Chief Audit & Compliance Officer.
2. HonorHealth reserves the right to add, delete or modify policies, practices and guidelines relative to the Ethics & Compliance Program or the *Code of Conduct* at any time as laws and regulations change or as may be necessary to carry out the compliance needs of the organization.