

PURPOSE

To prevent and detect any criminal, fraudulent and other unethical and improper conduct and to take appropriate actions for this purpose.

DEFINITIONS

- I. Covered Persons:
 - A. All owners, officers, directors, and employees of the Agency; and all contractors and agents who provide patient care items or services or who perform billing or coding functions on behalf of the Agency.
 - B. Notwithstanding the above, this term does not include part-time or per diem employees, contractors, and agents who are not reasonably expected to work more than 160 hours per year, except that any such individuals shall become "Covered Persons" at the point when they work more than 160 hours during the calendar year.
- II. Relevant Covered Persons:
 - A. Includes all Covered Persons involved in the preparation or submission of claims or cost reports for reimbursement from any Federal health care program.

POLICY

- I. The Agency is committed to upholding the highest standards of conduct at all levels of the organization and is committed to complying with all applicable regulatory and statutory requirements in the course of conducting our operations and we expect our employees and agents to comply with all such requirements.
- II. The Agency endorses, implements and integrates an ongoing compliance program at all levels of the organization.

PROCEDURE

- I. The Governing Body approves the implementation of a Compliance Program, the Agency "Standards of Conduct" and appoints the Compliance Officer.
- II. The Governing Body may act as the Compliance Committee with representation from finance, administration, clinical management, human resources and legal representative (as needed).
- III. Compliance Training and Education
 - A. The Agency will provide training of managers, supervisors and all employees and volunteers. Upon hire and annually, all employees and volunteers will be required to review and understand the Compliance program including the following objectives:
 1. The purpose of the Agency's Compliance program
 2. Identification of the Compliance Officer and the method to use for reporting
 3. Identification of types of activities to be reported to Compliance Officer
 4. Identification and reporting of situations that involve fraud, abuse, illegal activities, such as the following:
 - a. Failure to follow payor reimbursement principles;
 - b. General prohibitions on paying or receiving compensation to induce referrals;
 - c. Failure to confirm a patient's diagnosis;
 - d. Signing a form for a physician without proper authorization;
 - e. Making alterations to the medical records;

COMPLIANCE PROGRAM

LD.17

Page 3 of 8

- f. Inaccurate documentation of services delivered;
 - g. Duty to report misconduct
 - B. Managers will be responsible for ensuring that their staff are adequately instructed to be able to detect any non-compliance to policies or legal requirements.
 - C. Attendance and participation in training is a condition of continued employment and failure to comply may result in disciplinary action, including termination.
- IV. Compliance Communication
 - A. All employees, customers, referral sources, vendors, etc. will be encouraged to communicate to the Compliance Officer whenever there is a suspicion of fraud, abuse, or any form of misconduct or improper activity.
 - B. Employees may communicate potential improper activities or receive clarification of issues directly with the Compliance Officer or through an established route of communication which will assure anonymity, such as an isolated telephone line or a locked box.
 - C. Employees will be informed of the method of communication and of their right to remain anonymous when reporting.
 - D. All communication regarding compliance issues, reports of suspected or actual improper activities will be recorded and reviewed by the Compliance Officer.
 - E. It is not required to go through the chain of command to report suspected abuse.
 - F. The Compliance Officer will assure all reporting individuals that confidentiality will be maintained to the extent practical; however, the Agency cannot guarantee that their identity will not be discovered in the

course of an investigation, particularly when it is necessary to share the results with the government.

- G. Individuals who make a good faith report of known or suspected violations of law to the Compliance Program will be protected from retaliation.
 - H. The Compliance Officer is responsible for investigating the claim. Information obtained in the course of the investigation is considered privileged and may be disclosed to third parties at the sole discretion of the Agency.
- V. Discipline and Enforcement
- A. The Agency shall consistently enforce its standards of conduct through appropriate disciplinary mechanisms, including as appropriate, discipline of individuals responsible for an offense or for failure to detect an offense.
 - B. Enforcement and discipline in individual circumstances will commensurate with the Agency's reasonable perception of the gravity of the circumstances, based on its investigation of the matter.
 - C. Management employees are responsible not only for reviewing the Program with employees and volunteers under their supervision, but also for any misconduct of their subordinates, which includes taking reasonable steps to prevent violations. Failure to take such steps could result in disciplinary action against the respective management employee.
 - D. Sanctions may include, but are not limited to, written reprimand and warning, suspension, financial penalties (such as salary reduction, or delay in increases, or charge of costs of reimbursement and/or investigations to respective operations or individuals) demotions, changes in responsibilities, and termination of employment or volunteer participation.
 - E. Termination of an employee or volunteer may be influenced by:
 - 1. Whether the employee or volunteer promptly reported his/her own violation,

2. Whether the report constitutes the Agency's first awareness of the violation and the employee's or volunteer's involvement, and
 3. Whether the employee or volunteer cooperates fully in investigating and/or correcting the violation.
- F. A less stringent punishment than termination is left to the sole discretion of the Agency.
- VI. Responses to Detected Offenses
- A. The Compliance Officer or other management will initiate prompt steps to investigate any reports or reasonable indications of suspected non-compliance to determine if a material violation of applicable law or of the Compliance program has occurred.
 - B. Responses to detected offenses may include:
 1. Immediate referral to criminal or civil law enforcement authorities;
 2. A corrective action plan with advice from legal counsel to determine potential liability and appropriate course of action.
 3. A report to the government (through voluntary disclosure)
 4. Submission of overpayment if applicable
 - C. If credible evidence of misconduct is discovered, the Compliance Officer or management will report the evidence of misconduct to the appropriate government authority no later than 60 days after determining that there does exist credible evidence of a violation.
 - D. Reporting of misconduct to the government will follow legal counsel guidelines.

VII. Audit Processes

- A. The Agency will perform regular periodic audits that evaluate critical areas of performance.
- B. Auditing processes will be performed in the following areas:
- C. Medical Records - Focus will be on:
 - 1. Appropriateness of services provided compared to the diagnosis and goals of care as they relate to the medical condition of the patient, and;
 - 2. The medical necessity of services and that services are provided in accordance with regulatory guidelines.
- D. Accurate Submission of Claims - Focus on comparison of location of service provided, level of care, and days in hospice to the actual billing records to determine accuracy.
- E. Signed and dated Physicians Orders - Evaluation of signed/dated physician orders for all services being provided. Standards to observe include at least the following:
 - 1. Signed and dated physician orders received prior to billing.
 - 2. Established tracking process that is routinely monitored to assure that physician certifications, recertifications and physician narratives are obtained prior to billing for that service.
 - 3. Billing from the effective date of the Medicare Hospice Benefit election.
- G. HIPAA
 - 1. The Agency will cooperate with the Office for Civil Rights (OCR) and/or federal regulatory inspections, audits or investigations related to compliance with the Health Insurance Portability and

Accountability Act. The Agency will perform annual audits that evaluate HIPAA compliance.

VIII. External Reviews

- A. Periodic external reviews of the Agency may be performed.
- B. The external review process may include the following techniques:
- C. On-site visits
 - 1. Interviews involving personnel in management, claim development and submission, patient care and human resources
 - 2. Questionnaires developed to solicit impressions of the Agency's employees and volunteers
 - 3. Review of medical and financial records and other documents that support claims for reimbursement and Medicare cost reports
 - 4. Reviews of contracts and other written materials
 - 5. Evaluation of compliance with anti-kickback statutes and physician self-referral laws
- D. The outside reviewers:
 - 1. Will be independent of Agency management,
 - 2. Have access to existing audit resources, relevant personnel and all relevant areas of operation,
 - 3. Present written evaluative reports on compliance activities to the CEO and Governing Body at least annually, and
 - 4. Specifically identify areas where corrective actions are needed.

- IX. Documentation of Efforts to Comply
- A. The Agency will document efforts to comply with applicable statutes, regulations and federal health care program requirements.
 - B. The Agency will seek advice from appropriate regulatory bodies and document and retain written or oral response. Records will be maintained that demonstrate a reasonable efforts to implement such advice.

HOPE HOSPICE - 1982765244