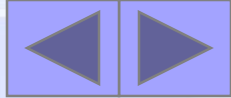




**Corporate Compliance  
and Ethics  
Annual Update  
2019**

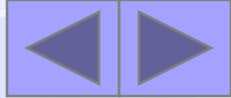


# What is Corporate Compliance?

**It is Hamilton's program to ensure everyone consistently complies with applicable laws, rules, regulations and policies. Corporate Compliance applies to everyone - all Affiliates, Associates, providers, vendors and independent contractors.**

**After completing this CBL, you should be familiar with:**

- 1. Hamilton's Corporate Compliance and Ethics Program**
- 2. Hamilton's Code of Ethics**
- 3. Laws that govern healthcare compliance**
- 4. How to report suspected non-compliance**

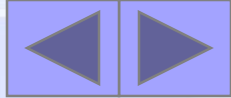


# Hamilton CEO Jeff Myers' View on Corporate Compliance and Ethics

**“The purpose of Hamilton’s program is to assist our organization in promoting our commitment to the highest legal and ethical standards. Our program has the commitment of the Board of Trustees, as well as senior leadership.**

**Compliance is everyone’s job. It is a team sport. We need every Associate to understand and follow all of the applicable laws, rules, regulations and policies to ensure we fulfill our mission of being the region’s number one choice for health care.”**





# What does compliance do?

- **Addresses the organization's activities and risks**
- **Trains and educates employees on legal requirements**
- **Assesses the effectiveness of training**
- **Provides for corrective action initiatives when a problem is identified**
- **Allows for paths of open communication between associates, management, and the Compliance Office concerning potential compliance issues**

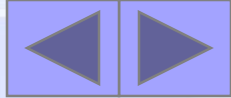
# Who must comply with the Corporate Compliance and Ethics Program?

# EVERYONE!

**It is everyone's responsibility to make sure we understand our obligations to:**

- Abide by Hamilton's Code of Ethics
- Abide by Hamilton's policies and procedures
- Assure that we meet the government's expectations for accuracy in our billing procedures
- Assure that we comply with laws, rules and regulations that govern Hamilton's operations

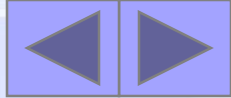
# Elements of Hamilton's Corporate Compliance and Ethics Program



## *Based on the Office of the Inspector General's Guidelines*

- 1. Corporate Compliance and Ethics Committee and Corporate Compliance Officer**
- 2. Written Policies, Procedures and Code of Ethics**
- 3. Compliance Training and Education**
- 4. Open Lines of Communication**
- 5. Compliance Monitoring and Auditing**
- 6. Enforcement of Non-Compliance**
- 7. Prompt Responses to Non-Compliance and Corrective Action Plan**

# Corporate Compliance and Ethics Committee

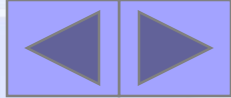


**A System-wide Corporate Compliance and Ethics Committee oversees the Compliance Program.**

**Chair, Janet Morton (*Corporate Compliance Officer, Hamilton Health Care System*)**

- 1. Tom Bledsoe, MD (*VP, Hamilton Physician Group*)**
- 2. Jana Briley (*Director, Decision Support*)**
- 3. Randall Foster (*Director, Financial Services*)**
- 4. Tyler Kendall (*VP, Post-Acute Care Services*)**
- 5. John Forrester (*VP and CIO, Hamilton Health Care System*)**
- 6. Jason Hopkins (*Director, Human Resources*)**
- 7. Kristi House (*Director, Hamilton Ambulatory Surgery Center*)**
- 8. Yvette Lee (*Director, CBO and Patient Access*)**
- 9. Joe McGuire (*VP and CFO, Hamilton Health Care System*)**
- 10. Sandy McKenzie (*Ex. VP and COO, Hamilton Health Care System*)**
- 11. Debbie Mock (*Director, Health Information Management*)**

# Corporate Compliance and Ethics Committee

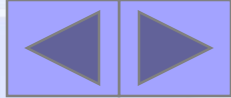


**A System-wide Corporate Compliance and Ethics Committee oversees the Compliance Program.**

**The following items are reported to the Corporate Compliance and Ethics Committee at each quarterly meeting:**

- 1. Compliance Office and Privacy Concerns**
- 2. Patient Grievances: Hamilton Ambulatory Surgery Center, Hamilton Medical Center, and Hamilton Long Term Care**
- 3. Excluded Persons and Vendors for Sanctions/Exclusions**
- 4. Revenue Integrity Committee**
- 5. Utilization Review Committee**
- 6. Recovery Audit Contractor Task Force**
- 7. Scheduled Audits: All Hamilton Affiliates are regularly audited both internally and externally for billing compliance.**

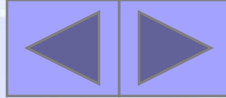




# Corporate Compliance Officer

## **The Corporate Compliance Officer:**

- **Oversees the Corporate Compliance Program, functioning as an independent and objective body that reviews and evaluates compliance issues/concerns within the organization**
- **Monitors and reports the results of Hamilton's compliance efforts and provides guidance for the Board of Trustees, CEO, and Senior Leadership Team on matters relating to compliance**
- **Ensures the Board of Trustees, management and associates are in compliance with the rules and regulations of regulatory agencies, that company policies and procedures are being followed, and that behavior in the organization meets the company's Code of Ethics**
- **Exists as a channel of communication to receive and direct compliance issues to appropriate resources for investigation and resolution**
- **Together with the Corporate Compliance and Ethics Committee, is authorized to implement all necessary actions to ensure achievement of the objectives of an effective compliance program.**



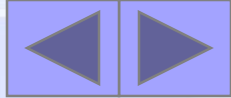
# What is the Compliance Officer's Role?

- **Distributes Hamilton's Code of Ethics**
- **Assures that ethics and compliance standards are properly communicated**
- **Assures that anyone may raise concerns or report suspected violations of our Code of Ethics or any law or regulation - without fear of retaliation**
- **Coordinates and monitors all required ethics and compliance training**
- **Conducts investigations on ethics and compliance issues**
- **Identifies trends related to ethics and compliance**

# Who is the Compliance Officer?



- Janet Morton serves as the Corporate Compliance Officer for Hamilton Health Care System. Mrs. Morton is accountable to the Board of Trustees as Hamilton's governing body.

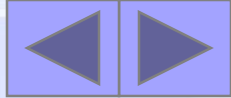


# Code of Ethics

**The Board of Trustees of Hamilton Health Care System adopted the Code of Ethics to provide standards which will protect and promote integrity and enhance the ability to achieve Hamilton's mission.**

**The *Compliance Handbook and Code of Ethics* is:**

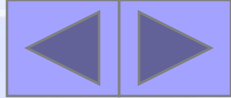
- Accessible through Hamilton's Intranet at <http://hhcs/>
- Available to all new associates during Orientation
- Available in the Human Resources Department
- Available in the Corporate Compliance Office



# Code of Ethics

## The ***Compliance Handbook and Code of Ethics*** is:

- The Code is a summary and should be considered together with any applicable laws and regulations, as well as Hamilton policies and procedures.
- The Code applies to all Associates, Medical Staff, Vendors, Contractors, and Officers and Trustees, regardless of where you work or your position in the System-wide organization.
- Anyone aware of a violation of this Code or of any Hamilton policy or legal requirement must report that violation. Retaliation against you for such reporting will not be tolerated.



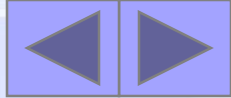
# Code of Ethics

The *Compliance Handbook and Code of Ethics* :

## DO THE RIGHT THING

- Hamilton is committed to doing what is right.
- Perform your duties honestly and truthfully
- Do not be involved in any “cover up” activities
- Anyone aware of a violation of this Code or of any Hamilton policy or legal requirement must report that violation. Retaliation against you for such reporting will not be tolerated.
- **If you do not comply with the provisions of this Code and other Hamilton policies and procedures, you may be disciplined up to and including termination. Certain violations of the standards outlined in this Code could also result in criminal penalties, civil liabilities, or both.**

# Legal and Regulatory Compliance

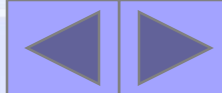


## At Hamilton:

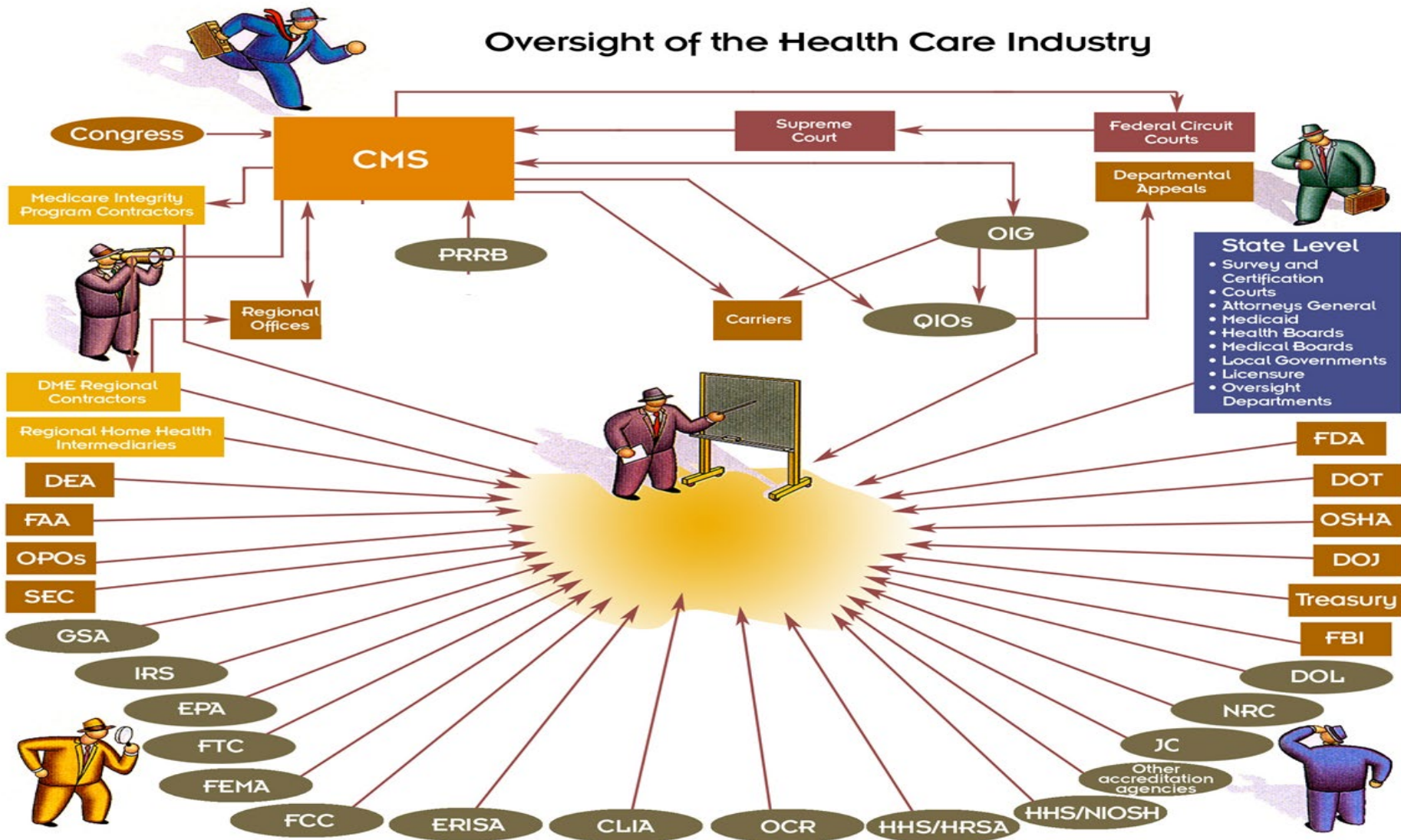
- We know our legal and ethical obligations, and we create policies to help us comply with these responsibilities
- We work throughout the Hamilton system to understand how ethical, moral and legal standards apply to our operations
- We require you to understand the basic legal obligations that pertain to your job function or the services you provide to Hamilton



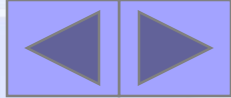
# Legal and Regulatory Compliance: Who Is Watching Us?



## Oversight of the Health Care Industry



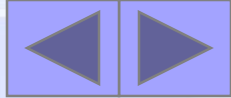




# Legal and Regulatory Compliance

## Examples of compliance issues:

- **Inaccurate coding**
- **Inaccurate billing**
- **Inaccurate claim submission**
- **Double-billing**
- **Billing for services not rendered**
- **Overusing medical services and products**
- **Providing services or products that are not medically necessary**
- **“Upcoding”**
- **Misuse of authority for personal gain**

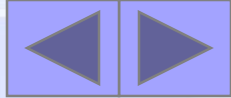


# Legal and Regulatory Compliance

## Examples of compliance issues (cont'd) :

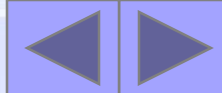
- **Failure to provide services based on inability to pay**
- **Identity theft**
- **Patient dumping**
- **Altering claim forms**
- **Falsifying medical records**
- **Insurance fraud**
- **Kickbacks and bribes**
- **Conflicts of interest**
- **Inappropriate vendor relationships**

# Legal and Regulatory Compliance: **STARK**



- **Prohibits a physician from referring Medicare/Medicaid patients to entities with which the physician, or an immediate family member, has a financial relationship**
- **Financial relationship is defined as:**
  - An ownership interest by the physician or immediate family member in the entity providing the health service
  - An investment interest by the physician or immediate family member in the entity providing the health service
  - A compensation arrangement between the physician or immediate family member and entity providing the health service
- **Strict liability, regardless of intent of parties: “I didn’t know” or I didn’t mean to” means nothing to the federal government**

# Legal and Regulatory Compliance: **STARK**

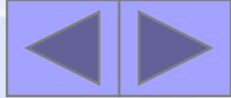


*WHO WANTS TO PAY  
MILLIONS TO MEDICARE?*



**HAMILTON DOES NOT WANT TO PLAY  
THIS GAME!!!**

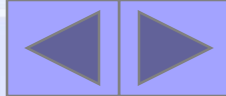
# Legal and Regulatory Compliance: **STARK**



## A real world example

- **Erlanger had to pay a \$40 million fine for failing to comply with Stark**
  - Erlanger entered into a series of transactions with physicians which provided payments to physician-owned companies as an inducement for referrals to its facilities
  - Professional services agreements, recruitment agreement, joint venture agreements, medical director agreements, and leases compensated the physicians in excess of fair market value and were not commercially reasonable
- **If a financial relationship with a physician is not appropriately structured and administered, legal penalties for Hamilton and the physician will occur**

# Legal and Regulatory Compliance: **STARK**

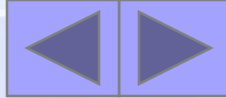


## Other Stark Examples:

- Physician agreements that are not fair market value
- Physician agreements that are not commercially reasonable
- Doing business with a company owned by a referring physician because “he wants us to”
- Giving a referring physician’s practice “a break” on rent because the practice had a bad month
- Selling equipment to a referring physician’s practice because “they deserve a good deal”
- Recruiting a physician to an existing practice where there is no supported need for the new physician

*Please see the HHCS Policies, “Business Courtesies to Potential Referral Sources” and “Marketing and Advertising with Physicians” for additional information.*

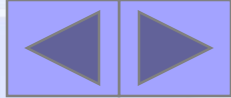
# Legal and Regulatory Compliance: Anti-Kickback Statute



- **This statute makes it unlawful for Hamilton to make any payments to any referral source for the purpose of receiving referrals**
  - Kickbacks include not just giving money to physicians or other referral sources but also any kind of gift or benefit or anything of value
- **At Hamilton, we accept patient referrals and admissions based solely on the patient's medical needs and our ability to provide medically-necessary services**



# Legal and Regulatory Compliance: **Anti-Kickback Statute**

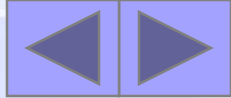


## A real world example

- **Amedysis had to pay a \$150 million fine for failing to comply with the Anti-Kickback Statute**
  - Amedysis entered into a series of transactions with nursing homes which provided payments as an inducement for referrals to its facilities
  - Amedysis provided luxury handbags and gift cards to case managers and care coordinators for referrals to its facilities
  - Amedysis paid physicians as medical directors of its facilities in excess of fair market value
  - Amedysis was found guilty of cherry-picking patients that had Medicare



# Legal and Regulatory Compliance: **ANTI-KICKBACK**



## Other Anti-Kickback Examples:

- Providing tickets to a sporting event to a referring physician
- Paying a referring physician for services that were never provided
- Letting a referring physician use Hamilton equipment in his own office because he's "your bud"
- Paying for continuing medical education for a referring physician for a service not provided at Hamilton
- Providing free marketing to a referring physician
- Physician agreements that are not fair market value
- Physician agreements that are not commercially reasonable

*Please see the HHCS Policies, "Business Courtesies to Potential Referral Sources" and "Marketing and Advertising with Physicians" for additional information.*

# Legal and Regulatory Compliance:

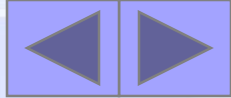
## **False Claims Act**

**Federal False Claims Act (FCA)**: This statute makes it unlawful to knowingly submit a false claim for payment to the federal government

### **What the law does:**

- Allows a civil action to be brought against a health care provider that:
  - Knowingly presents a false or fraudulent claim for payment or approval from the federal government;
  - Knowingly makes a false record for a false or fraudulent claim;
  - Conspires to defraud the government by getting a false claim paid; or
  - Knowingly conceals, avoids or decreases an obligation to pay amounts to the federal government
- **Referrals induced by STARK and Anti-Kickback violations are also false claims**

# Legal and Regulatory Compliance: **False Claims Act**



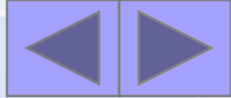
## Federal False Claims Act (FCA) cont'd

### **Examples of a false claim:**

- Inaccurate coding
- Inaccurate billing
- Inaccurate claim submission
- Double-billing
- Billing for services not rendered
- Overusing medical services and products
- Providing services or products that are not medically necessary
- “Upcoding”



# Legal and Regulatory Compliance: **False Claims Act**



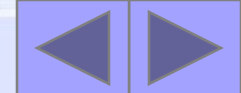
## Federal False Claims Act (FCA)

### Examples of a false claim:

- Altering claim forms
- Violating another law, for example submitting an appropriate claim, but the service resulted from an inappropriate arrangement between a physician and a hospital
- Falsifying information in the medical record
- Billing for services provided by an unlicensed provider
- Retaining improper overpayments received from an federally-funded program



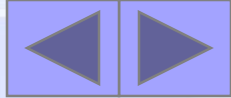
# Legal and Regulatory Compliance: Penalties



## Violation of STARK, the Anti-Kickback statute, and the False Claims Act are NO JOKE: STEEP Criminal AND Civil Penalties

- **JAIL TIME for associates, administrators and physicians**
- Five years prison time *per kickback*
- Monetary fines
- Three times the damages sustained by the federal government
- Exclusion from participating in Medicare and Medicaid programs

# Legal and Regulatory Compliance: Penalties

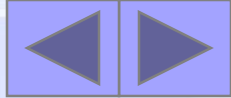


# WARNING

**These penalties and fines have put hospitals out of business. And have put people in jail.**



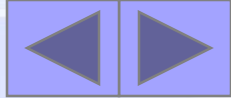
# Legal and Regulatory Compliance: False Claims Act



## Federal False Claims Act (FCA)

**What you should do if you think a false claim has been made:**

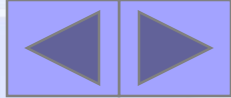
- If you see something that looks like a false claim, Hamilton strongly encourages you to:
  - Report the information to a supervisor for further investigation
  - If you are not comfortable reporting the information in this manner, please contact Hamilton's Compliance Office
- **REPORT IT!** *Failure to report a known compliance concern will be considered a violation of the Compliance Program*



# Business Ethics

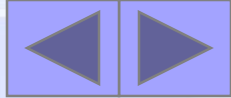
- Business conducted by Hamilton staff should reflect the highest standards of business ethics and integrity and not engage in any activity or scheme intended to harm anyone
- Honest communication requires that no false or misleading statements be made to anyone regarding Hamilton's patients, staff, products, services, competitors or vendors
- We must not disclose confidential or proprietary information that belongs to Hamilton





# Business Relationships

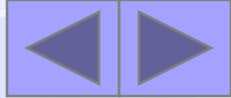
- Gifts from Existing Vendors: We may keep gifts with a nominal value
- Gifts To Vendors: We may provide gifts or meals of nominal value to Hamilton customers and current/prospective business partners when there is a reasonable and legitimate business purpose consistent with all laws
- Vendor-Sponsored Entertainment: At a vendor's invitation, we may accept occasional meals, tickets to events, or other entertainment depending on the value



# Conflicts of Interest

**The following are considered conflicts of interest:**

- If trustees, officers, management or staff members use their positions to profit personally or assist others in profiting at the expense of the organization
- Ownership in or employment by any outside concern which does business with Hamilton
- Conducting business, not on behalf of Hamilton, with any Hamilton vendor, supplier, contractor, etc. for personal gain



# Conflicts of Interest

**The following are considered conflicts of interest:**

- Representation of Hamilton in any transaction in which the employee, or a household member, has a substantial personal interest
- Disclosure or use of confidential or inside information about Hamilton for personal profit
- Competition with Hamilton, directly or indirectly
  - in the provision of health services,
  - in the purchase, sale or ownership of property or property rights, or
  - in business investment opportunities



**Corporate Compliance  
Associate Disclosure Form**

I have reviewed Hamilton's Code of Ethics in its entirety and agree to abide by each of the principles. Further, I attest that I am not engaged in or aware of any activity that would be considered a breach of Hamilton's corporate compliance policies and procedures.

I understand that Hamilton is committed to confidentiality and non-retaliation regarding compliance matters. If I should become aware of any matter that seems to breach Federal, state or local regulations, Hamilton's policies and procedures and/or the Code of Ethics, I will report this matter through one of the following ways:

- Call the confidential Corporate Compliance Hotline at **278-1910**
- Complete a **Compliance Concern Form** located on Hamilton's Intranet site or in the towers at Human Resources

Please list the name of non-Hamilton business (es) with which you work on a temporary, part-time or full-time basis:

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Please list the name of any outside concern, which does business with Hamilton in which you have ownership. (This does not apply to stock or other investments held in a publicly held corporation, provided the stock or other investments do not exceed 5% of the corporation's stock.)

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Please list any outside Board(s) of Trustees on which you participate.

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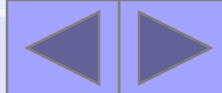
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Signature \_\_\_\_\_ Date \_\_\_\_\_

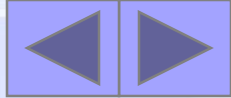
Print Name \_\_\_\_\_

Department \_\_\_\_\_



## Associate Disclosure Form

- All HHCS associates must complete the form questions
- Answer every question
- Electronically submit responses to the form questions via CBL module during New Associate Orientation and during annual Compliance Training
- All Associate Disclosure Form responses are kept on file for future reference
- This form is available on the intranet by accessing the Corporate Compliance Framework policy, Attachment II



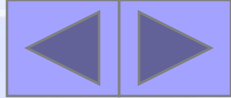
# Code of Ethics

## Its Application/Administration

- We are all expected to abide by this Code.
- Failure to do so may lead to disciplinary action.
- At our performance evaluations each year, we will be rated on our compliance with the Code.
- At exit interviews, Associates leaving are asked if they are aware of any unethical or illegal activity.

1. **When in doubt...ASK SOMEONE!**

2. **If something appears fishy or inconsistent...  
REPORT it!**

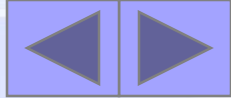


# What is your role?

- All Hamilton associates must understand and agree in writing to abide by Hamilton's Code of Ethics.
- Each associate must disclose via CBL after new Associate Orientation and during annual Compliance Training any areas of potential conflict of interest, such as company ownership, other jobs, etc.
- You must complete Compliance Education and a Conflict of Interest Disclosure Form annually as a condition of continued employment.
- Associates must submit a written Conflict of Interest Disclosure Form or contact the Compliance Officer, as soon as possible, if they become involved in relationships that could be viewed as a conflict of interest.

# What is your role?

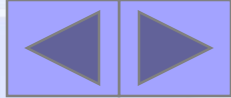
- Hamilton encourages you to ask questions!
- All associates have an affirmative obligation to report even suspected conduct.
- Avoid excuses for behavior that do not meet the requirements of Hamilton's Corporate Compliance Program:
  - All the other hospitals are doing it this way
  - No one will ever know
  - I do not have time to do it the right way
  - I saw someone else in my department doing it this way
  - That policy wasn't meant to apply to me
  - After all I have given this organization, I deserve something in return



# What is your role?

- Lead by example
- Prevent compliance issues
- Maintain Hamilton's culture of compliance
- Respond to potential compliance problems appropriately and assist in possible solutions
- Participate in compliance activities
- Ask the right questions
- Take compliance seriously
- Perform all your duties honestly
- Do not participate in any "cover up" activities
- Be accurate and factual in your communication
- Cooperate with compliance investigations



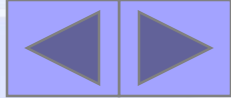


# What is your role?

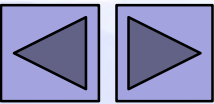
- Think about how the Compliance Program applies to your job and rely on the Code of Ethics and compliance policies and procedures to guide your actions.
- When in doubt, **REPORT!**
  - Speak to your supervisor
  - Speak with a member of Senior Leadership
  - Speak with the Corporate Compliance Officer or Compliance Manager
  - Call the anonymous Compliance Hotline: available 24/7

*Hamilton will not take any disciplinary or retaliatory action against anyone for reporting a compliance concern*

# Ways to Report a Violation or Irregularity



- Alert your Supervisor or Director
- Contact Hamilton's Corporate Compliance Officer (Janet Morton: HMC ext. 6622 or 706.272.6622)
- Contact Hamilton's Compliance Manager (Tera Lusk: HMC ext. 6625 or 706.272.6625)
- Call 706.278.1910 or HMC ext. 3700 - The Compliance and Privacy Hotline. This confidential phone has no Caller ID function and transfers directly to voice mail
- Submit a confidential email from Hamilton's intranet page. This is accessed through the "Online Forms" drop-down menu
- Use a reporting form that is available to all associates or submit a generic report detailing your concern and send to Janet Morton or Tera Lusk in a confidential envelope
- Contact Janet Morton or Tera Lusk and request a confidential meeting



# Reporting a Violation or Irregularity

- Please note the reporting avenues are to be used for legitimate Compliance Concerns as detailed in this CBL
- Examples of concerns that should not be reported as a compliance violation:
  - My co-worker wears too much perfume, and it gives me a headache.
  - My co-worker is rude to me.
  - Complaints about food options in the cafeteria
  - Complaints about lack of parking
  - Issues such as these should be addressed through your supervisor and/or the appropriate department such as Human Resources, Food Services, or Public Safety.
- **Please note that a reported Compliance Concern that only states an opinion, without any facts, is very difficult to investigate.**