

THE CHILDREN'S MERCY HOSPITAL
CORPORATE COMPLIANCE PLAN

Adopted by the Central Governing Board on May 19, 1998

Reviewed with no changes:

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THE CORPORATE COMPLIANCE PLAN OF THE CHILDREN'S MERCY HOSPITAL

I. PREAMBLE

This document sets forth the Corporate Compliance Plan ("Compliance Plan") of The Children's Mercy Hospital ("Hospital"). The purpose of this Compliance Plan is to describe the policy of the Hospital with respect to certain legal and ethical conduct, to assist in the detection of possible violations of law and ethical standards/practices of the Hospital, and to correct or prevent such violations.

The Hospital is subject to legal, regulatory, and ethical requirements and considerations. It is the policy of the Hospital that all of its business and other practices be conducted at all times in compliance with all applicable laws and regulations of the United States, the States of Missouri and Kansas, all other applicable local laws and ordinances, and the ethical standards/practices of the industry. This document is intended as a guide to help implement this policy of compliance with all applicable standards.

By adopting this Compliance Plan and implementing a formal Compliance program ("Compliance Program"), the Hospital seeks to promote a working environment that fosters and expands these ideals. Employees, contractors and agents of the Hospital shall comply with all laws and regulations, report non-compliance, cooperate in compliance investigations and implement corrective actions in accordance with the highest ethical standards.

The Hospital embraces the benefits associated with the implementation of this Compliance Plan in accordance with a comprehensive Compliance Program to promote the following goals:

- Improving quality of health care services;
- Reducing the overall cost of health care services;
- Enhancing health care operations;
- Demonstrating the Hospital's commitment to honest and responsible corporate conduct;
- Addressing the goal of reducing fraud and abuse;
- Increasing the likelihood of preventing, identifying, and correcting unlawful and unethical behavior at an early stage;
- Encouraging employees to report potential problems to allow for appropriate internal inquiry and corrective actions; and
- Through early detection and reporting, minimizing financial loss to the Hospital.

II. COMPLIANCE STANDARDS, POLICIES AND PROCEDURES

A. Corporate Code of Conduct

The purpose of the Corporate Code of Conduct is to provide guidelines for Board Members, Hospital Staff (defined to include administrative staff, staff managers, employees, medical staff members, allied health professionals, residents, fellows, students and volunteers), vendors, companies and persons doing business with the hospital so they may conduct business in an ethical and honest manner and in accordance with the law. Board Members, Hospital Staff and independent contractors are responsible for ensuring their behavior and activity is consistent with the Corporate Code of Conduct, which has been created separately, but serves as a critical component of the Compliance Program.

B. Specific Laws and Regulations

The laws, regulations, and ethical rules that govern health care are too numerous to list in this Compliance Plan. Exhibit A of this Compliance Plan outlines some of the more significant laws that apply to health care providers. Exhibit A is not intended to serve as a complete or comprehensive summary of the laws, nor is it intended to identify all applicable laws.

Board Members and Hospital Staff are not expected to have expert knowledge of all legal and regulatory requirements that may apply to their responsibilities. However, it is expected that Board Members and Hospital Staff will be sensitive to legal and ethical issues, and the goal of this Compliance Plan is to give them the foundation to know enough to ask questions if they are uncertain about any given situation and the method of seeking advice. The Compliance Department should always be consulted with specific questions regarding potential compliance issues and the applicability of legal and regulatory requirements. **The Compliance Officer can be reached at (816) 234-3027.**

C. Distribution of the Compliance Plan and Compliance Requirements

The Hospital will provide a copy of this Compliance Plan to all Board Members, Hospital Staff and appropriate vendors and contractors, to inform them of the Hospital's policy of compliance. All new Hospital Staff will receive compliance materials, including the Compliance Plan, the Corporate Code of Conduct, and the procedure for confidential reporting of compliance concerns as part of new employee orientation or the medical staff credentialing process.

The Compliance Officer will work with Legal Affairs, Administrative Council, Human Resources and Community Relations to identify, interpret and effectively communicate to Board Members and Hospital Staff, major contractors and vendors all compliance requirements, including any modifications to ensure that the Hospital conforms to these requirements.

D. Adherence to the Compliance Plan and Compliance Requirements

All Board Members and Hospital Staff are responsible for knowledge of and adherence to the Hospital's policy of compliance with all laws, regulations, and ethical standards in conducting the Hospital's business activities. Therefore, all Board Members and Hospital Staff are required to strictly observe all applicable legal and regulatory requirements and to comply with this Compliance Plan and relevant policies and procedures. **Any person who violates applicable laws not only risks individual prosecution, civil actions for damages and penalties and administrative exclusion, but also subjects the Hospital to risks and penalties.** Any person who violates these laws will be subject to disciplinary action, up to and including immediate termination of his/her employment or affiliation with the Hospital.

III. ORGANIZATIONAL PERSONNEL AND OVERSIGHT

A. Audit and Corporate Compliance Committee of the Board of Directors

Hospital's Board of Directors has empowered the Compliance Officer and the Audit and Corporate Compliance Committee of the Board of Directors ("Audit and Compliance Committee") to address compliance issues and implement this Compliance Plan. The Audit and Compliance Committee, in conjunction with the Compliance Officer, will be responsible for overseeing compliance efforts by reviewing the effectiveness of and compliance with the Compliance Plan and by recommending revisions to the Compliance Plan. Additional responsibilities of the Audit and Compliance Committee are included in the Audit and Corporate Compliance Committee Charter and the Hospital Board of Directors Bylaws.

B. Compliance Officer

The President/CEO will appoint a Compliance Officer subject to approval by the Audit and Compliance Committee. The Compliance Officer will report directly to the President/CEO and will also have reporting obligations and direct access to the Audit and Compliance Committee. The Compliance Officer shall be responsible for the interests of the Hospital and not any Board Member or Hospital Staff.

The Compliance Officer's primary responsibilities shall include:

- Overseeing and monitoring the implementation of the Compliance Plan including communicating regularly with the President/CEO, legal counsel and the Audit and Compliance Committee about the progress of the implementation of the Compliance Plan, and the status of the compliance efforts in the organization;
- Coordinating internal investigations so that possible instances of non-compliance will be fully investigated and corrective actions initiated as necessary;
- Ensuring the delivery of effective education and training programs for Board Members and Hospital staff;

- Periodically reviewing the Compliance Program's effectiveness and working with Senior Administration to ensure the Compliance Department is adequately staffed; and
- Reporting to the President/CEO and the Audit and Compliance Committee regarding reports of suspected non-compliance, results of investigations, proposed corrective actions, and follow-up information such as the results of monitoring efforts.

All questions and concerns regarding compliance with the standards set forth in this Compliance Plan and the Corporate Code of Conduct shall be directed to the Compliance Officer. All Board Members and Hospital Staff must cooperate fully and assist the Compliance Officer as required in the exercise of his/her duties. If an individual is uncertain whether specified conduct is prohibited, he/she must contact the Compliance Officer for guidance prior to engaging in such conduct.

C. Ethics Committee of the Medical Staff

The Hospital will support an Ethics Committee, which will consist of physicians, ethicists, nurses, social workers, chaplains, patient advocates, attorneys and community representatives. The Ethics Committee serves as a forum for discussion, support and consultation, and assistance in addressing ethical issues related to health care. Additional information regarding this committee is located in the Medical Staff Bylaws.

Any health provider, patient and/or family, Board Member or Hospital Staff may contact the Ethics Committee to assist when there are differing opinions or questions. Specific issues regarding medical treatment and end of life issues between the family, health care provider or Hospital should involve the Ethics Committee. **An Ethics Committee Board Member is available on pager (816) 821-0017, 24 hours per day / 7 days a week.** All contacts and consultations are confidential.

D. Responsibilities of Managers and Department Heads

Managers have a responsibility to exhibit a strong commitment to compliance. This commitment is demonstrated by ensuring that all Hospital Staff under their direct supervision receive a copy of the Compliance Plan and the Corporate Code of Conduct and attend required compliance training. Managers will take appropriate steps to ensure that these individuals understand the contents of the Compliance Plan and the Corporate Code of Conduct, as well as Hospital policies, applicable laws, regulations and ethical standards. Managers will also inform Hospital Staff of the steps to be taken in reporting compliance concerns.

In conjunction with the Compliance Officer, managers may develop compliance measures relevant to their respective departments and ensure that Hospital Staff within their

departments are fully aware of these compliance measures. All activities and efforts performed in relation to the Compliance Program must be approved by the Compliance Officer to assure consistency throughout the organization. In addition, any Hospital Staff whose sole responsibility is related to Compliance Program efforts and activities will be responsible to and administratively report to the Compliance Officer. Specifically exempt from this requirement are individuals with responsibility for JCAHO, Infection Control, OSHA and employment law requirements.

IV. COMPLIANCE REQUIREMENTS

A. Assessment, Auditing and Monitoring

The Compliance Officer or his/her designee will annually prepare an internal work plan that is based on a risk assessment. Risk criteria will be developed by the Compliance Department using management's input and knowledge of Hospital procedures and risk areas, and reviewing applicable laws, regulations and government guidance documents. The risk areas will be prioritized and shared with the Audit and Compliance Committee and audits and reviews will be performed as necessary. The Hospital department or Hospital Staff being reviewed may or may not be notified in advance of these reviews.

The Audit and Advisory Services Department will conduct audits selected as a result of the internal risk assessment. Internal audits by the Audit and Advisory Services Department will be conducted in accordance with professional auditing standards. Audit procedures will be designed to ensure that the appropriate internal controls are in place. Results of all audits will be reported to the President/CEO, the Audit and Compliance Committee and legal counsel on a regular basis. If potential non-compliant conduct is revealed, the procedures as set forth in this Compliance Plan and applicable Hospital policies regarding investigation and corrective action shall be followed.

The Compliance Department consists of individuals specializing in General Compliance, Billing and Reimbursement, Research and HIPAA/Privacy and Security. The Compliance Department will conduct audits of departments that submit charges for health related services. Additional reviews as determined by risk assessments will be conducted in Research, Privacy / Security and other high-risk areas. If potential non-compliant conduct is revealed, the procedures as set forth in this Compliance Plan and applicable Hospital policies regarding investigation and corrective action shall be followed including working closely with areas throughout the Hospital to review any findings and suggested corrective action. The Compliance Department will also conduct periodic monitoring of suggested corrective actions. The Compliance Department and Audit and Advisory Services Department will work with outside consultants as necessary and some audits and investigations will be conducted under attorney-client privilege.

B. Reporting

All Board Members and Hospital Staff have a duty and obligation to report good faith beliefs of any possible violations of applicable laws, regulations, Hospital policies, or this Compliance Plan occurring within the Hospital or involving the Hospital's assets. All Board Members and Hospital Staff must cooperate fully with the Compliance Officer and his/her designees in their investigations.

The Compliance Officer will ensure that procedures are established and publicized whereby individuals can report any suspected violation of the law, regulation, ethical standards, Hospital policies, Corporate Code of Conduct or this Compliance Plan. There will also be a process by which such individuals may ask questions when there is an issue regarding actions or conduct that might violate the law or the Compliance Plan.

Reporting may be accomplished in a variety of ways. A suspected instance of noncompliance may be reported directly to the Compliance Officer either verbally or in writing. The reporter may identify him/herself or remain anonymous. Reporting individuals may also utilize a voice mailbox hotline. This designated telephone line, to be referred to as the Compliance Hotline, has been established to allow individuals to report information about suspected misconduct on a confidential basis. **The Hospital's Compliance Hotline number is (816) 460-1000.** Additional information regarding the Compliance Hotline is available in the Reporting Compliance Concerns administrative policy.

To the extent possible under the circumstances, the Hospital will maintain the anonymity of the reporting individual if requested. However, anonymity is not guaranteed. No individual who reports suspected misconduct in good faith will be retaliated against or otherwise disciplined by the Hospital or any managers or employees of the Hospital solely for reporting a possible compliance issue. The Compliance Officer will review personnel records and information periodically to ensure those who report suspected misconduct are not the victims of retaliation or other improper conduct.

The Compliance Officer does not have the authority to extend unilaterally any protection or immunity from disciplinary action or prosecution to those individuals who have engaged in misconduct. Therefore, an individual whose report of misconduct contains admissions of personal wrongdoing will not be guaranteed protection from disciplinary action simply because he/she made the report. In determining what disciplinary action may be taken against a reporting individual, the Hospital will take into account an individual's own admissions of wrongdoing, provided, however, that his/her involvement was not previously known to the Hospital, its discovery was not imminent, and the admission was complete and truthful. The weight to be given the self-confession will depend on all the facts known at the time the Hospital makes its disciplinary decision.

No individual shall be punished solely on the basis that he/she mistakenly reported what was reasonably believed to be an act of wrongdoing or a violation of the Compliance Plan.

However, an individual will be subject to disciplinary action if it is determined that the report of wrongdoing was knowingly fabricated by that person or was knowingly distorted, exaggerated or minimized to either injure someone else or to protect himself/herself. Any Board Member or Hospital Staff who misuses the Hotline or attempts to interfere with efforts to investigate or address a possible compliance issue will be subject to disciplinary action, up to and including termination of his/her employment or affiliation with the Hospital.

C. Incident / Noncompliance Investigation

Upon receipt of a Hotline report or other information suggesting a possible compliance issue, the Compliance Officer or his/her designee will conduct a brief review of the issue to determine if the report constitutes a potential compliance violation. If it is determined that the report constitutes a potential or actual violation, the Compliance Officer will make record of the information and confer with legal counsel, if necessary, before any investigation is undertaken. The Compliance Officer, in concert with legal counsel, if necessary, will make a determination of who should conduct the investigation: the Compliance Officer alone or with staff assistance, legal counsel, or an outside expert retained by legal counsel. Investigations will commence as soon as reasonably possible following the receipt of information suggesting a possible compliance issue. Employees are expected to cooperate with any investigation conducted in response to a report concerning compliance issues.

Investigation activities will include, but are not limited to, the following:

- Interviews of the complainant and others;
- A review of relevant documents;
- A review of applicable laws and Hospital policies; and
- A written narrative submitted to the Compliance Officer by the designated Compliance Staff member which includes identified issues and investigation procedures.

If, upon conclusion of the investigation, it appears there is a substantiated compliance concern, the Compliance Staff member shall immediately begin formulating a corrective action plan in accordance with the procedures set forth below. The conclusion of all investigations will be documented and reported in aggregate to the Audit and Compliance Committee.

D. Corrective Action-

Advice and guidance will be obtained from legal counsel and others, as appropriate, in formulating and implementing corrective action plans. A corrective action plan should be designed to ensure that the specific issue is addressed and, to the extent possible, that similar problems do not exist within other departments or areas of the Hospital.

Examples of corrective actions include, but are not limited to: adopting new policies and procedures to prevent the recurrence of the problem, restricting individuals' duties and

privileges, providing education and training for Board Members and Hospital Staff, implementing appropriate disciplinary actions, and, if necessary, disclosing such noncompliance to the appropriate governmental authorities as required by law.

If the investigation reveals non-compliant conduct, the Hospital shall proceed as follows:

- If the problem related to billing, the billing process under question will be stopped until the problem is corrected or clarified.
- When the alleged problem involves an improper payment or claim, the Compliance Officer, in concert with appropriate administrators and legal counsel, shall agree at what repayments will be made (i.e., intermediary, Federal government, etc.) and whether any particular disclosures will be made.
- Initiate appropriate disciplinary action (e.g., counseling, written reprimand, removal of the person from his/her position, suspension, demotion or discharge).
- Initiate education.

Due to the importance of monitoring efforts, any issue for which a corrective action plan is implemented may be targeted for future monitoring. These issues will be tracked in a database maintained by the Compliance Department. All pertinent information learned during investigations will be incorporated into Board Member and Hospital Staff education and training to prevent recurrence of the non-compliant activity.

E. Enforcement and Discipline

The Compliance Officer, in conjunction with the Employee Relations Manager (in the case of Hospital Employees) shall provide oversight of the established disciplinary activities related to violations of the Compliance Plan. Any individual involved in verified misconduct will be subject to discipline. Disciplinary action against any Board Member or Hospital Staff involved in dishonest conduct, including possible suspension or termination of such Board Member's or Hospital Staff member's employment or affiliation with the Hospital may be taken under any of the following circumstances (this list is illustrative, not all inclusive):

- If any Board Member or Hospital Staff authorizes or participates in any action that constitutes a violation of applicable laws, regulations, or ethical standards/policies of the Hospital;
- If any Board Member or Hospital Staff fails to promptly report a known or possible violation of applicable laws, regulations, or ethical standards/policies of the Hospital, or if the Board Member or Hospital Staff withholds information from the Compliance Officer concerning a violation about which he or she is aware;
- If any Board Member or Hospital Staff attempts to retaliate or participate in retaliation against another Board Member or Hospital Staff who reports a compliance issue in good faith;

- If any Board Member or Hospital Staff makes a report of a compliance issue which is known to be false or misleading; or
- If any Board Member or Hospital Staff interferes or fails to cooperate fully with the Hospital's efforts to investigate or address any compliance report.

The Hospital intends to be consistent in its enforcement of adherence to compliance. Disciplinary actions may extend to individuals responsible for the failure to prevent, detect, or report an offense. The Hospital reserves the right to exercise discretion in penalizing those who violate these standards. The Compliance Officer will maintain records of all disciplinary actions.

V. TRAINING, AWARENESS AND COMPETENCE

Effective implementation and functioning of the Compliance Plan will require training and education for all Board Members and Hospital Staff so that each has a clear understanding of his/her responsibilities and rights under the Compliance Plan. The Hospital will provide education and training to all Board Members and Hospital Staff regarding the Compliance Plan, the Code of Conduct, the Compliance Program, and compliance related subjects as outlined below. The Compliance Officer will make regular reports to the President/CEO and the Audit and Compliance Committee concerning compliance with all training requirements.

A. Performance Evaluations

As part of the performance evaluation or credentialing processes, all Hospital Staff, except volunteers, will be required to periodically review compliance standards. If any Board Member or Hospital Staff has questions regarding the Compliance Plan or his/her obligations, he/she should contact the Compliance Officer immediately. Signed forms acknowledging review of compliance standards will be returned to and retained by the Human Resources Department, Medical Staff Office, or Medical Staff Education, whichever is applicable.

B. Annual Training

All Hospital Staff, except volunteers are required to complete annual Compliance training. This education may be provided through approved formats such as the Live Education Fair or computer-based programs provided through the Education Department. All Hospital Staff must participate annually to receive mandatory educational updates and merit increases.

C. Leadership Development Training

The Compliance Department will work in conjunction with the Human Resources Department to provide opportunities for Hospital Staff to receive additional education regarding Ethics. This course work will follow the Leadership Development format and policy standards.

D. Mandatory Training

Training sessions deemed mandatory by the Compliance Officer must be attended by all Hospital Staff. Only the Compliance Officer will have the authority to excuse absences from such sessions. The Hospital will also inform agents and independent contractors, including Board Members, Medical Staff and allied health professional staff, of education and training sessions in an effort to encourage their participation. A written record of attendance at each session or documentation of completion of each course will be retained by the Education Department on behalf of the Compliance Officer.

E. Periodic Training

All Hospital Staff, except volunteers will receive periodic in-depth training on the Hospital's Compliance Program, Corporate Code of Conduct and pertinent policies. Departments may request additional, issue specific education sessions that will be customized by the Compliance Department to fit the needs of the requesting section. Attendance records and credits will be maintained by the Education Department and made available to the Compliance Department upon request. Education in the Responsible Conduct of Human Subject Research will be coordinated by the Office of Research Integrity. Attendance records and credits obtained from attending research education sessions will be maintained by the Office of Research Integrity, who will provide the Compliance Officer with appropriate and timely documentation, as requested.

F. Specialized Training

Some Hospital Staff may receive specialized training because of the areas in which they work. This specialized training may focus on complex or high-risk areas. As new developments or concerns arise, the Compliance Officer may require additional training sessions for some or all Hospital Staff. Such training shall utilize in-house expertise whenever possible. However, if deemed necessary, the services of outside experts may be enlisted to conduct specialized or highly technical training.

In a commitment to ensure that Hospital Staff receive appropriate training to perform their jobs in a manner consistent with this Compliance Plan, individuals may receive training through outside venues. All outside training that relates to issues covered by this Compliance Plan should be documented and retained by the department manager and copied to the Compliance Department.

G. Community Outreach

The Compliance Department will seek to include community-based providers in appropriate compliance training and education when appropriate. These programs will provide both basic and specific subject matter on relative topics as needed and will comply with all laws

and regulations related to the provision of education and other benefits to referral sources.

VI. ACCOUNTABILITY, RESPONSIBILITY AND PREVENTION PROGRAM

The Hospital will not contract with, employ, or bill for services rendered by an individual or entity that (A) is or has been sanctioned, excluded or ineligible to participate in state or Federal government health care programs; (B) is suspended or debarred from state or Federal government health care contracts; or (C) has been convicted of a criminal offense related to the provision of health care items or services. To ensure the Hospital does not employ or utilize Board Members, Hospital Staff, agents, vendors or contractors whom the organization knew, or should have known through the exercise of due diligence, that engaged or have a tendency to engage in illegal activities or other conduct inconsistent with the Compliance Plan or the Corporate Code of Conduct, procedures as outlined in the Health Care Sanctions administrative policy will be followed.

ACKNOWLEDGEMENT FORM

I, the undersigned, hereby acknowledge that I have read and reviewed the Corporate Compliance Plan of The Children's Mercy Hospital and other materials contained in the compliance packet. I have been given the opportunity to ask the Compliance Officer and my Manager questions related to this Compliance Plan and the available reporting mechanisms through which I am encouraged to report suspected illegal or otherwise noncompliant conduct. I understand the content of these materials and am fully aware that I must comply with these standards or face disciplinary measures.

I will cooperate fully with the Compliance Department to manage and implement this Compliance Plan. In addition, I will offer my assistance fully during all auditing, monitoring and investigational activities related to my position at, or affiliation with, The Children's Mercy Hospital.

Signature

Date

Print/Type Name

Employee Number

Relationship to the Hospital:

- ☐ Employee
- ☐ Non-Employed Medical Hospital Staff
- ☐ Non-Employed Allied Health Professional
- ☐ Board of Directors Board Member
- ☐ Volunteer
- ☐ Vendor _____
- ☐ Other

Note: For employees, this form must be signed and returned to the Human Resources Department within four (4) weeks of its receipt.

EXHIBIT A

SUMMARY OF APPLICABLE LAWS AND REGULATIONS

A. Submission of Accurate Claims and Information

Generally, only reasonable and necessary services that contain consistent and appropriately documented and accurate records may be billed. The provider must be appropriately licensed and participating in the health care program from which the provider or entity is seeking reimbursement. The Hospital should retain all relevant records reflecting efforts to comply with Federal and state health care program requirements. Knowing submission of false, fraudulent, or misleading claims may result in being personally liable under the False Claims Act or other statutes imposing sanctions for the submission of false claims or statements.

Examples of prohibited conduct include inaccurate or incorrect coding, up-coding, unbundling of services, billing unnecessary services or services not covered by the payor, billing for services not provided, duplicate billing, insufficient documentation, and false or fraudulent cost reports.

Additional risks associated with billing may exist in the following areas:

- Outpatient Procedure Coding;
- Admissions and Discharges;
- Supplemental Payment Considerations; and
- Use of Information Technology.

B. The Referral Statutes

1. The Physician Self-Referral Law (the “Stark” Law) - The Stark Law generally prohibits a physician from referring a Medicare patient for a “designated health service” to an entity with which the physician (or an immediate family member of the physician) has a prohibited financial relationship. The Hospital may not bill Medicare for services performed as the result of a prohibited referral, unless the arrangements meets an exception.

2. Federal Anti-Kickback Statute - The Federal Anti-Kickback Statute prohibits the Hospital, its Board Members and Hospital Staff from offering or paying gifts to reward past or potential referrals. The statute prohibits payments made purposefully to induce or reward the referral or generation of Federal health care program business. The statute extends equally to the requesting or acceptance of payment for referrals or the generation of other business payable by a Federal health care program.

Potential risks under the Referral Statutes include:

- Joint Ventures;

- Compensation Arrangements with Physicians;
- Relationships with Other Health Care Entities;
- Recruitment Arrangements;
- Discounts;
- Medical Hospital Staff Credentialing; and
- Malpractice Insurance Subsidies.

C. Payment to Reduce or Limit Services

The Hospital, its Board Members and Hospital Staff are prohibited from knowingly making a payment directly or indirectly to a physician to reduce or limit items or services furnished to Medicare or Medicaid beneficiaries under the physician's direct care.

D. Emergency Medical Treatment and Labor Act (EMTALA)

The Hospital will follow all EMTALA regulations. Medical screenings or treatment of an emergency medical condition cannot be delayed to inquire about an individual's method of payment or insurance status or to refuse treatment. The Hospital will provide appropriate screening and treatment services within the capabilities of Hospital Staff and facilities.

E. Substandard Care

The OIG has the authority to exclude any individual or entity from participating in Federal health care programs if the individual or entity provides unnecessary items or services or substandard care to any patient.

F. Relationships with Federal Health Care Beneficiaries

The government may impose Civil Monetary Penalties on hospitals (and others) that offer or transfer remuneration to a Medicare or Medicaid beneficiary that the offeror knows or should know is likely to influence the beneficiary to order or receive items or services from a particular provider, practitioner, or supplier for which payment may be made under the Medicare or Medicaid programs.

Specific risks included for Relationships with Federal Health Care Beneficiaries include:

- Gifts and Gratuities;
- Cost-Sharing Waivers; and
- Free Transportation.

G. Health Insurance Portability and Accountability Act (HIPAA) Privacy and Security Rules

The HIPAA Privacy Rule addresses the use and disclosure of an individual's identifiable health information by certain health care entities, as well as setting forth an individual's right to understand and control how their health information is used. The HIPAA Security Rule specifies a series of safeguards for certain health care entities to use to maintain the confidentiality of identifiable health information stored electronically.

H. Billing Medicare or Medicaid Substantially in Excess of Usual Charges

Certain health care providers may be excluded from Federal health care programs if the provider submits a claim to the Medicare or Medicaid program that is "substantially in excess" of its usual charge or cost.

I. Employment Laws

1) Discrimination – The Hospital is committed to ensuring fair and equitable treatment of all employees. Employment decisions and practices including hiring, training, promoting, demoting, layoff and termination, will be made based on Hospital need and the employee's qualifications, ability, achievement, experience and conduct without regard to age, race, color, creed, religion, national origin, disability or any other classification prohibited by law.

2) Americans with Disabilities Act (ADA) – The Hospital and its employees shall not discriminate against any qualified individual with a disability on account of the disability regarding any condition of employment. The Hospital will make reasonable accommodations to the known physical and mental limitations of qualified individuals with disabilities unless such accommodations would result in an undue hardship on the Hospital's business operations.

3) Sexual Harassment – The Hospital is committed to maintaining a professional work environment free from sexual harassment. Sexual harassment of one employee by another employee is prohibited. Sexual harassment consists of both direct actions and indirect actions that create a hostile environment.

4) Substance Abuse – The illegal use, sale, purchase, distribution or possession of controlled substances or unauthorized or illegal drugs by any employee while on the Hospital's premises is prohibited. The Hospital's Drug and Alcohol Policy provided additional guidance.

5) Occupational Safety and Health Act (OSHA) – The Hospital is committed to providing its employees with a safe working environment. It is the intent of the Hospital to comply with all applicable occupational safety and health standards including the Occupational Safety and Health Act. All employees must complete annual training appropriate to their area of responsibility. All employees shall report any adverse health

or safety conditions to their manager, the Hospital's Safety Officer or in any manner described within this Compliance Plan.

J. Environmental Compliance

Numerous Federal, state and local laws and regulations concerning health and safety and the environment apply to the Hospital and its activities. It is the Hospital's policy to comply with all such laws and regulations. All employees and agents of the Hospital are expected to understand and comply with those laws and regulations that apply to their area of responsibility.

Individuals shall seek advice whenever they are faced with a situation raising environmental concerns. Employees and agents of the Hospital shall also advise the Hospital by notifying their manager or the Hospital's Safety Officer whenever an unsafe environmental situation arises. It is the goal of the Hospital to comply with any reporting requirements that pertain to any such situation and to take action to prevent any recurrence.

K. Tax Issues

For the Hospital to maintain its tax-exempt organization status, none of its net earnings may benefit private individuals or their businesses. Hospital Staff and independent contractors must abide by the rules of the Internal Revenue Service governing tax-exempt entities and assist the Hospital in meeting these rules. Moreover, the Hospital's activities must remain consistent with its tax-exempt purpose of providing health care to the community without regard to ability to pay.