

Network Responsibility & Compliance Program (NRCP)

**Supporting the ART
(Advocacy, Respect & Truth-telling)
of Health Care With Integrity**

Expanded Resource Manual
Revised February 2007



Community
Health Network

Integrity. Network Responsibility & Compliance Program

Network Disclaimer

The information provided in this Resource Manual was developed with the best information available to the Network and is, to our knowledge, accurate at the time of publication.

If there is a discrepancy between the information in this Resource Manual and applicable federal and state laws, rules and regulations, and accreditation, certification and licensure standards, we rely upon the laws and standards and will seek legal guidance.

This Resource Manual does not contain information on every law, rule, regulation, network policy and procedure, or ethical standard applicable to the Network and each and every one of our jobs. There are too many to be addressed here. However, it is our responsibility to know those laws, rules, regulations, network policies and procedures that apply to our jobs and how to access resources to resolve ethical dilemmas and answer questions.

If we need assistance or guidance, we will contact our supervisor or the appropriate department. We may also use the services of the Network Privacy and Compliance Officer or Network Compliance Committee.

Applicability

This manual applies with the force of policy to all Community Health Network employees including:

- Community Hospitals of Indiana, Inc.
- Community Hospital South, Inc.
- Community Physicians of Indiana, Inc. (CPI)
- Community Hospital of Anderson, Inc. (CHA)
- Community Business Innovations, Inc. (CBI)
- Community Home Health Services, Inc. (CHHS)
- Community Long-Term Care, Inc. (CLTC)
- Visionary Enterprises, Inc. (VEI and affiliates)
- The Indiana Heart Hospital, LLC (TIHH)

All volunteers and members of the medical staffs of the above entities may access the Network's Expert Resources listed in this manual. If Network services are not appropriate for you, you will be advised to seek guidance from your personal or corporate legal counsel, professional association or similar services available to you.

All vendors and sub-contractors associated with the above entities are expected to honor and respect the position of the Network as represented in this manual.

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Integrity. Network Responsibility & Compliance Program

To Everyone in Our Network's Family:

The true foundations of our Network always have been its commitment to provide quality care to our patients and to exceed the needs and expectations of all of our customers. We strive to ensure an ethical and compassionate approach to health care delivery and management. We must consistently demonstrate that we act with absolute integrity in the way we do our work.

This Resource Manual provides guidance to ensure that our work is done in an ethical and legal manner while maintaining and building our integrity and, thus, the trust and respect of all of our customers and the communities we serve.

This Resource Manual emphasizes the shared common values, which guide our actions. It contains our Code of Conduct and the resources available to help resolve any questions about conduct in our Network. Please review this thoroughly. Our adherence to its spirit, as well as its specific provisions, is absolutely critical to our future.

We are committed to the ideals reflected in this Resource Manual and our Code of Conduct. We are equally committed to assuring that our actions consistently reflect our words. In this spirit, we want our Network to be a family of men and women of shared values. We expect everyone in our Network to reflect the high standards we have set. However, nothing can substitute for our own internal sense of fairness, honesty, and integrity.

Thus, in our daily work life, if we encounter a situation or are considering a course of action, even when it is technically within our guidelines but it “just doesn’t feel right,” then we should discuss the situation with our immediate supervisor or use the resources described in this Manual.

You are a valuable member of our Network. We ask you to assist us, and all of our customers, in supporting the values and principles that are critical to achieving our mission. We know that we can count on your support.

Sincerely,

Jackie Smith
Network Privacy and Compliance Officer
Community Health Network

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Integrity. Network Responsibility & Compliance Program

Introduction

The underlying principle of our very existence is conducting ourselves and our businesses with integrity. Part of achieving the highest level of integrity possible is the adherence to all laws, rules and regulations; Network policies and procedures; accreditation, licensure and certification standards; and ethical standards.

We have the greatest respect for all of our customers, and we trust each of them to contribute to maintaining and building our Network's integrity. To assist us, the Boards of Directors have established the Network Responsibility and Compliance Program (NRCP) and appointed a Network Privacy and Compliance Officer. A Network Compliance Committee also has been established.

The purpose of the NRCP is the development, implementation and monitoring of an effective and efficient program that is integrated into our current policies, processes and procedures. The objective of the NRCP is to ensure consistent adherence across the Network to all applicable federal and state laws, rules and regulations; Network policies and procedures; accreditation, licensure and certification standards; and ethical standards.

In brief, the NRCP is intended to demonstrate in the clearest possible terms the absolute commitment of the Network to the highest standards of ethics and compliance. This commitment permeates all levels of the Network.

This NRCP Resource Manual and annual mandatory education is intended to assist each of us in meeting the expectations of the Network and all of our customers. The Resource Manual includes a Code of Conduct (Code) that has been adopted by the Network. This Code and the guidance provided by the Manual are Network Policy. Our active participation in the Program is critical to the success of our Network. The Network Privacy and Compliance Officer and Network Compliance Committee members are prepared to support each of us in meeting the standards set forth in the Code and policies.

Questions & Answers

We have always strived to meet our legal and ethical obligations, and we have been very successful. Why do we need the NRCP? You are correct. There are several reasons for the NRCP. The two primary reasons are:

1. The federal and state laws, rules and regulations that govern our business are becoming extremely complex and difficult to interpret; and
2. The Department of Health and Human Services, Centers for Medicare and Medicaid Services, Office of the Inspector General has established a policy that each health care provider has a formal "compliance" program. The policy provides thorough guidance on all aspects of the program. By having an effective program in place, the Network has the potential to avoid violations through careful monitoring, interpretation and implementation of the complex laws, rules and regulations imposed upon us; and to lessen any penalties that might be imposed upon the Network should we have a violation. The NRCP is a voluntary program. Under certain circumstances the government can force us to have a Corporate Integrity Agreement (CIA) which the government will then monitor and which will be much more strict. Voluntary is better.

What kind of penalties can the government impose if we are in violation? The government can impose both civil monetary (money) and criminal (monetary and imprisonment) penalties. These include:

1. Exclusion from the Medicare and Medicaid government health benefits programs. This means that Medicare and Medicaid patients could still use our services, but would have to pay the entire bill themselves. The government health benefits programs would not pay us.
2. Repayment of money paid to us by Medicare and Medicaid as a result of our violations, times 3. Under certain circumstances, they can go back seven to ten years.

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3. \$5,500 to \$11,000 per false claim.
4. Criminal indictment with possible monetary (money) fines and time in jail.
5. A governmentally required “integrity program” with an on-site federal fraud investigator monitoring the program.

Who is responsible for the Code and these policies? Each of us individually is responsible for our own conduct and our adherence to the Code of Conduct, as well as following these policies.

What am I supposed to do with this Manual? The Network expects you to know of its existence, be aware of the policies addressed in the manual, use it as a resource as you need guidance or have concerns, and be able to discuss its contents with any regulatory entity or Network customer.

What will happen if the Code and policies are not followed? Failure to comply may lead to discipline up to and including loss of job and, depending upon the circumstances, criminal indictment. Supervisors of those who violate the Code and policies may also be subject to discipline if their lack of supervision or actions contributed to the violation.

Is following the Code and policies a condition of employment? Yes.

Who is the Network Privacy and Compliance Officer? Jackie Smith is the Network Privacy and Compliance Officer. Marti Baker works with Jackie as the Network Privacy & Compliance Consultant.

How do I use the services of the NRCP? To obtain guidance on an ethics or compliance issue or to report a suspected or actual violation, you may choose from several options. The Network encourages the resolution of issues at the local level whenever possible. It is an expected good practice, when you are comfortable with it and think it appropriate under the circumstances, to raise concerns first with your supervisor and to use established processes. If this is uncomfortable or inappropriate, another option is to discuss the situation with another member of leadership at your location. Another option is to contact the Network Privacy and Compliance Officer or a member of the Network Compliance Committee. (A current list of Network Compliance Committee members can be found on InComm, on the NRCP/Privacy home page.) Or you may call AlertLine™, described later in this Manual.

We have so many ways to address concerns. How do I know which to use? You're right. It can get confusing. For example, we have an incident reporting system, but you also can use the services of NRCP. To the extent that you feel comfortable, use the local, most direct processes in place. However, you are always welcome to use the NRCP. When you have concerns or need guidance, it isn't important how you get the guidance you need or vital information to leadership. What is important is that it happens and that the Network provides for your anonymity, should you choose to be anonymous.

Can I use NRCP for an emergency situation? No. Use established emergency processes.

Will I get in trouble if I seek guidance or express a concern? No. Retaliation, retribution, harassment or discipline against anyone who asks for guidance or expresses a concern in good faith is strictly prohibited. Those who would do so are subject to disciplinary action. Also, anyone who deliberately makes a false accusation with the purpose of harming or retaliating against someone else will be subject to disciplinary action.

Do I have a personal obligation to seek guidance and express my concerns? Yes. Each of us has an individual responsibility to seek guidance and to express our concerns about the conduct of any employee, physician, subcontractor, vendor, volunteer, payer or other person or entity with a relationship to our Network.

What should I do if someone asks me to do something that I think violates the Code, violates policies, is illegal, or is unethical? Don't do it! No matter who asks you to do it, if you know it is wrong, you must refuse to do it. Immediately report the request to a level of management above the person who asked you to do it or call AlertLine.

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Will there be an internal investigation based on concerns I express through the NRCP? Yes. The Network is committed to investigate all reported concerns promptly and confidentially. The Network Privacy and Compliance Officer will coordinate any findings from the investigations and immediately recommend corrective action or changes that need to be made. The Network expects all of us to cooperate with investigative efforts.

What kinds of corrective action can I expect? Where an internal investigation substantiates an actual or potential violation, it is the policy of the Network to initiate corrective action, including as appropriate, making prompt restitution of any overpayment amounts, notifying the appropriate governmental agency, instituting whatever disciplinary action is necessary, and implementing systemic changes to prevent a similar situation from recurring in the future.

What kinds of disciplinary actions might be taken against those who violate the Code and policies? All are subject to disciplinary action. The precise discipline utilized will depend on the nature, severity, and frequency of the violation and may result in any of the following actions:

- Verbal warning
- Written warning
- Written reprimand
- Suspension
- Termination
- Restitution (repayment to the Network)
- Criminal charges

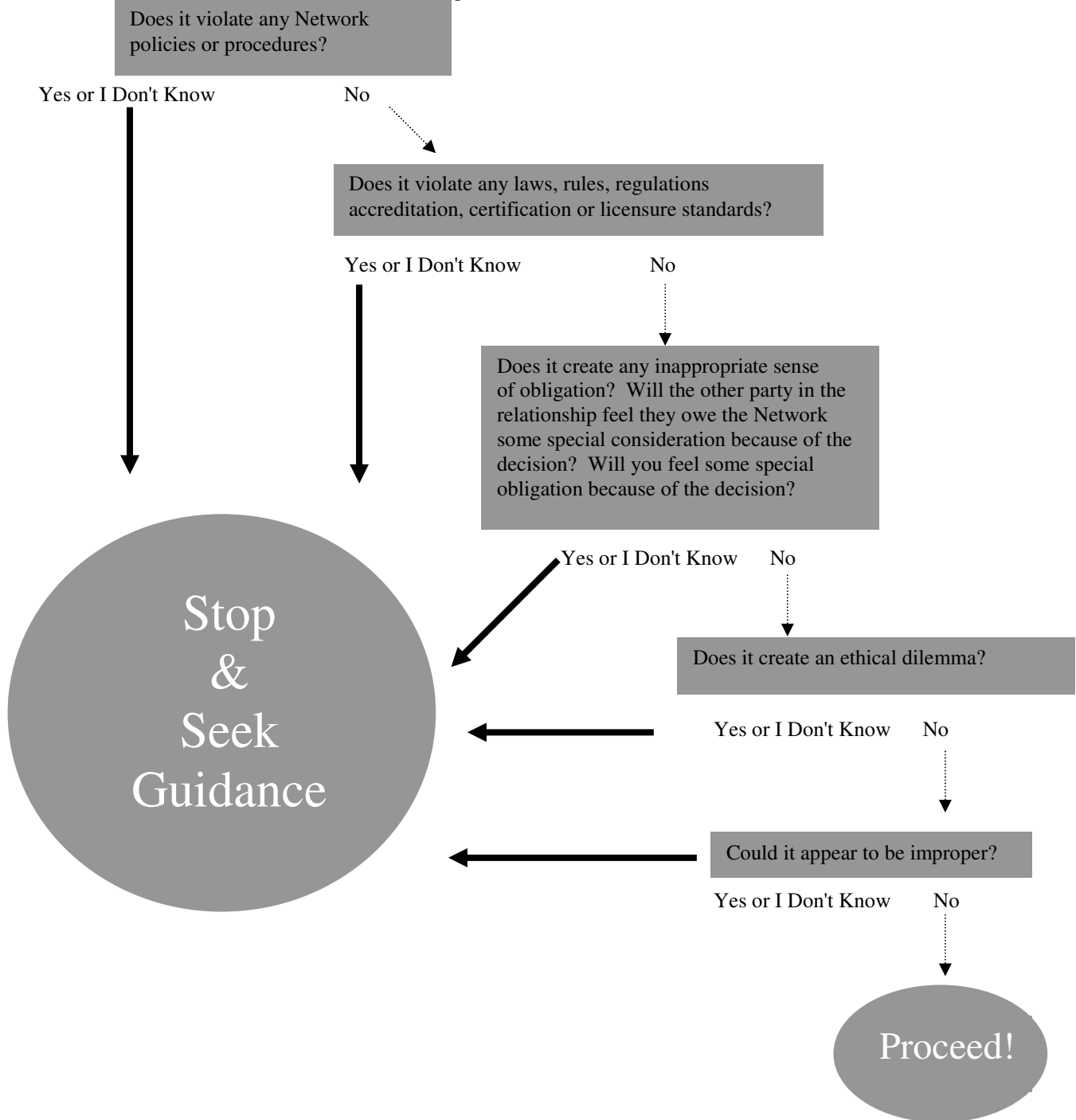
Do I have to do anything special under the NRCP? Yes. The Network requires you to sign an Acknowledgment as part of orientation and the annual mandatory education. The signing of this Acknowledgment for current and new employees is a condition of employment and will be kept in your personnel record.

Adherence to and support of the NRCP, its Code and its policies will be considered in decisions regarding hiring, promotion, and compensation.

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Integrity Quick Tips

Before taking action, ask yourself the following questions:



How to Seek Guidance

Contact your immediate supervisor, contact the Network Privacy and Compliance Officer, or call **AlertLine™ at 1-800-638-5071**.

The Network Privacy and Compliance Officer is Jackie Smith and can be reached at (317) 621-7324.

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Retaliation for Participation Prohibited & Disciplinary Policy

Retaliation Prohibited

The Network recognizes the responsibility and supports the right of every individual to address potential violations of Network policies and procedures; laws, rules and regulations; or ethical standards in good faith and to request guidance without the fear of punishment or harassment from others including co-workers, supervisors and leadership. Both federal and state false claims acts prohibit employers from retaliation against employees who file whistleblower actions. Therefore, retribution, retaliation or harassment of any kind against any person who requests guidance or brings a violation, real or perceived, to leadership's or the government's attention is forbidden.

Disciplinary Policy

All aspects of the NRCP are critical to the Network's integrity and success. The NRCP and the standards set forth in this Resource Manual will be enforced at all levels, fairly and without prejudice. Those who are knowingly in violation or attempt to interfere with any aspect of the NRCP are subject to disciplinary action.

AlertLine™ (An anonymous way to communicate) 1-800-638-5071

While our Network encourages and supports direct communication with our immediate supervisors, it also recognizes that we may also want an anonymous way to express concerns. To provide you with this way of communicating, the Network has established AlertLine. AlertLine is operated by an outside company, so no one will recognize your voice or use "Caller ID" to identify you. AlertLine is available to you 24 hours a day, 7 days a week. People who are specifically trained to provide this service to our Network staff AlertLine.

While the Network hopes that you would give your name and a way to communicate directly with you, you do not have to provide your name or any other identifying information. If you wish to stay anonymous, AlertLine will give you a code number that you can use to call back to get information on how the Network is responding to your call. AlertLine does not use "Caller ID" or other methods to learn your identity if you choose to make an anonymous report.

The information you provide to AlertLine is communicated immediately and directly to the Network Privacy and Compliance Officer who will initiate appropriate action. The Network Privacy and Compliance Officer will keep AlertLine informed of Network actions as a result of your call in case you want to call back to check on the status of the Network's actions or to see if you have any messages from the Network Privacy and Compliance Officer.

Questions & Answers

If I call AlertLine for guidance on how to proceed with a process or procedure, the interpretation of a law, rule or regulation or with an ethical matter, can they help me? No. The role of AlertLine is limited to communicating your concerns to the Network Privacy and Compliance Officer when you want to communicate that you believe the Network is, or potentially may, violate laws, rules, regulations, Network policies and procedures, or ethical standards. However, you can request guidance through AlertLine, but to get such guidance you need to give your name and how to contact you. The Network Privacy and Compliance Officer will then contact you on a confidential basis.

What concerns should I address through AlertLine? While your first course of action should be to communicate with your immediate supervisor, you may call AlertLine about any real, perceived or potential violation of federal or state laws, rules, and regulations, Network policies and procedures, or ethical standards.

What should I find out before I call? Be prepared to clearly explain the reason for your call. While you are not expected to "investigate," to the extent possible try to identify the law, rule, regulation, policy, procedure or ethical standard with which you are concerned. Give as much information as you can to give the Network the best chance to correct the problem.

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What if I call AlertLine, and I am wrong? No problem. It is better to be cautious and pro-active. The Network appreciates your call, even when you are wrong.

What if I call AlertLine, and I am right? Again, no problem. The Network prohibits retaliation or harassment as a result of your use of AlertLine.

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Code of Conduct

Through practicing the **ART** of Health Care - *Advocacy*, *Respect* and *Truth-telling*- we build the foundation upon which our Network serves our customers and conducts its business. Through acting with *Integrity*, we build strong relationships, the respect of the communities we serve, and the trust of all of our customers.

While we serve many customers with diverse needs and expectations, our focus always has been and continues to be on our patients. With everything we do, every day, our focus on our patients must never be compromised. Keeping in mind that one of the predominant challenges is balancing the business interests of the Network with the best interests of our patients, the following principle will guide us:

Patient access to care, clinical judgment and decision-making shall not be compromised, nor patient care jeopardized, by financial considerations.

This *Code of Conduct* provides guidance to building integrity on the job and improving the processes we own within the Network.

Interact with all Network customers - patients/families, physicians and other health care professionals, employers, employees, regulators, accreditors, subcontractors and vendors - honestly and fairly; with *Advocacy*, *Respect* and *Truth-telling*, to best serve their needs.

Never use Network assets, information, or relationships for unauthorized personal gain.

Treat all confidential information that belongs to the Network or to any of our customers with the highest possible protection and respect.

Ensure that potential or suspected violations of federal and state laws, rules, regulations, ethical standards, accreditation and licensure standards, and Network policies and procedures are brought to leadership; and that there are no acts of retribution or retaliation against those who have done so.

Generate records of all transactions and services honestly, accurately and on a timely basis.

Refrain from conflicts of interest, both real and perceived, and declare those that exist.

Initiate and maintain processes that result in consistent compliance with all federal and state laws, rules and regulations; with accreditation, certification and licensure standards; and with Network policies and procedures that govern how we conduct our business. Seek guidance as needed.

Treat all of our customers fairly, ensuring equal opportunity and freedom from discrimination, harassment or violence of any kind.

Your recognition that even the appearance of misconduct or impropriety can be very damaging to the Network's reputation and our ability to serve our customers is critical. With that recognition, act accordingly.

When each of us observes and conducts ourselves in accordance with these guidelines every day in everything we do, we build and reinforce our commitment to excellence, and we contribute to fulfilling our mission of "making a difference."

Also refer to the Policy Statements on Ethical Standards.

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Ethical Behavior

What is Ethical Behavior?

Ethical behavior is decision-making and action founded upon beneficence, autonomy, justice and spirituality. Our Network has a rich history of ethical motivation surrounding the services we provide and the businesses we conduct. The Network has two committees to assist us in resolving ethical dilemmas. They are the Bio-Ethics and Organizational Ethics Committees.

Key ethical practices include:

- patient rights;
- admission, transfer and discharge practices;
- patient care;
- billing practices;
- marketing practices;
- administration and financial management practices;
- employee and physician actions;
- managed care business practices and principles; and
- practices related to the management of conflicts of interest.

What is an Ethical Dilemma?

We define an ethical dilemma, as a troubling situation in which the right course of action, or what “ought to be done,” is not clear. Different outcomes would result from decisions, depending on which sincerely held values, duties, morals, principles, and/or obligations are used to justify the decision. The variety of potential outcomes as well as the variation in values, duties, morals, principles, and obligations creates the conflict, hence the dilemma.

How Do I Know If I’m on Ethical “Thin Ice”?

If you are worried about whether your actions will be discovered, if you feel a sense of uneasiness about what you are doing, or if you are rationalizing your activities on any basis (such as perhaps the belief that “everyone does it”), you probably are on ethical “thin ice.” Ask yourself the following questions: What would I tell my child to do? How will it look in the newspaper? Will I sleep soundly tonight? Stop, step back, consider what you are doing, get advice, and redirect your actions to where you know you are doing the right thing.

What Do I Do If I Have An Ethical Dilemma?

Speak with your immediate supervisor or access the services of Medical Affairs, who can direct you to the appropriate Network ethics committee.

If you have any questions or concerns about this matter or if you need guidance, contact the Network’s expert resources identified below.

Expert Resources

Medical Affairs

Legal

Roles & Responsibilities

Each of us contributes to the integrity of our Network through our daily actions and interactions as we serve our customers. By adhering to our Code of Conduct, we ensure that our Network is operating in an ethical and legal manner.

The NRCP has been established by the Board of Directors to provide a structured way in which we can maintain and improve our history and tradition of integrity and ethical conduct while building on the trust that all of our customers have in us.

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The Board appointed a Network Privacy and Compliance Officer who leads the Network Compliance Committee. The primary responsibility of the Network Privacy and Compliance Officer and the Network Compliance Committee is the effective development, administration and integration of the NRCP.

Responsibilities of Leadership

While everyone in our Network is expected to adhere to our Code of Conduct, our leaders are to set the example and to be, in every respect, role models. They must help create a culture that promotes the highest standards of ethics and compliance. This culture must encourage everyone in the Network to voice concerns when they arise and to protect those who raise concerns from retaliation or harassment.

The leaders are responsible for:

- ensuring that those they supervise have sufficient information to comply with the laws, rules, regulations, and Network policies and procedures necessary to perform their roles, as well as the resources to resolve ethical dilemmas;
- monitoring compliance within their areas; and
- preventing, detecting, correcting and reporting any problems or weaknesses that could lead to violations.

Responsibilities of Individuals

We all have an obligation to contribute to the success of the NRCP and our Network.

We can do this by:

- knowing the requirements that apply to our individual roles within the Network and complying with those requirements;
- reviewing the Code of Conduct on a regular basis and reading all compliance information that is provided;
- asking questions and seeking guidance when uncertain about the appropriate course of action;
- being alert to situations that could lead to violations of laws, rules, regulations, Network policies and procedures or ethical standards and bringing these situations to the attention of leadership; and
- knowing how to access the services of the NRCP.

**We must never sacrifice ethical and compliant behavior in the pursuit of business objectives.
We each are accountable for our own actions.**

Conflict of Interest

Our right to privacy with respect to our personal investments, financial interests, and activities is highly respected. However, sometimes they might create, or appear to create, a conflict of interest. It is our individual responsibility to refrain from conflicts of interest, both real and perceived, and to report those that exist.

A conflict of interest arises when:

- our interest, that of our family or a person sharing our residence conflicts, or appears to conflict, with the interests of the Network; or
- our outside activities could, or appear to, impair job performance, impartiality, or ability to make objective decisions in the best interest of the Network.

The following are examples of situations that could involve conflicts of interest and should be avoided or considered with caution and guidance from the Network:

- Outside activities that involve a Network patient/family, physician, other health care professional or other employee (s) who are payers, sub-contractors, vendors and competitors;
- Outside activities that interfere with work performance;
- Outside activities conducted on Network time or use Network resources or property;
- Solicitation or acceptance of gifts or gratuities. (See also Business Courtesies and Solicitations.)
- Conducting business with a company owned or controlled by a Network employee, friend, family member, or person residing in your residence;
- Activities that may result in shifting business to you, a friend, family member or person residing in your residence, or to non-Network entities;

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- Making loans to and borrowing from customers, including vendors and sub-contractors. Loans and borrowing include money, tangible items and information;
- Using or permitting the use of Network property, facilities, services and information for personal benefit or the gain of others;
- Taking advantage of an opportunity, such as real estate deals, patents, and purchasing options, as a result of Network association, without first obtaining approval; and
- Ownership, or serving as an officer or director in any company that is doing business with the Network or is a competitor of the Network. Owning mutual funds that include the company or owning less than five percent (5%) of a company's publicly traded securities is not a conflict of interest.

Note: The Network has policies that establish a procedure for Network employees who have contracting responsibility to disclose potential conflicts of interest. All employees need to familiarize themselves with these policies. Contact your supervisor or the Human Resources department for access to these policies.

Questions & Answers

I am planning a dinner meeting at our hospital. My daughter owns a catering service in town. May I pick her catering service if the prices are comparable to other vendors? No. This may seem unfair, but you must avoid even the appearance of favoritism. However, if the decision to use your daughter's catering company is made by a committee after review of multiple bids, and you have removed yourself from the decision-making process, it is ok.

Does conflict of interest apply to distant relatives, such as cousins, in-laws or friends? Conflict of interest generally applies to members of your immediate family or persons living in your residence. However, if any relationship could influence your objectivity or create the appearance of impropriety, you should proceed with caution and guidance from the Network.

I want to buy some land that is for sale. I found out about it through my Network job. If I buy the land, is that a conflict of interest? It could be if the Network is still negotiating for the purchase. To be safe, you should make sure that the Network has decided not to buy the land before proceeding.

I have been offered a free trip to Florida if I buy more than a certain dollar amount of products from a vendor or get the vendor a contract with the Network. Is this a conflict of interest? Yes. You must not accept the offer and you must report the offer to your immediate supervisor and to the Legal Department.

If you have any questions or concerns about this matter or if you need guidance, contact the Network's expert resource identified below.

Expert Resource

Legal

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Antitrust

Antitrust laws are federal and state laws that are meant to preserve competition by preventing companies from doing business in a way that allows them to demand artificially high prices from their customers or to pay artificially low prices to their suppliers or artificially low wages to their employees.

Antitrust laws are based on the belief that competition is the best way to insure that companies don't overcharge consumers. Antitrust violations occur when competitors agree not to act as competitors but conspire to control the market for their mutual benefit and to the detriment of the people who do business with them. Some examples of prohibited behavior are:

- Competitors agree to the price that each of them will charge for comparable products;
- Competitors allocate customers or territories so that the consumer has only one company that will sell him the product;
- Competitors engage in a boycott of a vendor, payer or other party. This can be a tactic to force the vendor or payer to give each of the competitors special treatment; and
- Competitors agree to restrain the wages each pays for specific job categories.

Even where no agreement is reached between competitors, if we have discussions of sensitive information with our competitors, we may be accused of having engaged in conduct that violates antitrust laws.

Questions & Answers

My friend works at a competing hospital in a position similar to mine. We both have access to charges for services we perform. We don't want our patients to have to choose their hospital based on charges. Can we make sure our charges are the same? No. This is a direct violation of antitrust laws. This is referred to as "price fixing." We shall not share our charges with our competitors in a coordinated effort to fix pricing.

I have responsibilities for developing new programs for the Network. I am negotiating a contract where we would be one of only two providers of certain services to the employees of a large company. The company we are contracting with wants to pay one price for these services, regardless of which provider is used. Can we work with the other provider to set one price, which would be beneficial to both providers, to be used under the contract with the employer? No. This also is price fixing. However, you can agree with the contracting company on the price they will pay us. The other provider can agree to the same price, but the discussions must be held separately, and each provider must decide on its own whether to accept or reject the prices offered by the company.

Our community has two competing hospitals, and we only need one MRI scanner between us to serve the population. Can we decide which hospital will purchase the scanner and provide the MRI services? No. This is considered market allocation. However, the two hospitals could form a joint venture that would offer these MRI services within the community.

The physicians on the medical staff don't like the prices a payer wants to pay them. So the physicians, as a group, have decided not to contract with that payer. Can we do this? No. This is considered a boycott.

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resource identified below.

Expert Resource

Legal

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False Claims Act

The False Claims Act and Criminal False Claims Statute are federal laws that define what a false claim is and establish the right of the government to take civil and criminal actions, respectively, against those who file false claims. Government fraud investigations are often triggered by an employee filing a lawsuit. Under the federal False Claims Act, private parties may file “whistleblower” suits on behalf of the United States and collect a share of any recovery if the government takes over the case and prosecutes it successfully. The False Claims Act protects whistleblowers who have filed lawsuits from retaliation by the entity against whom the lawsuit was filed.

What Is a False Claim?

A claim is considered to be false when it:

- is for services that were not rendered;
- is for services that were rendered but are not appropriately supported by documentation in the patient health record;
- is for a service not covered by the governmental program;
- is for a service billed by a provider other than the provider who rendered the service (there are a few exceptions);
- is for services that are not medically necessary;
- does not meet governmental program billing guidelines; or
- is prepared and processed with the intent of getting a false claim paid or using a false record or statement to conceal, avoid, or decrease an obligation to pay the government.

Penalties for Violating the False Claims Act

The federal government has focused for several years on fraud and abuse in federal health care programs, like Medicare and Medicaid. One of the laws the government uses to punish health care providers for health care fraud is the federal False Claims Act. Violation of the False Claims Act can result in:

- Repayment of all monies improperly paid by Medicare, Medicaid, etc.;
- Penalties and fines up to **\$11,000 for each false claim** and **3 times** the amount of the overpayment;
- A lawsuit filed by a whistleblower who can receive a percentage of any settlement amount or damages;
- Exclusion from federal health care programs – this means the provider can’t bill Medicare or Medicaid for any services!

Indiana False Claims and Whistleblower Act

Indiana has a similar false claims law that applies to claims for payment with Indiana funds (like Medicaid.) Its title is the “False Claims and Whistleblower Act.” Indiana’s penalties for violations include a fine of at least \$5,000 and up to 3 times the amount paid by Indiana.

Questions & Answers

I have an uninsured patient who needs some medical supplies but can’t afford to buy them. I also have a Medicare patient who has the supplies and doesn’t need them. Can I give the Medicare patient’s supplies to the uninsured patient? No. Not only does this result in a false claim, it is also theft.

I am responsible for completing orders through the order system that sends charges to the patient's bill. I do not have time to complete orders daily. Can I do this weekly or as time permits? No. The computer system is set up with checks and balances to support compliance processes. Late charges circumvent these processes and can result in incorrect claims. Charges should be entered immediately on completion of the service.

I work in a doctor’s office. Sometimes, we charge for services the patient received but which are not documented in the medical record. Is this a problem since the patient received the service? Yes. This is a false claim because the medical record does not support the claim.

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Much of the care that my Medicare patients need is not covered by Medicare, based on the patient's diagnosis. I sometimes change the diagnosis so the service will be covered, and as a result, will be paid by Medicare. This way, the patient will not have to pay for these needed services. Is this a false claim? Yes. Not only is it a false claim, it could be considered fraud, subject to the penalties listed above.

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resources identified below.

Expert Resources

Legal

Health Information Management

Patient Accounts

Integrity. Network Responsibility & Compliance Program

Medicare: Dos and Don'ts

What is Medicare?

Medicare is the federal health insurance program for persons 65 years of age and over and certain individuals with disabling conditions who are under 65 and qualify. The program went into effect in 1966 and 1973, respectively, and is administered by the Center for Medicare and Medicaid Services (CMS).

Benefits are divided into two parts:

- Basic hospital (automatic at age 65, participant does not pay), typically referred to as Part A: covers hospital care, extended care, home health, hospice care for terminally ill patients
- Physician care (voluntary - participant pays a monthly premium), typically referred to as Part B: covers physician fees, outpatient services, and other medical services.

The benefit packages were designed in 1966 to be much the same as commercial benefit plans in effect at that time.

Medicare is funded by social security contributions, monthly premiums from participants for Part B coverage, and general revenues.

Can we solicit Medicare patients?

1. You may **not** solicit Medicare patients.
2. You may **not** receive anything of value in exchange for referral of Medicare patients.
3. You may **not** give anything of value in exchange for referral of Medicare patients

What about billing and reimbursement?

1. You **cannot** bill a Medicare patient for services that are covered by Medicare.
2. You **cannot** bill Medicare for a service that is not covered by Medicare unless you are billing it in order to get a denial so that you can bill secondary insurance. There are specific codes that are required on the claim form when you do this.
3. You **cannot** bill a Medicare patient for a service that is not covered by Medicare unless you have presented the patient with an Advance Beneficiary Notice (ABN) that specifies that the service is not covered and the patient has agreed in writing to be financially responsible for payment to you.
4. You **cannot** have every Medicare patient sign an ABN just in case something may not be covered. You can only use an ABN when there is a service that is not covered and the ABN must be specific to that service and that visit.
5. You **cannot** bill Medicare for a service that was not provided to the patient.
6. You **cannot** bill Medicare for a service that you did not personally perform. There are a few exceptions.
7. You **can** bill Medicare patients for the Medicare deductible and co-insurance amounts.
8. You **cannot** bill Medicare patients for charges which are above the amount equal to the amount paid by Medicare plus the amount payable by the patient, i.e. charges above the maximum allowable charge set by Medicare.
9. You **cannot** bill Medicare patients for these amounts before you bill Medicare and receive the Medicare Explanation of Benefits.
10. You **cannot** bill Medicare patients for charges which are above the amount paid by Medicare.
11. You **cannot** routinely waive Medicare deductible and co-payment amounts. You can only waive these amounts in the case of patient financial hardship, which you must assess and document.
12. You **cannot** "contract" or make an agreement with a Medicare patient for payment arrangements outside of the Medicare billing and reimbursement regulations.

Can I refer Medicare patients to services in which I have an ownership? Stark I and II legislation were designed to restrict certain physician referrals of Medicare and Medicaid patients to entities owned, in whole or in part, by the physician or immediate family member. So, in many cases, you cannot refer Medicare patients to services in which you have an ownership interest. However, there are some exceptions. There is a full description of what is permitted and not permitted under Stark I and II later in this Manual.

Integrity. Network Responsibility & Compliance Program

I keep hearing about Fraud and Abuse. What is that? Fraud is the purposeful tricking or cheating; intentional deception to cause a person or entity to give up property or some lawful right.

Abuse includes any actions, which may result in unnecessary costs to the Medicare or Medicaid program, improper payment, payment for services which fail to meet professionally recognized standards of care, or that are medically unnecessary. Abuse involves payments for items or services when there is no legal entitlement to that payment and the provider has not knowingly and/or intentionally misrepresented facts to obtain payment.

Are there any penalties? Yes there are. The government can impose some or all of the following penalties on those who have been found guilty of fraud and/or abuse.

- Exclusion from the Medicare program
- Repayment of money paid as a result of violations, times 3 (Under certain circumstances can go back to the beginning of the Medicare program)
- \$5,500 - \$11,000 per claim
- Interest on overpayments
- Criminal indictment with possible monetary fines
- Time in jail
- A governmentally imposed "compliance program" with monitoring by a fraud investigator

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resources identified below.

Expert Resources

Legal

Compliance

Integrity. Network Responsibility & Compliance Program

Medicaid: Dos and Don'ts

What is Medicaid?

Title XIX of the Social Security Act established Medicaid in 1965. Funded jointly by Federal and State governments, this entitlement program pays for medical assistance for certain individuals and families with low incomes.

Medicaid is administered by the states under broad national guidelines established by federal laws, rules and regulations. Federal law requires certain benefits while others are optional and may be offered at the discretion of the State. Indiana's program offers almost all of the optional services.

In 1997 the Social Security Act was amended to add Title XXI, the Children's Health Insurance Program (CHIP). This program gave each state permission and funding to offer health insurance plans for children, up to age 19, who are not already insured. Families who earn too much to qualify for Medicaid may be able to qualify for CHIP. While this program is not an entitlement program, Indiana chose to administer this program through Medicaid.

In Indiana the majority of Medicaid recipients and those insured by CHIP are enrolled in Health Maintenance Organizations (HMO) under contract to the state. Rules established by the HMOs and approved by the state must be followed in order to receive compensation for services rendered. In addition to the rules established by the HMOs, the following rules apply to recipients and enrollees in the Medicaid and CHIP programs.

The Deficit Reduction Act of 2005 established a new program to increase the federal government's oversight of the Medicaid program. The Medicaid Integrity Program (MIP) was set up to detect and prevent fraud and abuse of state Medicaid programs. The MIP helps state Medicaid agencies identify, recover and prevent inappropriate Medicaid payments. Providers can expect increased scrutiny of Medicaid claims as a result of the MIP initiatives.

Can we solicit Medicaid patients?

1. You may **not** solicit Medicaid patients.
2. You may **not** receive anything of value in exchange for referral of Medicaid patients.
3. You may **not** give anything of value in exchange for referral of Medicaid patients.

What about billing and reimbursement?

1. You **cannot** bill a Medicaid patient for services that are covered by Medicaid.
2. You **cannot** bill a Medicaid patient for a service that is not covered by Medicaid unless you have advised the patient in advance of delivering the service that the service is not covered and the patient has agreed to be financially responsible for payment to you. It is advisable to document the agreement.
3. You **cannot** bill Medicaid for a service that was not provided to the patient.
4. You **cannot** bill Medicaid for a service that you did not personally perform. There are a few exceptions.
5. You **can** bill Medicaid patients for the Medicaid deductible and co-payment amounts.
6. You **cannot** bill Medicaid patients for deductible and co-payment amounts before you bill Medicaid and receive the Medicaid Explanation of Benefits.
7. You **cannot** bill Medicaid patients for deductible, co-payment/co-insurance amounts payable by the patient under an insurance policy that is primary to Medicaid. You must bill these amounts to Medicaid and then act in accordance with the Medicaid Explanation of Benefits.
8. You **cannot** bill Medicaid patients for charges which are above the amount equal to the amount paid by Medicaid plus the amount payable by the patient, i.e. charges above the maximum allowable charge set by Medicaid.
9. You **cannot** "contract" or make an agreement with a Medicaid patient for payment arrangements outside of the Medicaid billing and reimbursement regulations.

Can I refer Medicaid patients to services in which I have an ownership? Stark I and II legislation were designed to restrict certain physician referrals of Medicaid patients to entities owned, in whole or in part, by the physician or immediate family member. So, in many cases, you cannot refer Medicaid patients to services in which

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you have an ownership interest. However, there are some exceptions. There is a full description of what is permitted and not permitted under Stark I and II later in this Manual.

I keep hearing about Fraud and Abuse. What is that? Fraud is the purposeful tricking or cheating; intentional deception to cause a person or entity to give up property or some lawful right.

Abuse includes any actions, which may, directly or indirectly, result in unnecessary costs to the Medicaid program, improper payment, or payment for services that fail to meet professionally recognized standards of care, or that are medically unnecessary. Abuse involves payments for items or services when there is no legal entitlement to that payment and the provider has not knowingly and/or intentionally misrepresented facts to obtain payment.

Are there any penalties? Yes, they're certainly are. The Government can impose some or all of the following penalties on those who have been found guilty of Fraud and/or Abuse.

- Exclusion from the Medicaid program
- Repayment of money paid as a result of violations, times 3 (Under certain circumstances can go back to the beginning of the Medicaid program)
- \$5,500 - \$11,000 per claim
- Interest on overpayments
- Criminal indictment with possible monetary fines
- Time in jail
- A governmentally imposed "compliance program" with monitoring by a fraud investigator

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resources identified below.

Expert Resources

Legal

Compliance

Integrity. Network Responsibility & Compliance Program

Medicare Medical Necessity

There are two ways to look at “medical necessity” in the healthcare industry. The first is medical necessity from the physician or provider’s point of view and what is necessary to diagnose or treat a patient. The second is to look at medical necessity from Medicare or the payer’s point of view and what is covered.

Physicians understand that they should only be ordering and providing services that are medically necessary to diagnose and treat their patients. They gather information about the patient’s complaints and based on that information, physicians determine what tests and services are needed to diagnose and treat that patient. The physician’s definition of medical necessity may vary from physician to physician and is somewhat subjective.

Medicare, however, has a somewhat different way of looking at medical necessity. Medicare can’t be as subjective as providers. Therefore, Medicare has medical necessity criteria, which were developed to limit coverage of services. These criteria may differ from the medical necessity judgment of a physician. These medical necessity criteria are detailed in Medicare’s National Coverage Guidelines and Local Coverage Determinations (LCDs).

Let’s look at an example. A healthy 70-year old male patient is scheduled to have a total knee replacement. The physician wants to order a pre-op chest x-ray to make sure the patient is healthy enough to withstand the anesthesia and the surgery. While the physician may believe the chest x-ray is medically necessary for the patient, Medicare does not cover a chest x-ray for a total knee surgery, unless the patient has other conditions covered in the LCD.

It is important to understand that these differences exist. However, it is also important that a provider’s judgment not be guided by Medicare medical necessity guidelines. Whether a test is covered by Medicare or not should not determine whether a physician orders a specific test.

Considering all of the above, the Network will only bill for services, which are medically necessary. And Medicare will only receive claims for services that meet the Medicare medical necessity guidelines.

Advanced Beneficiary Notices (ABNs)

The physician is responsible for communicating with Medicare patients when a non-covered test is ordered, so the patient can make an informed decision about whether to receive the services or not. An advanced beneficiary notice (ABN) should be used to communicate the non-covered services. (Refer to the Medicare Carrier’s Manual or the Medicare Intermediary’s Manual for more specifics about the ABN requirements.)

Upon request, the provider should be able to provide documentation, such as a patient’s medical records and physician’s orders to support the appropriateness of services provided.

Questions and Answers

How do I know if Medicare considers a test or service to be medically necessary? You have a couple of resources. You can check the LCDs that are published by our local fiscal intermediary and carrier (National Government Services, formerly AdminaStar) and are on its website, or you can call the patient accounts department for assistance.

I thought the physician decides what’s medically necessary for the patient. Who is Medicare to say a test’s not medically necessary, when they’re not the ones seeing the patient? Medicare, like insurance companies, does not pay for all tests and services all the time. They have developed policies and guidelines detailing when certain tests and procedures will be paid and when they won’t. For example, a chest x-ray obviously is not medically necessary when a patient has a pain in his/her ankle.

If a physician orders a test that Medicare doesn’t consider medically necessary, does that mean that the hospital won’t perform the test? No. The test can still be performed. However, the patient should be informed that Medicare would not pay for the test. The patient should also be informed that he/she will be responsible for the cost of the test and an advance beneficiary notice should be provided to the patient. We need to follow the physician’s order.

Integrity. Network Responsibility & Compliance Program

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resource identified below.

Expert Resource

Billing Office

Integrity. Network Responsibility & Compliance Program

Self-Referrals

What are Self-Referrals?

Stark I and Stark II legislation were designed to restrict physician referrals of Medicare and Medicaid patients to entities owned, in whole or in part, by the physician or immediate family member or to entities that compensate the physician or immediate family member. These regulations apply to the following designated health services:

- clinical laboratory;
- physical therapy;
- radiology;
- occupational therapy;
- radiation therapy and supplies;
- durable medical equipment and supplies;
- parenteral/enteral nutrients, equipment, and supplies;
- prosthetics, orthotics, and prosthetic devices & supplies;
- home health;
- outpatient prescription drugs; and
- inpatient and outpatient hospital services.

While there are specific exceptions to these regulations, physician referral is a violation, which can result in substantial civil monetary penalties and exclusion from the Medicare and Medicaid programs for both the physician and the entity to which the patient was referred. Not knowing about the regulations is not a valid excuse. Each of the exceptions noted in the regulations has numerous requirements, which must be met in full in order to escape Stark's prohibitions.

Key exceptions to these regulations include:

- referral to another physician in the same group practice;
- use of in-office ancillary, medical and other health services; and
- hospital employment of the physician or immediate family member or a contract with the physician to provide administrative services.

Questions and Answers

Does the Network own any services that fall within the above guidelines? It would be very unusual to find a relationship involving the Network that would expose the network to these regulations. However, where arrangements have the potential to expose the Network and our anticipated partners to the provisions of these regulations, the arrangements are carefully structured under legal guidance to ensure that there is nothing inconsistent with the laws and that the Network and our partners are protected.

I'm a physician in private practice, and I own a 40 percent interest in a durable medical equipment company. Am I in violation of the law if I refer my patients to that company? Yes. You may face denial of payments and assessment of civil monetary penalties up to \$15,000 for each referral and the submission of each prohibited claim. If the violation results from a "scheme" or arrangement, which you know or should have known has a principal purpose of ensuring referrals, both you and the durable medical equipment company may be subject to civil monetary penalties up to \$100,000 and exclusion from the governmental health programs.

If you have any questions or concerns about this matter or if you need guidance, contact the Network's expert resource identified below.

Expert Resource

Legal

Integrity. Network Responsibility & Compliance Program

Anti-Kickback Statute

The federal Anti-Kickback Statute prohibits anyone from knowingly and willfully offering, receiving or paying for anything of value to influence referral of federal health care program business, including Medicare and Medicaid. Violations of the law are punishable by up to five years in prison, criminal fines up to \$25,000, administrative civil monetary penalties up to \$50,000, and exclusion from participation in federal healthcare programs.

The objective of the Anti-Kickback Statute is the guarantee of objective medical advice and the assurance that providers refer patients based on the patient's best medical interests, not because the providers will profit from referral.

The Office of Inspector General has identified several safe harbors (practices that are not subject to the Anti-Kickback Statute) because they are unlikely to result in fraud or abuse. These safe harbors include, but are not limited to the following:

- investments in large publicly held healthcare companies
- investments in small healthcare joint ventures
- space rentals
- equipment rentals
- personal services and management contracts
- employee compensation
- group purchasing organizations
- investments in ambulatory surgical centers
- investments in group practices
- referral arrangements for specialty services
- cooperative hospital service organizations
- ambulance restocking arrangements

The following areas have been identified by the Department of Health and Human Services' Office of Inspector General as areas that pose a risk of violating the Anti-Kickback Statute:

- joint venture arrangements
- routine waiver of Medicare Part B co-payments and deductibles
- hospital incentives to referring physicians
- prescription drug marketing practices
- arrangements for the provision of clinical lab services

Questions & Answers

A hospital owns a medical office building that rents space to physicians for \$20 per square foot. The hospital approaches an orthopedic surgeon who has an office elsewhere and offers space to the orthopedic surgeon in their office building for \$12 per square foot instead of the \$20 per square foot rate. However, in order to receive the \$12 per square foot deal, the orthopedic surgeon needs to bring all of her total hip replacement patients to the hospital. Is this a problem? Yes. While "space rentals" is listed as a safe harbor above, this could be considered a kickback and can result in both civil and criminal penalties, time in jail and probation or exclusion from a federal health care program. This scenario violates the Anti-Kickback Statute because the hospital is "paying" the physician for her referrals through discounted rental payments. This results in payments for referrals.

A for-profit imaging center wants to pay me \$125 for each patient I refer. Is this ok? No. Not only does this raise an ethical issue, this practice violates the Anti-Kickback Statute if the patients are Medicare, Medicaid, or TriCare (formerly CHAMPUS). This arrangement is likely to induce the physician to order non-medically necessary imaging services for patients, and therefore may not be in the patient's best medical interest.

Our Medicare patients live on a fixed income, and the Part B co-insurance and deductible is expensive. Can't we just waive the deductible and co-insurance for all Medicare patients and accept what Medicare pays? No.

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The routine waiver of co-pays or deductibles is specifically listed as an activity that would pose a risk of violating the Anti-Kickback Statute.

Is there ever a time when we would pay for referrals or accept payments for referrals we make? No. The consequences of violating this law are serious for the Network and the individuals involved and could be severe.

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resource identified below.

Expert Resource

Legal

Integrity. Network Responsibility & Compliance Program

Government Funds and Contracts

What Are Considered to Be Government Funds and Contracts?

Any monies we receive from a unit of government are considered to be government funds. These funds include those we receive as research grants; funds from Medicare, Medicaid and the TriCare (formerly CHAMPUS) programs as payment for health care services; and from contracts we have with school systems, cities and states.

Those of us who work with government funds must know all of the rules and strictly abide by them. Ignorance is no excuse. The consequences are the same.

Here are some simple examples of crimes using government funds:

- making a false statement to a federal official;
- charging the government for anything that is not allowed under the contract;
- charging the government for services that were not rendered;
- using the wrong codes; and
- charging the government for services that are not covered under the Medicare, Medicaid and TriCare (formerly CHAMPUS) programs.

It is important to know that any one of us, no matter what our job, could do something that would result in a violation of a government contract and would result in a crime.

Questions & Answers

I know we have contracts with Medicare, Medicaid and TriCare (formerly CHAMPUS). I also understand that their payments to us for patient care services are government money. But aren't there risks beyond violating the terms of a contract when handling patient care money? Yes. We have to make sure we deliver and bill for services in a manner that does not violate laws like Anti-Kickback (see Anti-Kickback Statute section), Self-Referrals (see Self-Referrals section), and False Claims (see False Claims Act section).

I am working on a government funded research project and an internal project with a low budget. Can I charge some of my time on the internal project to the governmental project? No. Not only is this a violation of the contract, it also is theft.

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resources identified below.

Expert Resources

Legal

Patient Accounts

Institutional Review Board

Integrity. Network Responsibility & Compliance Program

Coding and Billing

A major part of any compliance program is the identification of risk factors associated with coding and billing. The following risk areas may result in fraudulent or abusive billing practices and have been among the most frequent subjects of investigations and audits by the Office of Inspector General (OIG). Therefore, careful monitoring is required to make sure these activities do not occur:

- Billing for items or services not rendered to the patient
- Filing a claim that does not accurately reflect the services provided
- Submitting claims for equipment, medical supplies and services that are not reasonable and necessary
- Double billing resulting in duplicate payment
- Billing for non-covered services as if covered
- Knowing misuse of provider identification numbers, which results in improper billing
- Unbundling
- Improper use of coding modifiers
- Clustering
- Upcoding the level of service provided
- Lack of written documentation in the medical record to support CPT and ICD-9-CM codes submitted on the claim

Questions & Answers

What is double billing? *Double billing* occurs when a provider bills for the same item or service more than once, or another party bills for an item or service also billed by the provider. Although duplicate billing can occur due to simple error, the knowing submission of duplicate claims with the intent to be reimbursed more than once for the same service can create criminal and civil liabilities. Rebilling an unpaid claim is not considered double billing.

Can I bill separately for dressings and instruments in addition to the procedure for which they were used? No. This is considered *unbundling*. Unbundling is when a provider bills for multiple components of a service that must be included in a single fee.

Why is it necessary to use modifiers? *Modifiers* are used with CPT codes to indicate that a service or procedure that has been performed has been altered by some specific circumstances but not changed in its definition or code. The lack of modifiers, when indicated, or the inappropriate use of modifiers, can result in reduced reimbursement, denial of claims, or overpayment.

I am a physician. In order to simplify my billing, can I code/charge one or two middle levels of service codes exclusively? It would seem that some will be higher, some lower, and the charges will average out over an extended period. No. This is called *clustering*, and is considered fraud. In reality, this overcharges some patients while undercharging others.

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resources identified below.

Expert Resources

Billing Office
Legal

Integrity. Network Responsibility & Compliance Program

Patient Health Record

Medical record documentation is the Network's record of services provided to our patients by our employees and medical staff. It provides evidence of pertinent facts, findings, and observations about an individual's health history including past and present illnesses, examinations, tests, treatments, and outcomes. The medical record chronologically documents the care of the patient and is an important element contributing to high quality care. It is critical that all health care services are completely and accurately documented, reflect only those services performed, and are in accordance with documentation requirements of governmental health benefit programs and accreditation, licensure and certification standards. The medical record:

- demonstrates the quality of our care;
- demonstrates that we meet all applicable standards;
- supports claims submitted to payers; and
- protects the Network and the caregiver against claims of negligence and malpractice.

In addition, the medical record facilitates:

- the ability of the physician and other health care professionals to evaluate and plan the patient's immediate treatment, and to monitor his/her health care over time;
- communication and continuity of care among physicians and other health care professionals involved in the patient's care;
- accurate and timely claims review and payment;
- appropriate utilization review and quality of care evaluations; and
- collection of data that may be useful for research and education.

An appropriately documented medical record can reduce many of the "hassles" associated with claims processing and may serve as a legal document to verify the care provided, if necessary. Further, claims submitted for payment, which are not accurately and completely supported by the medical record, are considered false claims (see False Claims section of this manual).

What do payers want and why?

Because payers have a contractual obligation to enrollees, they may require reasonable documentation that supports coverage of services provided. They may request information to validate:

- the site of service;
- the medical necessity and appropriateness of the diagnostic and/or therapeutic services provided; and/or
- that services provided have been accurately reported.

It is a legal requirement, a Medicare mandate, and an industry norm that all codes that appear on the claim form (both diagnosis and procedure) must be substantiated by chart documentation. All encounter forms and test reports must include a diagnosis or an indication for the procedure performed.

All portions of the medical record must be legible. During an audit, if an auditor cannot read a portion of the progress note, that section may be considered to be incomplete.

Questions & Answers

I've heard the comment that if it wasn't documented it wasn't done. Is that true? Yes. If a payer asks for documentation or comes in to perform an audit and there is no documentation for the service performed, the payer may not pay for the service. In addition, any claim submitted without appropriate documentation in the medical record could be considered a fraudulent claim.

What do I do if I make an error in the documentation in the medical record? Errors are bound to happen. Do not use white out or erase entries in a medical record. To correct an error, draw a single line through the entry so the

Integrity. Network Responsibility & Compliance Program

entry can still be read and write “error” and initial above the line. Document the correct information, date and initial.

What should I do if I forget to document something in the medical record, but remember it a couple of days later? Should I backdate the entry? No. Backdating is not allowed. Enter and circle the actual date the entry is being made. In your note, document the actual date that the conversation or service occurred.

A physician who was a friend of my patient but who was not involved in the patient’s care asked for the patient’s medical record. Can I give him access to it? No. Individuals who are not involved in the patient’s care may not have access to the patient’s medical record without the authorization of the patient or his or her parent or legal guardian.

I am an employee, and my physician ordered lab tests for me at the hospital. I have access to the hospital computer and could look up my own results. May I do so? No. Diagnostic and screening test results may not be released by the department performing the test directly to the patient, even by the patient’s own doing. The department can release the results to the ordering physician and any other physicians designated in the orders. While there are some exceptions, all patients, even employees, must access their health records through the Medical Records department.

Sometimes our services are more expensive than I think they should be. So, I put the actual services rendered into the patient health record and put a similar but lower priced service into the charging system. Is this a problem? Yes. This results in a false claim and is fraud. The medical record must accurately reflect services provided and must accurately support services billed.

If I did this and the Network and I got caught, would the Network pay my defense expenses? No, because you acted with reckless disregard.

If you have any questions or concerns about this matter or if you need guidance, contact the Network’s expert resources identified below.

Expert Resources

Nursing Education

Health Information Management

Legal

Risk Management

Integrity. Network Responsibility & Compliance Program

Document Retention

Medical documents include medical information maintained on a patient that is associated with his or her medical care. These medical documents include, but are not limited to documentation of inpatient and outpatient visits, ancillary services, referrals and consultations, and can be in the form of physician/nursing notes, test results, dictation, pictures, etc. It is typically called a “chart,” “medical record, or “patient health record.” The record is the legal property of the provider and the provider has the legal obligation to maintain the record.

Business documents help support the financial statements. These business documents include, but are not limited to, bills and claims of all types, encounter forms, deposit slips, bank receipts, appointment schedules, sign-in sheets, receipt books, credit card slips, contracts, lease agreements, general ledgers, accounts receivable detail, etc.

There are several different types of records retained by healthcare organizations. The retention of such records is governed by federal and state law. The length of time we retain records will vary based on the type of record. We must maintain the records in accordance with all applicable laws, rules and regulations.

Business records will be retained for at least seven (7) years. Per the IRS, you must keep records that support an item of income or deduction on a tax return until the period of limitations for that tax return runs out. The limitation period can be the time allotted to amend a tax return for refund/credit and/or the period of time the IRS can assess additional taxes.

A systematic, organized process must be in place for retrieval of all stored records. The method of disposal for both medical documents and business documents should meet confidentiality guidelines and maintain the sensitivity of the information being disposed. Records will be destroyed by incineration, shredding, or a contracted recycling company. Should a recycling company be used, the contract for service will specify confidentiality measures to be taken and any destruction documentation requirements.

Notation of the destruction date of medical records must be maintained.

Questions & Answers

We have a small practice and storage is limited, can we throw away encounter forms that are over a year old?

No, the IRS may go back as far as 7 years when auditing. If there is no supporting documentation for revenue there could be an estimate on how much revenue was actually earned. This estimation could also lead to additional fines and/or penalties.

How long do we have to retain medical records? It depends on the type of record. Regular medical records are required to be maintained for at least 7 years past the date of the last visit. However, circumstances may require records to be maintained for a longer period. In order to comply with various agency requirements, hospital policy requires medical records to be kept for 20 years from the last date of service.

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resources identified below.

Expert Resources

Legal
Medical Records
Finance

Integrity. Network Responsibility & Compliance Program

Third Party Billing Services

What is a third-party billing service? Healthcare providers are increasingly relying on billing companies to assist in processing claims in accordance with applicable statutes, regulations and payer guidelines. In addition, providers are looking to billing companies for advice on reimbursement matters and operational decision-making. The OIG recommends that the billing company and provider formalize their responsibilities in a written contract and delineate compliance and applicable HIPAA requirements.

Arrangements with billing companies can be a percent basis (percent of charges or percent of collections) or a flat fee (\$xxx per month). However, percentage based arrangements raise red flags with the OIG because they may increase the risk of upcoding or similar abusive behavior.

All claims submitted (whether submitted by a billing service or by the rendering provider) to the Medicare program are the responsibility of the provider whose name is on the claim. In addition, the billing service cannot receive the payment of Medicare funds directly into a bank account that is solely theirs. In accordance with 42 U.S.C. 1395u(b)(6), "Medicare payments can only be made to either the beneficiary or a party (such as a physician) that furnished the services and accepted assignment of the beneficiary's claim."

In consideration of the potential risks involved with third party billing practices, the Network does not use such services.

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resources identified below.

Expert Resources

Legal

Patient Accounts/Billing Office

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Professional Courtesies and Insurance Only Billing

The Office of Inspector General (OIG) defines two types of professional courtesy. One type is the traditional view where all or part of the fee for services provided to a physician's staff, other physicians and/or their families is waived. The second type is the waiver of co-insurance obligations or other out-of-pocket expenses for any patient ("insurance only" billing).

No matter what form of "professional courtesy" we're talking about, a provider who routinely waives patient co-pays, coinsurance or deductibles is taking significant risks. The routine waiver of co-pays, co-insurance or deductibles of Medicare, Medicaid, or TriCare (formerly CHAMPUS) patients could be viewed as an inducement for referrals and as a result, may violate the Anti-Kickback Statutes. Commercial insurance plans often require providers to collect co-pays, coinsurance and deductibles. Routinely writing off these amounts, without attempting to collect them can result in a breach of contract. Also, since commercial insurance plans are paying on behalf of the patient, they generally cover services for which the patient is legally obligated to pay. Waiving the patient's obligation may also waive the insurance company's obligation, meaning that we won't be paid anything for providing those services.

So, you can see that these types of "professional courtesies" can implicate the Anti-Kickback Statutes, False Claims Acts, breach of contract, insurance fraud, and have the potential for civil monetary penalties, criminal fines, jail time and even exclusion from federal health care programs, like Medicare, Medicaid and Tri-Care. Because of these risks and the potential fraudulent nature of professional courtesies, the Network does not routinely give professional courtesies.

If the patient qualifies for charity care or financial hardship, all or a portion of the patient's co-insurance obligations or other out-of-pocket expenses may be written off. However, this practice must be documented in a policy, the patient specific analysis must be documented and we must follow the policy.

Questions & Answers

Our physician practice gives professional courtesies to a physician who has been a long time supporter of our work. The occasional referrals we do receive from him are very rare. Can we continue to give this discount to maintain the long term working relationship? No. Forgiving an obligation (writing off a co-pay) of a person or entity that refers patients to your physician is not appropriate and may violate the Anti-Kickback Statute if it's one time or 1000 times.

Our physician practice typically waives co-pays to our elderly patients, who are Medicare beneficiaries, because we know that they are on a fixed income. Can we continue to do this given the income consideration? Maybe. If you take a financial history and determine that the patient qualifies for financial hardship, then you can write off some or all of the co-pay. However, if the patient doesn't meet the financial hardship guidelines, any waiver of co-pays, co-insurance or deductibles can violate the various laws and contract provisions described above.

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resource identified below.

Expert Resource

Legal

Integrity. Network Responsibility & Compliance Program

Rental Space

Rental of Space in Physician Offices by Persons or Entities to which Physicians Refer

Rental of space in a physician's office can be illegal. If the space is rented by suppliers that provide items or services to patients who are referred by the physician-landlord, the relationship may violate the Anti-Kickback Statute (See Anti-kickback Section of this Resource Manual).

To avoid potential violations of the Anti-Kickback Statute, the OIG recommends that any rental agreements comply with all of the following:

- The agreement must be in writing and signed by the parties.
- The agreement must cover all of the space rented by the parties for the term of the agreement and specify the space covered by the agreement.
- If the agreement is intended to provide the lessee (supplier, for example) with access to the space for periodic intervals of time rather than on a full-time basis for the term of the rental agreement, the rental agreement specifies exactly the schedule of such intervals, the precise length of each interval, and exact rent for each interval.
- The term of the rental agreement is for not less than one year.
- The aggregate rental charge is set in advance, is consistent with fair market value, and is not determined in a manner that takes into account the volume or value of any referrals or business otherwise generated between the parties for which payment may be made in whole or in part under Medicare or a State health care program.
- The aggregate space rented does not exceed that which is reasonably necessary to accomplish the commercially reasonable business purpose of the rental.

Questions & Answers

Can a durable medical equipment supplier rent space in a physician's office? The OIG is concerned that in such arrangements the rental payments may be disguised kickbacks to the physician-landlord to induce referrals. However, if all of the criteria outlined above are met, then the arrangement meets the safe-harbor and is ok.

Our office has a time-share arrangement with another physician. Is this ok? Yes, as long as the rental payments are based on fair market value of the space being rented you're ok. Rental payments cannot be based on referrals.

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resource identified below.

Expert Resource

Legal

Integrity. Network Responsibility & Compliance Program

Intellectual Property

What is Intellectual Property?

Intellectual property is any Network-owned trademarks, service marks, inventions or techniques we have developed, as well as copyrighted materials (lap packs, manuals, brochures etc.), proprietary information, and patents. All intellectual property is governed by federal and state laws that, when violated, can result in civil damages or criminal charges against the individual who violated the law and against the Network. Our logos and our Patient Rights Manual are examples of intellectual property.

All intellectual property developed by employees while working for the Network is the sole property of the Network unless there is an agreement between the Network and the individual to the contrary.

Here are some common ways we can violate intellectual property laws:

- Making copies of articles out of journals, newsletters and magazines, or copying the entire document without the publisher's permission even if the Network bought the journal or magazine. Instead we should circulate the originals or buy multiple subscriptions; and
- Using software on more computers than the license permits.
- Selling or using materials developed by the Network without the Network's permission.
- Printing or downloading materials, music, pictures from the Internet and then using it without the owner's permission.

All intellectual property must be held in the strictest of confidence and may not be used by any individual for their own personal gain or that of their family and friends.

Questions & Answers

What about intellectual property not owned by the Network, but to which we have access? This information also is highly confidential and should be held in the strictest of confidence. The most common intellectual property that is not owned by the Network but is available to us is computer software the Network is licensed to use. The property typically is copyrighted; so copying the software would be a violation of the copyright laws.

I received a screensaver from a friend and have loaded it onto my computer at work. Is this a violation of the intellectual property policy? Yes. If the Network does not have the license for the software, it should not be loaded onto your computer at work.

Our physician group has several different office sites, and we have a computer network. We obtained a license for a computer package for a single user. Can we load the software on the network and use it at all of our locations? No. This is a violation of your licensing agreement.

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resources identified below.

Expert Resources

Legal
Business Development and Marketing
Information Systems
Risk Management
Safety & Security
Network librarians

Integrity. Network Responsibility & Compliance Program

Copyright Regulations

Sharing information is key to each of our roles within the Network. In our efforts to share information, we must consider whether copyright law protects the information being shared. Articles, websites, pictures, tests and seminar presentation notes are a few examples of possibly copyrighted information we may want to share or use in the course of our job. In order to avoid breaking copyright laws, we must get permission to reuse, reproduce or distribute copyrighted materials.

Breaking copyright law may result in big fines or criminal charges against the individual (you) and the Network. More important, being a Network with values based on *Integrity*, we should avoid breaking any laws or engaging in unethical behavior. According to the U.S. Copyright Office, “the safest course is always to get permission from the copyright owner before using copyrighted material.”

What is the copyright law?

The copyright law says that no one can reproduce someone else’s work without the owner/creator’s permission. Specifically, copyright law protects expression. The owner of the work (the creator or publisher) controls the right to authorize reproductions (copies), derivative works, distribution of copies, rentals, displays, and performances of the work. Copyright laws protect the owner’s right to profit from his work, which in turn encourages continued creative expressions that ultimately benefit our society.

Examples of copyrighted works include, but are not limited to:

Articles from magazines, newsletters, or journals	Software programs
Books	Databases
TV and radio programs	Web pages
Videotapes (like movies, documentaries)	Cartoons
Music performances (like cassette tapes, CD’s)	Tests
Images: pictures, graphs, tables, charts, maps	Assessments (like CME quizzes)
Training materials	Advertisements
Manuals	

Copyright protection is set the minute an original work is created and fixed in written or recorded format. The work does not have to carry a copyright symbol (©) to be copyrighted. The law protects a work even if it is not registered with the U.S. Copyright Office and does not carry the symbol. Copyright protection expires and work becomes part of the public domain after a specific period of time, which varies based on the original publication date and type of authorship.

Does this stop all copying? No. We can seek permission to use someone else’s materials. For further tips and suggestions on getting permission, visit the Library Network’s copyright webpage via the library’s homepage: www.eCommunity.com/library.

Fair Use

Copyright law allows some legal duplication without the owner’s permission. Examples of “fair use” within our network are:

- For your own individual use: making a single copy of an excerpt from a textbook or journal under U.S. Code 107.
- Borrowing, lending and reproducing copies of materials by Network library staff as permissible for libraries and archives under U.S. Code 108. Libraries subscribe to materials at institutional rates which covers access for multiple users (versus an individual subscription that is intended for one user).

In the past, “fair use” as been liberally cited for uses that do not truly qualify as fair use. In accordance with current interpretations of the “fair use” doctrine, as determined by recent court cases, few instances in our non-profit, corporate setting truly qualify as “fair use”. “Fair use” does not permit duplication of materials to create multiple substitutes of the original work in lieu of purchasing additional copies. Educational use does not necessarily qualify as “fair use.”

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The “fair use” doctrine favors non-commercial, “transformative” use of copyrighted materials. This means using existing materials and altering them with some creative contribution that gives new meaning or message. Transformative uses may include criticizing (or critiquing) the quoted work or summarizing ideas expressed in the original work in order to defend or rebut those ideas. The earlier work serves as a foundation upon which something new is built.

Parody and “Fair Use”: “Fair use” does not apply when you borrow someone else’s expression to express your own message (i.e. using a familiar commercial or other popular work to model an educational program upon). In order for the “fair use” doctrine to apply in using copyrighted work as the basis for parody, the parody (the new work) must express an opinion or view point about the original work (the work being parodied). “Fair use” does not apply if the parody is simply using the original to get attention or to avoid creating a new, novel idea.

What happens if we break the law? As with health care fraud and abuse laws and the False Claims Act, there are big administrative and dollar fines for breaking the copyright law. The law states that “anyone who violates any of the exclusive rights of the copyright owners...is an infringer of the copyright or right of the author...” The copyright owner may file a legal action against the person breaking the copyright law. The court can stop the person from breaking the law, take the work that resulted from breaking the law, and can make the person who broke the law pay the owner for the money he lost. This can be from \$500 to \$100,000, plus the cost of the owner’s lawyers. The person breaking the law also may be charged as a criminal and might go to jail or be put on probation.

How can we share information without breaking the law? The copyright law should not stop the sharing of information. There are ways to share information without breaking the copyright law. The Network has a license with the Copyright Clearance Center (Copyright.com) that allows the Network to respect the rights of copyright holders and lawfully reuse copyright-protected information for business purposes, without having to contact the copyright owner or publisher. Employees can access the Copyright Clearance Center at copyright.com. Employees can search the Copyright Clearance Center’s database for a specific article or publication. The Copyright Clearance Center’s database will indicate whether the article/publication is covered and any limitations that may be associated with the article or publication. Some articles/publications are not approved for digital use. This means we are not allowed to scan or email the article or publication for distribution.

Here are some other ways we can share information without breaking the law:

- Seek permission to use copyrighted materials. There may or may not be a charge;
- Use materials in the public domain, published prior to 1923;
- Use materials created and supplied by the U.S. Government;
- Use purely factual information. Facts cannot be copyrighted;
- To share an interesting article with co-workers, provide the article’s citation so they may request a copy from the Network library;
- If you use the internet, instead of downloading and copying an article, send an e-mail to your co-workers with the website address so they can look it up and read it; or
- When ordering department magazine or journal subscriptions, purchase an institutional subscription (versus the individual subscription) so the material can be used and routed to multiple users in an office setting.

Copyright Misconceptions

- *“I found it on the Internet, so it’s OK.”* Wrong. Just because a piece of work is available on the internet, does not mean the copyright laws can be ignored.
- *“If we give credit to the author/publisher, then we’re OK.”* Wrong. You must still get permission from the owner to reproduce his/her material. Giving credit is polite, but it does not make it OK under the copyright laws.
- *“I’m making a lot of copies, but they’re for internal distribution only, so it’s OK.”* Wrong. The copyright laws do not distinguish between internal use and external use.
- *“It doesn’t have a copyright symbol, so it’s not subject to the copyright laws.”* Wrong. The copyright symbol (©) is not required. All printed, written or recorded material is copyrighted.

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- *“We’ve been copying and re-using this assessment/test in our department for years. I’m sure someone got permission a long time ago.”* Be sure permission has been granted. Document and record permissions granted on the material you are using. Review tips on permissions at the Network library’s webpage on copyright.

Questions & Answers

How do I get permission to use someone else’s work? Refer to the Network library’s copyright tips at www.eCommunity.com/library. The library has information on the Copyright Clearance Center. How and where to seek permission varies by publisher, creator and also by what type of material you wish to use.

If the Network purchases several videotapes for educational purposes, and we need more tapes to complete our training in a timely manner, can we just make copies of the video, since we already purchased it? No, this infringes on the owner’s ability to make a profit from the work. Copyright law prohibits duplication of materials to avoid buying additional copies. You should contact the vendor to check on discounts for quantity purchases.

We receive multiple copies of certain journals, newsletters and magazines throughout the Network. I often make copies of articles from these materials for distribution without the publisher’s permission. Is this a problem? Maybe. If the journal, newsletter or magazine is covered by the Network’s Copyright Clearance Center license, we can make copies for internal distribution without the publisher’s permission. However, if the journal, newsletter or magazine is not covered by our Copyright Clearance Center license, this could be a copyright infringement. Instead, distribute a citation for the article of interest so others may acquire their own copy of the article. If the material was sold to the Network under an institutional subscription, the original materials may be circulated.

I receive a courtesy copy of a manual from a potential vendor giving me an opportunity of a 30-day review. Then, I could either pay for the manual or return it without charge. May I copy the manual and then return it so there is no charge? No. Not only is this a violation of copyright laws, it is also theft.

I found a great picture from a journal article that I would like to include in a corporate policy I’m revising. Can I include it without requesting permission? No. You must obtain permission from the copyright owner directly or through the Copyright Clearance Center.

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resources identified below.

Expert Resources:

Legal Department

Network Librarians

United States Copyright Office at <http://lcweb.loc.gov/copyright/>

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Private Inurement/Benefit

What is Private Inurement/Benefit?

Private inurement or benefit exists when a not-for-profit entity makes its assets available to a for-profit entity or non-employee individual for less than fair market value. There are both federal and state laws that prohibit private inurement at the risk of the not-for-profit entity losing its not-for-profit status, or being criminally or civilly charged.

Examples of private inurement/benefit include:

- the use of free or significantly discounted office space or equipment;
- provision of free or significantly discounted billing, nursing, or other staff services;
- free training for physicians' office staff;
- guaranteed physician income (except under certain circumstances); and
- low interest or no-interest loans or the "forgiving" of loans (except under certain circumstances).

VEI and TIHH are both for-profit entities within our Network. So even within our Network, we need to be careful about giving something of value to VEI or TIHH for free or less than market value.

Questions & Answers

I am a hospital employee with a background in physician practice management. One of our Network's non-employed physicians has asked me to assist in managing his practice. I frequently provide these services for him at no cost during the day while I am at work. Is this a problem? Yes. This is a private inurement/benefit concern because hospital resources are being used for the benefit of an outside entity. This can put our not-for-profit tax status at risk and, under certain circumstances, may be a violation of federal law. This also is considered theft of network resources, money and time.

I am a physician, and for the convenience of both the patient and myself, I want to use the ambulatory care area to meet my patients, without being charged for its use. Is this prohibited? Yes. The Centers for Medicare and Medicaid Services (CMS) has particular rules for the use of ambulatory care rooms by physicians. You are not prohibited from meeting your patients in these areas. However, the hospital must bill the physician the fair market price for room use.

CBI developed a training program that has produced very positive results and feedback. Can VEI and TIHH use this tool in training their own employees? Yes. CBI provides services to all the entities of the Network. The services provided by CBI are billed back to each entity. So in effect, VEI and TIHH are paying for the use of that training program. As long as VEI and TIHH use the tool for internal training programs, it is ok. If, however, VEI or TIHH were to sell the product or a modified version of the product, they would need to further compensate CBI.

If you have any questions or concerns about this matter or if you need guidance, contact the Network's expert resource identified below.

Expert Resource

Legal

Integrity. Network Responsibility & Compliance Program

Political, Lobbying & Community Activities

What are Political, Lobbying and Community Activities?

A political activity is any active involvement by an individual, group or entity that seeks to produce a desired outcome within the legislative process at any level of government. Political activity can include running for office, making campaign contributions, actively supporting a candidate for office, and voting.

Lobbying is a form of political activity. Lobbying occurs when an individual, a group of individuals, or an entity seeks to influence legislators' voting policies and other decision making in a manner that benefits the individual, group or business that they represent.

Community activity typically refers to volunteering and other service to fellow members of a neighborhood, town, city or state. However, community activity can be a form of political activity if the purpose or effect of the activity falls within the definition of lobbying or political activity (such as organizing a rally to support increased funding for schools).

Political and Lobbying Activities

We understand the profound effects that government actions can have on our Network. The Network supports and encourages everyone to take part in political affairs and to vote in elections. We must, however, do this:

- as private citizens, making it clear that we are not representing the Network;
- on our own time and not on or in any property or facilities owned by the Network; and
- without using Network assets, such as time, money, goods, services, and equipment.

Organized displays of political party affiliations are prohibited within the Network.

Questions & Answers

May I run for public office? Yes, however if the campaign or official duties would interfere with your work responsibilities, you must take paid time off or request a leave of absence without pay.

- **Will the Network support my campaign?** No
- **Will the Network expect me, if elected, to represent the Network's position?** No
- **Should I be running for office in order to support the Network's position?** No

I do volunteer work for a local candidate for office. May I use the copy machine to make flyers? No. You may not use Network resources to support political activities undertaken on a personal basis.

May I make political contributions (money)? Yes, as a private citizen.

Will the Network reimburse me for my political contribution? No.

Can the Network make contributions (give money) to candidates for office? No. Nor can it use Network assets, such as Network facilities, goods, services or equipment, in support of a candidate.

Given all of this, doesn't the Network have some way of participating in political and lobbying activities?

Yes. However, these activities are highly regulated, and even seemingly innocent activities can be illegal. There also is the possibility that we could inadvertently communicate a position contrary to the Network's position or interest. Therefore, only persons authorized by the Network may participate in political activities and lobbying on behalf of the Network. Should you have an interest in doing so, you must have prior approval.

I am interested in representing the Network in political or lobbying activities. What would be expected of me? You will be expected to:

- receive prior approval from the Network legal counsel;
- know and comply with all applicable laws, rules and regulations;
- conduct your relationships in an ethical and honest manner;

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- provide complete and accurate information; and
- represent the Network's position, not your own, if it is different.

Community Activities

The Network strongly encourages your participation in community activities. This builds stronger, more prosperous communities and can be very satisfying to those participating.

In most cases our activity must be kept completely separate from our work. However, the Network does have an obligation to contribute to the community and has a Network Community Benefit Plan.

Under this Network-authorized plan, we may volunteer our services and Network assets as a representative of the Network. In order to determine whether or not the Network will authorize your planned community service as a "community benefit," contact your immediate supervisor.

Questions & Answers

I volunteer for Big Brothers. May I copy a fund raising leaflet? No. While our Network encourages us to participate in volunteer activities, Network resources may not be used for charitable or other non-business purposes without prior approval from your supervisor.

I am a volunteer fundraiser for a local charity. May I solicit contributions while I am at work? It depends. Fundraising activities that fall within the Solicitations section of this Manual are allowed.

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resources identified below.

Expert Resources

Legal

Finance

Human Resources

Business Development and Marketing

Health Promotion

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Patient Rights

What are Patient Rights?

Each patient has rights, which are founded in our tradition and history, our moral and ethical standards, and federal and state laws, rules and regulations.

Key patient rights include:

- access to care by qualified care givers;
- respect of personal values, beliefs and civil rights;
- informed participation in care;
- privacy and confidentiality;
- advanced directives;
- participation in discussions of ethical issues relative to care;
- expression of opinions/complaints and receipt of resolution; and
- holistic care at the end of life.

Key legislation

We follow the Emergency Medical Treatment and Active Labor Act (EMTALA) in providing emergency medical treatment to all patients, regardless of ability to pay. Anyone with an emergency medical condition is treated and admitted based on medical necessity. In an emergency situation, financial and demographic information will be obtained only after the immediate needs of the patient are met. We do not admit or discharge patients based simply on their ability to pay.

Patients will be transferred to another facility only if the patient's medical needs cannot be met at our facilities and if appropriate care is knowingly available at another facility. Patients may only be transferred after they have been stabilized and are formally accepted by the alternative facility.

Questions & Answers

Obviously, patient rights rest at the core of our very existence and are critical to our success and our customer satisfaction. How can I learn more about patient rights? Ask your team leader or supervisor for access to a copy of the "Patient Rights and Responsibilities Handbook for Employees," which contains a comprehensive overview of the Network's Patient Rights Program and lists expert resources for every aspect of the program. The Patient Rights Manual is also available on InComm for all employees to access.

What if I observe an employee, physician, other health care professional or guest violating a patient right? What should I do? If you feel comfortable talking with that person about their behavior and assisting them in modifying their behavior to protect the patient's rights, you should do so. If not, contact your team leader or supervisor immediately. In all cases, a confidential peer review report should be completed and filed immediately with Risk Management.

A patient presents to the emergency department in labor (in the process of delivering a baby) and under that patient's health insurance plan, we are not a participating hospital. Should we transport that patient from the emergency department to a participating hospital? No. We are required to give the patient a medical screening exam and stabilizing treatment. If the patient requests that she be transported to another hospital, the emergency department physician documents that the patient is stable for transfer, and the hospital that she wants to go to agrees to accept her, then we can transfer the patient to another hospital.

A patient comes to the emergency department seeking services. Triage has determined that there is time for the patient to be registered prior to being seen in the emergency department. At registration, we discover we are not in the patient's health insurance plan network. Should we stop the process to get health insurance plan authorization before providing the patient with a medically appropriate screening exam by an emergency department physician? No. EMTALA, generally referred to as the "patient dumping" law, mandates that all patients who present to an emergency department for services must have an appropriate medical screening

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exam. Triage does not constitute such an exam. If we stop the process to get their insurance company's authorization, it could be perceived by the patient to be a barrier to access to the screening exam, which by law, the patient is entitled to receive. We must first do the screening exam, then we can communicate with the insurance company.

Does the “patient dumping” law apply within our Network to any other locations beyond the emergency department? Yes. Guidelines from the Centers for Medicare and Medicaid Services (CMS) state that, under certain circumstances, this law can apply to sites other than the emergency department. In our Network, those locations might include hospital labor and delivery departments, employed physician practices, crisis intervention services, and urgent care centers such as MedChecks.

If you have any questions or concerns about this matter or if you need guidance, contact the Network's expert resources identified below.

Expert Resources

Please refer to the most recent published version of:

Patient Rights and Responsibilities-A Handbook for Employees.

Legal

Risk Management

HIPAA Privacy Manual

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Employment Matters

Our Network recognizes our employees as our most valuable asset. In fact, employees are the only asset that increases in value over time. Our Network respects each of us and trusts that our performance will consistently meet the standards set by the Network.

Our Network has established numerous policies that protect each of us and all of our customers. This section of the Manual addresses a few, but not all, of those policies.

Prescription Drugs and Controlled Substances

Many of us routinely have access to prescription drugs and controlled substances, or we work with those who do. These substances are governed and monitored by specific regulatory organizations and must be administered by physicians or by physician orders only. It is extremely important that these items be handled properly and only by authorized individuals to minimize risks to us and to patients.

Questions & Answers

I know of someone in our Network who is stealing or diverting drugs and controlled substances for two reasons. Those reasons are for personal use and/or for sale on the street. What should I do? Act immediately. Talk with your immediate supervisor, your Human Resources representative, Risk Management, Safety and Security, Legal Department, the Network Privacy and Compliance Officer, or any member of the Network Compliance Committee, or you may call AlertLine. Choose the path that is most comfortable for you.

What if the person stealing or diverting these drugs for personal use, or for sale, is a medical staff member? What should I do? You must act immediately. You can contact any of the resources listed above. For medical staff members, you also may contact Medical Affairs.

What can happen to those who are stealing or diverting drugs for illegal purposes? There will be an investigation, and your name will be held in confidence. If there is substantiating evidence, the person may be criminally prosecuted. If you have given the Network your name, you may be asked to testify in support of the Network or you may be subpoenaed to testify. This may be frightening to you. However, remember that your testimony may save lives.

Diversity and Equal Employment Opportunity

Our fellow employees provide our Network with a wide complement of talents, which contribute greatly to the richness of our services and our success. We are committed to providing an environment where everyone is treated with fairness, dignity, and respect. We comply with all laws, rules, regulations, and policies related to non-discrimination in all of our personnel actions including hiring, staff reductions, transfers, terminations, evaluations, recruiting, compensation, corrective action, discipline, and promotions.

Questions & Answers

I am aware of a supervisor who dislikes one of her employees and makes degrading comments about her performance in front of other employees and physicians. This makes me feel very uncomfortable. This supervisor is also my supervisor. What should I do? If you feel comfortable, express your feelings in a respectful way to your supervisor and express your concerns about the effect of the supervisor's treatment on the employee and on you. If you do not feel comfortable doing this or things don't change after you have done so, contact your Human Resources representative. Or you may contact the Network Privacy and Compliance Officer, a member of the Network Compliance Committee, or you may call AlertLine.

I know that when my supervisor is interviewing applicants that she looks for disabilities. If they have one, she always finds a reason not to hire them. We have lost a lot of good people because of this. Is this OK? Absolutely not. No one should discriminate against any individual with a disability with respect to any offer, term or condition of employment. The Network will make reasonable accommodations to the known physical and mental

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limitations of otherwise qualified individuals with disabilities. Discrimination is against the law and can result in significant lawsuits against the Network, even when management doesn't know it is happening.

Harassment and Workplace Violence

Each member of our Network's family has the right to work in an environment free of harassment. We will not tolerate harassment by anyone based on the diverse characteristics or cultural backgrounds of those who work with us. Degrading or humiliating jokes, slurs, intimidation, or other harassing conduct is not acceptable in our workplace.

Any form of sexual harassment is strictly prohibited. This prohibition includes unwelcome sexual advances or requests for sexual favors in conjunction with employment decisions. Moreover, verbal or physical conduct of a sexual nature that interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment has no place in our Network.

Harassment also includes incidents of workplace violence. This includes robbery and other commercial crimes, stalking, violence directed at the employer, terrorism, and hate crimes.

As part of our commitment to a safe workplace, we prohibit the possession of firearms, other weapons, explosive devices, or other dangerous materials on Network property.

Questions & Answers

I am a female employee and my supervisor is also female. When she comes in on Monday mornings she tells me and other employees about her sexual exploits over the weekend. I feel harassed. Can harassment exist between employees of the same sex? Yes.

I know that the employer can be held liable for harassment if they know about it and don't do anything. Can the employer be held liable for one employee's harassment even if the employer doesn't know about it? Yes. It is important that employees bring their concerns to leadership's attention so that these matters can be addressed.

A male supervisor and his female employee were arguing about a work matter right before the end of their shift. The argument continued into the parking lot where he slapped her. Is this workplace violence when it happens after the shift and in the parking lot? Yes. This type of behavior should be reported to leadership at the time it happens, so that a complete and thorough investigation can be conducted.

Health, Safety and Environment

All of our Network facilities and property must comply with all government regulations and rules and with Network policies and practices that promote workplace health and safety. Our policies have been developed to protect you, our patients, and all of our customers.

Questions & Answers

Am I personally responsible for being familiar with and understanding how these policies apply to my specific job? Yes. If you are unsure about your level of knowledge, ask your supervisor for advice.

Some of the doctors in surgery refuse to wear an appropriate cap to cover their hair as required by the Indiana State Department of Health. I have seen hair from the doctor drift into the open incision. What can I do? File a confidential peer review report and notify the person in charge and/or Risk Management.

I work in clinical engineering and was in a room checking on a piece of equipment. The patient asked me to get him some water. Can I do this for the patient? No. The doctor may have ordered that the patient is not to have water. Giving water could jeopardize the patient's care and condition. Notify a caregiver of the patient's request.

Integrity. Network Responsibility & Compliance Program

Relationships Among Members of Our Network Family

In a Network our size with its diversity and differing perspectives, it is not uncommon that people will disagree. We are expected to treat each other with dignity and respect and to conduct ourselves professionally at all times and under all circumstances.

Questions & Answers

Sometimes, I see people treating each other very badly. Are we doing anything to help people be more professional? Believe it or not, interpersonal relationships are special skills we did not necessarily learn growing up. The Network provides several skill building opportunities, including Relationship Training courses. Information is available from Human Resources.

Environmental Regulations

When it comes to the environment, it is our commitment to comply with all environmental laws, rules and regulations as they relate to our operations. We act to preserve our natural resources to the full extent reasonably possible. We comply with all environmental laws and operate each of our facilities with the necessary permits, approvals, and controls. We diligently employ the proper procedures with respect to handling and disposing of hazardous and bio-hazardous waste, including but not limited to medical waste.

Questions & Answers

What are my specific responsibilities with respect to environmental concerns? Each of us must understand how our job duties may impact the environment, adhere to all requirements, and immediately alert our supervisor to any situation regarding the discharge of a hazardous substance, improper disposal of medical waste, or any situation that may potentially be damaging to the environment.

I like to save trees. Even with all of our computer technology, we sure use a large amount of paper. Are there any tips we can use to conserve on paper? Paper is one of the most expensive supplies due to the large amount we use. Print or copy documents on two sides of the paper, unless what you are producing has to be very "professional." Run only the amount you need. If you have e-mailed a document, think about whether or not you really need to send a hard copy. This kind of thinking and action not only saves trees; it also saves money, which is better used to care for our patients.

Individuals Excluded From Government Programs

Individuals who have been excluded from federally funded health care programs, like Medicare and Medicaid, will not be allowed to be employed by or provide services to the Network. These individuals include providers, vendors and employees. Individuals will be checked against the government's exclusion lists on a regular basis, at least once a year.

- Individuals applying for a position will be checked prior to being hired.
- Physicians will be checked during the credentialing process.
- Current employees will be checked annually.
- Vendors will be checked during the vendor certification process.

Employees and physicians are required to notify the Network when they become excluded from the government healthcare programs. If an individual has been excluded and later becomes reinstated, that individual would have the same opportunity with all others to apply for and obtain a job within the Network.

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resources identified below.

Expert Resources

Human Resources
Safety and Security
Risk Management
Legal

Integrity. Network Responsibility & Compliance Program

Solicitations

What is solicitation?

Solicitation is approaching someone with a request or plea. Generally, the request is to buy something or donate money for some purpose. The most common types of solicitation are private businesses selling goods or services or charitable organizations trying to raise money.

Purpose

The purpose of this policy is to protect the workplace for both the employer and the employee. We want to provide a work environment where employees know they are free from:

- distraction or disruption of their work;
- being bombarded with requests for money; and
- being uncomfortable and feeling pressure to “give.”

We understand that as a healthcare organization we are often expected to participate in various community activities that would fall within this policy, like fundraising walks and runs. We also understand that many of these events help support our mission and vision. Therefore, there are some types of solicitation that are acceptable. A particular activity must meet **all** of the following guidelines to be conducted on Network property:

- It must be for a legitimate, charitable purpose of which the Network would be supportive (Girl Scouts, school band, charity, etc.);
- It must not be conducted on a face-to-face basis; and
- It must not disrupt the workplace or productivity.

Solicitation activities that involve an entire organization within the Network must be approved by a senior leader. The following are items that should be considered in determining whether an organizational-wide solicitation event should be conducted:

- Does the activity support our mission?
- Does the activity support one of our business objectives?
- Does the activity promote fun in the workplace?
- Will employees feel undue pressure to participate or donate?
- Are the resources being used on the activity appropriate?

Exception: Fundraising activities conducted on behalf of the Community Hospitals Foundation, the United Way and hospital Auxiliaries are excepted from this policy.

Prohibited solicitations

There are certain types of solicitation that are prohibited on Network property, or using Network assets, like the electronic Bulletin Board. They include the following:

- illegal activities, such as “pools” (NCAA pools, Indy 500 pools) and unlicensed raffles;
- political fundraising and activities;
- outside entities soliciting without Network authorization; and
- private businesses (Longaberger baskets, Avon, home made items, Amway, disc jockey services, child care services, etc.).

A raffle is a game of chance in which people buy tickets and prizes are given to those whose tickets are drawn. Raffles are illegal in Indiana unless an organization has a license to conduct a raffle.

Questions and Answers

Does this mean I can't sell Girl Scout cookies? No. Since the Girl Scouts is a legitimate charitable organization, you can sell Girl Scout cookies as long as it's not done on a face-to-face basis and is not disruptive to the work environment. So, if you left a sign-up sheet in a break room, the activity would meet the guidelines.

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What about all of the charitable walks we hear about through voice mail and e-mail? The charitable walks that are announced throughout the Network are sponsored by the Network and meet the above guidelines.

Every year I am asked to make a contribution to United Way and the Community Hospitals Foundation. I can't afford to or I don't want to. However, I know that if I don't, management will know and then I will be held in lesser esteem by management, and my advancement in the Network will be jeopardized. What should I do? The Network has hundreds of requests from charities each year asking for an employee contribution campaign through payroll deduction. To protect our employees the Network has limited the number of these to two: the Community Hospitals Foundation and United Way. There is no requirement to contribute. The Network will not think less of you if you choose not to contribute nor is your future advancement dependent on you making contributions. We make these two contribution campaigns available to employees as a way that we can choose to help others who are less fortunate than we are, even if it is just \$1 per pay period. The United Way arrangement allows our employees to choose from among many different charities and give through the convenience of payroll deduction. We also believe that we should give something back to the people who support our Network. Our contributions to the Foundation support patients as well as employees.

The Community Hospitals Foundation has a house raffle each year. Why is that ok? The Community Hospitals Foundation has a raffle license, which allows them to hold their raffle each year.

If you have any questions or concerns about this matter or if you need guidance, contact the Network's expert resource identified below.

Expert Resources

Legal

Human Resources

Integrity. Network Responsibility & Compliance Program

Network Assets: Appropriate Use

Network assets are the equipment, supplies and services made available and supported by the Network. These include telephone, voice mail, e-mail, pagers, photocopiers, fax machines, facilities, equipment, supplies, intellectual property and information, and our time for which the Network pays us.

What are some examples of inappropriate use of Network assets? Examples of inappropriate use are:

- Copying tax returns on Network copiers.
- Using fax machines to send or receive personal faxes.
- Using e-mail to send personal or non-business related communications.
- Advertising for-profit businesses or activities on the Network intranet, InComm.
- Accessing the internet for personal or non-business related purposes.
- Carrying out personal business on work time.
- Taking home office supplies, medical supplies or scrubs for personal use.
- Allowing children to use computers.

Why can't we use Network assets for personal reasons? Using Network assets for non-business related purposes costs the Network money and diverts that money and the resources it can provide from patient care. While it may not seem like a big deal for one person to make one personal photocopy, consider that the Network has about 10,000 employees, physicians and volunteers. Think about the impact to the Network if each employee, physician and volunteer thought the same way and made one copy. That would result in 10,000 copies being made that are unrelated to Network business.

Also, not-for-profit, charitable organizations are bound by law to use their assets for charitable activities. Using those assets for something other than the charitable activities of the organization violate the law and could result in the loss of our not-for-profit status. All Network supplies are the property of the Network and may only be used for business purposes. Pilfering of supplies is prohibited and those who pilfer are subject to criminal prosecution.

Questions and Answers

Are there ever times when we can use Network assets for personal reasons? Yes, the Network understands that there are times when personal business must be conducted during work hours. The Network wants to be reasonable, so here are some examples of when it would be okay.

- Reasonable calls from children or family.
- Personal emergency and urgent situations.
- Personal matters that must be addressed during work hours.

What should I do if I'm not sure? Think the matter through and then seek guidance from your supervisor.

What do you mean by "pilfering" of supplies? We mean that you are using the supplies for purposes that are not authorized by the Network. Such use is prohibited, can be considered to be theft, and you would be subject to criminal prosecution.

I sometimes deal with matters unrelated to my work while working. Is this theft? Technically, yes. You would be stealing your employer's time and the money and benefits your employer provides to you. However, the Network recognizes there may be times when you need to do this. For example, calls from your children or their school, or the need to make an appointment. These types of activities on work time are permissible, as long as they are limited and reasonable.

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resource identified below.

Expert Resource

Legal

Integrity. Network Responsibility & Compliance Program

Business Courtesies (Gifts and Entertainment)

What are Business Courtesies?

Business courtesies are the giving and receiving of any types of entertainment or gifts, whether tangible or intangible, between the Network and a current, former, or potential customer (payer, sub-contractor, vendor).

Examples of business courtesies include:

- cash or cash equivalents, such as gift certificates;
- payment for travel and lodging costs to attend an event;
- meals and entertainment;
- sporting and other event tickets; and
- exchange of products.

There are several reasons we generally do not give or receive business courtesies. First, it may create conflicts of interest or the perception of conflicts of interest, and patient and public trust in providers may be eroded. Second, it may give the wrong impression to our customers. For example, if a patient sees another patient tipping a nurse \$50, the patient may get the impression that nurses have to be tipped in order to receive adequate service. Third, the Anti-Kickback Statutes, Stark referral laws and various ethical principals prohibit the giving of anything of value.

Receiving Business Courtesies

- Employees may never accept and keep cash or cash equivalents (such as gift certificates or gift cards);
- Employees may accept gifts or promotional items with a value of less than \$50 each or \$300 per year from any individual or organization;
- Employees may accept perishable or consumable gifts not exceeding the above dollar values. Perishable or consumable gifts received by a department or group may exceed the above dollar values, but must not exceed a value of \$50 per person;
- Employees are prohibited from asking for gifts;
- Gifts that would influence or appear to influence an employee in their role as an employee of the Network must be declined; and
- Reasonable and appropriate meals and entertainment in the local community for legitimate business purposes are acceptable.

Giving Business Courtesies

- The giving of cash or cash equivalents, is prohibited;
- Employees may not give any gift that exceeds \$50 in value; and
- Employees may not give gifts where the purpose or appearance of the gift is to influence relationships, referrals, or decisions.

Federal and state governments have strict rules and laws regarding business courtesies accepted or extended to government employees and to persons who are in a position to refer patients to us. These laws and Network rules do not apply to similar activities between the Network and its employees or between and among Network employees.

Questions & Answers

A patient with a chronic health condition is frequently admitted to our facility for treatment. He routinely tips his primary nurse around \$100. May the nurse accept it? No. Employees may never accept and keep cash gifts or cash equivalents from anyone with whom we have a business or customer relationship. However, an employee **MAY** accept cash or cash equivalents (like gift cards or gift certificates) on behalf of the Foundation. The Foundation will recognize the donation as a gift and will send the donor a letter that can be used for tax purposes. The Foundation will also designate the funds for the employee's department. The department can use the value of the gift for staff education, needed equipment, etc.

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May I accept a basket of fruit, candy or flowers from a vendor or potential vendor? Yes. If the gift is perishable and is given to a department or group, the gift may be accepted, assuming that it meets the \$50 limit per person.

Four other employees and I arranged to have lunch with a network sub-contractor to discuss business. The sub-contractor paid for lunch. The bill was \$52 (including tip). Is this OK? Yes. It was for a legitimate business purpose, and the meal was reasonable and appropriate.

Sometimes vendors will offer prizes, gifts, cash, coupons, trips, or bonuses in exchange for our pushing their products. Is this legal? No. Accepting these incentives when they do not fall within the acceptable guidelines established by the Anti-Kickback Statutes can be a violation of the law. Inducement for referrals does not guarantee objective medical advice (refer to the Anti-Kickback section).

Sometimes our vendors invite us to local parties or events (like a day at the Indianapolis Motor Speedway) for their customers. Is it OK to go? Yes, with your supervisor's approval and as long as there is a legitimate business purpose to the invitation (like networking and building relationships).

A vendor has offered me two tickets to the Indy 500. May I accept the tickets and take my husband? No. The policy states that it must be for legitimate business purposes, which means that the vendor would need to be there and business must be discussed. Accepting two tickets for you to use on your own would be considered a gift prohibited by this policy.

Is there any situation in which we can treat people who are not employees like employees under our Business Courtesy Policies? Yes. When a person has a contract with us, or a company has a contract with us to provide us with personnel; and the people are assigned to and work exclusively for us; and their work with us lasts at least six months.

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resources identified below.

Expert Resources

Legal

Purchasing

Integrity. Network Responsibility & Compliance Program

Financial Matters

All activities that pertain to money or tangible and intangible Network assets fall within the scope of financial matters.

The Network has established accounting controls. The controls extend into every aspect of our daily work. They help to ensure that we can prepare accurate and timely financial statements, including accounting for our assets and their value, as well as our liabilities.

They serve as the basis for managing our business and are important in meeting our obligations to our customers and the communities we serve. They also are necessary for compliance with tax and financial reporting requirements.

Financial information is “proprietary” and is to be held in the strictest of confidence. This includes department specific financial information and profitability analysis.

All transactions are to be executed in accordance with Network policies and procedures, with leadership authorization, and recorded in a proper manner.

Questions & Answers

I often am too busy to do my expense report on a monthly basis. So, I usually only turn it in once or twice a year. Isn't this a good thing because the Network has the use of my money and can earn interest on it? No. For accurate financial reporting, liabilities must be accrued at the time they are incurred. By holding expense reports, the Network is not accurately reflecting its expenses in the financial statements.

I have responsibilities for two departments. During the budgeting process, it was anticipated that I would spend 80 percent of my time in one department and 20 percent of my time in the second department. I split my time on my time card between those departments. I know that budgets are tight, and I don't want to be over budget in the second department, so even though I am spending approximately 70 percent of my time in that department, I still allocate 80 percent to the first department and 20 percent to the second department. Is this a problem? Yes. This results in inaccurate financial reporting. These inaccurate allocations can result in our filing an inaccurate Medicare cost report, which is a false claim. It also affects the budgeting process in the following year. You should allocate your time appropriately and explain any budgeting differences.

We have several old desks in our department, which we no longer use and which are taking up valuable space. We want to donate these items to a United Way agency. Is this OK? Yes. However, you will need Network approval, and you should report this to the Finance department. The Finance department maintains records of all capital assets within our Network and we must keep these records accurate. In order to do so, they must be notified of any and all capital asset purchases and dispositions.

I never can find an oxygen regulator, a wheelchair, or an IV pole when I need one. So, I keep some in a locked closet on my unit. I don't report them on any inventories or surveys because if I do, they will be taken away. Does this affect financial reporting? Yes. Retaining assets that are not reported to the Finance department results in inaccurate financial reporting. The Network does not have an accurate inventory of assets and may unnecessarily spend funds on additional assets, which could be spent on patient care.

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resources identified below.

Expert Resources

Legal
Finance

Integrity. Network Responsibility & Compliance Program

Purchasing and Materials Management

What is Purchasing and Materials Management?

Purchasing and materials management are processes through which our Network contracts with vendors of the equipment, supplies and services that we need to buy to operate and serve our customers and through which we manage these resources.

Purchasing of equipment, supplies and services and materials management are very complex and involve everyone in our Network. Because of this complexity, these processes include checks and balances in order to avoid unethical and illegal activity, as well as to prevent us from breaching a contractual agreement. The processes also protect our Network from the many “scam” artists that try to take advantage of an organization like ours.

Vendor Certification is the program whereby all Vendor representatives who wish to conduct business with Community Health Network must attend a one hour certification session. The purpose of these sessions is to provide education about how to conduct business with Community Health Network, to communicate our expectations of the Vendor representatives, to enable us to streamline processes, and to provide fair and equal opportunity for company representatives to meet with Community Health Network employees while assuring compliance with patient safety and privacy issues.

What Each of Us Can Do to Help

- Watch for any contact we might have from outside the organization that appears to be an attempt to get money without going through purchasing. Read the warning notices that are published from time to time throughout the Network. The most common scams are people who call and say they are our paper or office supply vendor or copier equipment toner vendor, have a special deal and try to get our agreement to order the special deal from them. None of our legitimate vendors do this. They all work through the purchasing department. Tell the caller to contact the purchasing department.
- Follow the established purchasing policies and procedures, which require, in part, a requisition and a purchase order number. The invoice received from the vendor must match the requisition before we will pay the bill. We may be asked to verify the order or that the service has been performed adequately. Thoroughly check and report any problems to the Purchasing Department.
- Keep what our Network pays for equipment, supplies and services in confidence. Prices may not be released to anyone outside the Network without authorization. Further, asking a vendor how much another customer is paying is inappropriate.
- Never accept anything of value such as gifts, trips, or lunches offered to you by a current or potential vendor. We may accept samples of the product from the vendor as needed to determine whether or not the product is what we want. These should be returned to the vendor. (See also Business Courtesies.)
- Never accept a rebate check from a vendor. All rebates must be processed through Network Purchasing for correct accounting. If you receive a rebate check in the mail, immediately contact Network Purchasing for instructions.
- If a vendor offers to financially support a special interest activity (like a party), do not accept their offer. Rather, refer them to the Community Hospitals Foundation. Do not ask a vendor to financially support a special interest activity.
- Never make a commitment to any vendor, current or potential. Only the purchasing department may make such commitments.

Questions & Answers

On what basis do we decide from which vendor to purchase? Our selection of vendors is made on the basis of objective criteria including quality, technical excellence, price, delivery, adherence to schedules, services, and maintenance and adequate sources of supply. Selection is made based on the vendor’s ability to meet our needs, and is never based solely on personal relationships or friendships.

Integrity. Network Responsibility & Compliance Program

So that we can create competition and get a lower price when making decisions about with which vendor to contract, can we disclose the offer from one vendor to the other? No. We would be breaching the trust of our vendors by not keeping their proprietary information confidential.

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resources identified below.

Expert Resources

Legal

Purchasing and Materials Management

General Support Services

Administration

Integrity. Network Responsibility & Compliance Program

Marketing

What is Marketing?

Marketing is the effort, or group of efforts, undertaken by an entity to help position their product or services in a favorable light within the consumer market.

Examples of Marketing Are:

- Television or radio advertising;
- Print advertising including newspaper, magazine and brochures or flyers;
- Press releases or media coverage regarding newsworthy items regarding the entity, its services, or its products;
- Web site content and online services;
- Public relations efforts, such as special events and sponsorships; and
- Demographic research, enabling the marketer to best reach the consumer through communication or other outreach efforts.

We should make certain that:

- We stand behind whatever claims we make in advertising or outreach efforts;
- Press releases reflect factual information and do not violate patient confidentiality;
- People's safety is not jeopardized at Network-sponsored events;
- We present only truthful, fully informative and non-deceptive information in our marketing efforts; and
- We do not use Protected Health Information (PHI) for marketing purposes without an authorization (see the HIPAA Privacy Manual).

The Community Health Network Signature (Logo)

Our signature, or logo, is one of the most important elements of Community Health Network's visual identity system. It identifies our organization wherever we do business. It communicates our strength, professionalism and unity. Therefore, it's crucial that we use it consistently throughout our communications, no matter how large or small. The Community Health Network signature system has been designed with an underlying structure, symbol placement and type size relationship. This balanced relationship of elements should never be altered in any way. Do not use the symbol alone, re-typeset names, redraw the symbol or use our proprietary typography without the symbol. Inaccurate reproductions of our signature will erode our ability to legally protect this valuable asset; as well as confuse our various audiences. Always use approved artwork formats available in the IdentityManager section on InComm. Verify that it's the preferred electronic file format for your software program or application.

Questions & Answers

I have been given the task of creating a brochure for my department. I'm pretty good on the computer, so that shouldn't be a problem. I need to put the Community Health Network logo on it, too. Can I just cut it off an existing brochure and paste it on my new artwork and send it to the printer? No. On two accounts you're in violation of policies and procedures. First, the Business Development and Marketing department should handle any department brochure or flyer. They will get the necessary information from you and develop it so it is in the same style as other pieces. This helps the Network maintain its image. Second, the logo is not to be copied or reproduced except by those licensed to do so (i.e. the Business Development and Marketing department).

As a physician, I feel I am in the top of my specialty, unrivaled by my peers. And, since I work with Community Health Network, I think it's OK if I produce an ad stating that I provide the best medical care at the best facility in the Indianapolis area. Am I OK to do this? No. While having pride in your work and in the facility where you work is admirable, to make a claim that can't readily be proven can put you at risk. Should one of your patients have an unpleasant experience with your care or treatment, both you and the hospital can be at risk for malpractice.

Integrity. Network Responsibility & Compliance Program

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resources identified below.

Expert Resources

Legal

Business Development and Marketing

Integrity. Network Responsibility & Compliance Program

Federal Investigations

Regulatory Entities such as: Department of Health and Human Services, Office of Inspector General; Department of Justice; Federal and State Prosecutors; Internal Review Service; United States Postal Service

What Are Federal Investigations?

The Balance Budget Act of 1997 significantly expanded the federal government's power to investigate health care providers, to seek out wrongdoing, and to punish those providers. These efforts have been very successful and have intensified over time.

Are These Investigations Announced In Advance? Not necessarily.

Will the investigator have any documents with him/her? Yes, the investigator may have a subpoenas or a search warrant. A description of what these documents are and what you should do follows.

Subpoenas

A subpoena is a legal written order directing a person or entity to appear in court to give testimony or to produce records and documents. Subpoenas are typically hand delivered by agents of governmental entities such as the Internal Revenue Service, Post Master General, Department of Justice or Attorneys General.

When a subpoena is an order to produce records and documents, it will always carry a deadline date by which the records and documents must be submitted and instructions on how to submit them.

If you are given a subpoena, do the following:

1. Be polite and courteous.
2. If you see a gun, call security.
3. Ask for identification.
4. Ask for a business card.
5. Accept the subpoena.
6. Record the date, time, and place that you received the subpoena.
7. Attach the business card to the subpoena.
8. Contact your supervisor or, in the absence of your supervisor, contact your Compliance representative or Legal Counsel.

If the person presenting the subpoena asks you to sign that you have received it, it is ok for you to do so. Check the subpoena to see if it has the name and telephone number of who is requesting the information. If it doesn't, ask the person delivering the subpoena for that information and make note of it on the subpoena. Legal counsel will make sure that we respond appropriately to the subpoena.

Search Warrants

A search warrant is a legal document authorizing or directing a person to search a specified person or location for certain items. The items are specified in the search warrant. If you are presented with a search warrant, do the following.

1. Be polite and courteous. Do not resist.
2. Call the Security and Legal departments.
3. Ask for identification.
4. Ask for a business card. If they do not have a business card, write down their name, title and telephone number and the agency they represent.
5. If either Security or Legal is sending someone, politely tell the person that "A member of our security/legal department is on the way. He will respond to your search warrant." If the person refuses to wait, you should document that fact and what the person does prior to the arrival of the employee from security or legal department.

Integrity. Network Responsibility & Compliance Program

Note: Only when no one from security or legal is available to come should an employee respond to a search warrant.

Be advised that they do not have to wait. They may begin the search immediately. If they will not wait, ask exactly what they are looking for and check the search warrant for confirmation. Direct them to the location where they can find the information. Continue to call your supervisor, legal counsel, compliance representative and security. Before they leave, make a list of what they have taken. Be specific. After they leave, write down everything that happened including the date, time, place and names. Attach the business card/identification and the search warrant to your information and submit the information to your supervisor, legal counsel, Compliance representative or security.

Will the investigator want to question me and, if so, what are my rights and what should I do? Both federal and state governments conduct fraud investigations. A fraud investigator may contact you at work or at home, in the parking lot or where ever you might be at any time. The investigator will want to ask you questions. While the Network prefers that you do not answer their questions, you are free to do so. However, you have no legal obligation to answer any of their questions. You have a legal right to refuse.

If a fraud investigator approaches you, you should do the following.

1. Be polite and courteous.
2. Ask for identification.
3. Ask for a business card. If they do not have a business card, write down their name, title and telephone number and the agency they represent.
4. If you are on Network property and the person has a gun, call Security.
5. Contact your supervisor, or in the absence of your supervisor, legal counsel or your Compliance representative.
6. Immediately following the encounter, write down everything that happened including dates, time place and names. List the questions that were asked and, if you feel comfortable doing so, how you answered.
7. Attach the business card/identification information to your notes and submit them to your supervisor, legal counsel or your Compliance representative.

While these situations are infrequent, when Network employees have worked with people who present subpoenas and search warrants and who are investigating fraud have found them to be very professional, nice people.

If you have questions or concerns about this matter or if you need guidance, contact the Network expert resource identified below.

Expert Resource

Legal

Integrity. Network Responsibility & Compliance Program

Glossary of Terms

The following words and phrases have the following meanings in this Manual:

ABN:	Advance Beneficiary Notice
Abuse:	Abuse includes any actions, which may, directly or indirectly, result in unnecessary costs to the Medicare or Medicaid program, improper payment, or payment for services which fail to meet professionally recognized standards of care, or that are medically unnecessary. Abuse involves payments for items or services when there is no legal entitlement to that payment and the provider has not knowingly and/or intentionally misrepresented facts to obtain payment.
Advance Beneficiary	Advance beneficiary notices advise beneficiaries, before items or services actually are furnished, when Medicare is likely to deny Notice: payment for them. ABNs allow beneficiaries to make informed consumer decisions about receiving items or services for which they may have to pay out-of-pocket and to be more active participants in their own health care treatment decisions
Allegation:	An assertion that illegal or unethical conduct has occurred.
Anti-trust:	Activities that involve unlawfully limiting competition, restraining trade, and other anti-competitive acts.
Anti-trust Laws:	Laws to protect trade and commerce from unlawful restraints and monopolies or unfair business practices.
Asset:	Anything with value, whether or not you can see and feel it.
Auditing:	A procedure or process for monitoring, checking and verifying.
Autonomy:	The condition of having one's life under one's control and making decisions or plans and acting on them. Autonomy also dictates the duty of individuals not to interfere either intentionally or negligently in another person's decision-making process or plans or acting on them. Autonomy forms the ethical basis for the patient's right of autonomy, which includes, among other rights, the right to informed consent, the right to refuse treatment, and the right to die.
Beneficence:	The state or quality of being charitable or producing favorable effects. For example, beneficence towards patients can be defined as preventing harm to them, benefiting them, and, if harm is unavoidable, to make certain the harm is substantially outweighed by the benefit.
Boycott:	Unlawfully refusing to do business with a company or individual.
Breach:	The failure to observe the terms of an agreement or promise, whether or not in writing.
Bribe:	The giving of money or favors illegally or unethically for the purpose of influencing someone's judgment or conduct, or to ensure the outcome wanted.
Case Number:	An identifying number assigned to a case for callers to refer to when reporting anonymously.
CHAMPUS:	Government sponsored health benefits program for the military. (Civilian Health & Medical Program of the Uniformed Services) now referred to as TriCare.

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Checks and Balances:	Processes that include ways to check for completeness, appropriateness, and accuracy of information.
Children's Health Insurance Program:	A federal program giving each state permission and funding to provide insurance coverage for children up to the age of 19 who do not have insurance, but whose families earn too much to qualify for Medicaid, frequently referred to as the "working poor."
CHIP:	See Children's Health Insurance Program.
Clustering:	The practice of coding/charging one or two middle levels of service codes exclusively, under the philosophy that some will be higher, some lower, and the charges will average out over an extended period (in reality, this overcharges some patients while under charging others).
Code of Conduct:	A set of principles that reflects the Network's values and that communicates standards of behavior.
Co-Insurance:	The amount payable by an insured individual for covered services under his or her health insurance policy expressed as a percentage of eligible charges. For example, the patient has met his or her deductible amount and the eligible charge is \$100. The co-insurance percentage payable by the patient under the health insurance plan is 20%. Therefore, the patient would be responsible for the co-insurance amount of \$20 (20% of \$100) and the insurance plan would pay remaining \$80.
Competitors:	Persons or entities who are in the same business and are pursuing the same market and customers, e.g. other Indianapolis hospitals.
Compliance:	The act of conforming to or cooperating with a set of stated rules, orders or guidelines, such as laws, rules and regulations; Network policies and procedures; or ethical guidelines.
Co-pay:	A fixed amount payable by an insured individual for a certain type of service covered under his or her health insurance plan. For example, \$10 for an office visit.
Copyright:	The exclusive right to the publication, production, or sale of the rights to a literary, dramatic, musical, or artistic work; the exclusive right to the use of a commercial print or label, granted by law. Includes printed materials and audio-visual media.
Confidentiality:	Ensuring the privacy of restricted, personal, or secret information.
Conflict of Interest:	A clash between a person's obligation to the Network and that person's self-interest.
Consultant:	An expert person who is called on for professional or technical advice or opinions.
Contract:	A written or oral agreement, which is enforceable by law and the courts.
Criminal:	A person who breaks the law or commits a crime.
Deductible:	The amount the insured individual must pay each year for services covered under his or her health insurance plan before the plan will begin paying.
Demographic:	The characteristics of an individual or population, such as name, age, or gender.
Double Billing:	Double billing occurs when a provider bills for the same item or service more than once, or another party bills for an item or service also billed by the provider.

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Although duplicate billing can occur due to simple error, the knowing submission of duplicate claims with the intent to be reimbursed more than once for the same service can create criminal and civil liabilities. Rebilling an unpaid claim is not considered double billing.

Entitlement:	Having a legal right to something.
Entity:	An organization that has been formed under the laws of a state, e.g., a corporation, partnership, or joint venture.
EOB:	See Explanation of Benefits.
Ethical Dilemma:	A troubling situation in which the right course of action, or what “ought to be done,” is not clear. Different outcomes would result from decisions, depending on which sincerely held values, duties, morals, principles, and/or obligations are used to justify the decision. The variety of potential outcomes, as well as the variation in values, duties, morals, principles, and obligations creates the conflict, hence the dilemma.
Ethic(s):	A system of philosophy of conduct and principles practiced by a person or group; a particular ethical system; the rules of conduct recognized in respect to a particular group of human actions, for example medical ethics and business ethics.
Explanation of Benefits:	A statement mailed to an insured individual explaining how the insurance company paid his/her health insurance claim. The Statement typically includes how much was charged; the amount of the provider’s discount, if any; how much the insurance company paid; how much the patient owes and why; and the appeals process.
Financial Interest:	Ownership by a person of any legal or beneficial interest in an entity, other than ownership of securities publicly traded, which are less than five percent of those securities outstanding.
Financial Matters:	Any aspect of Network operations that involves money and assets
Financial Statements:	Documents that provide detailed information about the financial condition of an organization.
Foundation:	A not-for-profit, charitable organization that raises money through donations to support Network facilities, patients and employees.
Fraud:	Purposeful tricking or cheating; intentional deception to cause a person or entity to give up property or some lawful right.
Harassment:	Verbal or physical conduct that interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment.
Health Maintenance Organization	A managed care health insurance plan that integrates financing and delivery of a comprehensive set of health care services to an enrolled population. HMOs may contract with, directly employ, or own participating health care providers. Enrollees are usually required to choose a Primary Care Physician (PCP) from among these providers and must, except in the case of an emergency, seek care through the PCP in order for the health plan to pay for it. Providers may be paid through capitation, salary, or negotiated fee-for-service rates.
HIPAA:	Health Insurance Portability and Accountability Act of 1996. The Act addresses patient privacy, standardizes certain electronic transactions, and provides for security of patient information.

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HMO:	See Health Maintenance Organization.
Immediate Family Member:	Spouse, child, parent, brother, sister, grandparent or in-law of the same degree.
Indictment:	A formal written accusation, charging one or more persons with the commission of a crime; presented by a grand jury to the court when the jury has found, after examining the evidence presented, that there is a valid case.
Intangible:	Something of value that cannot be seen or touched, such as information.
Integrity:	The quality or state of being of sound moral principle; uprightness, honesty, and sincerity.
Intellectual Property:	Network-owned trademarks, service marks, inventions or techniques, as well as copyrighted materials, proprietary information and patents.
Justice:	The principle of moral rightness, that is, a duty that is called upon when there are issues concerning what is rightfully due a person, an institution, or a society.
Kickback:	A kind of bribe. It is the illegal or unethical return or rebate of an amount of money already paid or due to be paid for a product or service. It is a reward for one favoring the party giving the kickback.
Lobbying:	To conduct activities aimed at influencing public officials and /or members of a legislative body on legislation and public policy.
Media:	Written or electronic means of communication such as television, radio, the Internet, newspapers, and magazines.
Medicaid:	Federal and state government health benefit program for those individuals and families who meet certain financial income criteria.
Medicare:	Federal government health benefit program for the elderly and disabled.
Mitigate:	To make less severe.
Monetary:	Having to do with money.
Mutual Funds:	Investment companies that, by the sale of their shares, acquire funds to invest in a variety of securities.
Network:	Community Hospitals of Indiana, Inc.; Community Hospital South; Community Hospital Anderson; The Indiana Heart Hospital; Voluntary Enterprises/Indianapolis Medical Management (VEI/IMM); Community Business Innovations; Community VNA Home Care; Community Long Term Care; Community Hospitals Foundation; and each of the their respective subsidiaries.
NRCP:	Network Responsibility and Compliance Program
OIG:	Office of the Inspector General (of the Department of Justice)
Patent:	A document granting certain rights, such as to an invention.
Political Activities:	Activities carried out or planned to benefit one particular political party, candidate, or elected or public official.

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Private Inurement/ Benefit	A benefit that exists when a not-for-profit entity makes its assets available to a for-profit entity or non-employee individual for less than fair market value
Proprietary Information:	Information that is the private property of a person or entity that cannot be released to or used by anyone without the owner's permission.
Rebate:	The return of an amount paid, which serves as a reduction or discount.
Requisition:	A written request to purchase or acquire something that will cost the Network money.
Retaliation:	To give negative treatment to someone as a consequence of raising a legitimate concern.
Scam:	To cheat or swindle.
Search Warrant:	A document issued by a court granting someone the right to search private property for certain items listed in the warrant.
Securities:	Stocks and bonds.
Service Mark:	A symbol or word(s) used by a supplier of services to distinguish its services from those of competitors. As used in this Resource Manual, the Service Mark is different than a Trade Mark, because it is not registered and protected by law.
Solicit:	To ask or seek donations or contributions OR the process of offering items or services for sale
Spirituality:	The most important religious or philosophical beliefs and values held by a person or community. These beliefs and values are often about God or a higher way of life that is perceived to be ultimate.
Stark I and II:	The Omnibus Budget Reconciliation Act (OBRA) of 1989 updated Section 1877 of the Social Security Act to prohibit self-referrals. When it became effective on January 1, 1992, it was specific to clinical laboratory services (Stark I). Then, other services were included to be effective January 1, 1995 (Stark II). Stark is the name of the Congressman who sponsored the legislation.
Sub-contractor:	A person or company that assumes, by contract, some or all of the obligations of the person or company holding the initial contract.
Subpoena:	An order from a court compelling a person to appear for the purpose of testifying.
Tangible:	Something that can be seen and touched.
Trade Mark:	A symbol or word(s) used by a supplier of services to distinguish its services from those of competitors, which is registered and protected by law.
TriCare:	Government sponsored health benefits program for the military (formerly CHAMPUS).
Unbundling:	The practice of a provider billing for multiple components of a service that must be included in a single fee.
Upcoding:	Billing for a more expensive service than the one actually performed.

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Vendor: A person or company that sells products or services to the Network.

Violation: Breaking a law, rule, or regulation; Network policy or procedure; or ethical standard.

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Question & Answer

I certainly can appreciate the Network sharing all of this information with me. However, what does all of this have to do with me as an individual? Good question! Here are two answers:

First, our individual actions on a daily basis, no matter what our jobs are, can either positively or negatively impact the Network and all that it is and does.

Second, if the Network suffers, our employees and all of our customers will suffer. For example, big financial penalties could reduce our ability to provide employment and competitive employee wages and benefits and could significantly interfere with our ability to continue our service to our patients and the communities we serve.

You are the key to your future in the Network and the Network's future!

The Network values and thanks you.