

Central Vermont Medical Center

Title: Integrity and Compliance Plan

Purpose:

The purpose of the Integrity and Compliance Plan (the “Plan”) is to foster good corporate citizenry and assure honest and responsible conduct. It also promotes the prevention, detection, and resolution of conduct that does not conform to Federal and State laws or CVMC’s ethical and business policies and provides guidance to each employee and agent of CVMC. The procedures and standards of conduct contained in the Plan generally define the scope of issues which the Plan is intended to cover, but are not to be considered as all inclusive.

The Plan is designed to encourage ethical and honest behavior, to prevent accidental and intentional noncompliance with applicable laws, to detect and prevent healthcare fraud and abuse by fostering the development of optimal business practices, to discipline those involved in noncompliant behavior, and to prevent future noncompliance. CVMC cooperates with State and Federal regulatory authorities and will not permit an employee or agent to willfully prevent, obstruct, mislead, or delay the communication of information or records relating to a regulator’s proper exercise of its lawful authority.

The Plan is a “living” document and will be updated periodically to keep CVMC’s employees and agents informed of the most current information available pertaining to ethical business conduct and the requirements of the health care industry.

Policy Statement

Central Vermont Medical Center’s (CVMC) primary mission is to collaboratively meet the needs and improve the health of the residents of central Vermont. This important mission make CVMC and its employees subject to a host of business and ethical decisions, operating within the confines of diverse and complex Federal and State laws and regulations. CVMC has a strong and abiding commitment to promoting an organizational culture that encourages ethical conduct and compliance with the law. To underscore and enhance its commitment and to better assist all employees in this regard, CVMC created the Integrity and Compliance Program, which is built on the fundamental belief that our success depends on collaboration, honesty, and respect as well as the trust of those we work with or serve. It serves as guide in the way we conduct ourselves and our business and is an integral part of our delivery of compassionate, quality healthcare. In short, the Integrity and Compliance Program is about doing the right things the right way.

Goals/Objectives of the Plan:

The goals and objectives of CVMC’s Integrity and Compliance Program are to:

- Foster a culture of integrity and compliance at CVMC.
- Educate all employees on what to do when faced with business decisions and how to be in compliance with Federal and State laws and CVMC policies.
- Ensure that employees feel comfortable and safe when raising concerns about corporate integrity or compliance issues.
- Establish a clear, expeditious, and practical process for obtaining answers to questions and document CVMC’s efforts to comply with applicable statutes, regulations, and health care program requirements.
- Implement an effective system of auditing, monitoring, risk assessment, and remediation to prevent and detect criminal conduct or noncompliant behavior.

The Plan follows the seven elements for Compliance Programs established by the Federal Office of the Inspector General. The seven elements are:

1. Written Policies
2. Education & Training
3. Communication
4. Role of Chief Compliance Officer
5. Enforcement and Disciplinary Guidelines
6. Integrity & Compliance Audits
7. Responding to Detected Noncompliance & Corrective Action

I. Written Policies

A. Code of Conduct:

All new employees receive copies of the Code of Conduct (A-758) at their initial employment orientation. All current employees review and sign off on the Code of Conduct with their supervisors, on an annual basis, during the performance evaluation process.

The Code is meant to ensure that employees perform their jobs within appropriate ethical and legal standards. The Code requires, amongst other things, that employees comply with all laws and regulations and CVMC's policies. It also encourages and gives guidance to all employees so that every day, everyone conducts themselves with unqualified integrity as they work with our patients, our community and our colleagues. The Code of Conduct serves as the foundation for the Integrity and Compliance Program.

B. Written Policies:

CVMC has developed written policies and procedures regarding the operation of its Integrity and Compliance Program to reinforce sound business practices, and to address areas of legal and regulatory risk. These policies and procedures address: (1) the need for compliance in connection with all submissions for reimbursement for services; (2) documentation requirements; (3) disciplinary guidelines, (4) methods for employees, residents and staff to make disclosures or otherwise report ethical and compliance issues to management and/or supervisors, and through the Confidential Disclosure mechanisms, (5) protection from retaliation for reporting compliance issues, and (6) processes for auditing and monitoring. CVMC assesses and updates these policies and procedures on a triennial basis or more frequently, as appropriate. Specific policies will be reviewed and revised in response to significant compliance events, risk assessments, monitoring, changes in business arrangements and regulatory developments.

II. Education & Training

This Plan provides for universal education for all employees at all levels of the organization. The educational program includes: all new CVMC employees, all administrative and clerical staff that involved in either professional or institutional billing, and other billing providers; management, and the Board of Trustees. CVMC maintains documentation that reflects completion of and, where applicable, demonstrated competency for all training sessions conducted as part of this Plan.

A. New Employees:

Orientation

All new employees are educated about the Plan during new employee orientation. The training includes introduction to the CVMC Integrity and Compliance program, its commitment to responsible business practices, Code of Conduct, the mandatory reporting requirements, the reporting options, including the Compliance Hot Line, and the ability to report confidentially and be free from retaliation.

Employed physicians and other billing providers

All physicians and other billing providers such as physician assistants, and nurse practitioners are apprised of laws, policies, procedures and other requirements regarding health care fraud and abuse and enforcement, professional documentation, and the integrity and compliance performance of their individual practices. At a minimum, some training and billing assistance is provided to include a discussion of:

- The submission of accurate requests for reimbursement for physician services rendered to patients who are beneficiaries of federal health care programs.
- The policies, procedures and other requirements applicable to the documentation of medical records as they pertain to the rendering of physician services.
- The personal obligation of each individual to ensure that the information documented by the individual, whether relating to actual patient care, the type of services or items delivered or the coding of such services or items is accurate and meets the federal health care program requirements and CVMC's policies.
- Reimbursement rules and statutes applicable to CVMC's participation in the federal health care programs. The legal sanctions for improper reimbursement submissions (including the submission of false or inaccurate information).
- Relevant examples of proper and improper billing practices, as it pertains to the rendering of physician services.

B. Annual Employee Training:

Annually, every CVMC employee is required to complete mandatory compliance training.

C. The Board of Trustees:

As needed, the Board will be educated about health care compliance risk areas, the content and operation of the Integrity and Compliance Plan, as well as their responsibility for oversight of the implementation and effectiveness of the Plan, and the process for reporting integrity and compliance issues.

III. Communication (and Confidential Reporting)

Employees have an affirmative duty to report in good faith any known or suspected violations. These reports may be made to management or directly to the Compliance Officer. CVMC has established a confidential disclosure mechanism through its Compliance Hotline (X5959), as well as through hardcopy paper on the "Compliance Reporting Form", as a means to enable employees, staff and patients to report instances of noncompliance and/or make inquiries on compliance issues. All employees have the right to use the Compliance Hot Line 371-5959. Information concerning the Hotline is routinely publicized throughout the organization through the electronic version of the Center Post and training materials. Hardcopy "Compliance Reporting Forms" (located outside the Compliance Officer's office) may also be submitted confidentially to the Compliance Officer in Administration. All reports made to the Compliance Team will be treated confidentially. The disclosing or inquiring individual's identity may be requested, but will not be required. Anonymity will not be discouraged. CVMC is committed to its policy of non-retaliation against employees and professional staff who report suspected violations in good faith.

A. Compliance Standards and Procedures

CVMC employees must comply with numerous Federal and State laws and regulations that define and establish obligations for the health care industry. One of the primary objectives of the Integrity and Compliance Plan is to detect and prevent healthcare fraud and abuse by fostering the development of optimal business practices that will ensure accurate reimbursement for services rendered. According to the Center for Medicare and Medicaid Services, the most frequent kind of health care fraud arises from a false statement or misrepresentation made or caused to be made that is material to entitlement or payment under the Medicare program. Fraud is an intentional representation that an individual knows to be false or does not believe to be true and makes, knowing that the representation could result in some unauthorized benefit to himself/herself or some other person. Abuse involves actions that are inconsistent with accepted, sound medical, business, or fiscal practices

and directly or indirectly result in unnecessary health care costs through improper payments. While the primary focus of this Integrity and Compliance Plan is the prevention and detection of healthcare billing fraud and abuse, the Integrity and Compliance Team collaborates with other departments to ensure that CVMC complies with all regulatory requirements.

IV. Compliance Oversight

A. The Board of Trustees:

The Board of Trustees is educated and informed about the content and operation of the Integrity and Compliance Plan. The Board exercises oversight in regards to the implementation and effectiveness of the Integrity and Compliance program. The Finance & Audit Committee receives regular reports regarding compliance and other issues related to the integrity of the organization from the Chief Financial Officer. The reports address the issues that are encountered and the corrective action steps taken to resolve them. The full Board is appraised of integrity and compliance issues through regular reports from the Committee chairs and from the Chief Compliance Officer as needed, but no less often than annually.

B. The Chief Compliance Officer:

The Chief Compliance Officer has a dual reporting responsibility, directly to the Board of Trustees and administratively to the Chief Executive Officer and is empowered to enforce the requirements of this Plan. A member of CVMC leadership, the Chief Compliance Officer is continuously charged with the responsibility for oversight and day-to-day operations of the Integrity and Compliance Program and maintaining a visible presence in all areas of legal and ethical risk. The Chief Compliance Officer is supported by the Compliance Team. The Chief Compliance Officer's duties include:

- Optimizing the Integrity and Compliance Program to ensure its effectiveness and efficiency and ensuring that CVMC operates with transparency and honesty in its business dealings.
- Serving as CVMC's authority and providing leadership on standards of conduct and compliance risks.
- Developing policies and procedures for implementation and operation of the Plan and providing guidance for all policies and procedures that are relevant to issues addressed by the Plan.
- Receiving, investigating and resolving possible noncompliance, and supplying input as needed concerning individual and organizational corrective action related to noncompliance.
- Assisting in developing and delivering educational and training programs.
- Supervising monitoring, auditing, and reporting of activities related to the Plan.
- Maintaining a confidential and retribution-free reporting system for compliance concerns.
- Overseeing the investigation and resolution of complaints of retaliation.

C. The Compliance Team & Corporate Compliance Committee:

The Compliance team meets routinely and is responsible for advising the Chief Compliance Officer and assisting in the implementation and improvement of the Integrity and Compliance Program. The Chief Compliance Officer is its chair. CVMC will ensure that the Compliance Team is continuously composed of representatives from multiple disciplines and segments of institutional and professional services operations. The Corporate Compliance Committee will include the Chief Compliance Officer, the Chief Executive Officer, the Chief Financial Officer, the Chief Nursing Officer, the VP of Human Resources, and the Director of Health Information Management, VP of Medical Affairs and the UVMC Chief Compliance Officer. The members are expected to attend quarterly meetings, and in the event that a member is unable to attend, the member shall arrange for a representative to attend on his/her behalf. The Committee is able to make reports directly to the Board of Trustees of CVMC. In addition, responsibilities of the Corporate Compliance Committee include, but are not limited to:

- Monitoring and overseeing the implementation and performance of the Plan.
- Receiving and acting upon reports and recommendations of the Chief Compliance Officer.

- Recommending and monitoring the development and implementation of internal systems and controls to ensure the organization's regulatory compliance.
- Developing a comprehensive strategy to promote compliant and ethical conduct throughout the organization.
- Performing other functions to support the success of the Integrity and Compliance Program.
- Reporting compliance activities and concerns back to their functional areas.

D. Non-Physician Managers:

Each manager whose activities involve any of the compliance-related matters described in section IV above will serve as the integrity and compliance leader for his or her department. The manager will coordinate education and compliance activities with the Compliance Team and educator in Human Resources.

V. Enforcement and Disciplinary Guidelines:

The promotion of and adherence to this Integrity and Compliance Plan, including attendance at mandatory Integrity and Compliance training, by all employees are considered an integral part of their job performance. Employees are expected to behave honestly and with integrity in their interactions with all whom they come in contact with, and managers will support employees through positive reinforcement. In addition, employees' awareness of, and adherence to the Integrity and Compliance Program should be used as an element or measurement tool in the evaluation process for continuing employment and promotions. This Plan is enforced through applicable CVMC Administrative, Human Resources related, and Compliance policies and pursuant to applicable employment agreements. Any CVMC employee who violates the law or CVMC policies may be subject to immediate termination of his or her employment or other disciplinary action as appropriate. The Chief Compliance Officer shall be consulted as necessary as to proposed disciplinary actions relating to compliance violations.

VI. Integrity and Compliance Audits

On an annual basis, CVMC conducts billing audits both internally and by using external auditing firms for professional services to government payers. The audits are conducted by qualified Compliance Auditors. The auditors review the medical and billing records to determine if the proposed claim for reimbursement is adequately supported by the medical documentation. The objective of the audits is to determine if the documentation is in compliance with applicable standards for coding, documentation, and billing related laws and guidelines. Noncompliant practices will be subject to educational instruction on corrective measures and subsequent follow-up audits as a means of follow up monitoring.

A. Integrity and Compliance Audits of Institutional Billing:

Audits for institutional billing are initiated by the Chief Financial Officer with input from the Compliance Auditor. The audits are initiated to assess specific risk areas. The risk areas may be identified through various means including internal risk assessments or concerns, or regulatory developments. The results of institutional audits are reported to the Finance & Audit Committee, and to the Board of Trustees.

B. Integrity and Compliance Regulatory Reviews, and Audits:

The Chief Compliance Officer may initiate reviews and audits of regulatory issues in conjunction with or independent of the relevant department(s) and/or individual(s). The purpose of these inquiries is to determine if CVMC is in compliance with applicable regulatory standards. The inquiries would be initiated in response to internal risk assessments or concerns or regulatory developments. The results of such inquiries would be reported to the Finance & Audit Committee, Board of Trustees and where appropriate, to the affected Vice-Presidents, Directors, and Managers.

VII. Responding to Detected Noncompliance and Developing Corrective Action

The Chief Compliance Officer may investigate and/or report known or suspected noncompliance to the contracted Compliance General Counsel to determine whether a material violation of applicable law has

occurred. If it is determined that a material violation has occurred, the Chief Compliance Officer and/or the General Counsel shall take reasonable measures to correct the problem. Corrective action will be tailored to the error(s) that resulted in noncompliance. The relevant management authority will develop corrective action plans where indicated, subject to the approval of the Chief Compliance Officer. Corrective measures may include the repayment of funds, and/or reporting to regulatory and/or law enforcement authorities, education, policy revisions and disciplinary action. All corrective measures shall be implemented promptly. The Chief Compliance Officer may initiate subsequent audits to review the effectiveness of corrective action. Any overpayments discovered as a result of noncompliance will be promptly returned to the affected payor with appropriate documentation and explanation as necessary. If the Chief Compliance Officer or Compliance Team discovers credible evidence of misconduct from any source and, after a reasonable inquiry, has reason to believe that the misconduct may violate criminal, civil, or administrative law, CVMC will promptly report the existence of misconduct to the appropriate governmental authority within a reasonable period.

Appendix:

Integrity and Compliance Plan

The scope of the Integrity and Compliance Plan includes, but is not limited to the following healthcare billing fraud and abuse compliance risk areas and healthcare regulatory compliance risk areas.

Healthcare Billing Fraud and Abuse Risk Areas

Billing for services not provided - CVMC, its physicians and other billing providers are required to accurately and legibly document the services that are provided. It is the responsibility of the billing physician or other health professional to ensure that appropriate documentation supports the bill being submitted. CVMC employees should never submit a claim that is known to contain inaccurate information concerning the service provided, the charges, the identity of the provider, the date of service, the place of service, or the identity of the patient. All claims will be based on codes that are supported by the provider's documentation. Those responsible for the billing process shall be vigilant about preventing practices that can constitute false claims and/or health care fraud or abuse that may include, but are not limited to:

- misrepresenting services
- up-coding or unbundling
- inaccurate or incorrect coding
- submitting duplicate claims
- billing for substandard care
- billing with insufficient documentation
- billing for services not provided
- billing for uncovered services
- failing to refund credit balances
- making false statements to governmental agencies
- certification of or providing medically unnecessary services
- DRG creep & Ambulatory payment classification (APC)
- three day payment window
- outlier payments without adequate documentation and controls
- Medicare secondary payer (MSP)
- billing for discharge in lieu of transfer
- billing outpatient for inpatient-only procedures
- incorrect claims due to outdated Charge Description Masters

Filing False Cost Reports - CVMC ensures that its cost reports accurately document both the nature and amount of costs expended in rendering services to allow for appropriate reimbursement for the services it provides. Unallowable costs are not claimed for reimbursement.

The Kickback Prohibition - CVMC will not offer or accept anything of value that may influence the referral of Federal health care program business. This prohibition includes referrals of individual patients for which payment for items and/or services may be made under a Federal health care program.

The Social Security Act - prohibits making false statements or misrepresentations in relation to payments under Federal health care programs including failing to notify Medicare or Medicaid of overpayments. 42 U.S.C. § 1320a-7a (Civil Monetary Penalties); 42 U.S.C. § 1320a-7b (a) (criminal fraud and abuse). The False Claims Act prohibits presenting false or fraudulent claims and concealing, avoiding or decreasing an obligation to pay money to the Federal government. 31 U.S.C. §§ 3729-33.

The Federal Anti-Kickback - statute makes it a crime to knowingly and willfully solicit, receive, offer or pay any remuneration directly or indirectly in return for referring an individual for services under any Federal health care program or in return for purchasing, leasing or ordering any good, facility, service or item paid for under a health care program. 42 U.S.C. § 1320a-7b (b).

The Physician Self Referral Prohibition- CVMC physicians will not refer patients in need of certain designated health services to entities with which they or an immediate family member have a financial relationship unless a statutory exception applies. Questions regarding the self-referral prohibition and exceptions are referred to the Chief Compliance Officer or UVMMC General Counsel.

Excluded and/or Unlicensed Persons - CVMC will not employ or contract with any person or entity that is excluded from participating in Federal health care programs and will not seek reimbursement for providers that are excluded or unlicensed. CVMC verifies the eligibility and applicable licensure or certification of all new hires, vendors and existing employees by checking the Department of Health and Human Services, Office of Inspector General and General Services Administration lists of excluded and ineligible persons and entities and examining applicable licenses or certifications. The continued eligibility of all existing employees and vendors is checked against the government data bases every six months.

Licensures and certifications - are reviewed at the time of their renewal. All employees, vendors and privileged practitioners are obligated to report to CVMC if they become excluded, debarred, or ineligible to participate in Federal health care programs or have if there is a change in their license or certification.

The Stark Law - prohibits physicians and physicians with immediate family members that have a financial relationship with an entity from referring Medicare and Medicaid patients to that entity for certain designated health services. 42 U.S.C. § 1395nn (Medicare); 42 U.S.C. § 1396b(s) (Medicaid).

Beneficiary Inducements - CVMC will not offer anything of value, through marketing, direct solicitation or any other means, to influence a patient's selection of a health care provider or service. Copayments and deductibles may only be waived in accordance with CVMC Patient Financial Services' recommendations. Free, discounted or preventive care services and local transportation may be allowed in limited circumstances.

Healthcare Regulatory Compliance Risk Areas

While the primary focus of this Integrity and Compliance Plan is the prevention and detection of healthcare billing fraud and abuse, the Compliance Team collaborates with other departments to ensure that CVMC complies with all regulatory requirements. The applicable regulatory issues include, but are not limited to:

Emergency Medical Treatment - If an individual comes to the Emergency Department for examination or treatment of a medical condition, CVMC will provide an appropriate medical screening examination to determine if an emergency medical condition exists without regard to the individual's financial or insurance status. Where an emergency medical condition exists, CVMC will provide stabilizing treatment within its'

capabilities. CVMC accepts appropriate transfers from other hospitals for those individuals with emergency medical conditions who need access to CVMC's specialized capabilities. CVMC will also arrange for an appropriate transfer of patients where such transfer is permitted by applicable regulations. CVMC has developed procedures to ensure that it complies with Emergency Medical Treatment and Active Labor Act (EMTALA) and other laws that apply to the evaluation and treatment of individuals with emergency medical conditions.

Environmental Health and Safety - CVMC complies with all laws related to air, water, solid and hazardous wastes, emergency planning, and toxic substances control.

Clinical Laboratory - The CVMC Clinical Laboratory has developed a laboratory compliance plan to ensure, amongst other things, that the laboratory complies with Clinical Laboratory Improvement Act codified at 42 U.S.C. § 263a.

Health Information Privacy and Security - CVMC is responsible for maintaining the confidentiality of patient's protected health information. The compliance team collaborates with Privacy and Security Officers to continuously evaluate CVMC's privacy and security practices, investigate complaints and concerns and monitor corrective action where warranted.

The Social Security Act - prohibits offering or transferring remuneration to a Medicare or Medicaid beneficiary to influence the beneficiary to order or receive items or services from a particular provider. 42 U.S.C. § 1320a-7(a)(5). There are several exceptions to this law.

Certificate of Need - CVMC strictly adheres to the requirements to Vermont's Certificate of Need ("CON") law. State approval is required for (1) new health care services or technologies with annual operating expenses over \$500,000; (2) capital expenditures that exceed \$3 million (including certain long-term leases); and (3) the acquisition of diagnostic or therapeutic equipment costing more than \$1 million. Staff engaged in planning for such activities are obligated to notify management of any business plan that may trigger CON review obligations. Senior Management is responsible for reviewing proposed business projects that approach these jurisdictional thresholds to determine whether they are subject to CON review and to submit to the state a letter of intent if required.

Conflict of Interest - A conflict of interest may occur if a CVMC employee's outside activities, personal financial interests, or other personal interests influence or appear to influence his or her ability to make objective decisions in the course of that person's job responsibilities. Employees must disclose to their supervisors any relationship that may appear to inappropriately impair that person's judgment in work related decisions. Clinical decisions will be made without regard to compensation or financial risk to CVMC leaders, managers, clinical staff, or licensed, independent practitioners. Designated CVMC employees must disclose on an annual basis any existing or new relationships that may give the appearance of a conflict of interest.

Contractors and Vendors - All contractors and vendors that do business with CVMC must comply with relevant CVMC policies and applicable laws.

Records Retention - CVMC record retention guidelines are based on state and federal law, as well as the accreditation standards established by the Joint Commission on the Accreditation of Health Care Organizations. Department administrative leaders are responsible for ensuring that the official copy of any record/document is maintained in accordance with retention guidelines. Questions regarding the retention of records are addressed by Risk Management.