

<b>TITLE: Compliance Program</b>	
<b>DEPARTMENT: ADMINISTRATION</b>	<b>PAGE 1 OF 4</b>

**SCOPE:** All Employees, Board of Directors, Medical Staff, and Contractors

**POLICY:** Kern Valley Healthcare District (KVHD) is committed to ensuring compliance with all applicable statutes, regulations, and policies governing our daily business activities. To that end, KVHD's Compliance Program serves as a practical guidebook that can be used by all employees, medical staff and contractors to assist them in performing their job functions in a manner that complies with applicable laws and policies. The Compliance Program is intended to further our day-to-day commitment that our operations comply with federal and state laws, to provide guidance for all employees, and to serve as a mechanism for preventing and reporting any violation of those laws.

- All personnel, medical staff, contractors and Board of Directors are educated about applicable laws and trained in matters of compliance;
- There is periodic auditing, monitoring, and oversight of compliance with those laws;
- An atmosphere exists that encourages and enables the reporting of non-compliance without fear of retribution; and
- Mechanisms exist to investigate, discipline, and correct non-compliance.

**A. Our CORE VALUES:**

1. **Understanding:** Exhibited by the presence of receptivity, openness and generosity. Creating an environment for fruitful communication.
2. **Trust:** Our behavior is composed of sincerity, mutual respect and genuineness leading to honest communication.
3. **Leadership:** We each take responsibility in creating a positive organizational environment in which our values can flourish. We lead by modeling "we go there first."
4. **Quality:** Is our constant commitment as evidenced by positive customer outcomes, financial performance, and continuous operational improvement.
5. **Accountability:** Taking ownership of our responsibilities and actions and following through to contribute to the success of our organization.

**B. Goals of the KVHD Compliance Program:**

1. Create an overall culture of compliance and ethics within the entire organization;
2. Ensure that all administrative and managerial staff support, promote and adhere to the elements of the Compliance Program and the Code of Conduct;
3. Ensure that all personnel, medical staff, contractors and Board of Directors are both knowledgeable and respectful of the KVHD Compliance Program and adhere to the Code of Conduct; and
4. Ensure that all billing, coding and accounting matters adhere to the ethical standards contained in the Compliance Program.

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**C. Compliance as an Element of Performance:**

1. The promotion of, and adherence to, the elements of this Compliance Program is a factor in evaluating the performance of all District employees. Employees will be periodically trained regarding the Compliance Program, and new compliance policies as they are adopted. In particular, all managers and supervisors involved in any processes related to the evaluation, preparation, or submission of medical claims must do the following:
  - a. Discuss, as applicable, the compliance policies and legal requirements described in this Compliance Program with all supervised Personnel.
  - b. Inform all supervised personnel that strict compliance with this Compliance Program is a condition of continued employment.
  - c. Inform all supervised personnel that disciplinary action will be taken, up to and including termination of employment or contractor status, for violation of this Compliance Program.
2. Managers and supervisors are expected to adequately instruct their subordinates on matters covered by the Compliance Program. Managers and supervisors will also be subject to discipline for failing to detect violations of the Compliance Program where reasonable diligence on the part of the manager or supervisor would have led to the discovery of a problem or violation and thus would have provided the District with the opportunity to take corrective action.

**D. Training and Education:**

1. KVHD acknowledges that this Compliance Program will be effective only if it is communicated and explained to personnel on a routine basis and in a manner that clearly explains its requirements. For this reason, the District requires all personnel to attend specific training programs on a periodic basis. Training requirements and scheduling are established by the Human Resource and Staff Development Departments in conjunction with the Compliance Department. Training programs include appropriate training in federal and state statutes, regulations, guidelines, the policies described in this Compliance Program, the KVHD Code of Conduct in addition to specific Code of Conduct for the Business Office and Code of Ethics for personnel responsible for coding. Training on the Code of Conduct will be given to all personnel, medical staff, contractors and Board of Directors annually.
2. Employee training will be conducted annually and may include training sessions led by qualified individuals, webinars and teleconferences. New employees are trained by attending the New Hire Orientation. New employees acknowledge in writing that they understand the KVHD Code of Conduct and other compliance policies necessary for their specific position.
3. The Compliance Officer evaluates the content of the training program at least annually to ensure that the subject content is both appropriate and sufficient to cover the range of issues confronting the District's employees. The training program is modified as necessary to keep up-to-date with any changes in federal and state healthcare program requirements, and to address results of the District's audits and investigations; results from previous training and education programs; trends in Hotline reports; and guidance from applicable federal and state agencies.

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4. Specific training for Board of Directors, managers, medical staff and other employees will include areas such as:
  - a. Restrictions on marketing activities;
  - b. General prohibitions on paying or receiving remuneration to induce referrals;
  - c. Proper claims processing techniques;
  - d. Monitoring of compliance with this Compliance Program;
  - e. Methods for educating and training employees; and
  - f. Duty to report misconduct.
5. The members of the District's Board of Directors and personnel who are required to submit *Form 700* to the County Clerk's office will be provided with periodic training, not less than two hours bi-annually. This will include training on fraud and abuse laws and other compliance matters and is specifically designed to meet the requirements of Assembly Bill 1234.
6. Attendance and participation in compliance training programs is a condition of continued employment. Every employee's understanding of and participation in the KVHD Compliance Program is an element of their annual evaluation.

#### **E. Non-Retaliation Policy**

Kern Valley Healthcare District prohibits any employee, medical staff member or contractor from retaliating against or engaging in harassment of another employee who has reported suspected wrongdoing. Every supervisor, manager, and director has the responsibility to create a work environment in which ethical and legal concerns can be raised and openly discussed without fear of retaliation or retribution.

#### **F. Enforcing Standards and Policies**

It is the policy of the District to appropriately discipline District personnel who fail to comply with the Code of Conduct or the policies set forth in this Compliance Program or any federal or state statutes or regulations. Refer to the Human Resource Manual for the Disciplinary Action policy.

#### **G. Auditing and Monitoring**

1. The District conducts periodic monitoring of the Compliance Program. Compliance reports created by the monitoring, including reports of suspected non-compliance, will be reviewed and maintained by the Compliance Officer.
2. The Compliance Officer will develop and implement an audit plan in conjunction with the Quality Improvement Manager. The plan will be reviewed at least annually to determine whether it addresses the proper areas of concern. The audit plan will include compliance audits designed to audit billing, coding, reimbursement, charting compliance and laws governing compliance issues.
3. Audits will be performed when possible by qualified KVHD employees. When required, outside auditors will be contracted to perform the audits. Additionally, regulatory reports submitted to State and Federal governmental agencies will be reviewed and compared to previously submitted reports to recognize trends, outliers or any non-compliant issue.

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4. Compliance error rates will be evaluated and compared to compliance error rates for prior periods as well as available norms. If the error rates are not decreasing or within acceptable levels, the District shall conduct a further investigation into other aspects of the Compliance Program in an effort to determine hidden weaknesses and deficiencies.

**H. Corrective Action and Investigations**

1. Violations of this Compliance Program, failures to comply with applicable federal or state laws, and other types of misconduct threaten the District’s status as a reliable and honest provider of health care services. Detected but uncorrected misconduct can seriously endanger the District’s business and reputation, and can lead to serious sanctions against the District. Consequently, upon reports or reasonable indications of suspected non-compliance, prompt steps to investigate the conduct in question will be initiated under the direction and control of the Compliance Officer to determine whether a material violation of applicable law or the requirements of the Compliance Program has occurred.
2. If such a violation has occurred, prompt steps will be taken to correct the problem, taking into account the root cause of the problem. As appropriate, such steps may include an immediate referral to criminal and/or civil law enforcement authorities, a corrective action plan, a report to the Office of Inspector General (OIG) or any other appropriate government organization, and/or submission of any overpayments. The specific steps that are appropriate in any given case will be determined after consultation with the District’s Legal Counsel.
3. If an investigation of an alleged violation is undertaken and the Compliance Officer believes the integrity of the investigation may be at stake because of the presence of employees under investigation, those employees will be removed from their current work activity until the investigation is completed. Where necessary, the Compliance Officer will take appropriate steps to secure or prevent the destruction of documents or other evidence relevant to the investigation.

**I. Reporting**

1. If the Compliance Officer or a management official discovers credible evidence of misconduct from any source and, after reasonable inquiry, has reason to believe that the misconduct may violate criminal, civil, or administrative law, then the misconduct will promptly be reported as appropriate to the OIG or any other appropriate governmental authority or federal and/or state law enforcement agency having jurisdiction over such matter. Such reports will be made by the Compliance Officer on a timely basis.
2. All overpayments identified by the District shall be promptly disclosed and/or refunded to the appropriate public or private payer or other entity.

**REFERENCES:** Federal Register, Supplemental OIG Compliance Program Guidance for hospitals, Office of Inspector General, Department of Health and Human Services, January 31, 2005; Federal Register, OIG Compliance Program Guidance for hospitals, Office of Inspector General, Department of Health and Human Services, February 23, 1998; Hospital Compliance Manual, 1<sup>st</sup> Edition, California Hospital Association, January 2010.

APPROVAL	DATE	APPROVAL	DATE
Department/Division Manager	05/11	Interdisciplinary Team	N/A
Unit Medical Director (if applicable)	N/A	Governing Board	
Medical Staff Committee (if applicable)	N/A	Administration / Compliance Committee	6/28/11
Reviewed By:		Reviewed By:	
Reviewed By:		Reviewed By:	