



## Allegiance Health Policy and Procedures

**Section:** Leadership  
**Policy Name:** Corporate Compliance Plan for Allegiance Health Services and Subsidiaries  
**Number:** LD.1.30  
**Date:** 4/00 Revised 12/06, 2/08, 12/10, 9/12

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### Purpose

The purpose of this policy is to provide an overview of the Corporate Compliance Program for Allegiance Health Services and subsidiaries.

For purposes of the program, Allegiance Health consists of Allegiance Health Services, W.A. Foote Memorial Hospital d/b/a Allegiance Health, and all entities under common governance and control of Allegiance Health Services (collectively referred to as the "Allegiance" - see Attachment 1).

### Policy

#### I. CORPORATE COMPLIANCE PROGRAM OVERVIEW

The Mission of Allegiance Health Services (hereafter "Allegiance") is to lead our community to better health and well-being at every stage of life. All members of Allegiance are committed to the pursuit of this Mission in accordance with the highest standards of moral and ethical conduct, applicable law, regulations and payor program requirements, in all of their relationships and interactions with their patients, customers, staff, agents and contractors. The purpose of the Corporate Compliance Program ("CCP", "Plan" or "Program") is to facilitate Allegiance compliance with these expectations and assist in the development of a culture of compliance. The CCP focus shall be on the prevention, detection and correction of non-compliant conduct.

#### II. PROGRAM INFRASTRUCTURE

The Program is maintained under the authority of the Board of Trustees of Allegiance Health System, and the Board of Trustees of Allegiance Health, both of whom have delegated governance oversight and authority to the Board Compliance Committee (see Attachment 2). Other Allegiance entities are directed to adopt the same or substantially similar program. Ultimately, Allegiance entities are accountable to the Allegiance Health Services Board of Trustees in all matters relating to compliance.

##### 1. Chief Compliance Officer

- a. Day-to-day oversight and management of the Program is the responsibility of the Chief Compliance Officer (CCO). The CCO shall develop, implement and monitor the CCP for all entities under Allegiance Health Services and shall report and be accountable to the Board Compliance Committee. The CCO may serve as the compliance officer for other Allegiance entities, or may oversee from an Allegiance perspective the operation of compliance programs instituted by other entities, as deemed necessary by the Board Compliance Committee.
- b. The CCO shall serve as the Chairperson of the Corporate Compliance Steering Committee.
- c. The Board Compliance Committee shall delegate primary responsibility for development and implementation of the CCP to the CCO and may delegate such specific acts, tasks and functions necessary or appropriate for implementation of the CCP to the CCO from time to time.
- d. Subject to the broad delegation of authority to the CCO for development and implementation of the CCP, the CCO shall:
  - i. Oversee the activities of the Corporate Compliance Steering Committee, included but not limited to:



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1. Have overall responsibility for operating, overseeing, and monitoring the implementation and effectiveness of the CCP;
2. Serve as the liaison between the Corporate Compliance Steering Committee, and the Board Compliance Committee.
3. Recommend appointment of the Corporate Compliance Steering Committee membership;
  - i. Corporate Compliance Steering Committee Membership
  - ii. To assist the CCO in the implementation, maintenance and operation of the CCP, a Corporate Compliance Steering Committee (CCSC) shall be convened by the CCO. The CCSC shall consist of voting members. All votes of the CCSC shall be by majority, except as otherwise provided in this document. A majority of CCSC members, present either in person or by proxy, shall constitute a quorum for purposes of CCSC meetings.
  - iii. Membership shall include Allegiance leadership from various departments, entities, and service lines that comprise the voting members of the CCSC, inclusive of the CCO. Other specific positions may serve as non-voting members or ex-officio members.
  - iv. Each member shall hold the title of "CCSC Member" while serving as a member of the CCSC.
4. Appointment/Removal of CCSC Members
  - a. The members of the CCSC shall be appointed at the recommendation of the CCO for two (2) year terms, and may be reappointed following the conclusion of their term. Any member may be removed by the CCO at anytime for failure to attend and participate in the CCP.
5. Functions of the CCSC:
  - a. Analyze the healthcare industry, and identify specific risk areas for Allegiance operations;
  - b. Develop the annual internal monitoring plan in accordance with the OIG work plan and areas of financial impact within Allegiance;
  - c. Assess existing policies and procedures, and risk areas for possible incorporation into the CCP;
  - d. Work with appropriate individuals within Allegiance to develop standards of conduct, policies and procedures to promote compliance with compliance program requirements;
  - e. Recommend and monitor development of internal controls to carry out Allegiance's standards, policies and procedures as part of its daily operations;
  - f. Determine the appropriate strategy/approach to promote compliance with CCP requirements and detection of potential violations;
  - g. Serve as compliance advocates on behalf of the organization for a designated area within Allegiance;





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Bylaws for Medical Staff members). Compliance-related competencies shall be part of all Allegiance employee job descriptions, performance evaluations, and supervisor reviews.

In order to encourage prompt and full disclosure of potential non-compliant activity, the following policies are adopted as part of the CCP:

**Confidentiality:** The identity of persons making reports to or asking questions of the CCO shall remain confidential to the fullest extent of the law within the organization. In other words, the CCO will take all steps necessary as appropriate to ensure that the identity of persons making such inquiries is not disclosed within the organization. However, an individual's identity may become known or may need to be disclosed in certain instances should regulators or law enforcement become involved in an investigation.

**Non-retaliation:** No employee, volunteer, contractor, vendor or Medical Staff member shall be retaliated against as a result of having filed in good faith a report of potential non-compliant activity.

A "whistleblower" is an employee who reports a violation or suspected violation of state, local or federal law. The Federal False Claims Act<sup>1</sup>, the Medicaid False Claims Act<sup>2</sup> and the Whistleblowers' Protection Act<sup>3</sup>, all provide protections to staff that report a violation or suspected violation of the law or participate in an investigation. These laws provide staff with important rights and are designed to prevent and discourage fraud, waste and abuse, and encourage employee reporting.

The Standards described in this Plan, as well as the individual organizational policies and procedures that implement and support the Standards, are "living documents" which may be modified and updated periodically and on an "as needed" basis. Allegiance entities reserve the right to add to, change or delete any of the Standards, policies or procedures in their sole discretion.

The following contribute to our Standards of Conduct, referred to internally as "*Living Our Values*":

1. Allegiance Values

Underlying all Standards of Conduct, policies and procedures are the Allegiance Organizational Values: competence, integrity, teamwork, diversity, quality, compassion, healing environment, and customer service. These Values, and the behaviors that accompany them, serve as the foundation for the Program (see Attachment 4).

2. Organizational Ethics

All Allegiance entities will have a statement of organizational ethics that incorporate the Allegiance Values and that substantially mirror the Organizational Ethics Policy maintained by Allegiance (see Attachment 4).

3. Human Resources Policies

The Human Resources policies maintained by Allegiance entities also contribute to the Standards of Conduct. Certain of these policies set expectations for conduct in interactions with fellow staff and staff, and with customers

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<sup>1</sup> See the following federal statute: *False Claims*, 31 U.S.C. 3729(h).

<sup>2</sup> See the following state of Michigan statute: *The Medicaid False Claims Act*, MCL 400.601 et. seq.

<sup>3</sup> See the following state of Michigan statute: *The Whistleblowers' Protection Act*, MCL 15.361 et. seq.



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and other third parties. Others establish performance standards, while others establish disciplinary policies and procedures for staff who fail to perform up to expectations.

#### 4. Other Organizational Policies

Other policies maintained by Allegiance entities help establish expectations for how Allegiance staff and staff conduct themselves in the performance of their jobs and duties, and in their interactions with their peers, internal and external customers, vendors and contractors. For example, policies dealing with patient confidentiality establish rules to protect our patients' right to have their personal medical information treated confidentially.

#### 5. Role Descriptions/Competencies

Job descriptions, role descriptions (for non-staff) and performance competencies also establish expectations for how staff and staff perform their duties. To the extent that those expectations help define compliance with the law, regulations and other requirements, they also contribute to the collective set of expectations that stand as Standards of Conduct for the organization.

While it is impossible to anticipate every possible scenario and interaction, there are certain activities that are clearly prohibited. These activities are compiled in Attachment 5.

### IV. EDUCATION AND TRAINING

Having established Standards of Conduct, it is incumbent upon Allegiance entities to provide all staff and medical staff with appropriate levels of education and training, to ensure that they are provided with the knowledge, skills and tools to act and perform in an appropriate manner in all situations.

The CCO, with the assistance of the CCSC, CCC and Compliance and Audit staff, shall oversee all CCP related educational efforts. The CCO shall enlist the services of internal and external resources in developing and providing compliance educational programming. Leadership (with the assistance of the CCO and CCSC) shall also be responsible for developing appropriate orientation, training, and continuing compliance education to their staff.

All new staff shall receive introductory information about the CCP within thirty (30) days of the start of their employment, and a minimum level of continuing education annually, depending upon their respective job functions and involvement in compliance-related activities. Board members, members of senior management, leaders and specific staff will receive targeted training and education in compliance-related matters, through orientation and continuing education.

Attendance and participation in educational programming is a condition of continued employment, and participation in educational offerings shall be a fundamental competency for all staff in annual competency reviews. Participation in educational programs must be documented.

Medical Staff leadership (and as appropriate the Medical Staff generally) will also be provided appropriate education and training in compliance-related matters. Such offerings will be developed in consultation with the Senior Vice President, Medical Affairs.



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The details of the educational programming shall be reported to the Board Compliance Committee and will be communicated to all interested parties.

### V. COMMUNICATION

Effective communication is a critical component of any organization or system-wide plan. One of the responsibilities of the CCO and the CCSC is to develop, implement and continually assess the effectiveness of tools employed to communicate the Program. The following elements shall be addressed in the CCP communication plan:

#### A. Communication Plan for the Program

A Communication Plan for the CCP shall be developed by the CCO. The CCO shall quarterly report to the Board Compliance Committee, or its delegate, on the status and effectiveness of the communication efforts.

#### B. Access to the CCO

Multiple avenues of communication with and access to the CCO shall be established. A toll-free telephone hotline, which allows for anonymous reporting, shall be maintained. The CCO shall also establish other lines of access as deemed necessary and appropriate. In addition to routine communication avenues used throughout the organization and System, the Program maintains the following compliance-specific communication tools:

- **Toll-free, Anonymous Hotline: 1-877-9COMPLY**
- **Office Email Address: "ComplianceOfficer@AllegianceHealth.org"**
- **Corporate Compliance Officer Phone Number: 517-817-7539**

#### C. Communication with Vendors and Contractors

The CCP imposes expectations upon vendors, contractors and other third parties who do business with Allegiance entities, and these parties also need to know how to raise concerns or make reports of potential non-compliant conduct. Therefore, all vendors and contractors doing business with Allegiance entities shall be advised in writing of the existence of the CCP and of ways to contact the CCO. Allegiance is in a partnership with a vendor credentialing company, which performs appropriate screening to ensure compliance, and is a communication tool to verify vendor acknowledgement of our CCP, Code of Conduct, and other policies as deemed appropriate.

### VI. ENFORCEMENT OF PERFORMANCE EXPECTATIONS AND STANDARDS

For performance expectations and standards to be effective, they must be accompanied by enforcement mechanisms. Compliance-related performance expectations are intertwined into the existing Human Resources (HR) performance expectation and competencies mechanisms, as well as the current HR disciplinary standards. The CCO, working in close consultation with HR staff, shall monitor the effectiveness of these standards on an ongoing basis.



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The CCO shall, when appropriate, involve HR staff and mechanisms in compliance-related interventions with individuals and/or departments and service areas. When an individual's conduct warrants disciplinary action under these policies, discipline shall be administered in a consistent manner, regardless of the individual's position within the organization. Interested parties should refer to HR policies and procedures for more information on performance competencies and expectations, and disciplinary processes.

Compliance with the CCP must also be an expectation of all Medical Staff and must be a condition of membership. Non-compliant conduct by Medical Staff members not only exposes the organization to great risk in terms of penalties, but also may tarnish the reputations of the Medical Staff and Allegiance. As such, non-compliant conduct shall be addressed through the corrective action processes described in the Medical Staff Bylaws.

Additionally, while disciplinary measures are a necessary component of enforcement mechanisms and can successfully modify behaviors, discipline alone does not make for an optimally effective Program. In addition to a disciplinary process, incentives, rewarding appropriate conduct and behaviors must also be in place.

### **VII. SCREENING OF APPLICANTS FOR HIRE OR STAFF MEMBERSHIP, AND VENDORS AND CONTRACTORS**

Also critical to an effective Program is the existence of mechanisms to ensure that applicants for hire or Medical Staff membership, and vendors or contractors, are screened for criminal convictions (as defined by 42 USC §1320a-7(i)) and/or federal reimbursement program exclusion actions. Allegiance policies shall prohibit the employment of or contracting with individuals or entities that have recently been convicted of a criminal offense related to health care, or those who are deemed debarred, excluded or otherwise ineligible for participation in federal health care programs (as defined in 42 USC §1320a-7b(f)).

Applications for employment and Medical Staff membership shall include questions addressing such criminal convictions or federal program eligibility. These issues must also be satisfactorily addressed prior to contracting with vendors and contractors.

Once affiliated with Allegiance, the "good standing" status of staff, external business partners, and Medical Staff members shall be rechecked on a periodic basis.

### **VIII. AUDITING AND MONITORING**

This program shall also include a system-wide program of auditing and monitoring of organizational functions to help ensure compliance. This program will include routine periodic monitoring, as well as "need-specific" auditing to investigate specific concerns. The CCO and CCSC shall serve as a resource for all involved in these activities.

#### **A. Routine, Periodic Monitoring**

Routine monitoring may include the following:

1. High Risk Area Audits. At least annually, a high-risk area audit of specific department activities and functions shall be conducted; identifying activities that may present a high risk for non-compliant activity and that require



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investigation on a priority basis. Based upon this audit, the CCSC shall allocate resources on a prioritized basis to investigate and intervene as necessary.

2. System-wide Auditing and Monitoring. The CCO shall provide recommendations to the Board Compliance Committee on the need for periodic organization-wide audits of major functions, e.g., billing, coding, etc.
3. Department or Function-Based Auditing and Monitoring. All departments and/or functions within Allegiance shall maintain, under the oversight of and with the guidance of the CCSC, a program of monitoring department/function performance. These programs shall be routine and ongoing, and preferably should be incorporated into the area's ongoing quality improvement activities. These activities may utilize random sampling methodologies, preferably employing statistically significant sampling techniques when feasible. The compliance-related portions of these monitoring programs shall be represented at the CCC, with reporting responsibilities to the CCSC to assist it in its CCP "clearinghouse" role.

### B. "Need-Specific" Audits and Investigations

The CCO shall have the discretion to commission, within budgetary constraints, audits and investigations by outside consultants in response to reports of possible non-compliant activity within Allegiance. All outside consultants retained to assist in the investigation of compliance-related matters shall be retained through and shall report to the CCO.

## IX. RESPONSE TO NON-COMPLIANT CONDUCT

A swift and thorough response to a report of potential non-compliant conduct is critical to the effectiveness of the Program. Reports and allegations must be triaged by the CCO to ensure the appropriate resources are directed to the appropriate priority. The CCO must initiate an investigation in a timely manner, utilizing internal and/or external resources. Upon completion of the investigation, the CCO shall determine whether the organization has in fact acted in a non-compliant manner, and if so, determine the appropriate intervention to be taken. Using his or her professional judgment, and acting within any parameters established by the Board Compliance Committee, the CCO may immediately initiate corrective action, in consultation with the appropriate managers and leadership. When significant interventions have been taken without consultation with the Board Compliance Committee, the CCO shall report the action to the Board Compliance Committee chairperson as soon as possible.

The CCO shall make recommendations to the Board Compliance Committee on the need to report non-compliant conduct to government agencies and/or third party payers.

## X. REPORTS TO THE BOARD COMPLIANCE COMMITTEE

On a quarterly basis as determined by the Board Compliance Committee, the CCO shall report on the following:

- The status of Program implementation and operations generally.
- The nature and status of investigations and interventions.



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On an annual basis, the CCO shall report to the Committee on the overall effectiveness of the Program.

**Approvals:**

Foote Health System: 4/26/00

W.A. Foote Memorial Hospital: 4/26/00

Foote Health System: 12/2006

W.A. Foote Memorial Hospital: 12/2006

Foote Health System: 2/22/08

W.A. Foote Memorial Hospital: 2/22/08

Allegiance Health Services: 12/20/10

W.A. Foote Memorial Hospital, d/b/a Allegiance Health

Allegiance Health Services: 9/10/2012

W.A. Foote Memorial Hospital, d/b/a Allegiance Health

(s) \_\_\_\_\_  
John M. Hyden, Chief Compliance Officer

**Author(s):**

Author: Ken Empey, VP, General Counsel

Amended by: John Hyden, Chief Compliance Officer

Attachments:

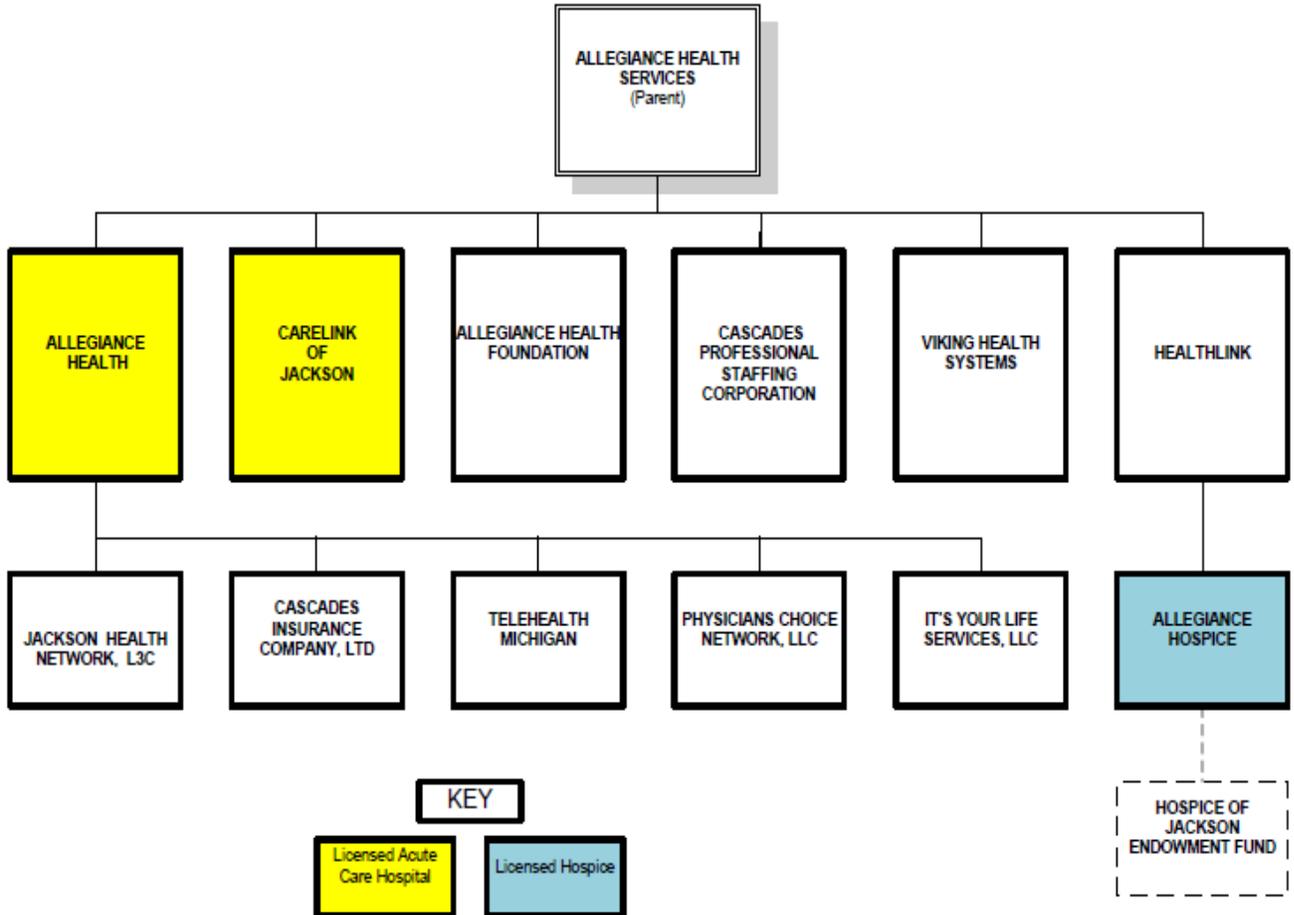
- #1 - Allegiance Organizational Chart
- #2 - CCP Oversight Structure
- #3 - Revenue Integrity Compliance Process
- #4 - Allegiance Organizational Values
- #5 - Organizational Ethics Policy
- #6 - Prohibited Activities and Conduct
- #7 - Additional Information About Laws Related to False Claims

**ALLEGIANCE HEALTH**

**Subsidiary and Affiliate Relationships (As of 5/1/2012)**

**ALLEGIANCE HEALTH SERVICES (Parent) Tax-Exempt, Nonprofit 731622**

**AHS / Allegiance Health Subsidiaries & Affiliates 2012**

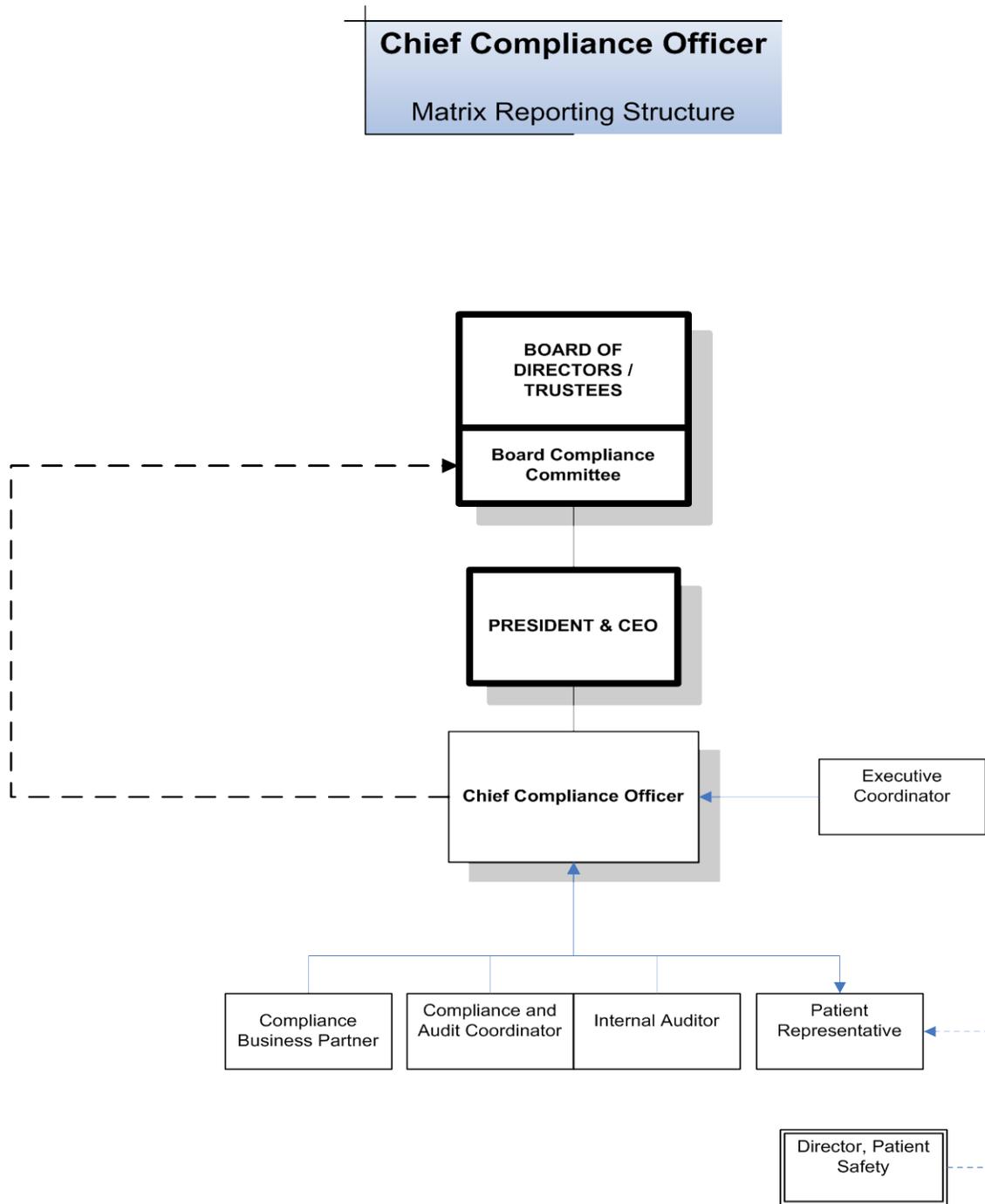


**CORPORATE COMPLIANCE PROGRAM**

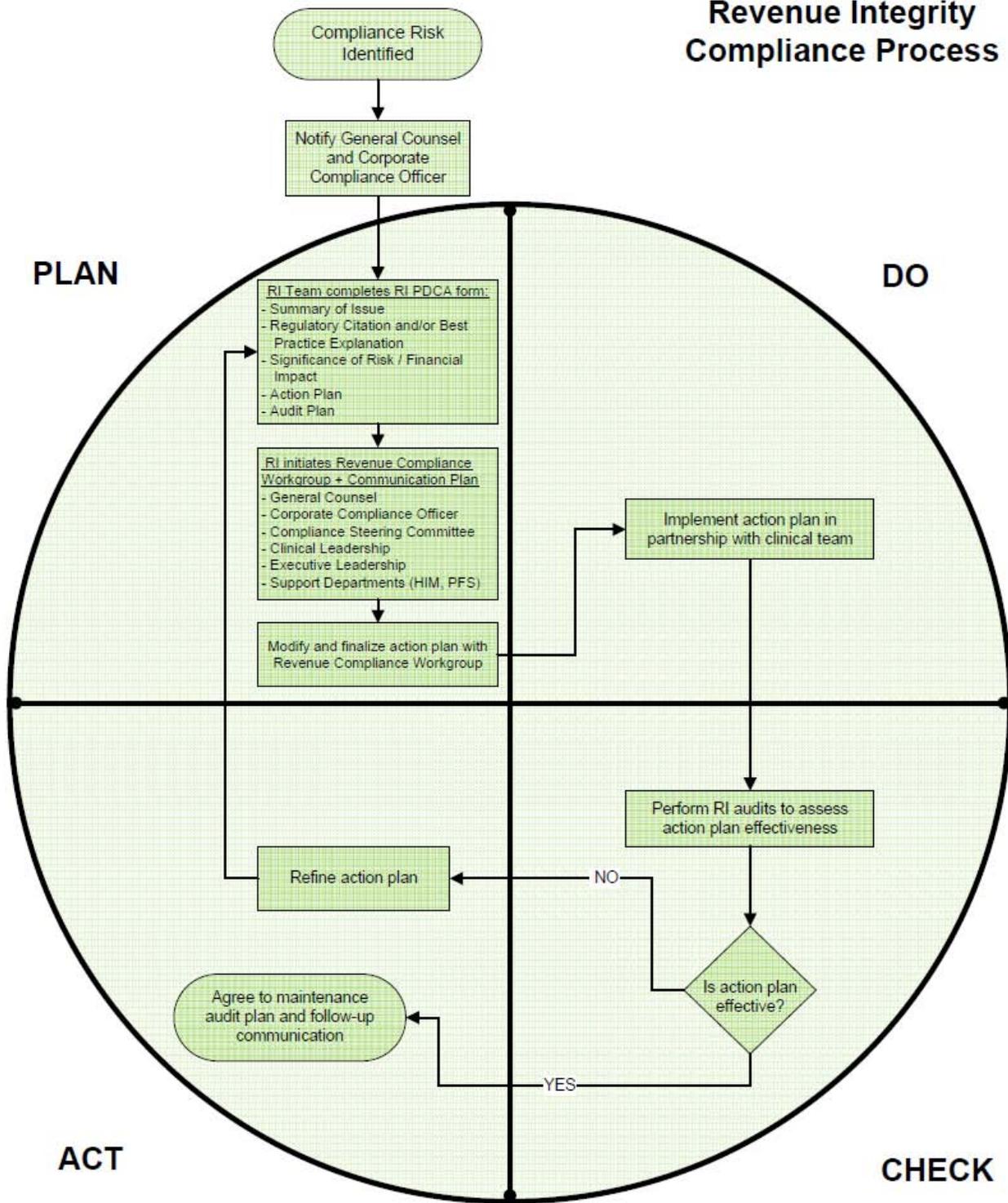
Compliance  
Structure

Plan

Oversight



## Revenue Integrity Compliance Process



## ATTACHMENT 4

### **ALLEGIANCE “ORGANIZATIONAL VALUES”**

**COMPETENCE:** Demonstrating expertise in carrying out the responsibilities of one’s position and inspiring others to have confidence in you.

Behaviors:

1. We appreciate and understand the impact of our actions in the organization and can clearly state the reasons and expected outcomes.
2. We meet or exceed the performance expectations of our job.
3. We continually learn and improve our skills.
4. We take responsibility to understand change and support the implementation of new ideas.
5. We know our job and do the very best that we can every day.

**INTEGRITY:** Behavior that is honest, fair, trustworthy and sincere, demonstrating strength of character and respect for others.

Behaviors:

1. We use honest and open communication for the good of others, the organization and the community.
2. We maintain the confidentiality of information where appropriate.
3. We participate in forums to express ideas and concerns.
4. We support compliance with State and Federal laws.
5. We follow through on promises and commitments.
6. We take individual responsibility for the impact of our actions and hold others responsible to do the same.

**TEAMWORK:** Working together toward a common goal in an environment of trust.

Behaviors:

1. We strive to develop working partnerships for business success.
2. We challenge ideas, not people when there is disagreement.
3. We demonstrate flexibility to do whatever is necessary to meet the customer’s needs.
4. We assist the team in achieving success by sharing skills and knowledge.
5. We celebrate the success of the team.
6. We support the team regardless of whether we agree with all the actions and decisions of the team.

**DIVERSITY:** Respect of individual beliefs, uniqueness and differences.

Behaviors:

1. We as an organization seek to have a diverse workforce, offering equal opportunity employment.
2. We respect and value differences in our patients, their families, visitors and each other.
3. We listen and are open to opinions different than our own.
4. We consider and accept the personal preferences and needs of our patients and of each other, and promote an environment of inclusion and tolerance..
5. We encourage the resolution of issues and conflicts that arise through the differences between staff.

**QUALITY:** Commitment to excellence in care.

Behaviors:

1. Safety - We make the care and safety of our patients, visitors and staff our #1 responsibility and are all responsible for providing a safe environment.
2. We maintain a commitment to continuous improvement, seeking to find and implement better ways of doing things.
3. We do it right the first time to prevent duplicated work efforts.
4. We ask questions to determine the customer’s needs from their perspective.
5. We use resources, both human and material, wisely.

**COMPASSION:** Acknowledging the feelings of others with empathy, support, encouragement, and sensitivity. Listening and responding to individual needs in a patient and caring manner.

Behaviors:

1. We give our undivided attention to individuals, making the person feel the most important at that moment in time.
2. We demonstrate good listening skills by:
  - Acknowledging both feelings and situations
  - Making direct eye contact and being attentive
  - Responding appropriately with comfort and concern.
3. We offer assistance and encouragement without waiting for someone to ask for help.
4. We reach out to individuals and offer comfort and support (as they face personal challenges).

**HEALING ENVIRONMENT:** A commitment to providing an environment that promotes an atmosphere of trust, comfort, healing and security.

Behaviors:

1. We attend to the emotional, physical and spiritual needs of patients and their families and significant others by:
  - Allowing them to verbalize concerns
  - Accessing pastoral care and other supportive resources
  - Maintaining a quiet, restful and calm atmosphere.
2. We ensure that patients are informed and the rationale and purpose for all procedures is explained to the patient's satisfaction.
3. We are each responsible for providing and maintaining a clean, welcoming environment.
4. We encourage positive health practices and wellness programs with our staff, volunteers, and physicians within our institution.

**CUSTOMER SERVICE:** Together we create a caring experience, by taking pride in providing service beyond expectations.

Behaviors:

1. Courtesy – We treat everyone with respect and view every interaction as an opportunity to make a difference.
2. Professionalism – We demonstrate professionalism and represent the organization in a positive light through attitude, actions and comments.
3. Efficiency – We provide a seamless experience for patients, visitors and staff that is a model of efficiency and coordination of efforts.

**Policy Name: Organizational Ethics Statement**  
**Section: Patient Rights/Organization Ethics**  
**Policy Number: RI 1.10**

### **Purpose**

This policy ensures that the organization maintains a consistent ethical framework for its business and patient care operations.

### **Policy**

The Board of Trustees of Allegiance Health has established this statement of organizational values and ethics in recognition of the institution's responsibility for every member of the Health System (Board members, Administration, Medical Staff members and staff) to act in a manner that is consistent with this organizational statement and its supporting policies. Our behavior will be guided by the following ethical principles.

### **Principles**

In all our actions, Allegiance Health is guided by an underlying dedication to the principles of fostered human dignity and the preservation of the rights of all patients, staff, physicians and visitors. In our relationships with vendors, suppliers, contractors and educational programs, we will make these principles known by providing a copy of these principles and a statement of our expectation that our relationships will be governed by these principles. The organization will constantly strive to adhere to these principles and has adopted the following health system values.

### **Organizational Value Statements**

Values are the attitudes, mindsets, beliefs and norms that determine how work is accomplished and how staff interact with each other and with customers as they pursue the organization's vision.

Allegiance Health has adopted the following values as their foundation:

1. Compassion – Acknowledging the feelings of others with empathy, support, encouragement and sensitivity; listening and responding to individual needs in a patient and caring manner.
2. Competence – Demonstrating expertise in carrying out the responsibilities of our position and inspiring others to have confidence in us. We will adhere to a uniform standard of care throughout the organization, with the provision of services given only to those that we can safely care for within this organization.
3. Customer Service – Together we create a caring experience, by taking pride in providing service beyond expectations. We will strive to provide the best possible care to those that we serve regardless of the setting in which the care is provided.
4. Diversity – Respect for individual beliefs, uniqueness and differences. We will recognize the value and rights of every individual and treat all patients with dignity, respect and courtesy, which includes the doctrine of informed consent.
5. Healing Environment – A commitment to providing an environment that promotes an atmosphere of trust, comfort, healing and security. We will promote accessible, high quality cost effective services delivered with excellence, compassion, and community input in conjunction with regard to the integrity of clinical decision making.
6. Integrity – Behavior that is honest, fair, trustworthy and sincere, demonstrating strength of character and respect for others. We will promote accountability throughout the organization.
7. Quality – Commitment to excellence in care. We will strive to provide care that meets or exceeds our own standards even as we work to provide care in a more economical manner to patients and providers. Throughout the health system we will respect clinical decision making by consistently following well designed standards of care based upon the needs of the patient and without regard to the ability to pay. We will provide services to meet the identified needs of our patients regardless of ability to pay or payer source. We will consistently seek to avoid the provision of those services that are unnecessary or ineffectual. We will utilize good stewardship to access healthcare needs, promote health and encourage high quality.
8. Teamwork – Working together toward a common goal in an environment of mutual trust. We will fairly and accurately represent our capabilities and ourselves.

## **Respect for Patient**

We treat all patients with dignity, respect and courtesy. Allegiance Health makes decisions regarding the provision of ongoing care, treatment, services or discharge based on the care, treatment and services required by the patient. Patient and or family is involved in decisions regarding the care that we deliver to the extent that such is practical and possible, as referenced in the American Hospital Association Bill of Rights.:

1. We will seek to inform all patients about therapeutic alternatives and the risks and benefits associated with the care they are seeking.
2. We will attempt, in all circumstances, to treat patients in a manner giving reasonable thought to their background, culture, religion and heritage, all with the goal of striving to value diversity and the differences among those we serve.
3. Ethical relationships with patients and their significant others are described in the policy,

## **Patient Rights and Responsibilities.**

That policy is implemented through:

- a. Making it a focus in new employee orientation;
- b. Periodic continuing education formats;
- c. Providing a copy of the brochure, Patient Rights and Responsibilities to patients upon their admission;
- d. Patient Representative Services;
- e. Community education about advance directives and other topics related to patients rights; and
- f. Rehabilitative services for individual patients safeguard the respect, dignity, autonomy, civil rights, positive self-esteem and regard. Patients and their care providers are encouraged to participate in the care of patients.

## **Resolution of Conflicts**

We recognize that from time to time conflicts will arise among those who participate in hospital and patient care decisions. Whether this conflict is between members of administration, medical staff, staff, the governance of this institution, or between patient caregivers and the patient, we will seek to resolve all conflicts fairly and objectively.

When a conflict occurs, the process of resolution shall include referral to the appropriate discipline within the organization. Allegiance Health's Corporate Compliance Program is in place to facilitate the prevention, detection and correction of non-compliant conduct.

## **Ethics Committee**

The Ethics Committee exists to provide a mechanism for the consideration of ethical issues arising in the care of patients and to provide education to caregivers and patients on ethical issues in healthcare. The Ethics consult process is facilitated by the Ethics Committee and is available to deal with biomedical ethical issues on behalf of patients, family and healthcare team members. The services of the Ethics Committee can also address organizational ethical issues upon request.

## **Recognition of Potential Conflict of Interest**

We recognize the potential for conflict of interest exists for decision-makers at all levels within the hospital. This includes members of the governing board, administration, the medical staff, and all other staff. It is our policy to request the disclosure of existing or potential conflicts of interest for those who provide care, treatment, services and governance. This is to ensure that decisions are not inappropriately influenced by such conflicts. Conflict of interest is defined by policy and it is our policy to avoid, whenever possible, even the appearance of impropriety, and where such conflicts exist, real or potential, no decisions will be made without full disclosure to all interested parties. The hospitals reviews its relationship with board members, administration, medical staff leaders, staff, care providers, educational institutions, and payers; and are required to submit any potential conflict of interest to the Chief Executive Officer. Annual review of those disclosures is accomplished. Allegiance Health addresses the conflict of interest within the organization through the mechanism of its Ethics Committee Consultation for resolution of the issue.

## **Fair Billing Practices**

The Hospital will invoice patients or third parties for medically necessary and appropriate services provided to patients and will provide assistance to patients seeking to understand the cost relative to their care. We will also attempt to resolve questions and objections to the satisfaction of the patient while considering the institution's best interest.

General credit/collection procedures are conducted according to national and industry standards and the following credit and collection policies:

1. Payment Arrangements
2. Write-offs to Bad Debt
3. Uncompensated Care
4. Billing Third Party Payers Self Pay Collection

### **Confidentiality**

The organization recognizes the need to maintain patient and other information in a confidential manner and sensitive information concerning personnel and management issues will be maintained in the strictest confidence. Disclosure of confidential information will be limited to those having a need to know in order to perform the duties of their job or take action upon that information, in compliance with the Health Insurance Portability and Accounting Act of 1996 (HIPAA), See also Allegiance Health's Confidentiality Policy, and the Notice of Privacy Practices (HIPAA,1996)

### **Marketing and Public Relations**

Marketing practices are conducted with honesty, accuracy, fairness and responsibility to patients, community and the larger public, holding to the principles of the fundamental value and dignity of the individual, and the freedom of speech, assembly, and the press. In the spirit of communication, understanding and cooperation among individuals, groups, and institutions, the organization adheres to the articles of the **Code of Professional Standards** for the practice of public relations as adopted by the Governing Assembly of the Public Relations Society of America. Allegiance Health also follows the professional guidelines established by the American Hospital Association in terms of release of patient information. All HIPAA guidelines are followed.

Marketing materials reflect only those services available; the level of licensure and accreditation; and comply with applicable laws and regulations of truth in advertising and non-discrimination under Title VI and Title XVI of the **Public Health Service Act** and 45 C.F.R. implementing section 504 of the **Rehabilitation Action of 1973**.

### **Marketing/Advertising and Public Relations**

All marketing and advertising efforts conducted by Allegiance Health will be developed fairly, honestly, and accurately with regard to the sensitivity and special trust that exists between patients and providers.

As with other Allegiance Health's services, all advertising and marketing messages will be designed and implemented in a manner which places the needs of patients first. For example, the need for patients to know about available services, the accessibility of such services and the general medical benefit of specific services. In general, the following types of advertising statements or claims **will be avoided**:

- False or misleading statements, or those that might lead the uninformed to draw false conclusions, Statements will be factually correct and any claims regarding the quality of hospital services must be accurate and supported by documentation.
- Statements that promote the use of excessive, unnecessary or non-medically indicated health services. Campaigns will be focused on community health status issues and services that can positively impact the health status of the community.
- Statements that encourage a healthcare consumer to take unreasonable risks, without disclosing the nature of the risks. No statements will be made that are based on questionable treatment methods, facts or outcomes.
- Statements or claims that raise unrealistic expectations, or imply a guarantee of successful outcomes. Superlatives will be avoided. Statements that the hospital is the "best at something" or provides "the highest quality" are avoided unless supported by documentation.

- Statements that imply a low initial cost when there is a reasonable probability of incurring additional costs later.

Specific messages designed to discredit competitors will be avoided. The Federal Trade Commission supports and encourages non-deceptive comparative advertising; however, case law history cites several examples of successful private action among competitors for misleading representation of facts. Allegiance Health will be cautious of **comparative advertising** and use the following guidelines:

- The substantiation record will be carefully reviewed and subjected to the highest scrutiny. The accuracy, validity and reliability of all studies, including third party studies on public databases will be reviewed.
- Statements will be limited to the level of substantiation. Exaggerating or misrepresenting the significance of the data, and omissions that would tend to mislead are avoided. All data will be cited accurately, and consideration given to conspicuous disclaimers when in doubt.
- Allegiance Health will avoid naming the competitor. Rather, Allegiance Health will position the service or product as superior to all others in an area or class.
- Disparaging statements will be avoided. A product will be positioned as superior rather than make disparaging comments about a competitor.

Advertising claims will be **substantiated** according to the following guidelines:

- An objective, provable claim, such as being “the best cardiology program in town” requires documented substantiation before using it in advertising. Claims of healthcare efficacy or safety will generally be held to a higher standard of scrutiny since the consequences of consumers relying on false claims are more significant than for other consumer products or services.
- The use of outcomes data in public advertising is relatively new and the legal ramifications are untested and largely unknown. Therefore, extreme caution is exercised when considering the use of outcome data in advertising messages. Only data that is available from a public data source is considered for use in advertising. Proprietary data or data that is generated from medical records will not be used.

### **Admission, Transfer and Discharge Practices**

Admission, transfer, and discharge policies are not based on the patient’s ability to pay, or current hospital fiscal conditions. Patients whose specific condition or disease cannot be safely treated are transferred to an accepting organization only under such circumstances and/or in accordance with the *”Transfer of Individuals – Emergency Medical Treatment and Labor Guidelines (EMTALA) policy”*.

Underlying each of the above principles is the organization’s overall commitment to act with integrity in all of our activities and to treat the patients, organization’s staff, medical staff and many constituents we serve with utmost respect.

### **Care, Treatment and Services**

Patient Safety – Allegiance Health follows the standards of the National Patient Safety Standards and provides the Patient Safety Hotline at extension x.4250. The effectiveness and safety of care, treatment and services at Allegiance Health does not depend on patient’s ability to pay. Furthermore, we ensure that care, treatment, and services are not negatively affected when the hospital grants a staff member’s request to be excused from participating in an aspect of the care, treatment and services. The integrity of clinical decisions are based on the patient’s care, treatment and service needs, regardless of how the hospital compensates or shares financial risk, thus assuring that the quality of care is not compromised.

Policies and procedures and information about the relationship between the use of care, treatment and services and financial incentives are available to all patients, staff, licensed independent practitioners and contracted providers when requested.

### **Related Policies:**

- Discharge of the Patient

- Patient Rights and Responsibilities
- Hospital Wide Consent Guidelines
- Advance Directives
- Grievance Procedure
- Sexual Harassment
- Handling & Processing of Patient Complaints
- Refusal of Treatment
- Services for Special Needs – Interpreters
- Organ Tissue Donation
- Code 100
- Determination of Death and the Expired Patient
- Disruptive Conduct (Physician)
- Guidelines for Collaboration in the Event of Questions or Concerns
- Withholding Resuscitation and Withdrawal of Care
- Futility
- Ethics Committee
- Confidentiality
- Transfer of Individuals – Emergency Medical Treatment and Labor Act Guidelines (EMTALA)
- POLST – (Physician’s Orders for Life Sustaining Treatment Policy)

**References**

1. Joint Commission of Accreditation of Healthcare Organizations Accreditation Manual for Hospitals. Chicago: JCAHO 2001
2. Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).
3. Michigan Public Health Code. Act 368 of 1978, as amended
4. Public Relations Society of America. Code of Professional Standards for the Practice of Public Relations. New York: The Association. 1985
5. Patient Self-Determination Act (PSDA), Sections 4206 and 4751 of the Omnibus Budget Reconciliation Act, 1990.

ATTACHMENT 6  
CORPORATE COMPLIANCE PROGRAM

**Allegiance Health Services: Prohibited Activities and Conduct**<sup>4</sup>

The following are some, but not all, of the activities that are expressly prohibited by law, regulation, and/or Allegiance Health Services and subsidiaries (Allegiance) policy:

1. **Improper Claims:** Presenting or causing to be presented to any health care payor or health plan:
  - a. An item or service not provided as claimed. In other words, submitting a claim for a service that you know was not provided; or applying a code that enables this claim to be made, e.g., “upcoding.”
  - b. False Claim. This is submitting a claim that you know or should have known is false or fraudulent.
  - c. Service by Unlicensed Physician. All persons acting as physicians must be licensed. It is illegal to permit a physician service to be provided by a person who was not a licensed physician, including instances where the license was obtained through misrepresentation or was revoked at the time of the service. The same rules apply to services provided by Nurse Practitioners and other medical professionals.
  - d. Excluded Provider. Services may not be provided by any provider who has been excluded from participating in government health programs such as Medicare.
  - e. Not Medically Necessary. The Hospital may not bill for services you know, or should have known that are not medically necessary.

See Attachment # 6 for additional information about the federal False Claims Act (31 U.S.C. 3729(h)) and The Medicaid False Claim Act (M.C.L. 400.601 et. seq.).

2. **False statements in determining rights to benefits:**  
Using or causing to be used false records, statement or representations of a material fact in determining the rights to benefits or payments under any health care program.
3. **Conspiracy to defraud:**  
Conspiring to defraud the United States Government or any other health care payer by getting a false claim allowed or paid.
4. **Patient dumping:**  
Refusing to treat, transferring, or discharging any individual who comes to the Emergency Department and on whose behalf a request is made for treatment or examination without first providing for an appropriate medical screening examination to determine whether or not that person has an emergency medical condition and, if that person has such a condition, stabilizing and transferring the patient to another hospital without complying with procedures which conform to the law.
5. **Failing to provide care to contract HMO patients:**  
Knowingly failing to provide covered services or necessary care to members of a Health Maintenance Organization, or any other insurance company, with which the hospital has a contract.
6. **Healthcare fraud and false statements relating to healthcare matters:**  
Taking part in a scheme to defraud any healthcare benefit program.
7. **Incenting Referrals of Patients:**

Staff are prohibited from knowingly and willfully soliciting or receiving, or offering or paying anything of value (including a kickback, bribe or rebate), directly or indirectly, in cash or in kind, in return for, or to induce:

- Referring a patient to a Allegiance facility to furnish, or arrange to furnish, any item or service; or

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<sup>4</sup> This document is not intended to be a listing of all possible activities that are prohibited by Allegiance under the CCP. Rather, it is intended as a listing of examples of obvious, high-risk, frequently occurring and/or known non-compliant activities.

- Purchasing, leasing, ordering, arranging, or recommending the purchasing, leasing or ordering, of any good, facility, service or item. Allegiance will not pay staff, physicians, other health care professionals or anyone else for referrals of patients. Bribes, kickbacks or any kind of benefits intended to induce patient referrals are strictly prohibited.

Staff is expected to conduct business with all parties, including staff, health care professionals, vendors and payers in accordance with high moral and ethical standards. All decisions regarding patient care will be based solely on the best interest of the patient.

Staff and agents involved in the negotiation of contracts for Allegiance will ensure that all statements, communications and representations are open, accurate, appropriate and truthful and comply with applicable laws and regulations.

Staff must report any practice or condition that may violate any applicable law, rule, regulation or policy to appropriate levels of management and/or the Compliance Officer.

Regulatory and legal restrictions in the area of referral incentives are complex, and limited exemptions may apply to certain referral incentives (kickback prohibition). No transactions in this area are to be undertaken without first gaining the approval of General Counsel.

#### **8. Anti-Competitive Practices:**

Allegiance strives to have good relationships with other health care providers and complies with all applicable laws pertaining to antitrust and competition. Such laws generally forbid any kind of understanding or agreement, whether written or oral, between competitors to fix or control fees for services, terms, conditions of treatment or to engage in any other conduct that restrains competition.

Staff will refrain from discussing proprietary or confidential information, such as pricing policy, terms and conditions, costs, inventories, marketing and product plans, market surveys and studies, production plans and capabilities with anyone outside Allegiance.

Allegiance will compete fairly in the market. We will not agree with a competitor about what prices to charge, whom to call on for sales, and what services to offer.

The following are examples of prohibited activities:

- A. Attempts to unlawfully monopolize the provision of medical services;
- B. Predatory fees (fees set at unreasonably low levels to drive out or keep competitors out of the market);
- C. Telling a supplier that Allegiance decision to purchase goods or services is dependent upon the supplier's seeking medical services at Allegiance;
- D. Other tying arrangements (conditioning the purchase or sale of one product on an agreement to do other business with Allegiance);
- E. Preferential fees not based on actual services and cost differences; and
- F. Paying unaffiliated health care provider cash or gifts as an incentive to promote Allegiance services.

#### **9. Discrimination:**

Discriminating against any patient, employee, visitor, or organization based on race or color, national origin, gender, religion, age, disability, insurance or any other criteria.

#### **10. Improper Receipt of Gifts or Entertainment:**

Except in limited circumstances, the giving or receiving of gifts, other than gifts of nominal value, to or from any person or company doing business with Allegiance is prohibited. This prohibition extends to family members as well. Non-cash gifts of nominal value may be accepted. Common sense should be applied to determine if the gift has more than nominal value. Staff should consult with their supervisor and/or the Compliance Officer if a question exists about the relative value of a gift.

Gifts can be in the form of favors, gratuities or other things of value. Discounts for personal items from persons transacting business with Allegiance may be gifts and should not be accepted if it is of more than nominal value, and should be reported to your supervisor or to the Compliance Officer. Offers of money in any amount must be reported to the Compliance Officer.

**11. Improper Receipt of Entertainment:**

Attending business lunches or meals on an infrequent basis, as a guest, with a vendor, sales representative or other person transacting or potentially transacting business with Allegiance is permissible as long as the value and frequency of such meals are not excessive.

Any question concerning gifts or entertainment should be resolved through discussion with appropriate supervisory personnel, our human resources representative or the Compliance Officer. In some circumstances, consideration may have to be given to other factors, such as appearances, rather than solely monetary value.

**12. False or Misleading Marketing:**

All marketing and advertising information shall be truthful and not intended to mislead. Claims about Allegiance services are based on facts.

**13. Improper Receipt of Charitable Contributions:**

All charitable contributions received from vendors must directly benefit Allegiance entity. Under no circumstances may a check be made payable to an individual within Allegiance. Allegiance shall not accept any donations that are in conjunction with a marketing effort or sales promotion. Under no circumstances shall donations be accepted that require Allegiance to use the donation to purchase supplies from the vendor making the contribution.

**14. Conflicts of Interest:**

A potential conflict of interest exists when you have the opportunity to benefit personally, beyond the receipt of your paycheck, from an action you are taking as part of your job duties. Potential conflicts of interest come in many forms. For example, let's assume you are responsible for ordering medical supplies and can order those supplies from any one of three suppliers. If you husband or wife sells medical supplies for one of those suppliers and is paid on commission, you have a potential conflict of interest because you may benefit personally by ordering the medical supplies from that supplier. This does not necessarily mean that you may not order medical supplies from that supplier. It means that you must notify your supervisor of the potential conflict, and he or she will decide if you may order from that supplier.

In order to avoid conflicts of interest, you are expected to:

- Serve Allegiance with undivided loyalty and never use your position for personal gain;
- Devote your full time and ability to Allegiance's interests during your regular working hours and for whatever additional time may be properly required;
- Refrain from accepting additional employment or engaging in business activities outside regular working hours if these would tend to impair your ability to meet your regular job responsibilities to Allegiance; and
- Submit a written disclosure form to your supervisor of any actual and potential conflicts of interest of which you become aware.

**15. Breach of Confidentiality – Patient Information:**

Our professions require that we gather a great deal of personal information about patients. Therefore, we must carefully avoid any unwarranted invasion of the patient's right to privacy. The inappropriate release of sensitive patient information may be injurious to the patient and to Allegiance. The inappropriate release of patient information may subject you to civil and criminal prosecution, as well as termination from employment with Allegiance.

In order to protect sensitive patient information from inappropriate disclosure, you are expected to:

- Limit your access to patient information to the extent required by your duties and permitted by law;
- Use only legitimate means to collect patient information and, whenever practical, obtain it directly from the patient;

- Release information concerning patients in drug and alcohol treatment programs and information regarding a patient's HIV status only in accordance with special confidentiality rules that apply to this information:
- Refrain from revealing any patient information unless supported by legitimate business or patient care purposes; and
- Refrain from removing or sending a patient medical record, or a copy of such record, from a designated storage facility or department without the authorization of a supervisor or other designated official.

**16. Breach of Confidentiality – Business Information:**

All business records of Allegiance are proprietary and confidential, and certain records must be maintained in compliance with the law. Federal and state law also requires that Allegiance maintain certain business records for minimum periods of time. In addition, Allegiance often has a need to locate various business and corporate records on short notice.

Therefore, you will limit your access and use of business and corporate records to that required to perform your duties as an employee of Allegiance and you will not remove business or corporate records, or copies of such records, from any department of Allegiance without authorization of your supervisor.

**17. Improper Political Contributions:**

Staff may not contribute or donate funds, products, services or other resources of any Allegiance tax-exempt entities to any political party or candidate. However, staff may make voluntary personal contributions to any lawful political cause, party or candidate as long as the individual does not represent that such contributions come from Allegiance and as long as the individual does not obtain the money for these contributions from Allegiance for the sole purpose of making such a contribution.

**18. Copyright Infringement.** Improper copying or other usage of copyrighted material.

**19. Failure to report violations to the Corporate Compliance Officer:**

Failing to promptly report to the Corporate Compliance Officer any situation that you either know or suspect violates the Corporate Compliance Program.

## **ADDITIONAL INFORMATION ABOUT LAWS RELATED TO FALSE CLAIMS**

### **False Claims Act (31 U.S.C. 3729)**

The federal False Claims Act is a federal law which prohibits fraud, waste or abuse when attempting to obtain payment or benefits from the United States Government. This includes payment for health care benefits under the Medicare program. Among other things, the False Claims Act specifically prohibits any person or entity from:

- Knowingly presenting or causing to be presented a false or fraudulent claim for payment;
- Knowingly using or causing to be used, a false record or statement to obtain payment from the federal government;
- Conspiring with others to obtain payment for a false or fraudulent claim from the federal government; or
- Knowingly using or causing to be used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the federal government.

Penalties for a violation of the False Claims Act can include liability for up to three times the federal government's damages and civil penalties of \$5,500 to \$10,000 per false claim.

### **The Medicaid False Claim Act (M.C.L. 400.601 et seq.)**

The Medicaid False Claim Act is a Michigan law that prohibits fraud in obtaining benefits or payment for benefits in connection with the state of Michigan's medical assistance program. Among other things, the Medicaid False Claim act prohibits any person or entity from:

- Knowingly making a false statement or representation of material fact in an application for Medicaid benefits;
- Knowingly making a false statement or representation of material fact for use in determining rights to a Medicaid benefit, or to obtain payment;
- Knowingly concealing information that would affect a person's right to received Medicaid benefits, with the intent to obtain or continue to receive benefits;
- Fraudulently conspiring to obtain Medicaid benefits;
- Knowingly presenting or causing to be presented a false or fraudulent claim for payment;
- Knowingly using or causing to be used, a false record or statement to obtain payment;
- Conspiring with others to obtain payment for a false or fraudulent claim; or
- Knowingly using kickbacks or bribes to obtain benefits, payments, or referrals under the state of Michigan's Medicaid program.

#### **Penalties:**

For making or presenting false claims:

- felony, punishable by imprisonment of up to 4 years
- \$50,000 fine

Conspiracy to obtain payment for false claims:

- felony, punishable by imprisonment up to 10 years
- \$50,000 fine

Use of kickbacks/bribes to obtain benefits, payment, or referrals:

- felony, punishable by imprisonment of up to 4 years
- \$30,000 fine

For making false statements/representations in connection with a Medicaid application:

For making or presenting false claims:

- felony, punishable by imprisonment of up to 4 years
- \$50,000 fine