

Lane Regional Medical Center Compliance Plan
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Compliance Program Overview

Healthcare Compliance is the practice of adhering to laws/regulations and hospital policies, which prevent fraud, and abuse within a healthcare facility. It is an ongoing process to meet ethical, legal, and professional standards for healthcare organizations and providers.

Lane Regional Medical Center (LRMC) maintains a Compliance Program (CP) to assist in complying with applicable federal, state, and local laws. The CP provides guidance for staff (which includes employees, contract labor, Board Members, Medical Staff, and anyone acting on behalf of LRMC), and serves as a mechanism for preventing and/or reporting compliance violations. The Compliance Officer (CO) reports to the Chief Executive Officer (CEO) on compliance efforts and plans. If the CO believes the compliance issue involves the CEO, the CO reports to the Board Chair and the hospital legal counsel. This reporting relationship is signified by a dotted line on the organization chart.

The LRMC CP is designed to meet the following elements listed in the Office of Inspector General's (OIG) CP Guidance:

- (1) Written policies and procedures.
- (2) Establishment of a compliance officer and compliance committee.
- (3) Training and education.
- (4) Effective lines of communication to report compliance concerns.
- (5) Effective reporting methods, conducting internal monitoring and auditing.
- (6) Proper enforcement through disciplinary guidelines.
- (7) Timely responses to compliance issues.

LRMC's CP applies to all staff. The administrative team sets an example of the highest ethical conduct, and acts on concerns brought forth by staff. Leaders at every level take responsibility for the actions of their staff, and ensure employees understand and apply the ethical standards established in the CP.

The CP promotes the prevention, detection, and resolution of conduct that is illegal or that does not conform to the organization's ethical standards and policies and procedures.

Questions regarding the CP, and any compliance-related issues should be addressed to the CO.

All policies referenced in the LRMC Compliance Plan can be accessed on the LRMC Intranet Page.

Compliance Plan Structure

Compliance Officer (CO):

The CO oversees the CP, and compliance with the requirements of federal and state laws. The CO has the authority to review any and all documents relevant to compliance activities. Primary responsibilities include:

- Initiating and/or overseeing compliance investigations.
- Maintaining compliance documentation.
- Overseeing compliance training and education.
- Assisting in addressing compliance issues that arise from audits or reporting mechanisms.
- Reviewing and making recommendations to policies and procedures.
- Monitoring compliance reporting mechanisms including the Compliance Hotline.
- Assisting in developing corrective action plans and sanctions to address compliance issues.
- Providing leadership for the organization's compliance efforts.
- Conducting risk assessments and program evaluations.
- Preparing reports as directed to evaluate compliance and to recommend improvements.
- Reporting to the CEO, and if applicable the Board Chair, and/or legal counsel for serious compliance violations or significant events.

Hospital Compliance Working Group:

The Hospital Compliance Working Group assists the CO with Compliance efforts. Members include representatives from various departments in the hospital as requested by the CO or administrative leadership.

Board Compliance Committee (officially the Finance, Audit, and Compliance Committee or known as the Finance Committee):

The Board Compliance Committee consists of Board members and receives routine reports from the CO. For any serious compliance violations including Hospital Administrators or Officers, the CO should notify the CEO and the Board Compliance Committee. The Compliance Committee Chair or Board Chair should report to the Board of Directors any significant compliance violations and ongoing compliance efforts.

Compliance Action Plan Checklist:

The Compliance Action Plan Checklist is used by the CO, determined by risk analysis of high-risk areas reported by governmental and healthcare entities, and is a comprehensive checklist to ensure compliance is monitored. This checklist is presented yearly to the Board and requires Board approval.

Code of Conduct

The Code of Conduct applies to all LRMC employees and focuses on staff conduct with respect to the laws that directly impact the organization. These are standards by which personnel must conduct themselves in order promote integrity, enhance the ability to achieve the objectives of the facility, and promote a positive work environment.

Commitment to Compliance- All staff are expected to conduct themselves in a manner consistent with this plan and the policies and procedures of the facility.

Financial Accounting and Billing- Periodic audits are performed to evaluate compliance with billing and financial accounting. Key elements evaluated include: only reasonable and necessary services are billed, if coding of services is appropriate, if billing is appropriate, and if documentation of services is sufficient.

Conflicts of Interest- All staff are expected to abide with the LRMC Human Resource Policy #2.12 Conflict of Interest.

Compliance with Laws- All staff are expected to comply with all applicable federal and state laws.

Employee Rights- All staff are expected abide with the LRMC Human Resource Policy #5.11 Anti-Harassment and Discrimination.

Standards of Conduct- LRMC adheres to the fundamental principle that the facility will operate in full compliance with applicable laws, and conduct business in conformance with sound ethical standards. All staff will act in compliance with the requirements of applicable laws and this CP in a sound ethical manner when conducting business and operations.

- LRMC maintains a copy of the Hospital Compliance Plan and ensures that a copy is made accessible to all staff by posting it on the Intranet.
- Each supervisor or manager is responsible for ensuring that staff within their supervision are acting ethically and in compliance with applicable laws. All staff are responsible for acquiring sufficient knowledge to recognize potential compliance issues applicable to their duties and for appropriately seeking advice regarding such issues.
- Disciplinary measures apply to all staff regarding any infraction of applicable laws or recognized ethical business standards. Disciplinary measures also apply to any leader or supervisor who fails to carry out their management responsibility to assure that staff are adequately informed about LRMC's policy on legal and ethical conduct.
- Staff will not offer or accept any bribe, payment, gift, or thing of value to any person or entity with whom the Hospital is seeking any business or regulatory

relationship except for gifts of nominal value which are legal and given in the ordinary course of business.

- Staff must promptly report the offering or receipt of gifts above a nominal value to their supervisor.
- Staff will not directly or indirectly authorize, pay, promise, deliver, or solicit any payment, gratuity, or favor for the purpose of influencing any political official or governmental employee.
- All business transactions are carried out in accordance with the directives of administration. All records are documented in accordance with generally accepted accounting standards or other applicable standards. All transactions, payments, receipts, accounts and assets are completely and accurately recorded.
- Payments that are made are used for the purpose that is described in the supporting documentation. All information recorded and submitted should not be used to mislead or conceal anything that is improper.
- All Staff will maintain the confidentiality of hospital and patient records in accordance with the applicable state, federal, and local laws pertaining to the protection of confidential materials.
- Staff are completely honest in all dealings with government agencies and representatives.

Refer to the Human Resources policy and procedure manual for further employee expectations, disciplinary procedures and behavior standards.

Compliance Training / Reporting

Education and Training:

LPMC provides education and training of the CP to ensure all staff have a clear understanding of their rights and responsibilities. Education programs include information relative to federal and state statutes, regulations, guidelines and ethics. Staff training occurs on hire and annually. All compliance training is documented and retained in accordance with Human Resources guidelines. Failure to comply with training requirements results in disciplinary action, including possible termination.

Reporting Noncompliance:

Staff is obligated to report issues, concerns or violations related to compliance. The hospital supports any employee to fulfill this duty and protect the employee from any potentially adverse consequences including retaliation. However, staff cannot use compliance complaints to protect themselves from consequences of their own misconduct, to cause harm to someone else, or benefit themselves. Anyone submitting deceptive reports may be disciplined and possibly terminated. The following are lines for communicating and reporting compliance issues:

- (1) Contact the hospital Compliance Officer.
- (2) Contact your manager.
- (3) Contact Human Resources.
- (4) Notify any member of the administrative team.
- (5) Compliance Hotline- LPMC has an established telephone hotline for reporting concerns or possible wrongdoing regarding compliance. The hotline number is posted within all LPMC facilities, on the internal LPMC intranet, and publicly via the external LPMC website.
- (6) Enter a compliance report in the incident reporting system.

Any staff member in a leadership role (Department Leader, Manager, Administrative Team Member) will report any compliance issue to the CO.

Investigations / Response

The CO investigates the conduct in question to determine whether a violation of applicable law occurred. The CEO, Board Chair, and/or legal counsel are made aware of any employee complaint and / or any matter that has the potential to result in a violation of federal, state, or local laws and regulations. If it is determined that a violation has occurred, steps are taken to correct the problem. The investigation and response may include, but is not limited to an immediate notification or referral to criminal and/or civil law enforcement agencies, or any other appropriate governmental organization (federal or state), and development and implementation of a corrective action plan. The response plan is determined after the investigation.

1. Compliance Officer's Role for Investigation:

The CO initiates an investigation into any reported conduct that appears to violate the terms of the LRMCP. A report is completed and shared as appropriate. The report includes the following information, if available and as appropriate:

- A copy of the complaint or reported violation received by the CO
- The date the complaint or report was received by the CO
- Copies of any documentation referred to in the complaint, including but not limited to billing claims, super bills, provider notes, etc. that pertain to the alleged violation or noncompliance
- Names of witnesses involved
- Any notes or observations identified by the CO during the investigation
- Analysis as to whether the noncompliance appears to have been intentional or unintentional and the basis of such analysis
- Recommendation as to whether further investigation is warranted

2. Compliance Investigation Initiation:

Upon completion of a preliminary investigation, the CO recommends whether to proceed with a full investigation of the reported violation of noncompliance.

- a. Upon the commencement of an investigation, if the Compliance Officer reasonably believes the integrity of the investigation is at risk because of the presence of staff under investigation, the CO may recommend removing staff from their work activity until the investigation is complete.
- b. The CO makes appropriate arrangements to secure relevant documents. This activity may include, depending on the circumstances, recommending the confiscating of the keys of the alleged violator, changing the locks on the doors, changing the password on computers, locking crucial documents for safekeeping, and other necessary measures.

- c. The CO as applicable, can make a recommendation to the CEO to engage outside counsel, auditors or health care experts to assist in the investigation. Records and supporting documentation (which could include things such as emails and medical records) of the investigation are maintained for at least 10 years and includes documentation of the investigative process, copies of interviews, key documents, a log of witnesses interviewed, and the documents reviewed. Finally, the records should contain the results of the investigation.

3. Reporting Misconduct:

If the CO or a hospital leadership team member discovers credible evidence of misconduct and has reason to believe that there is a violation of criminal, civil, or administrative law, then the misconduct is reported timely to the appropriate authority. Receipt of credible evidence of misconduct may be defined by whether the conduct is:

1. A clear violation of criminal law;
2. Has a significant adverse effect on the quality of care provided to program beneficiaries;
3. Evidence of a systemic, failure to comply with applicable laws, the CP, or other standards of conduct, that may warrant immediate notification and the hospital should seek the advice of outside counsel.

4. Overpayments:

The hospital makes reasonable efforts to identify overpayments it may have improperly received and takes the appropriate corrective action to ensure the hospital does not continue to receive improper payments. Overpayments are refunded to the affected payer promptly through normal repayment channels in accordance with the guidance from the fiscal intermediary or carrier.

Enforcing Compliance Standards / Employee Discipline

Employee Discipline:

Hospital Staff who fail to comply with compliance standards set forth in this CP, LRMC policies, or any federal or state statutes or regulations are disciplined appropriately. (Refer to LRMC's Personnel Policy Manual- Number 5.09).

Failure to Report Non-compliance:

Disciplinary action may be taken against employees who deliberately fail to report compliance violations.

Discipline of Supervisors:

Disciplinary action may also be taken against an employee's supervisor if the supervisor's conduct demonstrates a lack of leadership or lack of diligence with regard to compliance policies or issues, and has resulted in non-compliance within his or her department. They can also receive disciplinary action for failure of their employees to follow policies set forth by LRMC.

Monitoring Compliance:

The CO will perform periodic audits to assess compliance with the standards set forth in this plan and findings will be reported at least annually to the Board.

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