

Reported to the Board of Trustees
March 26, 2008

Board Meeting
March 26, 2008

REPORT ON THE MEDICAL CENTER COMPLIANCE PLAN
TO THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

Under authority delegated by the Board of Trustees to the Medical Center, the first Compliance Plan was created in 1998. It was revised in 2003 and again in September, 2005; each time being subsequently presented to the Board of Trustees. This latest version was reviewed and authorized by the Compliance Governance Committee of the Medical Center in December, 2007. Changes were made to reflect evolution in the administrative organization of the compliance structure and changes in the operations of the organization.

This item is for informational purposes only.

UNIVERSITY OF ILLINOIS MEDICAL CENTER

Corporate Compliance Plan

Submitted to the Board of Trustees

March 26, 2008

**UNIVERSITY OF ILLINOIS MEDICAL CENTER
AT CHICAGO
CORPORATE COMPLIANCE PLAN**

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**UNIVERSITY OF ILLINOIS MEDICAL CENTER AT CHICAGO
CORPORATE COMPLIANCE PLAN**

Introduction

The Medical Center is defined as the University Hospital, Ambulatory clinics, and the provider community intended within. The United States Sentencing Commission defines a Compliance Program as "a program that has been reasonably designed, implemented and enforced so that it generally will be effective in preventing and detecting criminal conduct. Failure to prevent or detect the instant offense, by itself, does not mean that the program is not effective. The hallmark of an effective program to prevent and detect violations of law is that the organization exercise due diligence in seeking to prevent and detect criminal conduct by its employees and other agents".

UNIVERSITY OF ILLINOIS MEDICAL CENTER AT CHICAGO (UIMCC) has a strong and abiding commitment to ensure that its affairs are conducted in accordance with all applicable laws, rules, and regulations. A critical focus of any Compliance Program for academic health care providers relates to professional fee reimbursement. Compliance in this area is challenging due to regulatory requirements governing such reimbursement that are complex and changing. To underscore and enhance its commitment and to better assist all employees, including faculty physicians, UIMCC has implemented an expanded compliance program that focuses on laws pertaining to billing practices and services mandated by government programs. The purpose of this Compliance Program is to promote good UIMCC citizenship through the education of officers, directors, and employees concerning the legal and ethical standards as well as the risks of non-compliant business practices. The Compliance Program seeks to prevent misconduct, but it also is designed for early detection of violations.

UIMCC is committed to conducting business in a manner that facilitates quality, efficiency, honesty, integrity, respect, and full compliance with all applicable laws and regulations. In order to meet this commitment, only those eligible professional services shall be billed to third party payers and patients. All billing to patients and third party payers shall accurately reflect the services provided, and all professional services provided for patients shall be properly documented.

To provide guidance to physicians and other health care professionals, the Chief Compliance Officer every three years and more often if indicated, reviews existing policies and procedures, revises those policies and procedures as necessary, and develops any additional policies and procedures that are deemed advisable to maintain compliance with all applicable laws and regulations. All policies and procedures concerning billing documentation are considered an integral part of the Compliance Program.

The Compliance Program and this Corporate Compliance Plan (the "Plan") were developed in accordance with all applicable laws, rules, and regulations, and with guidance from appropriate federal and state authorities, including the Guidelines for Hospital Compliance prepared by the Office of the Inspector General, and the Federal Sentencing Guidelines. With the Plan, UIMCC

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Benefits of a Compliance Program

- Demonstrates that UIMCC has established standards and procedures to effect compliance with applicable federal and state laws and regulations;
- Assists UIMCC to fulfill its fundamental care-giving mission to patients and the community, and to identify weaknesses in internal systems and management;
- Concretely demonstrates to employees and the community at large UIMCC's strong commitment to honest and responsible provider and corporate conduct;
- Provides a more accurate view of employee and contractor behavior relating to fraud and abuse;
- Identifies and prevents criminal and unethical conduct;
- Creates a centralized source for distributing information on health care statutes, regulations, and other program directives related to fraud and abuse and related issues;
- Develops a methodology that encourages employees to report potential problems;
- Develops procedures that allow for prompt and thorough investigation of alleged misconduct by corporate officers, managers, employees, independent contractors, physicians, and other health care professionals and consultants;
- Initiates immediate and appropriate corrective action;
- Improves the speed and quality of responses to lawsuits, investigations, and other emergencies that often occur with little or no warning;
- Can substantially reduce fines, avoid mandatory probation, and avoid prosecution under the Federal Sentencing Guidelines;
- Provides UIMCC with a more accurate view of employee behaviors, identifies and ferrets out criminal and unethical conduct, and prevents and detects costly misconduct;
- Provides efficient methods of disseminating information relating to changes in regulations and requirements;
- Establishes a structure in which employees can report concerns internally rather than externally which may reduce the risk of governmental investigations and costly *qui tam* actions.

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Elements of an Effective Compliance Program

- The development of written standards of conduct, policies and procedures that promote UIMCC's commitment to compliance, and reduce the likelihood of criminal conduct;
- The designation of a Chief Compliance Officer and other appropriate bodies, e.g., a Corporate Compliance Committee, charged with the responsibility of operating and monitoring the compliance program, and who report directly to the CEO, HealthCare System;
- The exercise of due care in the selection of individuals who will have substantial discretionary authority to avoid those with the propensity to engage in criminal activity;
- The establishment of reasonable steps to respond to detected offenses and prevent similar offenses;
- The development and implementation of a formal education and training program for all appropriate employees and agents;
- The establishment of reasonable steps to achieve compliance with Standards of Conduct;
- The use of audits and/or other evaluation techniques to monitor compliance and assist in the reduction of identified problem areas;
- The development and maintenance of a process, such as a Hotline, for employees to report possible compliance violations;
- The development of a system to respond to allegations of improper/illegal activities and the enforcement of appropriate disciplinary actions against employees who have violated internal compliance policies, applicable statutes, regulations or federal health care program requirements;
- The consistent enforcement of standards through appropriate and well-publicized disciplinary mechanisms;
- The development of policies addressing the non-employment or retention of sanctioned individuals.

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I. Code of Conduct (<http://www.ethics.uillinois.edu/policies/code.cfm>)

A. Standards of Conduct

UIMCC has a strong and abiding commitment to ensure that its affairs are conducted in accordance with applicable law. The Code of Conduct provides the guiding standards for our decisions and actions as members of UIMCC community and shall be integral to the operation of UIMCC and the activities in the community.

The basic principles of conduct are as follows:

- UIMCC shall comply with all applicable laws.
- UIMCC shall conduct its affairs in accordance with the highest ethical standards.
- Each employee shall support UIMCC's goals and avoid conflicts of interest.
- UIMCC shall maintain proper and accurate records and a relationship of integrity with all payer sources.
- The employees of UIMCC shall conduct all business practices with honesty and integrity.
- UIMCC shall have proper regard for safety within UIMCC and for safety measures that may affect the community.
- UIMCC shall strive to attain the highest standards for all aspects of patient care.
- UIMCC shall provide equal opportunity and respect the dignity of each employee.
- UIMCC shall maintain the highest standards of academic integrity.
- Faculty members shall abide by the general standards and the Code of Conduct for Faculty Members.
 - Personal responsibility as Attending for highest quality care of his/her patients.
 - Professional and financial responsibility within the faculty practice setting (group practice concept).
 - Academic responsibility to peers (and Department).
- Any employee of UIMCC has the obligation to report a violation of the Code of Conduct. Violations can be reported to an immediate supervisor or the Chief Compliance Officer. All information is confidential and may be reported anonymously.
- It is a violation of the Code of Conduct to conduct reprisals against anyone making a good faith report of potential violations of the Code. The University maintains a policy entitled "Disclosure of Wrongful Conduct and Protection from Reprisal" (Business and Financial Policies and Procedures, Office of Business and Financial Services, Section 1.7)

B. Mission Statement

The mission of UIMCC is to support essential teaching and research functions for the academic units of UIMCC's Health Sciences Center. This includes medicine, nursing, dentistry, pharmacy, public health, and the associated health professionals. In the hospital and clinics, faculty will teach students and investigate the causes and treatment of disease; students in health professions learn the art and science of their professions, assuming increasing responsibility for patient care as they progress toward professional maturity.

Clinical faculty members of the Health Sciences teach exemplary health care by practicing it. Students see and emulate the best that art, science and technology can offer. Therefore, UIMCC must provide the best of care in accordance with the highest standards of hospital accreditation, having at all times the welfare of the patient as a primary concern. Any program carried out, whether health care, teaching or research, must meet the highest possible scientific and ethical standards.

Admissions to UIMCC are made in accordance with the teaching and research requirements of UIMCC, the availability of space, and legal/regulatory requirements related to health care access.

C. Code of Ethics

UIMCC has established this code of ethics in recognition of the institution's responsibility to our patients, staff, physicians, and the community we serve. It is the responsibility of every member of UIMCC to act in a manner that is consistent with the organizational statement and its supporting policies.

The institution's values are:

- Integrity
- Innovation
- Service Excellence
- Safety
- Accountability

These values relate specifically to:

- patient care,
- confidentiality,
- external relations,
- professional conduct and decision making
- and billing practices.

This code of ethics supports the organization's overall commitment to carry out its values in all of its interactions with patients, physicians, staff and all other recipients of UIMCC services.

D. Code of Conduct for Faculty Members

The following are the minimum standards set forth for the professional performance of all clinical faculty, or designees under their supervision.

- Responsibility as Attending for highest quality care of his/her patients, including:
- Contact with the patient in all care settings as appropriate
- Discuss diagnosis, treatment and prognosis with the patient and/or family
- Develop and discuss post hospital plan with patient and/or family
- Contact referring physician after admission, immediately post-op, or after other significant event
- Discuss outcome with family
- Provide leadership in interactions with other health professionals involved in the care of the patient
- Answer consults in a reasonable period and documents findings on the patient chart
- Transfer responsibility for the care of the patient only to another faculty attending or referring physician
- Maintain professional and financial responsibility within the faculty practice setting (group practice concept)
- Provide care in a cost-effective manner
- Appropriately utilize faculty colleagues for consults and referrals in the best interest of the patient
- Conduct all patient care activities within UIMCC, affiliated settings, or other agreed upon settings
- Demonstrate academic responsibility to peers and Department
- Appropriately supervise house staff assigned to him/her
- Participate effectively in teaching rounds and share his/her knowledge openly and constructively
- Regularly attend departmental education activities
- Stay current with scientific and technical developments in his/her discipline
- Be aware of, participate in and/or facilitate research
- Actively participate in departmental administrative affairs as assigned

II. Potential Risk Areas

While it is important to recognize the overall positive effects of a compliance program and the need to orient all personnel, there are several areas that are susceptible to potential compliance risk. These areas include false claims and statements, patient care, and Stark Law infringements regarding potential kickback issues with providers. Leadership at both the hospital and physician provider level must understand and remain compliant in these areas.

A. False Claims, False Statements

- Billing for items or services not actually rendered (services must be documented)
- Billing for medically unnecessary services
- Upcoding and DRG Creep
- Outpatient Services connected with inpatient stays (72 Hour Rule)
- Teaching hospital requirements (PATH)
- Duplicate billing
- False Cost Reports

- Unbundling
- Billing for discharge in lieu of transfer
- Failure to refund Credit Balances
- Lack of integrity in computer systems
- Failure to maintain records' confidentiality
- Failure to properly use modifiers
- Routine waivers of co-payments and deductibles

B. Patient Care

- Restriction of Patient's Freedom of Choice
- Patient Dumping
- Abandonment

C. Other

- Financial Arrangements Between Hospitals and Physicians
- Incentives Violating Anti-Kickback Statute
- Stark Law
- Tax-Exemption Laws, as applicable
- Illinois Health Care Workers Self-Referral Act

III. Claim Development and Submission Process

With respect to reimbursement claims, a hospital's written policies and procedures reflect and reinforce current federal and state statutes and regulations regarding the submission of claims and Medicare cost reports. The policies stipulate a mechanism for the billing or reimbursement staff to communicate effectively and accurately with the clinical staff. Policies and procedures:

- Provide for proper and timely documentation of all physician and other professional services prior to billing to ensure that only accurately and properly documented services are billed;
- Emphasize that claims be submitted only when appropriate documentation supports the claims and only when such documentation is maintained and available for audit and review;
- State that, consistent with appropriate guidance from the medical staff, physician notes and hospital records used as a basis for a claim submission must be appropriately organized in a legible form so they can be audited and reviewed;
- Indicate that the diagnosis and procedures reported on the reimbursement claim form must be based on the medical record and other documentation, and that the documentation necessary for accurate code assignment must be available to coding staff; Provide that the compensation for billing department coders and billing consultants must not provide any financial incentive to improperly upcode claims;
- Ensure that audits are performed on billing services to detect errors in coding.

Written policies and procedures concerning proper coding reflect the current reimbursement principles set forth in applicable regulations and were developed in tandem with private payers. Particular attention was paid to issues of medical necessity, appropriate diagnosis codes, DRG coding, individual Medicare Part B claims (including evaluation and management coding) and the use of patient discharge codes.

A. Outpatient Services Rendered in Connection with an Inpatient Stay

The following measures have been implemented to demonstrate the Medical Center's good faith to comply with the Medicare billing rules for outpatient services rendered in connection with an inpatient stay:

- the installation and maintenance of computer software that will identify those outpatient services that may not be billed separately from an inpatient stay;
- a periodic review to determine the appropriateness of billing outpatient service claims, to be conducted by one or more appropriately trained individuals familiar with applicable billing rules;
- In addition to the pre-submission monitoring, the following post-submission testing processes is in place: periodic post-submission random testing process that examines or re-examines previously submitted claims for accuracy;
- inform the fiscal intermediary and any other appropriate governmental fiscal agents of the hospital's testing process and;
- advise the fiscal intermediary and any other appropriate government fiscal agents in accordance with the current regulations or program instructions with respect to return of overpayments of any incorrectly submitted or paid claims and, if the claim has already been paid, promptly reimburse the fiscal intermediary and the beneficiary for the amount of the claim paid by the government payer and any applicable deductibles or co-payments, as appropriate.

B. Submission of Claims for Laboratory Services

Reasonable steps have been taken to ensure that all claims for clinical and diagnostic laboratory testing services are accurate and correctly identify the services ordered by the physician (or other authorized requestor) and performed by the laboratory. The following policies and procedures require at a minimum that:

- the hospital bills for laboratory services only after they are performed; bills are submitted only for medically necessary services; only those tests actually ordered by a physician (or other authorized requestor) and provided by the hospital laboratory are billed; the CPT or HCPCS code used by the billing staff accurately describes the service that was ordered by the physician (or other authorized requestor) and performed by the hospital laboratory;
- the coding staff: 1) only submits diagnostic information obtained from qualified personnel; and 2) contacts the appropriate personnel to obtain diagnostic information in the event that the individual who ordered the test has failed to provide such information; and
- when the diagnostic information is obtained from a physician or the physician's staff after receipt of the specimen and request for services, the receipt of such information is documented and maintained.

C. Physicians at Teaching Hospital (PATH)

Policies and procedures are in place to ensure the following with respect to all claims submitted on behalf of teaching physicians.

- Only services actually provided are billed.
- Each physician who provides and/or supervises the provision of services to a patient is

responsible for: 1) correctly documenting the services that were rendered; 2) signing the documentation as the direct provider or as the supervisor of the services; and 3) placing the documentation in the patient record.

- The physician is responsible for assuring that in cases where he/she provides evaluation and management (E&M) services, the patient's medical record must include appropriate documentation of the applicable key components of the E&M service provided or supervised by the physician (e.g., patient history, physician examination, and medical decision making), as well as documentation to reflect his/her presence during the key portion of any service or procedure for which payment is sought.

D. Cost Reports

Written policies and procedures that seek to ensure full compliance with applicable statutes, regulations and program requirements and private payers plans ensure at a minimum that:

- costs are not claimed unless based on appropriate and accurate documentation;
- allocations of costs to various cost centers are accurately made and supported by verifiable and auditable data;
- unallowable costs are not claimed for reimbursement;
- accounts containing both allowable and unallowable costs are analyzed to determine the unallowable amount that should not be claimed for reimbursement;
- costs are properly classified;
- fiscal intermediary prior year audit adjustments are implemented and are either not claimed for reimbursement or claimed for reimbursement and clearly identified as protested amounts on the cost report;
- all related parties are identified on Form 339 submitted with the cost report and all related party charges are reduced to cost;
- requests for exceptions to TEFRA (Tax Equity and Fiscal Responsibility Act of 1982) limits and the routine cost limits are properly documented and supported by verifiable and auditable data;
- routine cost limits are properly documented and supported by verifiable and auditable data;
- the reporting of bad debts on the cost report is in accord with federal statutes, regulations, guidelines, and policies;
- allocations from the cost statement to individual hospital cost reports are accurately made and supportable by verifiable and auditable data; and there is documentation for prompt notification of the Medicare fiscal intermediary or any other applicable payer, of errors discovered after the submission of the cost report.

IV. Medical Necessity-Reasonable and Necessary Services

Claims are only submitted for services that UIMCC has reason to believe are medically necessary and that were ordered by a physician or other appropriately licensed individuals. (For Medicare reimbursement purposes, a physician is defined as a doctor of medicine or osteopathy; a doctor of dental surgery or of dental medicine; a podiatrist; an optometrist; or a chiropractor, all of whom must be licensed by the state).

Health care professionals are able to order any services that are appropriate for the treatment of their patient; however, Medicare and other governmental and private health care plans will only pay for those

services that meet appropriate medical necessity standards (i.e., in the case of Medicare, “reasonable and necessary” services).

Documentation in the patient's medical record and physician's order support the medical necessity of a service that has been provided.

V. Anti-Kickback and Self-Referral Concerns

Written policies and procedures are in place with respect to compliance with federal and state anti-kickback statutes, as well as the Stark Physician Self-Referral Law. Such policies and procedures ensure that:

- All contracts and arrangements with referral sources comply with all applicable statutes and regulations;
- The hospital does not submit or cause to be submitted to the federal health care programs claims for patients who were referred to UIMCC pursuant to contracts and financial arrangements that were designed to induce such referrals in violation of the anti-kickback statute, Stark physician self-referral law or similar federal or state statute or regulation;
- UIMCC does not enter into financial arrangements with hospital based physicians that are designed to provide inappropriate remuneration to UIMCC for the physician's ability to provide services to federal health care program beneficiaries at UIMCC.

VI. Bad Debts

UIMCC has developed a mechanism to ensure:

- That all bad debts are reported to Medicare;
- That the hospital's policies and procedures are in accordance with applicable federal and state statutes, regulations and guidelines;
- That beneficiary deductible or co-payment collection efforts have not claimed as bad debts any routinely waived Medicare co-payments and deductibles, which could constitute a violation of the anti-kickback statute.

VII. Credit Balances

Policies and procedures are in place to provide for the timely and accurate reporting of credit balances to Medicare and other federal health care program.

Patient Accounts has the ability to print out the individual patient account that reflects a credit balance in order to permit simplified tracking.

Each designated service or department designates at least one person as having the responsibility for tracking, recording and reporting credit balances.

A monitoring system is in place to review reports of credit balances and reimbursing of adjustments on a monthly basis as an additional safeguard.

VIII. Retention of Records

Written policies and procedures are in place regarding the creation, distribution, retention, storage, retrieval and destruction of documents.

IX. Compliance as an Element of a Performance Plan

Promotion of and adherence to the elements of the compliance program is a factor in evaluating the performance of UIMCC employees.

X. Role of the Board

The Board retains the ultimate responsibility for the Corporate Compliance Program; however, the overall management of the Program has been delegated to the CEO, HealthCare System. The CEO, HealthCare System will submit an Annual Report to the Board. In addition, the Chief Compliance Officer will report to the Board's Committee on the University Hospital and Clinics on a quarterly basis as well as on an as-needed basis any significant occurrences pertaining to the Compliance Program.

XI. Role of the Compliance Office and Compliance Committee

The mission of the Compliance Office is to –

- Promote adherence to all applicable regulations, laws, rules and policies, especially those concerning billing Medicare and Medicaid.
- Monitor activities to ensure that policies and procedures established for compliance are effective.
- Participate in any internal and external review processes, resolve compliance issues, and help respond to legal or administrative inquiries related to compliance issues or audits.
- Provide advice and direction to Senior Management, staff, and employees to maximize compliance with all pertinent regulations.
- Keep abreast of new regulations and changes in the law that may impact on compliance issues of the Medical Center.

The Compliance Office has access to content experts and compliance liaisons throughout the Medical Center to fulfill its mission.

Corporate Compliance Committee

The Charge of the Committee:

- Establish policy and guidelines to assure UIMCC Hospital, Clinics, Faculty Group Practice and Associated Clinical Activities compliance with all appropriate business and regulatory requirements of Health Affairs enterprises;
- Advise UIMCC Chief Compliance Officer in the implementation and operation of UIMCC compliance plan;
- Receive reports from and recommend actions to the Chief Compliance Officer with regard to corrective actions that may be necessary to maintain compliance with all established policies;
- Periodically advise the CEO, HealthCare System on the status of UIMCC's compliance program

- and recommended any changes that may be appropriate;
- Direct the Chief Compliance Officer in the preparation of an annual report on compliance to the committee on the Hospital and Clinics of the University's Board of Trustees.

Members, appointed at the discretion of the CEO, HealthCare System, shall include, but not be limited to:

- Chief Compliance Officer (chair)
- Chief Financial Officer
- Chief Medical Officer
- Director, Compliance Office
- Director of Compliance of the Medical Service Plan
- Director of Hot Line Services
- Director of Human Resources
- Director of University Audits (advisory member)
- University Counsel (staff to Committee)

XII. Role of Legal Counsel

UIMCC legal counsel will assist the Chief Compliance Officer in identifying and addressing applicable laws, rules and regulations for the Plan. UIMCC legal counsel will serve as an advisor to UIMCC in relation to such laws, rules and regulations. UIMCC legal counsel will review policies and procedures related to the Plan on a regular basis to ensure that they adhere to all federal and state laws, rules and regulations.

XIII. Role of Audits

The Chief Compliance Officer has the authority to directly communicate, consult with and request audits.

The Chief Compliance Officer notifies legal counsel of all reports of material noncompliance, at which time the Chief Compliance Officer, in conjunction with legal counsel, may coordinate an investigation of the reported incident. Such investigation may involve the engagement of outside counsel or consultants. UIMCC will make every effort to preserve and maintain the attorney-client privilege in connection with such investigations.

XIV. Preventing Individuals Involved in Illegal or Unethical Activities from Exercising Discretionary Authority

UIMCC will not permit individuals previously involved in certain illegal or unethical activities to exercise discretionary authority. Ongoing and recurring reviews of federal databases for all persons excluded from Medicare or other federal programs will occur.

UIMCC requires background checks for all potential employees and a review of federal databases on persons excluded from Medicare or other federal health care programs for all prospective officers, directors, employees, independent contractors and medical staff members.

No individual who has engaged in illegal or unethical behavior and/or who has been convicted of crimes related to the provision of health care services or products (including billing services) will occupy a position within UIMCC that involves the exercise of discretionary authority.

All prospective UIMCC employees (and all non-employed UIMCC personnel) must disclose whether they have changed their names and whether they have ever been convicted of a crime, including, without limitation, a crime related to the provision of health care services or products.

UIMCC will remove any person in a position of authority where there is clear evidence that the person is not willing to comply with the Plan. UIMCC will implement procedures to terminate any UIMCC employee or to terminate its relationship with any non-employed UIMCC personnel, who is convicted of a crime related to the provision of healthcare services or products or is currently excluded from participation in a federal health care program, including immediate removal from direct responsibility for or involvement in any federal health care program. Pending final disposition, UIMCC will remove or otherwise insulate from direct responsibility for, or involvement in, any federal health care program all UIMCC personnel with pending criminal charges relating to the provision of health care services or products or proposed exclusion from participation in any federal health care program.

XV. Conducting Effective Training and Education Programs

Education and training of corporate officers, managers, employees, physicians and other health care professionals and the continual retraining of current personnel at all levels, are significant elements of an effective compliance program. The Chief Compliance Officer has worked with representatives of each Department to ensure that there is a systematic and ongoing training program that enhances and maintains awareness of new and/or changes in policies, rules, and regulations among existing staff and that introduces new personnel to the Corporate Compliance Program.

Education and training programs are provided for all employees and supervisory staff to whom the plan is applicable, as well as for clinical department physicians. The Compliance Program is presented to all new employees during new employee orientation. Ongoing educational sessions are offered on a departmental basis as needed. Attendance is mandatory and is documented. Those employees who do not attend the original sessions and/or the make-up sessions are subject to disciplinary action.

A person in each designated service or department is responsible for developing the content of each education and training session. A copy of the content of each program that was presented and the attendance documentation is retained in each department.

XVI. Developing Effective Lines of Communication

A. Access to the Chief Compliance Officer

An open line of communication between the Chief Compliance Officer and UIMCC personnel is important to the successful implementation of a compliance program and to the reduction of any potential for fraud, abuse and waste. This can be education and training programs, as well as other forms of information exchange to maintain an open line of communication.

B. Hotlines and other Forms of Communication

The Chief Compliance Officer has established a confidential telephone service called the Complaint and Compliance Hotline to provide a means by which employees may report any activity and/or conduct that is not in adherence with the compliance program, as well as federal, state, and local laws and regulations.

XVII. Enforcing Standards Through Disciplinary Guidelines

A. Disciplinary Action Plan

The goal of this program is to detect and promptly correct activity that does not comply with the standards adopted pursuant to this program. Attempts should always be made to discuss and resolve issues in cooperation with the persons involved. However, illegal conduct shall be dealt with promptly, and shall be reported to the Chief Compliance Officer. Appropriate disciplinary action should be consistent with the nature of the conduct.

Disciplinary action shall be designed to ensure that the specific issue is addressed and that similar problems do not occur in other areas or departments. Disciplinary action may require that compliance issues be handled in a designated way, that certain training take place, that restrictions be imposed on particular employees, or that the matter be disclosed externally. Sanctions or discipline, in accordance with the established policies and procedures of UIMCC may also be recommended. If it appears that certain individuals have exhibited a propensity to engage in practices that raise compliance or competence concerns, the corrective action plan should identify actions that are taken to prevent such individuals from exercising substantial discretion in regard to that compliance area.

Non-physician employees are disciplined based on the present policy of progressive disciplinary action.

The Medical Center and each designated clinical service shall develop a disciplinary policy, as part of its compliance plan that specifies the action that is taken for non-compliance issues demonstrated by staff, attending physicians, residents, interns, and medical students.

B. New Employee Policy

As part of the pre-employment process, UIMCC shall conduct a reasonable and prudent background investigation, including reference checks, on all employees as well as attending physicians, residents, and medical students.

XVIII. Auditing and Monitoring

Internal review and monitoring standards are integral to the Compliance Program. Departmental audits shall address issues specific to that department as well as items specified in the Corporate Compliance Program, the OIG Work Plan, the OIG Special Fraud Alerts, the OIG Audits and Evaluations, Federal and State Health Care Statutes, Regulations and Federal Health Care Program Requirements.

Departments that contract with outside billing services will audit that service on an unscheduled basis and/or if there are suspected activities such as questionable coding practices.

A regular schedule for audits is determined by each department, i.e., weekly, monthly, quarterly, or indicated as needed; the time frame must be indicated in the departmental plan.

Chart reviews of each Teaching Physician shall be conducted on an annual basis; outcomes shall be directed to the individual physician, the Department Head, and the Chief Compliance Officer via written communication.

Each departmental plan shall include a statement that will provide a mechanism to address noncompliance issues, such as expanded education and training sessions, the development of new policies and procedures, or subsequent audits to ensure that the problem has been corrected.

A summary report of the audit findings from each department is forwarded to the Chief Compliance Officer.

A. Billing Compliance Investigation Process

- The Compliance Office will investigate and determine the appropriate responses to all reports and indications of suspected billing non-compliance and to oversee and coordinate resolution of all COM billing compliance issues. A determination of the degree of the compliance problem will dictate the speed of response and extent of investigative activities.
- The Compliance Office will coordinate any inquiry or investigation with University Counsel.
- Allegations of billing non-compliance may be made by anyone who has reason to believe such actions have occurred. Allegations can be made to the Compliance Office.
- An initial inquiry is performed and it is determined whether billing non-compliance has occurred. If evidence exists, the Compliance Office will proceed with an investigation.
- After an initial inquiry has been made, and throughout the investigative process, the Director may require that billing temporarily be discontinued for the provider involved or require pre-billing reviews of the provider's charts. The Director may also require specific staff member(s) be removed from their billing-related work until the investigation is completed.
- An investigation is made if the initial inquiry results in evidence that billing non-compliance has been made.
- UIMCC Counsel will assist the Compliance Office in reviewing University policies, state and federal statutes, regulations and all other documentation relative to the alleged infraction. University Counsel will also assist and guide the Office of Compliance in the event that ambiguity exists within the billing requirements so that an appropriate policy can be made.
- The Compliance Office will protect all billing or patient record data and any other relevant information involved in the accusation. Such action will not constitute disciplinary action; it is only meant to preserve the data or other information.
- The Chief Compliance Officer will direct an investigation of the alleged infraction.
- Once the investigation has been completed, a written report outlining the findings will be prepared. It will include whether or not evidence exists that non-compliance occurred and if disciplinary action is justified. In addition, the report will summarize the documents and information that was used during the course of the investigation and will keep the written report confidential and on file for at least three years.

B. Action

The Chief Compliance Officer will determine the appropriate action and will make recommendations to affected person/personnel's supervisor regarding suitable disciplinary action.

Examples of disciplinary action include:

- Letter of Counseling
- Letter of Reprimand
- Suspension w/out pay
- Termination

Corrective action may also include the following:

- Suspension of billing of provider's services
- Pre-billing reviews of provider's charts
- Educational seminar attendance of provider's staff

C. Reporting

- The Chief Compliance Officer and Director of Compliance will meet with the Chairman of the affected Department or the supervisor of the affected staff member to discuss required or recommended disciplinary action. These decisions are made in accordance with University policies and procedures.
- In the event that the Compliance Office believes that a criminal, civil or administrative violation has occurred, the Director may be required to report such activities to state and federal authorities. University Counsel is involved in determining the appropriate reporting mechanism to any governmental department.

D. Appeal Process

If the Department Chair or the individual involved in the alleged activity does not agree with the disciplinary action, he or she may appeal within the guidelines of University policies and procedures.

E. Audits

The Chief Compliance Officer may instruct the affected department to perform post-investigation medical records and claims reviews in order to monitor compliance. In addition, the Compliance Office may perform audits or review the departmental audits as necessary. If the affected department continues to be non-compliant, the Chief Compliance Officer may recommend additional action against the department. The above relates specifically to billing; other auditing and monitoring processes can be found in the proceeding section.

XIX. Responding to Detected Offenses and Developing Corrective Action Initiatives

One of the critical predicates upon which this compliance program is built is that it will continue to adjust to new regulatory and legal developments, as well as to implement corrective action in response to demonstrated misconduct.

It is the responsibility of the Chief Compliance Officer to be continually aware of these regulatory and legal developments and to disseminate this information to the appropriate departmental personnel for their action.

A. Violations and Investigation

When there is reasonable cause to believe that a violation of UIMCC's compliance program, failure to comply with applicable federal or state law, or any other type of misconduct that may threaten its status as a reliable, honest and trustworthy provider capable of participating in the federal health care programs has occurred, a prompt and confidential investigation is initiated.

A record of investigations is initiated and will contain documentation of the alleged violation, a description of the investigative process, copies of interview notes and key documents, a log of the witnesses interviewed and the documents reviewed, the results of the investigation, any disciplinary action taken, and the corrective action that was implemented. Investigation reports are maintained in the office of the Chief Compliance Officer.

B. Processing of Disclosures and Reports

The Chief Compliance Officer investigates all reports of suspected misconduct or noncompliance and refers reports raising potential legal issues to UIMCC's legal counsel. Records of suspected misconduct or noncompliance and any subsequent investigation are confidential and are retained by the Chief Compliance Officer or legal counsel.

UIMCC will not retaliate against or otherwise discipline any individual simply because he or she reports suspected misconduct or noncompliance. The Chief Compliance Officer has the authority to withhold names of all UIMCC personnel who report information. The Chief Compliance Officer does not, however, have the authority unilaterally to extend any protection or immunity from disciplinary action or prosecution to UIMCC personnel who have engaged in misconduct or noncompliance.

Disclosure procedures include the following:

- UIMCC employees shall report potential noncompliance or violations of the Plan to their supervisor, the Chief Compliance Officer, the Director of Compliance, or the Compliance Hotline.
- The Chief Compliance Officer will investigate all reports made through the Hotline.
- The Chief Compliance Officer will create and maintain a written record of all reports.
- UIMCC will ensure the privacy of the individual making the report.
- UIMCC will ensure that reports by innocent UIMCC personnel do not subject those individuals to retaliation or retribution.
- UIMCC will ensure that the existence and process of the disclosure program is adequately communicated to all UIMCC personnel on a regular basis.

C. Investigation procedures.

Investigation procedures include the following:

- The Chief Compliance Officer, in consultation with UIMCC legal counsel, promptly investigates all reports of suspected misconduct or noncompliance.
- UIMCC personnel shall cooperate fully with any compliance investigation undertaken pursuant to the Plan.
- The Chief Compliance Officer will obtain all documents or records that may be related to the disclosure or its investigation.

- The Chief Compliance Officer will document and maintain a written record of all compliance investigations.
- UIMCC will make every effort to preserve and maintain the attorney-client privilege in connection with an investigation.
- If action by the CEO of Healthcare System is required, a written report of the investigation is sent.

XX. Procedures Following the Detection of Misconduct

Failure to comply with the Plan or any applicable law, rule or regulation may result in disciplinary action up to and including termination from employment or association with UIMCC.

UIMCC employees involved in verified misconduct or noncompliance are subject to the disciplinary procedures set forth in University policies and procedures. Enforcement and discipline are under the authority of the CEO, HealthCare System and may include:

- Discipline of persons involved in the misconduct or noncompliance.
- Discipline of persons who fail to report known misconduct or noncompliance.

If it is determined, after investigation, that misconduct or noncompliance occurred as a result of negligence or inadvertence, the matter is referred to the Department Head for disciplinary action.

If it is determined, after investigation, that misconduct or noncompliance occurred as a result of willful and knowing conduct or gross negligence, the matter is referred to the Department Head or other person administratively responsible, and University Counsel, who shall collectively determine the response and disciplinary action necessary, in light of all available information.

Appropriate disciplinary measures are determined on a case-by-case basis, and may include, without limitation, termination of employment, reassignment, and/or reporting the responsible individuals to the appropriate governmental authorities. In addition to disciplinary action, UIMCC will respond to each specific situation on a case-by-case basis, using methods including:

- Revising the Plan to prevent the occurrence of future similar misconduct or noncompliance.
- Increasing auditing and monitoring procedures.
- Re-training UIMCC personnel.
- Modifying patient charges, medical records, coding and billing systems where necessary.
- Amending policies and procedures.
- Engaging in steps necessary to reduce error rates.
- Reporting the problem to governmental authorities.
- Making restitution to the appropriate payer.

Following the detection of any misconduct or noncompliance, UIMCC will monitor the corrective action efforts to ensure that future conduct is corrected. Specifically:

- The CEO, HealthCare System or his designee is responsible for the implementation of corrective

action and follow-up.

- When an offense has been committed and detected or a potential issue identified and reported through the Plan, the Chief Compliance Officer will monitor compliance with the implementation of corrective action and will provide a report for each offense or issue.
- The Chief Compliance Officer will provide regular reports to the CEO, HealthCare System. Such reports shall contain information regarding the status of all corrective action and recommendations regarding the corrective action process.
- The Chief Compliance Officer will ensure that targeted follow-up audits are performed to monitor compliance with corrective action.

UIMCC will implement action steps for modifying the Plan and its policies and procedures in the event the Plan fails to detect or prevent misconduct. The Plan will also be modified as appropriate to comply with any changes in federal or state laws, rules or regulations.

XXI. Government Investigations

UIMCC is committed to full compliance with all state and federal laws, rules and regulations, and will cooperate with all legitimate requests made in any government investigation of UIMCC personnel. In doing so, UIMCC considers it essential that the legal rights of UIMCC and UIMCC personnel are protected. When interacting with government investigators, UIMCC employees are to follow the procedures set forth below, to ensure consistency and appropriate communications with government investigators (e.g., the OIG, the Federal Bureau of Investigation, the United States Attorney, Illinois Department of Health and Hospitals, etc.)

The Chief Compliance Officer will coordinate all responses to requests for information about UIMCC's operations, policies, procedures, patients, and employees, including requests for documents. All UIMCC employees who are requested by a government investigator or other person not employed by UIMCC to provide information about UIMCC's patients, operations, policies, procedures, and employees, including any request for documents, should immediately notify the Chief Compliance Officer. The Chief Compliance Officer may, if appropriate, contact legal counsel.

Meeting with Investigators: Whenever a government investigator makes a request for information about the operations, policies, procedures, patients, and/ or Medical Center employees or for documents pertaining to any of these subjects, UIMCC employee to whom such a request is made shall follow Medical Center Policy LD 1.11, Accrediting and Other Authorized External Agency Requests/Law Enforcement Site Visits.

All UIMCC employees shall be made aware that they have a right to consult with legal counsel and to request the opportunity to do so before deciding to be interviewed by any investigator.

No UIMCC employee shall provide inaccurate or false information to any government investigator.

UIMCC employees should observe the following guidelines:

- Patient and employee information is very confidential and should be protected. Appropriate

Medical Center privacy and confidentiality policies should be strictly followed. Documents pertaining to patients shall not be provided to any government investigator without the express knowledge and permission of the Chief Compliance Officer.

- Employees should always be cordial and courteous to government investigators.

XXII. Departmental Compliance Plans

Each of the designated services or departments will appoint an individual to serve as Compliance Leader. The Compliance Leaders will coordinate compliance activities with the Chief Compliance Officer.

In the Hospital, each designated department or service will appoint an individual to be the Compliance Leader who will serve as the liaison to the Chief Compliance Officer and Director of Compliance.

Each designated service or department will develop a compliance plan that is consistent with the Corporate Compliance Plan. Policies and procedures are developed to support each element of the plan. Each plan is reviewed by the Director of Compliance to ensure consistency with overall policies, rules and regulations. The final approval rests with the Corporate Compliance Officer.

The departmental plans include at a minimum the following:

- Written policies and procedures to ensure compliance with governmental regulations (Note: The Chief Compliance Officer will advise each department of required policies and procedures)
- A formal education and training program
- Written policies and procedure for corrective action when an offense has been detected
- A program that utilizes monitoring and auditing systems designed to determine if employees are adhering to UIMCC standards of conduct and the departmental policies and procedures
- Written policy and procedure whereby employees and other agents can report criminal conduct by others within the organization without fear of retribution
- Written policy and procedure that addresses disciplinary action for employees who violate the policies of the compliance program

XXIII. Periodic Written Reports

The Chief Compliance Officer may direct departments to submit periodic written reports as necessary.

XXIV. Amending the Compliance Program

The Corporate Compliance Plan will be reviewed bi-annually and more often as indicated.

Submitted March 26, 2008:

W.H. Chamberlin, MD
Chief Compliance Officer

Revisions: 1998
2003
2005
2007