

UNIVERSITY OF ILLINOIS HOSPITAL & HEALTH SCIENCES SYSTEM

(aka UI Health)

CORPORATE COMPLIANCE PLAN

[Version 1.0, November 14, 2013]

Background:

Healthcare today is delivered in an increasingly complex regulatory environment. Over 40 federal agencies have written rules and regulations concerning the provision of services and business operations in hospitals and ambulatory settings. Non-governmental organizations, which act as accrediting bodies for many healthcare entities, set rules and regulations within the environment. Likewise, state and local laws are applicable. Given the lack of harmonization to these many tiered laws, rules and regulations, it is understandable that interpretation and implementation is a challenge for any healthcare entity. Billing, collection and other financial arrangements between hospitals, physicians, and payers is a constantly evolving area that poses extraordinarily complex compliance issues and risks. In recognition of our full commitment to compliance with the law, and to ensure that these and other issues are dealt with appropriately and consistently across our healthcare enterprise, the University has developed this Corporate Compliance Program (“Compliance Program”).

Compliance is a critically important function that is best accomplished by establishing line responsibility and management oversight functions to offer assurances that rules and regulations are understood and appropriately followed by employee and non-employee alike. The personnel in each of the operating units are responsible to understand such rules and regulations, and then conduct operations effectively and efficiently within the bounds of appropriate practice. The Compliance Program, on the other hand, is intended to outline an oversight function which should assure that each of these units is educated to their responsibilities and executes those responsibilities in accordance with the established laws, regulations and other requirements.

Compliance programs are an important part of the State and federal enforcement response to fraud, waste, and abuse. Medicare reclaims seven health care dollars from providers for each dollar spent on identifying fraudulent or improper practices. Healthcare providers may not claim ignorance of the rules relating to proper billing practices and other regulated activities. When institutions put effective compliance programs into place, however, they can reasonably expect to be given favorable consideration and moderated penalties in instances of improper or unlawful practices. Effective compliance also serves to reduce the likelihood of civil or criminal fraud investigation and the serious sanctions which can result from improper billing and other prohibited practices. The essential elements of a compliance program were initially identified in the [Federal Sentencing Guidelines](#) in 1991. The Health and Human Service’s Office of the Inspector General (OIG) has modified the components slightly (Table A) and has offered extensive guidance on effective compliance for healthcare organizations. The core elements of effective compliance are critical to the development of the Compliance Program and are each addressed within this document.

Table A

Nine Elements of an Effective Compliance Program

1. Designation of a Compliance Officer and a Compliance Committee
2. Development of Written Policies and Procedures
3. Development of Effective Lines of Communication
4. Conducting Effective Training and Education
5. Enforcement of Standards through Well-Publicized Guidelines
6. Auditing and Monitoring of Business and Care Processes
7. Response To Detected Deficiencies
8. Development of Corrective Action Initiatives
9. Conducting Regular Risk Assessments of the programs

In addition to the general specifications for a compliance program, this document identifies two important thematic areas for which there is special administrative and management oversight responsibility. These areas require compliance managers with special expertise to coordinate *across* a complex organization. They are **Financial and Business Operations** and **Information Privacy and Security**. This Compliance Program establishes no responsibilities for clinical accreditation issues, as this rests with the Quality Programs of UI Health.

UI Health: Financial and Business Operations

Financial fraud and abuse in healthcare has become the number one target for federal and state enforcement authorities, with billions of dollars at stake. Medicare and Medicaid fraud is a substantial target, in part, because of the practice of ‘pay and chase’, that is, rules that require prompt payment before adequate documentation can be determined to exist by the payer. The government reclaims money they believe was not received by caregivers and their health organizations in accordance with established rules.

Compliance Programs are an important part of responsible organizations’ efforts to address the State and federal authorities’ response to fraud, waste, and abuse in healthcare. All healthcare providers are responsible for adhering to the rules attendant to billing health services and exposed to the risk of serious sanctions in cases where there is not compliance. Sanctions may range from the repayment of funds generated by improperly billed services, exclusion from governmental healthcare programs, and investigation and prosecution in the most serious cases. When institutions put effective compliance programs into place, they can reasonably expect to reduce the magnitude of risk resulting from noncompliance, and mitigate the nature of the sanctions that will be imposed in cases of improper billing or other non-compliant healthcare business practices. Accordingly, our organization is committed to the implementation and operation of a Compliance Program that meets all applicable standards for effective corporate compliance.

A summary of the high level content related to this subject is contained in Appendix 1.

UI Health: Information Privacy and Security

Healthcare providers have long understood the imperative for discretion and privacy. As Hippocrates said 2500 years ago, “All that may come to my knowledge in the exercise of my profession or in daily commerce with men, which ought not to be spread abroad, I will keep secret and will never reveal.” Electronic media have, however, imposed new and different challenges. The opportunities for information ‘leakage’, and other lapses in information privacy, have expanded exponentially. Federal and state authorities have responded with a body of laws and regulations designed to protect patient information..., both written and electronic, from inappropriate and unauthorized disclosure. This arena is also highly technical and complex, requiring processes and procedures that necessitate aggressive oversight to succeed. The Compliance Program will coordinate the implementation of requirements across the campus to assure the safety, security and privacy of protected medical information.

Conclusion:

This Compliance Program establishes the compliance standards for all clinical areas that fall under the responsibilities of the Vice President for Health Affairs (VPHA). This includes the hospital and clinics, the Health Science Colleges (Medicine, Pharmacy, Nursing, Public Health, Dentistry, Applied Health Sciences and Social Work) and their regional sites, as well as off campus clinical programs, for example, the Department of Specialized Care Children (DSCC) and the Mile Square Federally Qualified Health Center. It is imperative that all employees in this academic health science environment be familiar and compliant with all necessary laws and regulations applicable to their tasks. It is our intent to create a culture of compliance which best meets the needs of our patients while upholding all applicable healthcare laws and regulations.

Purpose and Objectives of the Program:

Compliance programs serve to outline the organizational commitment to operating in accordance with applicable laws and regulations. The Compliance Program does not replace operational programs or temper the responsibilities of managers. Rather the Compliance Program’s focus is on establishing the framework in which our organization will operate, and assisting in the identification of any gaps between compliance requirements, existing policies and procedures, and actual practice. The Compliance Program is designed to assist operations managers in identifying any variances between compliance requirements and establish a process which will allow them to close those gaps. When successful, the Compliance Program should:

- Maintain and enhance the quality of care delivered by the University’s care givers;
- Help demonstrate good faith, ongoing efforts to comply with all applicable laws as well as codes of conduct;
- Create, revise, clarify and assist in the implementation of policies and procedures to enhance compliance;
- Ensure mechanisms to educate all concerned personnel on the operational policies and procedures for which they have responsibilities;

- Conduct appropriate training and education aimed at ensuring personnel understand the legal requirements applicable to their function and the organizational activities;
- Empower responsible personnel to detect and prevent instances where business practices fail to adhere to legal requirements;
- Assist responsible personnel in detecting, responding to, and resolving issues related to conduct that may fail to conform with applicable laws and regulations;
- Establish functional monitoring and oversight processes that that operations meet compliance standards and the expectations of governmental program authorities;
- Establish functioning mechanisms which assist personnel in reporting concerns or problems relating to compliance;
- Support a culture that welcomes and supports all personnel who raise questions and concerns about compliance issues and ensure those concerns are addressed; and
- Enhance communications with governmental entities and assure proper and consistent responses to regulatory inquiries, audits or investigations.

Related State and University Rules and Regulations:

This Compliance Program is not intended as a comprehensive review of all programs and practices of the University that are designed to achieve compliance. It does not minimize the importance of other applicable laws, professional standards, or ethical principles, which may be covered in other institutional policies. It is intended to assist in the creation of a culture that continually improves the care delivered by our staff in a safe, empathetic environment.

University employees are subject to a wide range of State of Illinois and University rules and regulations that have a bearing on compliance, including the [University of Illinois Code of Conduct](#), the [Illinois Procurement Code](#), and the [Illinois Governmental Ethics Act](#). While recognizing the primacy of these regulations, staff are also aware of the need to apply the concepts presented by such acts to the healthcare environment. Thus, more specific expectations have been established in such policies as the [UI Health Code of Conduct](#), or concerning computer security in the [UI Health Computer Privacy and Security Administration and Development](#), which are both accessible under the [UI Health's Policy and Procedures](#).

Nine Elements of the UI Health Compliance Program:

1. Compliance Officer and Committee Structure

Compliance Governance: The UI Health Compliance Committee

The UI Health Compliance Committee is composed of key administrators responsible for the operation of their units. As such they must assure University Administration and the Board of Trustees that all operational activities are conducted in accord with applicable laws, rules and regulations. The UI Health Compliance Committee will receive regular reports from the Chief Compliance Officer (CCO) concerning the state of compliance in the organization and

will work with the CCO to assure an environment that fosters respect for and compliance with those laws and regulations. From time to time, it will review and approve all policies necessary for the effective implementation of compliance programs across the Campus. The members of the UI Health Compliance Committee should include: the Vice Chancellor for Academic Affairs (Provost); the Vice President for Health Affairs; the deans of the Colleges of Applied Health Sciences, Dentistry, Medicine, Nursing, Pharmacy, the Jane Addams College of Social Work, and the School of Public Health; the Chief Financial Officer for UI Health; the Associate Vice President for Professional Practice; and the Associate Vice President for Hospital Operations. The Committee will be staffed by the Chief Compliance Officer. The Committee's functions include:

- Reviewing the CCO's analysis of the organization's regulatory environment, the legal requirements with which it must comply, and identification of specific risk areas applicable to the specific units;
- Reviewing the assessment of existing policies and procedures that address these identified risk areas for possible incorporation into the compliance program;
- Directing their respective University departments, as appropriate, to develop standards of conduct, policies and procedures to promote compliance consistent the Compliance Program;
- Overseeing the development and functioning of internal systems and controls to carry out the organization's standards, policies and procedures as part of daily operations;
- Ratifying the appropriate strategy/approach to promote compliance with the Program and the prevention and detection of any potential violations, through monitoring, hotlines and other fraud and abuse detection or reporting mechanisms; and
- Receiving and responding to reports from the systems that have been established to solicit, evaluate and respond to compliance and other related complaints and problems.

The UI Health Compliance Committee may also address other functions it sees as necessary to make compliance part of the overall University culture, operating structure and daily routine.

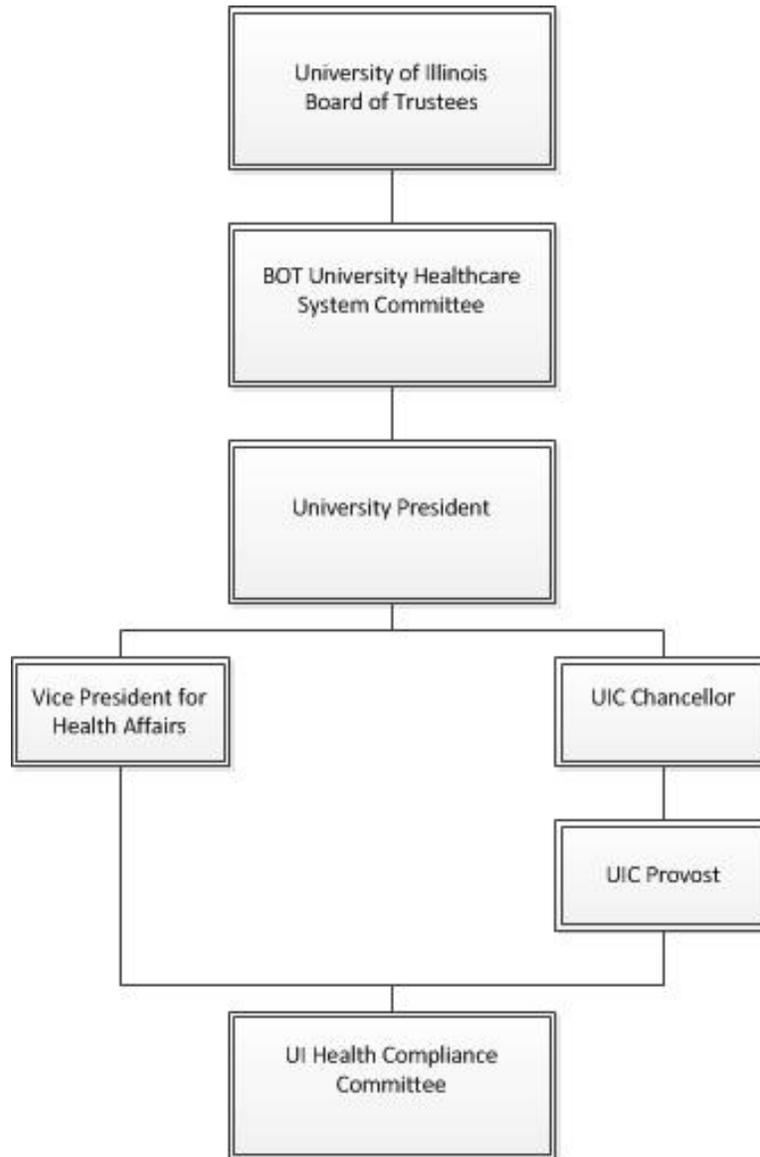
Two charts follow. The first demonstrates the management structure. As is publicly known, the Board and University leadership are reviewing the organizational structure for UI Health. This has included consultation with outside advisors. Options under consideration include a continuation of some version of the VPHA model, but some provide for other structures. In the event that the VPHA model is not selected, the responsibilities and authority of the VPHA as set forth herein will be assumed by the position in the new organizational structure that is most comparable to that of the VPHA.

The second chart demonstrates the information flow under routine circumstances. It is anticipated that regular reports shall be provided to the Health Sciences Council. Significant issues will then flow through the Chief Compliance Officer with the knowledge of the President, the Vice President for Health Affairs, and the Provost to the University Healthcare System Committee of the University of Illinois Board of Trustees.

UI Health Compliance Structure



UI Health Compliance Information Flow



Chief Compliance Officer

The University of Illinois Board of Trustees has designated a Chief Compliance Officer (CCO) to organize and oversee the execution of compliance activities for UI Health. The CCO has direct access to the University's Board of Trustees (BOT), the President of the University, and the Vice President for Health Affairs (VPHA). Coordination and communication with the leadership of the Health Science Colleges and UI Health are key functions of the CCO with regard to planning, implementing, and monitoring the Compliance Program. The Compliance Officer reports to the Associate Vice President for Hospital Operations of UI Health.

The CCO's primary responsibilities include:

- Oversight and monitoring of the implementation of the Compliance Program;
- Reporting on a regular basis to the University's Board of Trustees, the VPHA and UI Health Compliance Committee on the implementation and effectiveness of the Compliance Program; assisting in establishing methods to improve UI Health's efficiency and quality of services, and reducing the University's potential exposure to fraud, abuse and waste;
- Periodically revising the Compliance Program in light of changes in the needs of the organization, and in the laws, policies and procedures for government and private payer health insurance plans;
- Developing, coordinating, and participating in a multifaceted educational and training program that focuses on the elements of the Compliance Program; seeking to ensure that all managers and employees are knowledgeable of, and comply with, pertinent federal and state laws and regulatory standards;
- Ensuring that independent contractors and agents who furnish healthcare related products and services to the University are aware of the Compliance Program requirements with respect to coding, billing, marketing and other regulated business activities;
- Coordinating personnel issues with the University's Human Resources office to ensure that the criminal and sanction data bases have been appropriately checked with respect to all employees, medical staff and independent contractors;
- Assisting the University's financial and compliance tasked management in coordinating internal compliance review and monitoring activities, including annual or periodic reviews of departmental units within the Colleges and UI Health;
- Independently investigating and responding to matters related to compliance; including the flexibility to design and coordinate internal investigations (e.g., responding to reports of problems or suspected violations) and to oversee any resulting corrective action with all University departments, providers and sub-providers, agents and, if appropriate, independent contractors; and
- Developing policies and programs that encourage managers and employees to report suspected fraud and other improprieties without fear of retaliation.

The CCO shall be provided with all necessary authority to carry out these functions, including necessary financial and other resources. The CCO shall have the authority to access and review all documents and other information that are relevant to compliance activities, including, but not limited to, patient records, billing records, and records concerning all business activities within the facility. This authority extends to the University's arrangements with third parties, including their employees, suppliers and agents. This enables the CCO to review contracts and obligations (seeking the advice of legal counsel, where appropriate) that may contain referral and payment issues that could violate the anti-kickback statute, as well as the physician self-referral prohibition and/or other legal or regulatory requirements.

The Compliance Office

The Compliance Office takes its charge from the responsibilities of the CCO. Two broad content specific areas are: Business/Finance and Information Privacy/Security. The rationales for their services have been delineated earlier in this document. Each of the following areas shall discharge their functions as outlined and report quarterly to the UI Health Compliance Committee:

A. Monitoring and Audits Monitoring and Audits is responsible for collaborating directly with departments to help develop the policies, procedures and other compliance tools necessary for assessing their business practices. They will also assist with investigations into processes or matters that suggest potential departures from regulatory requirements or other established norms. Responsibilities include:

- Conducting periodic risk assessments to confirm that major compliance risks are evaluated and identified, and recognize other possible areas to be addressed through audits or monitoring;
- Assisting in the development of audit and monitoring protocols relative to the departments covered by the Compliance Program;
- Communicating the results of compliance activities to the CCO and appropriate levels of management;
- Responding to audit and related requests from the CCO and CFO.
- Conducting selected compliance assessments and audits based upon areas of unaddressed risks as contained in the corporate risk assessments; and
- Supporting the auditing/monitoring needs of participating areas.

B. Assistant to the CCO The Assistant to the CCO assists departments and the CCO and other responsible personnel with the development of policies and procedures, development of effective compliance training and education programs, establishes effective lines of communication with operational units, enforces standards and conducts compliance related investigations. This individual promotes adherence to all applicable laws, regulations and rules as well as the Compliance Program and all policies and procedures, including those concerning billing Medicare and Medicaid. Additional responsibilities include:

- Monitoring activities to ensure that policies and procedures established for compliance are effective;
- Participating in internal and external review processes, assisting in resolving compliance issues, and responding to legal or administrative inquiries related to compliance audits, inquiries and related issues;
- Providing advice and direction to Senior Management, staff, and employees to achieve compliance with all pertinent laws and regulations;
- Keeping abreast of new regulations and changes in the law that may impact on UI Health compliance issues; and
- Overseeing the operation of an appropriate confidential hot line reporting mechanism and related process.

C. The UI Health Compliance Operations Group This Group shall be chaired by the CCO of UI Health and include: Compliance Officers from each of the Health Science Colleges and UI Health units, a representative of the Office of University Counsel, a representative of the Office of University Audits, selected representatives from the Compliance Office, the Chief Financial Officer of the UI Hospital and other members as appointed by the Chairman of the Group. The Group's responsibility is to evaluate, monitor and mitigate risk related to activities in highly regulated areas of clinical billing and business transactions. Areas of focus may include the following: (also see Appendix 1)

- Coding, billing and submission of claims;
- Cost reports;
- Conflicts of interest and external relationships;
- Referrals and related arrangements creating compliance issues;
- Group practice acquisition;
- Business relationships implicating antitrust laws and regulations;
- External audit and related responses;
- General business activities.

D. Information Privacy and Security Information Privacy and Security shall be addressed in separate parts of the organization coordinated through a central authority. Information Security at UIC will be the joint responsibility of the Academic Computing and Communications Center (ACCC) Chief Information Security Officer and the Security Officer for the UI Health Information Services Department. UI Health IS will take responsibility for UI Health, including the hospital, clinics and care units under its direct control. ACCC will effect necessary changes and oversight within the UIC Colleges handling electronic-personal health information (e-PHI). These two units shall have combined responsibility for the development of training programs to be delivered to appropriate faculty and staff across the employment spectrum. This will include training newly hired employees and all employees yearly thereafter. Information Security functions shall be coordinated through the Security Policy subcommittee of the IT Governance Council Infrastructure and Security Committee (InfraSec). The Chief Compliance Officer shall have a membership on this committee.

Privacy for the HIPAA Covered Entity shall be organized and discharged by the UI Health Privacy Officer through liaisons appointed from each of the constituent Health Sciences Colleges. This central authority shall be responsible for approving the educational plans established in each of the Colleges and within UI Health to inform managers and employees of their responsibilities concerning the sanctity of e-PHI protected under federal and state laws, including HIPAA.

Policies and Procedures for the campus concerning electronic security can be found in two web sites:

UI Health Home Page: <https://employee.hospital.uic.edu/SitePages/Home.aspx>

ACCC: <http://acc.uic.edu/policy/all>

2. Written Policies and Procedures

The CCO is responsible for coordinating the development, approval and distribution of written compliance policies that address specific areas of risk to the University. These policies have been developed under the direction and supervision of the CCO and the UI Health Compliance Committee and shall be provided or made available to all individuals including the University's agents and independent contractors who are affected by the particular policy at issue.

Standards of Conduct

As noted, the University has developed standards of conduct for all affected employees that include a clearly delineated commitment to compliance by the University's senior management and its divisions, including affiliated healthcare providers operating on the University's premises, University-based physicians and other healthcare professionals. The standards articulate the University's commitment to comply with all federal and state laws and regulatory standards, with an emphasis on preventing fraud, waste and abuse. They state the organization's mission, goals, and ethical requirements of compliance and reflect a carefully crafted, clear expression of expectations for all University governing body members, officers, managers, employees, physicians, and, where appropriate, contractors and other agents. Further, to assure that employees understand and continuously meet the expected high standards set forth, a code of conduct, [A Handbook for Good Ethical Practice at the University of Illinois](#), is provided and delineates these standards and is regularly updated as applicable statutes, regulations and state and federal healthcare program requirements are modified.

Risk Areas

The University's written policies and procedures take into consideration the regulatory exposure for each function and department within the VPHA's areas of responsibility. There exist individual policies and procedures which are coordinated with the appropriate training and educational programs with an emphasis on areas of special concern that have been identified by the Office of the Inspector General and other agencies through investigative and audit functions. Examples of continuing areas of special OIG concern include, but are not limited to:

- Billing for items or services not actually rendered;
- Providing medically unnecessary services;
- Upcoding;
- "DRG creep;"
- Outpatient services rendered in connection with inpatient stays;

- Teaching physician and resident requirements for teaching hospitals;
- Duplicate billing;
- False cost reports;
- Unbundling;
- Billing for discharge in lieu of transfer;
- Patients' freedom of choice;
- Credit balances - failure to refund;
- Hospital incentives or arrangements that implicate the anti-kickback statute or other similar federal or state laws or regulation;
- Joint ventures;
- Financial arrangements between hospitals and hospital-based physicians;
- Arrangements implicating the Stark physician self-referral law; and
- Failure to provide covered services or necessary care to members of a health maintenance organization.

Additional risk areas are assessed and incorporated into the written policies and procedures and training elements developed as part of our Compliance Program. Policies and procedures shall be provided or made available to all officers, managers, employees, physicians and other concerned personnel or agents or contractors.

3. Developing Effective Lines of Communication

The opportunity for University personnel to ask questions and raise concerns is a cornerstone of the Compliance Program. The University supports open discussion of ethical and legal questions and concerns regarding compliance issues and does not tolerate retaliation against any individual who, in good faith, raises questions or reports suspected violations.

When University personnel have a question regarding the legal or ethical action that should be taken, a number of options are available, including the following:

1. *Communicating with an immediate supervisor or manager.* The individual can discuss the issue with his or her supervisor, manager, or team leader because these individuals should be the most familiar with particular job requirements and business practices. The supervisor should provide a timely response to the individual or work with him or her to seek alternative solutions.
2. *Talking with higher level management.* If an individual is not comfortable speaking with a direct supervisor or manager, he or she can contact a higher level manager in the department, unit, UI Health or campus.
3. *Contacting the Chief Compliance Officer (CCO).* The Vice President for Health Affairs has designated the CCO as the individual with lead responsibility for health science clinical enterprise compliance issues. At any time, an individual can bring a question or concern to the CCO or staff within the Compliance Office. This would include situations where the individual believes that he or she has not received an appropriate or timely response from a supervisor.

4. *Obtaining help from other University resources.* University personnel can contact management in other administrative or academic departments, the Ethics Officer, or the Office of the Vice President for Health Affairs. There are many resources within the University that are available to help, including human resources, and University general counsel.
5. *Calling the Compliance Hotline.* A toll-free Compliance Hotline has been established for confidential use by University personnel [866-665-4296]. At any point, an individual can contact the Hotline to raise questions, clarify issues or report suspected violations or concerns about business practices. Reports are investigated or referred to appropriate personnel for resolution, including response to the reporting individual. University personnel who contact the hotline may choose to remain anonymous and there is a process whereby anonymous reports may be responded to by responsible compliance personnel in a confidential manner that will allow reporters to remain anonymous.

There will be no retaliation taken against any person for bringing compliance related reports or concerns to the attention of UI Health through any of the above reporting mechanisms.

4. Conducting Effective Training and Education

The proper education and training of corporate officers, managers, employees, physicians and other healthcare professionals, and the continual retraining of current personnel at all levels, is a core element of the Compliance Program. As part of the Program, the University requires personnel to attend job-specific training on a periodic basis, including appropriate training in federal and state statutes, regulations and guidelines, the policies of private payors, and training in corporate ethics and the Compliance Program, which emphasizes the organization's commitment to compliance with all legal requirements.

Attendance and participation is a condition of continued employment. Adherence to the provisions of the Compliance Program, such as training requirements, is therefore a factor in the annual evaluation of each employee. The University retains adequate records of its compliance related training of employees, including attendance logs and material distributed at training sessions.

5. Enforcement of Standards Through Well-Publicized Disciplinary Guidelines

The University's Human Resource and Medical Staff Programs (HR & MSP) include guidance regarding disciplinary action for managers, employees, physicians and other health care professionals who have failed to comply with the University's standards of conduct, policies and procedures, or federal and state laws. Those engaging in wrongdoing can damage the University's status as a reliable, honest and trustworthy healthcare provider. The University's HR & MSP include policies setting forth the disciplinary actions that may be

imposed upon corporate officers, managers, employees, physicians and other health care professionals for failing to comply with UI Health standards and policies, as well as applicable laws and regulations. Such sanctions range from oral warnings to suspension, privilege revocation (subject to any applicable peer review procedures), financial penalties, referral to authorities and/or termination, as appropriate. Written standards of conduct elaborate on the procedures for handling disciplinary problems and those who will be responsible for taking appropriate action. Some disciplinary actions can be handled by department managers, while others may have to be resolved by a senior University administrator. Disciplinary action may be appropriate when a responsible employee's failure to detect a violation is attributable to his or her negligence or reckless conduct. Personnel are advised that disciplinary action will be taken on a fair and equitable basis. Managers and supervisors are made aware that they have a responsibility to discipline employees in an appropriate and consistent manner. Managers and supervisors are similarly subject to discipline in cases where they participate in, or condone, improper practices in violation of the Compliance Program and/or laws and regulations.

For all new employees who have discretionary authority to make decisions that may involve compliance with the law or compliance oversight, the University conducts a reasonable and prudent background investigation, including a reference check. University policies prohibit the employment of individuals who have been convicted of a criminal offense related to health care or who are listed as debarred, excluded or otherwise ineligible for participation in federal or state health care programs. In addition, pending the resolution of any criminal charges or proposed debarment or exclusion, such individuals may be removed from direct responsibility for or involvement in any federal or state healthcare program.

The CCO shall be advised and/or involved in all cases where discipline is imposed for conduct that is inconsistent with the Compliance Program, Code of Conduct and/or implicates compliance with laws or regulations.

6. Auditing and Monitoring to Assure Effective Compliance

As noted above, an ongoing process to evaluate effectiveness is critical to an effective and successful compliance program. The UI Health Compliance Program will continue to assess effectiveness through a variety of processes, including unit self-assessments, auditing and monitoring of the program implementation and on-going operations and processes. There shall be regular reporting on Compliance Program matters to senior University or corporate officers as well as the UI Health Compliance Operations Group and the UI Health Compliance Committee. Compliance reports created by this ongoing monitoring, including reports of potential noncompliance, are maintained by the CCO. The Compliance Program will also be modified and revised as necessary to effectively operate as envisioned by the Federal Sentencing Guidelines and OIG or other relevant authorities.

Although many monitoring techniques are available, one effective tool to promote ongoing and effective compliance is the performance of periodic compliance audits by internal or external auditors who have expertise in federal and state healthcare statutes, regulations and healthcare program requirements. The Office of University Audits and the UI Health and Health Science

Colleges Compliance Offices perform such audits, but the majority of monitoring is performed by staff in the various operational areas. These audits may focus on the University's programs or divisions, including external relationships with third-party contractors, especially in cases where the nature of the business activities create risk of non-compliance or government enforcement action. At a minimum, these audits are designed to address the University's compliance with laws governing arrangements with referral sources, the physician self-referral prohibition, CPT/HCPCS ICD-9/10 coding, claim development and submission, reimbursement, cost reporting and marketing. In addition, the audits and reviews delve into the University's compliance with specific rules and policies that have been the focus of particular attention on the part of the Medicaid/Medicare administrative contractors, fiscal intermediaries or carriers, and enforcement authorities, as evidenced by reported cases and settlements, <http://oig.hhs.gov/compliance/alerts/index.asp> and <http://oig.hhs.gov/compliance/corporate-integrity-agreements/cia-documents.asp> or other healthcare fraud enforcement initiatives. In addition, the University focuses on areas of concern that have been identified by any entity (*i.e.*, federal, state, or internally) specific to UI Health.

Monitoring techniques may include protocols that permit the CCO to identify and review variations from an established baseline. Significant variation from the baseline triggers a reasonable inquiry to determine the cause of the deviation. If the inquiry determines that the deviation occurred for legitimate, explainable reasons, the CCO, University administrator or manager may limit any corrective action or take no action. If it is determined that the deviation was caused by improper procedures, misunderstanding of rules, or other problems, operational management shall take prompt steps to address the issue. For example, and to conform with specific policies requiring the timely return of overpayments, any overpayments discovered shall be returned promptly to the affected payer, with appropriate documentation and an explanation of the reason for the refund when required.

An effective compliance program should also incorporate periodic (at least annual) reviews of the covered departments' compliance elements to ensure that they continue to identify, prioritize and address major risk areas, and to determine whether there has been appropriate dissemination of the Compliance Program standards, policies and procedures to concerned managers and employees. This process should verify actual conformance by all covered departments with the Compliance Program. Such reviews support a determination that appropriate records have been created and maintained to document the implementation of an effective program. Such evaluations, when developed with the support of management, help assure compliance with the University's policies and procedures.

As part of the UI Health compliance review process, the CCO or reviewers consider techniques such as:

- Self-assessment audits;
- On-site visits;
- Interviews with personnel involved in management, operations, coding, claim development and submission, patient care, and other related activities;
- Questionnaires developed to solicit impressions of a broad cross-section of the University's employees and staff;

- Reviews of medical and financial records and other source documents that support claims for reimbursement and Medicare cost reports;
- Reviews of written materials and documentation prepared by the different divisions of a University;
- Reviews of business arrangements subject to legal and regulatory requirements; and
- Trend analyses, or longitudinal studies, that seek deviations, positive or negative, in specific areas over a given period.

The reviewers attempt to:

- Be independent of physicians and line management;
- Have access to existing audit and health care resources, relevant personnel and all relevant areas of operation; and
- Specifically identify areas where corrective actions are needed.

With these reports, University management can take whatever steps are necessary to correct actual or potential problems and prevent any identified problems from recurring. In certain cases, subsequent reviews or studies are advisable to ensure that necessary corrective actions have been implemented successfully.

The University documents its efforts to comply with applicable statutes, regulations and federal and State healthcare program requirements. For example, in its efforts to comply with a particular statute, regulation or program requirement, UI Health requests advice from external counsel or a government agency (including a Medicare fiscal intermediary or carrier) charged with administering a federal or state healthcare program. The University documents and retains a record of the request and any written or oral response. Records are maintained in order to assist in demonstrating reliance and due diligence in developing procedures that implement such advice or guidance.

7. Response To Detected Offenses And Corrective Actions

Violations and Investigations

Violations of the UI Health Compliance Program, failures to comply with applicable federal or state laws, and other types of misconduct threaten the University's status as a reliable, honest and trustworthy provider eligible for participation in governmental and other healthcare programs. Uncorrected misconduct which had previously been detected can seriously endanger the mission, reputation, and legal status of the University. Consequently, upon reports or reasonable indications of suspected noncompliance, the CCO or other management officials initiate prompt steps to investigate the conduct in question to determine whether a material violation of applicable law or the requirements of the Compliance Program has occurred, and if so, take steps to correct the problem (for instance suspend billing or make repayments). As appropriate, such steps may include a report to regulatory or enforcement authorities, a corrective action plan, and revision to compliance standards and education and training on the subject.

Depending upon the nature of the potential compliance problem, an internal investigation may be conducted and include interviews and a review of relevant documents. The University's CCO may also elect to engage outside counsel, auditors, or healthcare experts to assist in the investigation and assessment of the matter. Records of the investigation may contain:

- Documentation of the potential 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, e.g., any disciplinary action taken; and
- The corrective action implemented.

While any action taken as the result of an investigation will necessarily vary depending upon the situation, the University strives for consistency by utilizing sound practices. Further, after a reasonable period, the CCO reviews the circumstances that formed the basis for the investigation to determine whether similar problems have been uncovered.

If an investigation of an alleged violation is undertaken and the CCO, in conjunction with the senior most Human Resources Officer for that clinical area, believes the integrity of the investigation may be at stake because of the presence of employees under investigation, those subjects may be removed from their current work activity pending the conclusion and outcome of the investigation. In addition, the CCO will take appropriate steps to prevent the destruction of documents or other information relevant to the investigation. If the University determines that disciplinary action is warranted, it will be prompt and impose such action in accordance with the University's protocols and written standards.

8. Corrective Action Initiatives

Remedial actions are not disciplinary but are done to correct mistakes, and enhance compliance with the corporate compliance program, and state and federal regulations. In most cases, remedial actions are designed to improve the performance of University personnel. The exact nature of and need for remedial action will be identified by supervisors within departments in consultation with the CCO where deemed appropriate and may involve department chairs, deans and other staff. Upon determining that remedial action is required, action plans will be developed and submitted to the appropriate management authority. University Administration or, where appropriate legal counsel, may be called upon to clarify policies, and will review, and revise if necessary, administrative procedures in order to prevent a recurrence of the same problem.

If **disciplinary** action is deemed necessary, affected individuals will be notified through the management chain of command, informed of the issues or concerns regarding their performance, and made aware, if applicable, of the right to grieve.

Examples of behaviors that could require disciplinary actions might include the following:

1. Failure of an individual to understand and comply with required procedures and policies;
2. Inappropriate or improper implementation of the procedures and policies of the University's Program or campus specific corporate compliance policies and procedures; and/or
3. Negligent or reckless conduct.

The CCO is responsible for ensuring that remedial actions have been implemented in an effective and timely manner. The CCO may work with management or others responsible for the individual or operational area under review in order to reduce the likelihood of future instances of the same problematic conduct. The CCO may consult with the UI Health Compliance Committee or Office of University Counsel during these actions.

9. Risk Considerations

Risk identification is of significant interest to the University and integral to its Compliance Program and Enterprise Risk Management program. Carrying out regular risk assessments of functional areas of UI Health in an era of changing standards is critical to the management of the University. Communication of these UI Health identified risks to the Enterprise Risk Management function in University Administration is the responsibility of the CCO.

Miscellaneous Issues:

Reporting Expectations and Escalation of Issues of Non-Compliance:

Compliance with rules and regulations is a line function. The Office of Compliance is a staff function and not vested with line authority for operations. Its goals are accomplished by assisting management to monitor gaps between policies and practices. The UI Health Compliance Office will work with the compliance officers from each of the Colleges and UI Health units to create an efficiently operating network with flow of information in units for internal compliance analysis to advance their capacity to correct operational deficiencies. Routine monitors and reports are expected to be developed and distributed in a manner and with regularity that permits the operational officers to discharge their responsibilities for management of the organization.

Each College will have a mechanism for assuring the highest level of their organization (for example, the Dean) is informed of any significant compliance related issue so they may have the opportunity to address the matter. Escalation of a problem to the level of the CCO in cases of significant non-compliance within a College or UI Health unit, will, at a minimum, involve communication directly with the Dean and may be reported to the Provost and the VPHA.

The CCO assures that the highest levels of the organization are aware of significant issues or problems as they are identified. As such the CCO advises University senior managers on a regular basis concerning the record for compliance within their areas of responsibility.

If after a reasonable inquiry, the CCO has reason to believe that conduct may serve as the basis for an allegation that criminal, civil or administrative laws have been violated, then the CCO promptly reports the potential misconduct to the appropriate internal and potentially external authorities. Issues that arise in the routine course of business will be handled by the units themselves. For instance, confirmed overpayments, under law, must be reported and repayment must occur within sixty (60) days from the University's determination. Prompt reporting and/or repayment is a legal requirement and compliance with this requirement demonstrates the University's good faith to correct and remedy compliance related problems. In addition, reporting such conduct may serve as a mitigating factor in the enforcement authorities' determinations of possible sanctions (e.g., fines, penalties, and exclusions), should the matter become the subject of state or federal review.

Appendix I: Financial Management

Coding, Billing and Submission of Claims

UI Health and all departments covered by the Compliance Program must ensure that only documented and appropriate healthcare services and other items are submitted for billing. This section is a general guide for billing compliance and all concerned personnel are directed to consult the specific billing compliance guidance that is incorporated and part of the Program. Individual departments of UI Health will create interdepartmental billing compliance programs, monitoring protocols, and policies that address areas within their function that require billing compliance guidance and oversight. Additional plans, monitors and policies will be subject to review by the Compliance Program and Compliance Officer.

When claiming payment for hospital or professional services or other items, UI Health has an obligation to its patients, third party payers, and state and federal government programs to exercise diligence, care and integrity. The ability to bill Medicare and Medicaid programs, conferred through the award of provider or supplier number, carries a responsibility for integrity and compliance that may not be disregarded. UI Health is committed to assuring the accuracy and integrity of every claim it processes and submits. Many people, throughout the UI Health, have responsibility for entering charges and codes for clinical services. Each of these individuals is required to understand the rules and perform their function in compliance with applicable billing rules. Any false, inaccurate, or questionable claims should be reported immediately to a supervisor or to the Compliance Office.

False billing is a serious matter with substantial penalties and other consequences. Additional liability may also flow from any retaliatory action taken against those who act to prevent the filing of false claims. Medicare and Medicaid rules prohibit making or causing to be made any false statement or representation of a material fact in a claim for benefits or payment. It is also unlawful to conceal or fail to disclose the occurrence of an event affecting the right to payment with the intent to secure payment that is not due. See link: [The False Claims Act—embodied in U.S. Code Title 31, Chapter 37, Subchapter III](#) (Sections 3729-3733).

Examples of false or improper claims include:

- Claiming reimbursement for services that have not been rendered;
- Filing duplicate claims;
- "Upcoding" to more complex procedures than were actually performed;
- Inappropriate or inaccurate costs on hospital cost reports;
- Falsely indicating that a particular health care professional attended a procedure or that services were otherwise rendered in a manner they were not;
- Billing for a length of stay beyond what is medically necessary;
- Billing for service items that are not medically necessary;
- Billing excessive charges.

UI Health employees and agents who prepare or submit claims are educated and trained to understand the rules pertaining to proper billing and the sanctions resulting from false or otherwise improper claims. All personnel are to be on alert for these and other errors. It is important to remember that outside consultants only advise UI Health and the final decision and responsibility for billing compliance rests with UI Health.

The state and federal false claims laws provide for substantial monetary penalties against any person who submits false claims. The federal False Claims Act provides a penalty of triple damages as well as fines up to \$11,000 for each false claim submitted. In cases where false billing occurs, responsible personnel (as well as UI Health) may be further subject to exclusion from participating in the Medicare and Medicaid programs.

Numerous other laws prohibit false statements or inadequate disclosure to the government and risk exclusion from Medicare and Medicaid programs.

In addition, criminal law sanctions are available for use in the most egregious false billing cases.

UI Health is committed to full compliance with all relevant laws and promotes compliance with billing rules and regulations by maintaining a strict policy of ethics, integrity, and accuracy in all its financial dealings. In addition, appropriate training and education, and the use of clear and adequate policies and procedures, will assist in assuring that all personnel maintain compliance with these laws. Each employee and professional, including outside consultants, who is involved in submitting charges, preparing claims, billing, and documenting services is expected to maintain the highest standards of personal, professional, and institutional responsibility.

Cost Reports

UI Health has developed written policies and procedures that seek to ensure full compliance with applicable statutes, regulations and program requirements and private payer plans. These are intended to guarantee 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/administrative contractor 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; and
 - 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.

Conflicts of Interest and External Relationships

A "conflict of interest" arises:

- when an academic staff member is in a position to influence either directly or indirectly university business, research, or other decisions in ways that could lead to gain for the staff member, his/her immediate family, or any third party to the detriment of the university's integrity and its missions of teaching, research, economic development, and public service, or
- when an academic staff member desires to acquire a contract (outside of employment) to provide goods or services to the university.

The University of Illinois Policy on Conflicts of Commitment and Interest is available at <http://research.uillinois.edu/coci/coci-policy>. The Civil Service Rules for Conflict of Interest are found at <https://nessie.uihr.uillinois.edu/pdf/policy/rules/Pr16r01.PDF>

UI Health employees are required to follow the University policies for Conflict and Commitment.

Improper Referrals and Anti-Kickback

Patient referrals are important to the delivery of appropriate health care services. Patients are admitted, or referred, to hospitals by their physicians. Patients leaving a hospital may be referred to other facilities, such as skilled nursing or rehabilitation facilities. Patients may also need durable medical equipment, home care, pharmaceuticals, or oxygen, and may be referred to qualified suppliers of these items and services. Patients, or their legal representatives, are free to select their health care providers and suppliers subject to the requirements of their health insurance plans. The choice of a hospital, a physician, a diagnostic facility, a supplier or any other healthcare provider should be made by the patient, with guidance from his or her physician as to which providers are qualified and medically appropriate.

Physicians and other health care providers may have financial relationships with UI Health. A federal law known as the "Stark law" applies to any physician who has, or whose immediate family member has, a "financial relationship" with an entity, and prohibits referrals by that physician to the entity for the provision of certain designated health services that are reimbursed

by Medicare and Medicaid. If a financial relationship exists, referrals are prohibited unless one of the specific exceptions defined by the law is met. UI Health requires that each financial relationship with a referring physician or his or her family member fit within one of the exceptions to the Stark law. All employees are expected to monitor financial relationships and report any irregularities to the through the annual Report of Non-University Activities (RNUA) and to the Chief Compliance Officer.

The Stark law applies to the following types of services:

- Clinical laboratory services
- Physical therapy, occupational therapy, and outpatient speech-language pathology services
- Radiology and certain other imaging services (including MRI, CT, ultrasound, and certain types of mammography)
- Radiation therapy services and supplies
- Durable medical equipment and supplies,
- Parenteral and enteral nutrients, equipment and supplies
- Prosthetics, orthotics, and prosthetic devices and supplies
- Home health services
- Outpatient prescription drugs
- Inpatient and outpatient hospital services

The exceptions under the Stark law are complex, and several general rules must be followed. Both leases for physician office space and personal services contracts with physicians must be in writing, and signed by the parties. Any premises leases must be specified and must not exceed the space reasonably needed for the physician's legitimate purposes. Rental charges must be set in advance, at fair market value, without regard to the volume or value of referrals by the physician. A lease must be on commercially reasonable terms even if no referrals were made between parties. Similarly, a personal service contract must specify the services to be provided by the physician, which must be reasonable and necessary for legitimate purposes, and must be for at least one year. Compensation paid to physicians must also be set in advance at fair market value, be unrelated to the volume or value of referrals, and be commercially reasonable. Contract services may not involve the counseling or promotion of an illegal business arrangement. Physician incentive plans, which may include volume-based compensation, will be acceptable if certain requirements are met.

Physicians purchasing clinical laboratory services or other items or services from a facility must pay fair market value. An arrangement whereby a facility bills for a group practice may be acceptable if it was in place prior to December 19, 1989 and meets certain other requirements. A pathologist, radiologist, or radiation oncologist may provide laboratory, pathology, diagnostic radiology, or radiation oncology services on his own order or on a consultation request from another physician.

Penalties for violating the Stark law are severe and include (1) no Medicare or Medicaid payment for the service referred illegally; (ii) a refund to the beneficiary of any amounts collected; (iii) fines of up to \$15,000 levied on both the physicians and the entity of each service

referred illegally, plus additional fines based on the amounts billed; (iv) civil monetary penalties of up to \$100,000 plus other assessments; and (v) exclusions from the Medicare or Medicaid programs.

Federal anti-kickback laws are broadly written to prohibit UI Health personnel and representatives from knowingly and willfully offering, paying, asking for, or receiving any money or other benefit, directly or indirectly from third parties in connection with items or services billed to federal programs. The anti-kickback laws must be considered whenever something of value is given or received by a UI Health entity or its representatives or affiliates that is in any way connected to patient services. This is particularly true when the arrangement could result in over-utilization of services or a reduction in patient choice. Even if only one purpose of a payment scheme is to influence referrals, the payment may be unlawful.

There are many transactions that may violate the anti-kickback statute. For example, no one acting on behalf of a UI Health entity may offer gifts, loans, rebates, services, or payment of any kind to a physician, person or entity that refers patients to that entity, or to a patient, without consulting his or her supervisor, legal counsel and the Chief Compliance Officer. Such persons should review any discounts offered by suppliers and vendors, as well as discounts offered to third party payers. Patient deductibles and copayments must be collected and may not be waived. Rentals of space and equipment must be at fair market value, without regard to the volume or value of referrals that may be received in connection with the space or equipment. Fair market value may be determined through an independent appraisal.

Agreements for professional services, management services, and consulting services must satisfy all applicable laws and follow appropriate procurement rules established by the State of Illinois and the University. Any questions about these arrangements should be directed to legal counsel or the Compliance Office. Joint ventures with physicians or other health care providers, or investment in other health care entities, must be reviewed and approved by legal counsel at all times prior to moving forward with new ventures.

The U.S. Department of Health and Human Services has described a number of payment practices that will not be subjected to criminal prosecution under the anti-kickback laws. These so-called "safe harbors" are intended to help providers protect against abusive payment practices while permitting legitimate ones. If an arrangement fits within a safe harbor it will not create a risk of civil and/or criminal penalties and exclusion from the Medicare and Medicaid programs. However, the failure to satisfy every element of a safe harbor does not in itself make an arrangement illegal. Analysis of a payment practice or arrangement under the anti-kickback laws and safe harbors is complex, and depends upon the specific facts and circumstances of each case. Employees within UI Health should not make their own judgments on the availability of a safe harbor for a payment practice, investment, discount, or other arrangement. These situations must be reviewed with legal counsel and the Compliance Office and approved.

Violation of the anti-kickback laws is a felony, punishable by a \$25,000 fine or imprisonment for up to five years, or both. Violation of the law could also mean that an entity (e.g. a facility) and/or a physician is excluded from participating in the Medicare and Medicaid programs.

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;
- UI Health does not submit or cause to be submitted to the federal health care programs claims for patients who were referred to UI Health 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; and
- UI Health does not enter into financial arrangements with hospital based physicians that are designed to provide inappropriate remuneration to UI Health for the physician's ability to provide services to state or federal health care program beneficiaries at UI Health.

Considerations of Group Practice Acquisition

To improve the delivery of health care services, UI Health may, from time to time, acquire physician practices. These acquisitions require special care to comply with applicable law because they have implications under the anti-kickback laws, the Stark law, and the IRS rules governing the organizations' tax-exempt status.

Anti-Kickback Laws

As discussed above, federal law makes it illegal to provide or accept "remuneration" in exchange for referrals of patients covered by Medicare or Medicaid. Acquisitions of physician practices may implicate the anti-kickback laws because they may constitute illegal payments to induce the referral of Medicare or Medicaid patients.

Generally, acquisitions will comply with federal law when the amounts paid reflect the fair market value of the acquired practice. Fair market value should be determined through an independent appraisal. Payments in excess of fair market value may violate anti-kickback laws, particularly when there is an ongoing relationship between the purchaser and the acquired practice. Several specific types of payment are subject to scrutiny:

- Payment of goodwill
- Payment for value of ongoing business unit
- Payment for covenants not to compete
- Payment for exclusive dealing agreements
- Payment for patient lists
- Payment for patient records

The "safe harbor" protections discussed above may also apply to a particular acquisition. Employees should not, however, make unilateral judgments on the availability of a safe harbor. Any questions should be directed to legal counsel, and any proposed acquisition of a physician practice must be reported and approved by the Vice President for Health Affairs in consultation with legal counsel and the Chief Compliance Officer to ensure compliance.

Violation of the anti-kickback laws is a felony, punishable by a \$25,000 fine or imprisonment for up to five years, or both. Violation of the law could also mean that UI Health and/or its physicians are excluded from participating in the Medicare and Medicaid programs for up to five years.

Stark Law

Physician practice acquisitions also implicate the Stark law discussed earlier. Because the law is particularly complex, all transactions must be reviewed and approved by the Vice President for Health Affairs in consultation with legal counsel and the Chief Compliance Officer to ensure compliance.

Anti-Trust Considerations

UI Health is committed to complying with all state and federal antitrust laws. The purpose of the antitrust laws is to preserve the competitive free enterprise system. The antitrust laws in the United States are founded on the belief that the public interest is best served by vigorous competition, free from collusive agreements among competitors on price or service terms. The antitrust laws help preserve the country's economic, political, and social institutions; they apply fully to health care services provided by hospitals and physicians, and UI Health is firmly committed to the philosophy underlying those laws as well as compliance with the law.

While the antitrust laws clearly prohibit most agreements to fix prices, divide markets, and boycott competitors - which are addressed below - they also proscribe conduct that is found to restrain competition unreasonably. This can include, depending on the facts and circumstances involved, certain attempts to tie or bundle services together, certain exclusionary activities, and certain agreements that have the effect of harming a competitor or unlawfully raising prices.

Discussion With Competitors

UI Health requires that the rates charged for care and related items and services, and the terms of its third-party payer contracts, must be determined solely by the entity. In independently determining prices and terms, UI Health may take into account all relevant factors, including costs, market conditions, widely used reimbursement schedules, and prevailing competitive prices, to the extent these can be determined in the marketplace. There can be, however, no oral or written understanding with any competitor concerning prices, pricing policies, pricing formulas, bids, or bid formulas, or concerning discounts, credit arrangements, or related terms of sale or service. To avoid the possibility of misunderstanding or misinterpretation, UI Health prohibits any consultation or discussion with competitors relating to prices or terms which the particular entity, UI Health affiliate or any competitor charges or intends to charge. Joint

ventures and affiliations that may require pricing discussions must be individually reviewed by legal counsel for antitrust compliance. Discussions with competitors concerning rationalization of markets, down-sizing, or elimination of duplication ordinarily implicate market division and must be avoided.

UI Health prohibits consultation or discussion with competitors with respect to its services, selection of markets, territories, bids, or customers. Any agreement or understanding with a competitor to divide markets is prohibited. This includes an agreement allocating shares of a market among competitors, dividing territories, or dividing product lines or customers.

Trade Associations

UI Health and its staff are involved in a number of trade and professional associations. These organizations promote quality patient care by allowing professionals to learn new skills, develop policies and, where appropriate, speak with one voice on public issues. However, it is not always appropriate to share business information with trade associations and their members. Sharing information is appropriate if it is used to better inform consumers or to promote efficiency and competition.

UI Health may participate in surveys of price, cost, and wage information if the survey is conducted by a third party and involves at least five comparably sized facilities. Any price, cost, or wage information released must be at least three months old. If an employee is asked to provide a trade association with information about charges, costs, salaries, or other business matters, he or she should consult with his or her supervisor, who may review the issue with legal counsel or the Chief Compliance Officer.

Boycotts

UI Health policy prohibits any agreement with competitors to boycott or refuse to deal with a particular person or persons, such as a vendor, payer, or other health care provider. These agreements need not be written to be illegal; any understanding reached with a competitor (directly or indirectly) on such matters is prohibited. All negotiations must be conducted in good faith. Exclusive arrangements with payers, vendors, and providers must be approved by legal counsel based on an analysis of the relevant market.

Physician Services

Credentialing and peer review activities also may carry antitrust implications. Because of the special training and experience of physicians, their skills may best be evaluated by other physicians. It is appropriate for physicians to review the work of their peers. Because the physicians reviewing a particular physician may, by virtue of their medical specialties, be the physician's competitors, special care must be taken to ensure that free and open competition is maintained. As a result, credentialing, peer review and physician discipline within UI Health are conducted only through properly constituted committees. Physicians participating in these activities are expected to use objective medical judgment.

If any UI Health personnel is involved in negotiating a contract of employment or a personal services contract with a physician or other health care provider, it is important to review with care any non-competition provisions incorporated in the agreement. The appropriate geographic scope and duration of a non-competition agreement may vary from case to case. Questions about the appropriateness of a non-competition provision should be directed to legal counsel.

Penalties

Penalties for antitrust violations are substantial. Individuals and corporations can be fined \$350,000 and \$10,000,000 respectively, for each antitrust violation, and individuals can be sentenced for up to three years in prison for each offense. In addition, actions giving rise to antitrust violations may violate other federal criminal statutes, such as mail fraud or wire fraud, under which substantial fines and even longer prison sentences can be imposed.

Antitrust violations also create civil liability. Private individuals or companies may bring actions to enjoin antitrust violations and to recover damages for injuries caused by violations. If successful, private claimants are entitled to receive three times the amount of damages suffered, plus attorneys' fees. Moreover, if the antitrust violation was a conspiracy, each member of that conspiracy may be liable for the entire damage caused by the conspiracy.

External Audit and Responses (RAC, IDPH, OIG, Other)

The UI Health is committed to full compliance with all state and federal laws, rules and regulations, and will cooperate with requests made in any government investigation of UI Health personnel. In doing so, the UI Health considers it essential that the legal rights of the UI Health and its personnel are protected. When interacting with government investigators, UI Health 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 Human Services, etc.)

The Chief Compliance Officer will be advised in a timely manner of the receipt of any governmental inquiry or request for information relative to a matter involving compliance with the law or regulations. The Chief Compliance Officer will coordinate all responses to requests for information about UI Health operations, policies, procedures, patients, and employees, including requests for documents. All UI Health employees who are requested by a government investigator or other person not employed by UI Health to provide information about UI Health 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 UI Health employees or for documents pertaining to any of these subjects, the UI Health employee to whom such a request is made shall follow appropriate policy [[*1.11, Accrediting and Other Authorized External*](#)]

Agency Requests/Law Enforcement Site Visits].

All UI Health 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 UI Health employee shall provide inaccurate or false information to any government investigator.

UI Health employees should observe the following guidelines:

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

Subcontractors or vendors who provide items or services in connection with the Medicare and/or Medicaid programs are required to comply with these policies on responding to investigations. Subcontractors must immediately furnish the Chief Compliance Officer, legal counsel, or authorized government officials with information required in an investigation.