

Reported to the Board of Trustees  
November 10, 2005

Board Meeting  
November 10, 2005

## REPORT ON THE MEDICAL CENTER COMPLIANCE PLAN

Under delegated authority by the Board of Trustees, the Medical Center created its first Compliance Plan in 1998. It was revised in 2003. This version was revised again in September 2005 to reflect organizational changes at the Medical Center.



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October 14, 2005

Sylvia Manning  
Chancellor  
UIC Campus  
MC102

Dear Dr. Manning:

Enclosed please find a revised copy of the Medical Center's Compliance Plan that reflects the changes in organization of the Health System recently approved by the BOT and changes to the membership of the Governance Committee.

I believe we should take this opportunity to apprise the Board of our ongoing efforts in compliance by presenting this revised plan to them as an information item. Under the plan, the Chancellor is the responsible administrative official and as such has management prerogative and need not require BOT approval. However, since the federal guidelines insist that Boards of Trustees are ultimately responsible for compliance in an organization, periodic reports on the compliance program to the BOT are entirely appropriate.

If you have any further questions, please do not hesitate to call.

Sincerely,

A handwritten signature in black ink that reads "W H Chamberlin MD". The signature is written in a cursive, flowing style.

William H. Chamberlin, MD  
Chief Compliance Officer

**UNIVERSITY OF ILLINOIS MEDICAL  
CENTER**

**Corporate Compliance Plan**

Submitted to the Board of Trustees

November 10, 2005

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

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AT CHICAGO  
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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.

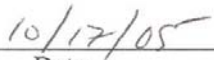
To provide guidance to physicians and other health care professionals, the Chief Compliance Officer every three years and more often if indicated, reviews existing policies and procedures, revises those policies and procedures as necessary, and develops any additional policies and procedures that are 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

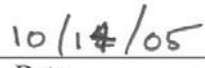
will continue to: (a) promote full compliance with all legal duties applicable to UIMCC and its employees, (b) foster and ensure ethical conduct by UIMCC and its employees and agents, and (c) provide guidance to each UIMCC Employee and agent regarding his or her conduct. The procedures and standards of conduct contained in the plan and its accompanying Code of Conduct are intended to define the scope of conduct generally which the Plan covers. They will not, however, be considered all-inclusive as there is a wide range of conduct that may not be covered by the Plan and the Code of Conduct.

Approved:

  
\_\_\_\_\_  
Sylvia Manning, Ph.D.  
Chancellor, University of Illinois  
at Chicago

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
William Chamberlin, M.D.  
Medical Center Chief Compliance  
Officer

  
\_\_\_\_\_  
Date

**UNIVERSITY OF ILLINOIS AT  
CHICAGO MEDICAL CENTER**

**CORPORATE COMPLIANCE PLAN**

**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.



# UNIVERSITY OF ILLINOIS MEDICAL CENTER AT CHICAGO

## CORPORATE COMPLIANCE PLAN

### 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.

# UNIVERSITY OF ILLINOIS MEDICAL CENTER AT CHICAGO

## CORPORATE COMPLIANCE PLAN

### I. Code of Conduct

(<http://ethics.uillinois.edu/Code-of-Conduct.htm>)

#### 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 should 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 (e.g., daily in hospital)
- 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

- Patient's Freedom of Choice
- Patient Dumping
- Failure to provide care to member of HMO

#### 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 should 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;
- the implementation of a periodic review to determine the appropriateness of billing each outpatient service claim, 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 should be in place:
  - implement and maintain a 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. Designation of a Compliance Officer and a Compliance Committee**

A. (See attached Job Description for the Chief Compliance Officer)

B. (See attached Corporate Compliance Committee Membership and Charge to the Committee Members)

## **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 UIMCC Audits**

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

All activities related to the Plan will be conducted as advised by legal counsel. The Chief Compliance Officer should notify legal counsel of all reports of material noncompliance, at which time the Chief Compliance Officer, in conjunction with legal counsel, will 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 shall work with representations 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 will be provided for all employees and supervisory staff to whom the plan is applicable, as well as for clinical department physicians. The Compliance Program will be presented to all new employees during new employee orientation. Ongoing educational sessions will be offered on a departmental basis as needed. Attendance is mandatory and will be documented. Those employees who do not attend the original sessions and/or the make-up sessions will be subject to disciplinary action.

A person in each designated service or department will be 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 to be 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 shall establish a confidential telephone service called the Employee 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 will be taken to prevent such individuals from exercising substantial discretion in regard to that compliance area.

Non-physician employees should be 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 will be 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 illegal activities such as questionable coding practices.

A regular schedule for audits will be 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 will be 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 will be performed and it will be 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 will be 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 Compliance Office will interview all personnel involved in the alleged infraction in addition to any other individuals who might have knowledge or information regarding relevant aspects of the infraction.
- Once the investigation has been completed, the Compliance Office will prepare a written report outlining the findings. 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 will be 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 will be 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 Office of Compliance may perform audits or review the departmental audits as necessary. If the affected department continues to be non-compliant, the Compliance Director 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 will be initiated.

A record of investigations will be 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 will be maintained in the office of the Chief Compliance Officer.

### **B. Processing of Disclosures and Reports**

The Chief Compliance Officer will investigate all reports of suspected misconduct or noncompliance and will refer reports raising potential legal issues to UIMCC's legal counsel. Records of suspected misconduct or noncompliance and any subsequent investigation are confidential and will be 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 will review personnel records and other information periodically to ensure that those who report suspected misconduct or noncompliance are not the victims of retaliation, retribution or other improper conduct. In addition, 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, will promptly investigate 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.
- After the investigation, a written report of the investigation will be sent to the CEO, HealthCare System for necessary action if indicated.

## **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 UIMCC's 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 will be 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 will be referred to the Department Head 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 will be 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 will be 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

should 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.

#### A. Meeting With Investigators

The Chief Compliance Officer is UIMCC's designated liaison with government 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 request formal identification from the investigator.
- Acceptable formal identification includes a badge and/or a picture identification card. Legitimate government investigators will always be prepared to show proper identification. Business cards do not constitute formal identification.
- Upon receiving valid, formal identification, UIMCC employee should notify his or her supervisor, who should immediately notify the Chief Compliance Officer.
- Once notified, the Chief Compliance Officer will introduce himself/herself to the investigator and escort the investigator to a conference room. The Chief Compliance Officer will make a point to identify to the investigator his or her position as the designated liaison, as well as an alternate person available to assist the investigator in the designated liaison's absence.
- The Chief Compliance Officer will inform the CEO, HealthCare System as to what kind of government investigator is at UIMCC and what the government investigator's stated purpose is.
- The Chief Compliance Officer will determine what other requests the government investigator may have.
- The Chief Compliance Officer will determine the need for legal consultation and, if appropriate, will contact legal counsel.
- The appropriate UIMCC employees will be alerted and/or assigned to gather needed information.
- All government investigators are to be accompanied at all times while on UIMCC premises. Visitors are not to have unlimited access to UIMCC facilities and/or to UIMCC employees.

#### B. Speaking With Investigators

Unless specifically permitted by the Chief Compliance Officer, individual UIMCC employees are not authorized to speak to government investigators about the patients, operations, policies or procedures of the UIMCC or to provide documents about these matters to government

investigators. A UIMCC employee confronted with such a request should immediately notify his/her immediate supervisor and/or the Chief Compliance Officer, who will be responsible for obtaining answers for any questions the investigator may have, for ensuring that UIMCC employee is properly advised of his or her rights in the matter, and for ensuring that UIMCC's rights and those of its patients are properly protected.

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. The Disclosure of Medical Information Policy 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 will be developed to support each element of the plan. Each plan will be 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 should include at a minimum the following:

- Code of Conduct
- Organization Chart
- 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
- Development and submission of an Annual Report.
- Written policy and procedure to ensure at a minimum an annual review of the departmental plan and more often as necessary.

### **XXIII. Annual Report**

Each designated service or department shall submit an Annual Compliance Report to the Director of Compliance accompanied by a corrective action plan that will address resolution of identified problems.

### **XXIV. Amending the Compliance Program**

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

# UNIVERSITY OF ILLINOIS MEDICAL CENTER AT CHICAGO

## CORPORATE COMPLIANCE PLAN

### Director of Compliance Job Description

Responsibility for the development, implementation and oversight of a comprehensive program that will 1) assure compliance with third-party/billing requirements for professional and institutional fees and; 2) assure compliance with federal and state laws regarding Health Affairs business practices. The Director of Compliance shall report to Chief Compliance officer, and will perform the following duties:

1. Develop and formulate policies and procedures that establish standard compliance, giving specific guidance to management, medical staff, individual departments or employees, as appropriate.
2. Assist line management with implementation of programs, policies and procedures to ensure compliance with applicable federal and state laws and regulations for Medicare, Medicaid, and other third party payers.
3. Commission and participate in audits established to investigate and monitor compliance with standards and procedures required by state and federal law.
4. Serve on the Compliance Committee to keep members informed on current issues regarding compliance; present written materials for discussion and action.
5. Maintain an awareness of laws and regulations, keeping abreast of current changes that may affect health care systems through personal research, seminars, training programs, and peer contact.
6. Maintain a system of management reporting that provides the system with timely and relevant information on all aspects of compliance issues.
7. Direct efforts to communicate and promote understanding of the components of the Compliance Program, laws and regulations, and consequences of non-compliant behavior through written materials and training programs.
8. Review complaints, concerns or questions relative to compliance issues, and provide consultative leadership and support to management as appropriate.
9. Develop and maintain a confidential line of communication (Hotline) to ensure highest commitment to organization values, and trust in the ethics and compliance process.
10. Ensure mandatory and ongoing education and training programs for faculty, residents, coding and billing staff, and other departmental staff as appropriate. Personally provide programs and/or attend educational programs as requested.
11. Develop policies and procedures for investigating reports of violations and non-compliance.
12. Submit an Annual Report to the Chief Compliance Officer.
13. Organize and maintain all documentation regarding the Plan.
14. Oversee and monitor the implementation of the Plan and the Corporate Compliance Program.
15. Review and disseminate OIG annual report, outlining guidelines for the year and other appropriate documents.

16. Periodically recommend revisions to the Plan and the Corporate Compliance Program in response to new or amended governmental laws, rules or regulations, new or revised third party payer policies and/or changed needs of UIMCC.
17. Ensure that independent contractors and agents who furnish medical services to UIMCC are aware of the Corporate Compliance Program policies with respect to, among other things, coding, billing, and marketing.
18. Consult with legal counsel, as necessary, with regard to misconduct or noncompliance.
19. Has the authority to directly communicate, consult with and request audits from the Office of University Audits.
20. Coordinate personnel issues with the hospital's Human Resources office (or its equivalent) to ensure that the National Practitioner Data Bank and Cumulative Sanction Report have been checked with respect to employees, Medical staff and independent contractors.

In addition to making performance of these duties an element in evaluations, the Chief Compliance Officer or Medical Center Administration should include in the Medical Center's compliance program a policy that managers and supervisors will be sanctioned for failure to instruct adequately their subordinates or for failing to detect noncompliance with applicable policies and legal requirements, where reasonable diligence on the part of the manager or supervisor would have led to the discovery of any problems or violations and given the Medical Center the opportunity to correct them earlier.

#### Minimum qualifications

- Bachelor's Degree, preferably in health related field: Master's Degree preferred.
- Minimum 5 years clinical and/or utilization review experience.
- Minimum 5 years administrative experience in a clinical environment.
- Excellent verbal and written communication skills.
- Ability to work independently.
- Clinical reimbursement experience preferred.

## **CORPORATE COMPLIANCE PLAN**

### **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: