

**Hackensack University Medical Center
Corporate Compliance Plan**

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I. Goals:

1. Engender a corporate culture with ethical business practices at its core. Instill all employees with the principals embodied in the Employee Code of Conduct, placing with each employee an affirmative duty to report any actual or perceived impropriety.
2. Assure that the Medical Center's policies and procedures are effective and that the Medical Center's activities are in compliance with all applicable laws and regulations, including that of Medicare and Medicaid. Develop a mechanism to monitor and measure ongoing compliance.

II. Objectives:

1. Perform risk analyses/vulnerability assessments via reviews of the current organizational environment.
2. Recommend changes to HUMC's Employee Code of Conduct to assure that the document remains effective in the context of corporate compliance.
3. Maintain an Employee Compliance Hotline to provide an additional avenue for employees to report concerns and perceived violations of the organization's Code of Conduct.
4. Communicate the compliance program to employees.
5. Annually evaluate and document the effectiveness of the Compliance Program.

III. Purpose:

The purpose of the plan is to ensure compliance with all applicable laws and regulations by promoting ethical behavior among our employees and creating an entity-wide mechanism for assessing, monitoring and improving compliance standards. The plan is embodied in the Employee Code of Conduct and guided by the Medical Center's Statement of Purpose and Beliefs and Strategic Directions.

IV. Plan for Maintaining Corporate Compliance

A. Approach to Compliance

Hackensack University Medical Center will employ a dual focus approach to effective corporate compliance. Through education of our employees we will instill the principals contained in our Code of Conduct. Through ongoing auditing and monitoring we look to insure that HUMC is in compliance with all applicable federal, state and local laws, rules and regulations and third party payer requirements. Corporate Compliance does not replace or supersede any existing monitoring or reporting mechanism within the Medical Center. Resolution of all issues utilizing the chain of command beginning at the work group level is encouraged. When usual methods are not appropriate the Department of Corporate Compliance is available to facilitate resolution.

All departments will continue intra and/or interdepartmental compliance monitoring for applicable laws and regulations and report where appropriate. Departments will participate in periodic audits conducted by the Internal Audit Department, as identified in the Internal Audit Department's Annual Work Plan or as requested by management, administration or the Board. Specific areas identified by the Compliance Officer or Office will be monitored using performance improvement tools and techniques integrated with the Medical Center's Performance Improvement Plan.

Employees are empowered to identify and report any actual or perceived unethical or non-compliant behavior or practices without fear of retribution. The reporting mechanism will be via their supervisors and the normal chain of command **or** the Corporate Compliance Department or Hotline.

B. Measurement

Using the performance improvement monitoring mechanism, the Medical Center may collect data needed to a) establish a baseline when a process is identified as having a compliance

dimension b) identify areas of possible improvement of existing processes c) determine whether changes have improved processes d) monitor ongoing compliance.

Data may be collected for:

- Priority issues identified by the Board of Governors or the Compliance Executive Committee
- Establishment of benchmarks in high priority compliance processes
- Any process with a quantifiable regulatory or ethical aspect
- Processes related to Medicare, Medicaid and other third party reimbursement
- Compliance issues identified by the Medical Center's staff with concurrence of the Compliance Coordinating Team
- Processes identified in the Office of the Inspector General work plan, Fraud Reports or Advisory Opinions
- Employee attitudes reflective of the corporate culture and the regulatory and ethical environment.

C. Assessment:

Data are assessed by the reporting department, compliance office or Compliance Coordinating Team in a systematic fashion to identify:

- a) if a compliance process is functioning within expected parameters.
- b) whether process changes have resulted in outcome improvement.
- c) trends affecting sub-standard outcomes.

1. The reporting department, Compliance Office or Compliance Coordinating Team compare performance:

- a) internally over time when appropriate.
- b) against regulatory standards
- c) to other organizations

2. Intensive assessment is initiated, as appropriate, based upon:

- a) events or outcomes that would result in fines or sanctions
- b) deviation from recognized standards
- c) variation from prior satisfactory outcomes

D. Ongoing Compliance:

1. Improvement is assessed within the framework of measurable compliance parameters.

- a) compliance with regulatory guidelines
- b) employee attitudes quantified by a standardized survey and compared to an index
- c) hotline activity and exit survey comments.

2. Improvement activities.

- a) initial education- every Medical Center employee will receive general compliance education including:
 - 1) compliance infrastructure
 - 2) regulatory environment
 - 3) introduction to the Code of Conduct
 - 4) communication and reporting
 - 5) hot line function
- b) ongoing education- all departments will conduct ongoing education
 - 1) to maintain and encourage open lines of communication
 - 2) to disseminate changes in the regulatory environment
 - 3) to address employee issues and concerns
 - 4) to resolve issues identified by employees when appropriate

- c) when opportunities for compliance process improvement are identified, a plan of action will be created to capitalize on them
 - 1) when action is taken to improve a process, the action will be tested on a trial basis.
 - 2) when the initial action is not effective, a new action is planned and tested
 - 3) the actions effect on compliance is measured
 - 4) successful actions are implemented and monitored to sustain the improvement

E. Communication

By maintaining open lines of communication, compliance issues can be proactively identified and resolved.

- 1) Chain of Command- Issue resolution at the work group level is encouraged, followed by departmental management if necessary.
- 2) Human Resources- is available to resolve issues or facilitate the grievance process when other means of resolution fail.
- 3) Compliance Office- is available as a resource for resolution of compliance related issues.
- 4) Employee Compliance Hot Line- is a confidential and anonymous means for employees to report compliance issues for which the normal chain of command has failed or is inappropriate.

V. Scope of the Compliance Program

Every member of Hackensack University Medical Center must deport himself or herself according to the institution's Statement of Purpose and Beliefs as delineated in the Code of Conduct. Emphasis is placed on those areas identified by management as having a greater impact on those ethical issues referred to in the Code. Those areas include but are not limited to:

- A. Patient Care
- B. Medical Records Management
- C. Coding and Billing
- D. Financial Management
- E. Human Resource Management
- F. Patient Privacy as Delineated in the Health Insurance Portability and Accountability Act of 1996 (HIPAA)

VI. Organization

The compliance infrastructure demonstrates Hackensack University Medical Center's "top down" commitment to complying with all applicable laws, rules and regulations. The organizational structure is delineated in Appendix 2.

A. Audit Committee of the Board of Governors

The Board of Governors will provide oversight and assure that the Medical Center is in compliance with applicable laws and regulations. The Executive Committee of the Board has designated the Audit Committee to provide that oversight.

- 1) Membership of the Audit Committee of the Board shall consist of not less than five members of the Board including the Treasurer, who shall not be its chairman, and the Vice President for Finance, who shall be ex-officio and without vote.
- 2) Regular meetings shall be held at least quarterly .
- 3) The full duties and responsibilities of the Audit Committee are contained in its charter. With respect to corporate compliance, the Audit Committee shall:
 - a) Hold periodic briefings with Compliance Officer
 - b) Evaluate the effectiveness and continuing viability of the compliance program
 - c) Maintain oversight of the program's progress

- d) Review education, training and the Standards of Conduct to assure that compliance with applicable laws, rules and regulations are maintained.

B. Compliance Executive Committee

The executive compliance functions shall be coordinated and implemented by the Compliance Executive Committee. This Committee shall provide executive oversight, advice and general guidance on all matters relating to corporate compliance. Through the Compliance Officer, the Committee reports as appropriate to the Audit (Compliance) Committee of the Board of Governors on all significant issues relating to compliance with applicable laws, rules, regulations and the Hackensack University Medical Center Code of Conduct.

- 1) The Chair of the Committee is the Chief Compliance Officer. The Compliance Officer is responsible for reporting on compliance activities recommended or reported by the Compliance Coordinating Team or the Compliance Office. Membership of the Committee consists of the Chief Operating Officer, General Counsel, Chief Financial Officer, Chief Nursing Officer, Chief Medical Officer, Vice President – Human Resources, Director of Audit Services and a member of the Board of Governors.
- 2) Regular meetings will be held at least quarterly.
- 3) The Committee shall have the overall responsibility for continual improvement in the performance of the compliance program including but not limited to the:
 - a) Ongoing evaluation of the corporate values, culture and potential areas of compliance vulnerability as perceived by the executives, management and other employees.
 - b) Ensuring Compliance Program effectiveness, including on-going auditing and monitoring of areas with an identified compliance component.
 - c) Establishing heightened awareness of compliance issues and improving employee skills in dealing with these issues.
 - d) Enhanced appreciation by executives and managers for how to promote compliance in the work environment.
 - e) Strengthening the Code of Conduct, including periodic review and revision to ensure relevance to employees.

C. Compliance Operations Team

The Compliance Operations Team facilitates the resolution of compliance. The team provides insight to the operational considerations of issue resolution at the department level. A working group forum, the team is dedicated to the discussion and resolution of compliance matters by recommendation of the commitment of resources necessary to address specific concerns identified through the normal chain of command, the Compliance Office or the Employee Compliance Hotline. The team reports to the Chief Compliance Officer and may present to the Compliance Executive Committee at the direction of the Chief Compliance Officer.

- 1) The team is chaired by the Chief Compliance Officer. Members include the Director of Audit Services, departmental staff members with compliance responsibilities and managers of other areas that have a significant operational, regulatory or ethical aspect.
- 2) Regular meetings are held at least quarterly.
- 3) The team will provide operational guidance and assist in the formulation of strategies including but not limited to:
 - a) Receives reports from the participating departments with respect to ongoing HUMC auditing and monitoring activities.
 - b) Routinely reviews changes in the current regulatory environment and in collaboration with management recommends changes in operating policies or monitoring strategies at the department level.
 - c) Drafts recommended changes to HUMC policies and procedures including changes to the Code of Conduct as appropriate.
 - d) Coordinates training to HUMC employees on all compliance matters.

D. Compliance Office

The Department of Corporate Compliance shall be responsible for the implementation and operation of all aspects of the Corporate Compliance Program. When opportunities are identified, the Chief Compliance Officer will coordinate the development, implementation and monitoring of new processes to continually improve compliance performance.

Chief Compliance Officer's duties and responsibilities include:

- 1) Development of appropriate management, and employee training and education in conjunction with Hospital Education and Staff Development.
- 2) Provide advice and support to management in an effort to continually improve systems. Reduce and eliminate exposure to regulatory actions related to compliance.
- 3) Develop and maintain appropriate reports to provide information needed by the executive management and Board of Governors to continually assess the status and effectiveness of the Corporate Compliance Program.
- 4) Develop and implement consistent, entity wide communication that reinforces the goals of the compliance program.
- 5) Coordinate the operation of the Employee Compliance Hotline. Providing periodic reports to Leadership and the Board regarding trends and issues identified through the Hotline.
- 6) The Chief Compliance Officer will serve as the Medical Center's Chief Privacy Officer and assure compliance with HIPAA as an element of the overall Compliance Program.
- 7) The Chief Compliance Officer's responsibilities are fully delineated in his/her Job Description

E. Employee Compliance Hotline

The Employee Compliance Hotline is a toll free telephone number that will provide an additional avenue of communication when the conventional chain of command is unsuccessful or inappropriate.

- 1) All calls to the Hotline will be confidential and anonymous to full extent permitted by law.
- 2) No attempt will be made to trace the call or identify the caller, caller I.D. will not be used and no numbers will be listed on the bill.
- 3) Hotline operators will be trained in hotline operations and bound by confidentiality.
- 4) All calls to the hotline made in good faith will be investigated.
- 5) The Medical Center has a strict policy of non-retaliation and retribution for all good faith reporting of violations of the Code of Conduct
- 6) Organizational policies regarding Hot Line Operations will be maintained by the Compliance Department.

VIII. Confidentiality and Non-Retaliation

All employee, patient, physician and Medical Center data shall be considered confidential. Access will be limited to those who have signed a confidentiality agreement and have a legitimate "need to know". All copies of minutes, hotline logs and intake forms, investigatory records and other information will be maintained in locked files.

Hackensack University Medical Center is committed to maintaining an environment free of fraud, abuse or unethical practices of any kind and has a strict policy of non-retaliation and retribution for good faith reporting of these practices.