



Policy /Procedure Document	
Category/Source:	Compliance
Origination Date:	February 2014
Policy Number:	COMP 110
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Next Review Due:	March 2021
Policy Owner:	Compliance Officer
Required Approvals:	Beacon Health System Compliance Committee Beacon Health System Management as Documented at Signatures of Approval

TITLE:	<i>Compliance Policy</i>
SCOPE:	This policy applies to all directors, exempt and non-exempt associates (employees), contracted personnel, employed physicians, Medical Staff members, volunteers, students, and other agents of the Beacon Health System.
PURPOSE:	The purpose of this policy is to describe, in broad terms, the Beacon Health System compliance program and the responsibilities of Beacon Personnel under that program.
POLICY/PROCEDURE:	

- A. Beacon Health System is committed to conducting its business legally, ethically, and honestly, a commitment specifically articulated by the Board of Directors and management in the Beacon Health System *Code of Business Conduct*.
- B. To help ensure that both Beacon Health System and Beacon Personnel meet the organization’s commitment to the highest standards of conduct, the Board of Directors and management have vested authority and responsibility for implementing an effective seven-element compliance program with the Compliance Officer, as outlined in the *Charter of the Beacon Health System Compliance Program*.
- C. Beacon Health System’s compliance program shall consist of the following elements:
- Established Responsibility for and Effective Oversight of Compliance Program:** The *Charter of the Beacon Health System Compliance Program* makes the Compliance Officer, appointed by the Beacon Health System Chief Executive Officer, responsible for designing, implementing, monitoring, and operating an effective compliance program. The *Charter* further requires that the Compliance Officer establish a Compliance Committee for Beacon Health System and each of its subsidiaries, with each committee providing advice about and monitoring of the program’s operation at that entity.

As required by the *Charter*, the Compliance Officer reports to the Board of Directors’ Audit and Compliance Committee and the Chief Executive officer regularly (most often quarterly, but more or less frequently as circumstances dictate). The Compliance Officer has free and unrestricted access to all members of Beacon Health System executive management and to the general counsel and other contracted legal counsel.

- Appropriate Written Policies and Procedures:** The *Charter of the Beacon Health System Compliance Program* establishes the Beacon Health System compliance program and describes the authority, responsibilities, independence, and expected objectivity of persons working within its scope. Beacon Health System’s *Code of Business Conduct* describes the organization’s commitment to lawful, ethical, and honest

conduct. This policy outlines, in broad terms, the specific compliance program elements implemented under the authority of the *Charter* to mitigate the risk of non-compliance with the *Code*.

In addition to the three foundational policy documents, the Compliance Officer (here and hereinafter to include any Beacon Health Personnel working under his direction) will promulgate policies addressing specific compliance program elements and particular compliance issues in more detail. Please see following element descriptions for cross-references to specific compliance program element policies. The Compliance Officer will also identify and periodically review other Beacon Health System policies which, although not directly within the compliance bailiwick, have a significant, indirect compliance impact to ensure that these policies meet compliance requirements.

Beacon Health System managers bear responsibility for promulgating policies addressing compliance concerns within their areas of responsibility.

The Compliance Officer, as part of the Effective Training and Education compliance program element, will ensure that all Beacon Health System personnel receive appropriate training about the *Code of Business Conduct*, the compliance program as outlined in this policy, and other compliance program element specific and compliance issue specific policies.

The Compliance Officer will make the *Code of Business Conduct* and all other compliance policies available to Beacon Health Personnel by posting them on Beacon Health System intranet site(s). The Compliance Officer may make policies available to Beacon Health System personnel or others by other means (e.g., through vendor training software); however, Beacon Health System personnel are responsible for knowing and following the policies as posted on the Beacon Health System intranet site(s).

- 3. Effective Lines of Communication:** Beacon Health System will maintain open and effective lines of communication with respect to compliance issues and questions. Beacon Personnel are required to report putative compliance violations or other wrongful acts and to seek appropriate answers to any compliance questions.

Neither Beacon Health System nor any Beacon Personnel will retaliate against any person who, in good faith, reports putative compliance violations or other wrongful acts, who cooperates with an investigation of allegations of such, or who inquires about any compliance matter.

Beacon Health System encourages its Personnel to report compliance concerns and ask questions using the SHOP method, details of which can be found in Beacon Health System policy *Reporting Compliance Related Concerns*. As part of the SHOP method, Beacon Health System maintains a confidential hotline which Beacon Personnel can use to ask compliance questions and report compliance concerns. Beacon Personnel also have free access to the Compliance Officer, who in turn has free and unrestricted access to executive management, legal counsel, and the Board of Directors (please see Established Responsibility for and Effective Oversight of Compliance Program compliance program element).

The Compliance Officer, as part of the Effective Training and Education compliance program element, will ensure that annual mandatory compliance training addresses the SHOP method, including providing the confidential hotline telephone number and the Compliance Officer's direct telephone number, e-mail address, and post mailing address.

The Compliance Officer will, in accordance with the Offenses Reported and Corrective Action Developed compliance program element, promptly investigate reported issues and questions. The Compliance Officer will provide Beacon Personnel with appropriate guidance in response to questions and will ensure that management develops and implements appropriate corrective actions in response to validated compliance issues. The Compliance Officer will maintain a log of reported questions and concerns (including confidential hotline reports) and appropriate documentation of the investigation and resolution of those questions and concerns. The Compliance Officer will include a summary of confidential hotline contacts and significant compliance issues in his regular reports to the Board of Directors.

The Compliance Officer will establish and maintain a Beacon Health System compliance intranet site. This site will provide information about the compliance program, compliance polices, compliance concern and question reporting methodologies, and available training. The site will include such additional information as the Compliance Officer judges appropriate.

4. **Effective Training and Education:** Beacon Health System will appropriately train Beacon Personnel about the organization's commitment to lawful, ethical, and honest conduct, its compliance program, and specific compliance issues.

Beacon Health System will provide compliance training to all new associates upon hire and to all existing associates periodically thereafter in accordance with Beacon Health System policy *Compliance Training*. This training is mandatory. The Compliance Officer will develop new associate and annual mandatory training, which will address the *Code of Business Conduct* (please see Appropriate Written Policies and Procedures compliance program element); the SHOP method, including the confidential hotline and the Compliance Officer's direct contact information (please see Effective Lines of Communication compliance program element); the purpose and structure of the Beacon Health System compliance program; and such other information as the Compliance Officer, in consultation with management, determines is appropriate. The Compliance Officer will review the content of this training annually and update it as appropriately.

The Compliance Officer will develop additional, audience specific, compliance training for Beacon Health System associates in accordance with the Annual Compliance Plan or as he and management agree is appropriate. Please see Beacon Health System policy *Compliance Training*.

Beacon Health System management is responsible for providing area specific training to Beacon Personnel (e.g., coding compliance training in health information management areas).

The Compliance Officer will work with management to ensure that vendors, contractors, and other non-employed Beacon Personnel are appropriately educated about the organization's commitment to lawful, ethical, and honest conduct; policies and procedures; expectations; and other matters. Please see Beacon Health System policy *Compliance Training*.

5. **Ongoing Auditing and Monitoring:** Beacon Personnel will appropriately monitor the organization's operations to ensure that they are in accordance with applicable laws, ethical standards, and the organization's *Code of Business Conduct*.

Beacon Health System management will implement internal controls appropriately mitigating significant operational, financial, and compliance risks to the organization.

The Compliance Officer will conduct an annual risk assessment, including review of the Department of Health and Human Services Office of Inspector General's *Work Plan* and consultation with members of executive management, to identify entities, processes, or issues presenting significant compliance risk to Beacon Health System. Based on this assessment, the Compliance Officer will identify engagements for inclusion in the annual Compliance Plan, as approved by the Audit and Compliance Committee of the Beacon Health System Board of Directors. The Compliance Officer will execute the identified engagements using, whenever possible, a risk and internal control based approach and including such substantive testing as is appropriate in his professional judgment. When audit procedures identify potential improvements to internal controls or other operations (i.e., audit issues), the Compliance Officer will confirm that management executes appropriate corrective actions. The Compliance Officer will maintain a log of noted audit issues. The Compliance Officer will also maintain appropriate documentation of the planning, execution, and reporting of compliance audits and of the resolution of audit issues (i.e., confirmation of management's implementation of corrective actions). The goal of this audit approach is to proactively improve internal controls to prevent future occurrences of non-compliance.

The Beacon Health System Hospital Compliance Committee will monitor the Elkhart General Hospital and Memorial Hospital of South Bend Recovery Audit Contractor audit results to identify significant trends and any underlying compliance issues causing unfavorable outcomes.

The Beacon Medical Group Compliance Committee will monitor that organization's internal evaluation and management coding audit results to improve coding accuracy, identify significant trends, and correct underlying compliance issues causing unfavorable outcomes.

The Compliance Officer will monitor the Elkhart General Hospital and Memorial Hospital of South Bend Program for Evaluating Payment Patterns Electronic Reports to identify significant trends and any underlying compliance issues causing unfavorable outcomes.

6. **Offense Reported and Corrective Action Developed:** Beacon Health System will correct compliance deficiencies promptly.

Beacon Health System requires its Personnel to report putative compliance violations and other wrongful acts and prohibits retaliation against persons who do so in good faith. Please see Effective Lines of Communication compliance program element.

The Compliance Officer and other appropriate Beacon Personnel will investigate alleged instances of noncompliance. This investigation will occur as promptly as possible and should not normally take more than two weeks (although complicated issues, scheduling conflicts, and other matters may justify an extended investigation period). If the investigation indicates that a compliance violation has occurred, management will develop and implement corrective actions, including appropriate improvements to the internal control structure to eliminate the root cause of the violation. The Compliance Officer will confirm, to the extent necessary in his professional judgment, that management has implemented appropriate corrective actions. The Compliance Officer will maintain a log of known compliance violations and appropriate documentation of their investigation and resolution, including confirmation of implementation of corrective actions.

Executive management will decide, with the Compliance Officer's counsel, whether and how to self-report known occurrences of non-compliance to regulatory authorities. A policy of strict compliance with the law, including that addressing the repayment of amounts improperly obtained from federal healthcare programs, and careful consideration of Beacon Health System's rights and interests will guide these decisions.

Beacon Health System will repay amounts improperly obtained from federal healthcare programs within sixty days from determining that an overpayment occurred. A reasonable period of investigation may precede the determination that an overpayment occurred, but Beacon Personnel will complete the investigation promptly. Beacon Personnel should inform the Compliance Officer of all non-compliance that leads to a re-payment.

Beacon Personnel will investigate all requests for re-payment by third parties, including federal healthcare program personnel and other agents (e.g., auditors hired by federal healthcare programs). Beacon Personnel should inform the Compliance Officer of such requests.

7. **Standards Enforced through Publicized Disciplinary Guidelines:** Beacon Health System will discipline persons violating laws, its *Code of Business Conduct*, or other company policies in accordance with Human Resources policies.

The Compliance Officer and management will ensure that all associates, contractors, and medical staff members are checked periodically against the Department of Health and Human Services Office of Inspector General's List of Excluded Individuals and Entities, the General Services Administration's System for Award Management.

DEFINITIONS:	<p>Beacon Health System: Beacon Health System, Inc., and its subsidiaries, including Community Hospital of Bremen, Beacon Medical Group, Elkhart General Hospital, Memorial Hospital of South Bend, and any future wholly owned subsidiaries.</p> <p>Beacon Personnel: All directors, exempt and non-exempt associates (employees), contracted personnel, employed physicians, Medical Staff members, volunteers, students, and other agents of the Beacon Health System. Physicians who provide administrative or management services to Beacon Health System in return for compensation are considered employees for purposes of this policy, even if their compensation for such services is not paid directly from Beacon Health System.</p>
REFERENCES:	<p><i>Charter of the Beacon Health System Compliance Program</i></p> <p><i>Code of Business Conduct</i></p>

Document Revision History:			
Review Date:	Revised Date:	Reviewed/Revised By:	Summary of Changes:
February 2014	February 2014	Warren R. Mattson, Compliance Officer	Original Document; Replaces Elkhart General Hospital policies <i>Auditing and Monitoring for Corporate Compliance, Compliance Education and Training Policy, Corporate Compliance Committee Charter – Changed to BOD 02, Corporate Compliance Hotline, Corporate Compliance Non-Retaliatory Reporting Process, and Corporate Compliance Policy</i> and Memorial Hospital of South Bend policy <i>Corporate Compliance</i>
June 2016	June 2016	Warren R. Mattson, Compliance Officer	Completed periodic review. Switched from two year to three year periodic review. Modified policy to use Human Resources preferred terminology with respect to associates/employees. Updated Ongoing Auditing and Monitoring to reflect actual practice. Updated Signature of Approval to reflect current executive leadership.
March 2018	March 2018	Warren R. Mattson, Compliance Officer	Updated for replacement of CALL line with internal confidential hotline. Added reference to Compliance Officer monitoring of PEPPER reports. Eliminated statement that Charter would be posted to intranet site. Completed comprehensive review and extended next review date to three years from March 2018.

SIGNATURES OF APPROVAL:

Date Signed	Signature	Name	Title
_____	See electronic approvals.	Kreg Gruber	Chief Executive Officer Beacon Health System
_____	See electronic approvals.	Diane Maas	Chief Strategy and Growth Officer Beacon Health System
_____	See electronic approvals.	Dave Bailey	President Community Hospital of Bremen
_____	See electronic approvals.	Jeff Costello	Chief Financial Officer Beacon Health System
_____	See electronic approvals.	Vincent Henderson	President Beacon Medical Group
_____	See electronic approvals.	Carl Risk, II	President Elkhart General Hospital
_____	See electronic approvals.	Larry Tracy	President Memorial Hospital of South Bend
_____	See electronic approvals.	Warren R. Mattson	Compliance Officer Beacon Health System