

# ***Corporate Compliance***

This training session will introduce you to or reinforce your knowledge of Beacon Health System's corporate compliance program.

Author: Warren R. Mattson, JD, CPA

Department: Compliance and Legal Affairs

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# Objectives

At the end of this session, you should:

- know what compliance is and how it relates to our mission and values.
- understand the authority for and nature of the compliance program.
- know that we are all responsible for ensuring that Beacon Health System is compliant.
- know whom to contact to report non-compliance or ask questions.
- know some of the compliance laws, some of the acts which constitute non-compliance, and some of the consequences of non-compliance.

## Definition, Relationship to Values, and Authority

Beacon Health System is committed to compliance, which, in this context, means following applicable laws and authoritative guidance; this commitment follows directly from its mission and values:

- Beacon Health System is committed to the value of integrity which, for many people, means honesty.
- Beacon Health System's *Code of Business Conduct* is the organization's formal commitment to legal and ethical conduct.
- The Board approved *Charter* requires the Compliance Officer to implement an effective seven element compliance program.
- The compliance program's purpose is to assist management in meeting its responsibility to operate the organization ethically.

# Nature of the Compliance Program

Beacon Health System's compliance program has seven elements:

- Established Responsibility for the Compliance Program
- Appropriate Written Policies and Procedures
- Effective Communication
- Effective Training
- Ongoing Auditing and Monitoring
- Offenses Reported and Corrective Action Developed
- Standards Enforced through Publicized Guidelines

## Element: Established Responsibility for the Compliance Program

- Warren R. Mattson, CPA, JD, is the Compliance Officer; you can contact him by:

E-Mail: [wmattson@beaconhealthsystem.org](mailto:wmattson@beaconhealthsystem.org)

Telephone: (574) 647 – 3309

- There is a Beacon Health System Compliance Committee.
- Although there is a compliance officer, **you are responsible for complying with the laws applicable to your work activity.**

## Element: Appropriate Written Policies and Procedures

In addition to the compliance *Charter* and *Code of Business Conduct*, other important policies and procedures include:

- the Beacon Health System *Compliance Policy*, outlining the compliance program.
- compliance program element and issue specific policies.
- other policies, such as those addressing records retention, Medicare Letter – Important Message from Medicare, verbal orders, etc.
- department policies, e.g., Corporate Coding policies addressing coding.

## Element: Appropriate Written Policies and Procedures – Accessing Compliance Policies

You may review the *Code of Business Conduct* and compliance program element and issue specific policies on the Beacon Health System intranet site. Specifically, you can access them:

- at <http://bhs-sharepoint.bhsin.org/policies/Policies%20and%20Procedures/Forms/AllItems.aspx?RootFolder=%2Fpolicies%2FPolicies%20and%20Procedures%2FCorporate%20Compliance&FolderCTID=0x012000654B9DE05EF3F84D8E74ADF12712609C00D730E384CCE98846A5BCDFC0241B4792&View={CF30C0D5-33BD-45E1-8ADC-E9E5ECDBC169}>.
- by opening the intranet, hovering over the Beacon Health System tab, selecting BHS Policies and Procedures, selecting Beacon Policies, and then selecting the Corporate Compliance folder.
- **Note: These methods of accessing the Code of Business Conduct will be available to new hires after they start work.**

## Element: Effective Communication

You can contribute to an effective compliance program by reporting potential compliance issues and asking questions:

- **No one may retaliate against you for, in good faith, reporting a possible wrongful act or for asking a compliance question.**
- In fact, **you are required to report known instances of non-compliance with laws or regulations.**
- The SHOP method is the preferred method for obtaining answers to compliance, legal, and ethical questions.



## Element: Effective Communication – The SHOP Method

If you have a compliance concern or question, the SHOP method provides a framework for resolving the situation:

- **S**upervisor – If at all possible, discuss your concern with your supervisor. He or she is in the best position to understand your circumstances and provide you with good guidance.
- **H**igher Up - You may also discuss the issue with someone higher up the chain of command.
- **O**fficer – You are free to contact the Compliance Officer at any time.
- **P**hone – You may call the confidential compliance hotline at any time.

## Element: Effective Communication – The CALL Line

Beacon Health System has a confidential compliance issue and question reporting hotline:

**1-833-389-5505**

- **Anyone** may call the hotline.
- Hotline reports are referred to the Compliance Officer, who will investigate them promptly.
- Although anonymity cannot be guaranteed, the Compliance Officer will try to protect your identity; regardless, **no one may retaliate against you for making a good faith hotline report!**

## Element: Effective Training

Beacon Health System provides training on the compliance program, significant compliance policies, and important compliance issues:

- Everyone must complete *Code of Business Conduct* training and this compliance training before their first day of work and annually after that.
- The Compliance Officer will provide additional training for members of management.
- If your department needs training on a specific compliance topic, please contact the Compliance Officer.

## Element: Ongoing Auditing and Monitoring

The Beacon Health System Compliance Officer identifies areas for review annually:

- **Being audited does not mean you did something wrong!**  
Instead, it may simply mean that your area is subject to significant compliance risk.
- Compliance monitoring also involves continuous review of sundry processes, e.g., Recovery Audit Contactor results or evaluation and coding self-audit results.

## Element: Offenses Reported and Corrective Action Developed

- The Beacon Health System Compliance Officer (or his designee) investigates all alleged occurrences of non-compliance and works with management to develop an action plan to address validated non-compliance; **your responsibility is to report known instances of non-compliance and ask questions about areas of concern!**
- When Beacon Health System does inadvertently miss-bill, violate a law, or fail to comply with authoritative guidance, we rectify the situation as quickly and thoroughly as possible, including the repayment of any funds improperly claimed or collected.

## Element: Standards Enforced through Publicized Guidelines

Any Beacon Health System associate who fails to show integrity in his or her conduct on behalf of the organization may be subject to discipline, up to and including termination:

- You are required to inform your supervisor and the Compliance Officer if you have been excluded from participation in federal healthcare programs, have been prohibited from participating in government contracts, loans, or other programs, or have been identified as a person with whom United States citizens are prohibited from doing business.
- Beacon Health System Human Resources personnel periodically check associates to determine if any have been excluded from participation in federal healthcare programs.

# Compliance Enforcement: Fraud, Waste, and Abuse

Fraud, Waste, and Abuse are different, but related, activities:

- **Fraud** is knowingly and willfully executing, or attempting to execute, a scheme or artifice to defraud any health care benefit program, or to obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any health care benefit program. In other words, fraud is intentionally submitting false information to the Government or a Government contractor to get money or a benefit.

The Health Care Fraud Statute makes it a criminal offense to knowingly and willfully execute a scheme to defraud a health care benefit program. Health care fraud is punishable by imprisonment for up to 10 years. It is also subject to criminal fines of up to \$250,000.

- **Waste** includes overusing services, or other practices that, directly or indirectly, result in unnecessary costs to **the Medicare Program (replace) federal healthcare programs**. Waste is generally not considered to be caused by criminally negligent actions but rather by the misuse of resources.
- **Abuse** includes actions that may, directly or indirectly, result in unnecessary costs to **the Medicare Program (replace) federal healthcare programs**. Abuse involves payment for items or services when there is not legal entitlement to that payment and the provider has not knowingly and/or intentionally misrepresented facts to obtain payment.

## Compliance Enforcement: Examples of Fraudulent Practices

Examples of healthcare fraud and abuse include:

Fraud:

- ❖ billing for services or supplies not actually furnished.
- ❖ altering claims forms to receive a higher payment amount.
- ❖ signing blank records.
- ❖ falsifying information on records.
- ❖ misrepresenting services as covered and medically necessary.
- ❖ assigning diagnosis and procedure codes based on coverage requirements rather than the actual diagnosis or procedure.

Abuse:

- ❖ misusing codes on claims.
- ❖ providing medically unnecessary services.
- ❖ charging excessively for services or supplies.
- ❖ billing Medicare as the primary payor when it is secondary.



## Compliance Enforcement: The False Claims Act

The federal False Claims Act creates a civil money penalty liability of \$12,537 (replace) 13,508 to \$25,076 (replace) 27,018 per occurrence for any person who:

- knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval.
- knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim.

The word knowingly includes acting in deliberate ignorance or a reckless disregard for the truth.

## Compliance Enforcement: The Anti-Kickback Act

The Anti-Kickback Act makes it a felony, punishable by a fine of up to \$100,000 and imprisonment for up to ten years, to knowingly and willfully solicit or receive any remuneration from **–or–** offer or pay any remuneration to any person in exchange for purchasing (or otherwise acquiring) or for referring an individual for the provision of a healthcare good or service for which a federal healthcare program may pay.

A violation requires intent (“knowingly and willfully”) but, by statute, does not require actual knowledge of the law or specific intent to violate it.

The statute and pursuant regulations provide a large number of safe harbors – sets of circumstances that, if satisfied, are deemed to not violate the Act.

## Compliance Enforcement: The Stark Act

The Stark Act prohibits a physician from referring a patient to an entity with which he or she has a financial relationship and the entity from billing for any services so referred:

- A financial relationship includes any ownership interest or remuneration, e.g., salaries, medical director fees, gifts, and meals.
- The Act is strict liability, meaning that no intent is required – if a financial relationship exists and a referral occurs, the law is broken!
- Violation of the Act can lead to sanctions, including civil money penalties of not more than \$27,750 per service.
- Exceptions exist; they have requirements which must be strictly met.

## Compliance Enforcement: Civil Money Penalties for Beneficiary Inducements

The civil money penalty laws impose penalties of up to \$22,427 on providing remuneration to a Medicare or Medicaid beneficiary that the giver knows or should know is likely to influence the beneficiary to obtain a good or service for which Medicare or Medicaid may pay:

- Remuneration is anything of value.
- The OIG has deemed any remuneration to beneficiaries to be likely to influence their choice of provider, subject to a few exceptions.
- One exception is for non-cash remuneration of less than fifteen dollars value per occurrence and seventy-five dollars value per year; another is for “remuneration which promotes access to care and poses a low risk of harm to patients and Federal health care programs[.]”

## Compliance Enforcement: Our Response to the Inducement Laws

- Beacon Health System's *Anti-Kickback and Stark Act Policy: Physician Incidental Remuneration* (available on the corporate intranet site) addresses low value non-monetary benefits provided to physicians:
  - ❖ **This policy requires personnel providing low value non-monetary benefits to physicians to report the benefits to the Compliance Officer for review and tracking.**
  - ❖ Examples of benefits subject to reporting and tracking include, for non-employed physicians, meals, continuing medical education, travel, tickets, gifts, and gift cards or certificates.
- **If you are unclear about the laws or have questions about their application to a particular situation, call the Compliance Officer.**