

# CODE OF RESPONSIBLE CONDUCT



# THE CHRIST HOSPITAL HEALTH NETWORK CODE OF RESPONSIBLE CONDUCT

Dear Employees & Associates:

All of us are valued stakeholders in carrying out The Christ Hospital Health Network's vision to be a national leader in clinical excellence, patient experience, and affordable care. We all have a shared commitment to improve the health of the communities we serve and to create patient value by providing exceptional outcomes and the finest patient experience, in an affordable way, and to re-invest in our people and The Christ Hospital Health Network.

- We count on each other to foster this commitment through our shared values: Excellence, Compassion, Efficiency, Leadership, and Safety.
- We count on each other to protect and grow The Christ Hospital Health Network's reputation and stellar legacy.
- We count on each other to foster an ethical and moral culture which exemplifies our mission and vision and sets the foundation for a positive, meaningful, and equitable workplace.
- We maintain the highest professional and ethical standards.
- We keep informed and educated on laws, rules, and regulations that implicate how we must carry out our job responsibilities.
- We are privileged to be part of a team that fosters a shared commitment to excellence, transparency, and doing the right thing.

The Christ Hospital Health Network's Code of Responsible Conduct (the "Code") is an overview of what is expected of all of us in upholding our responsibility to adhere to ethical conduct and in performing our job responsibilities in accordance with laws, rules, regulations, and policies.

The Code contains information to help you do the right thing and to get answers to your questions and concerns. The Code instructs you how to report unethical conduct or concerns confidentially and without retaliation or retribution.

The Code is an important component of The Christ Hospital Health Network's Compliance and Ethics Program. The Code applies to all of us. All of us must read the Code and refer to it along with our policies in carrying out our job responsibilities. All of us must certify our commitment to adhering to the Code.

Thank you for your dedication to our patients and communities, and for your commitment to our shared values and ethics.

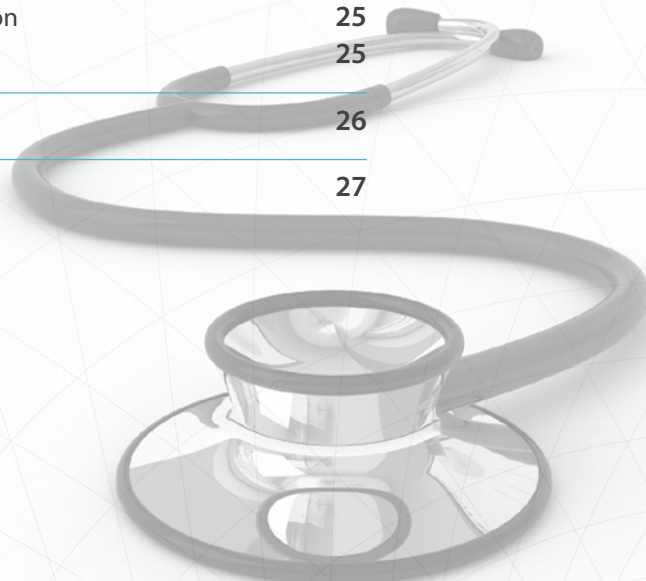


We are grateful for all that you do.

Elizabeth Johnson  
Vice President & Chief Risk Officer

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# VISION, MISSION & VALUES



## I. THE CHRIST HOSPITAL HEALTH NETWORK VISION, MISSION & VALUES

THE CHRIST HOSPITAL HEALTH NETWORK'S VISION IS TO BE A NATIONAL LEADER IN CLINICAL EXCELLENCE, PATIENT EXPERIENCE AND AFFORDABLE CARE. THE CHRIST HOSPITAL HEALTH NETWORK'S MISSION IS TO IMPROVE THE HEALTH OF OUR COMMUNITY AND CREATE PATIENT VALUE BY PROVIDING EXCEPTIONAL OUTCOMES, AFFORDABLE CARE AND THE FINEST EXPERIENCES.

IN ORDER TO ACHIEVE THESE GOALS, THE CHRIST HOSPITAL HEALTH NETWORK HAS IDENTIFIED THE FOLLOWING CORE VALUES: EXCELLENCE, COMPASSION, EFFICIENCY, LEADERSHIP, AND SAFETY (EXCELS). THESE VALUES UNDERSCORE OUR IMPORTANT STANDARDS OF RESPONSIBLE CONDUCT.

## II. PURPOSE OF THE CODE OF RESPONSIBLE CONDUCT

The Code of Responsible Conduct (the “Code”), which was adopted by The Christ Hospital Health Network’s Board of Directors, identifies expected behavior The Christ Hospital Health Network requires from each employee and associate in carrying out their duties responsibly and in making each business decision. Associates include board members, contractors and vendors doing business with The Christ Hospital Health Network, and health care providers with hospital medical staff privileges. Some of the most important health care laws, rules, and regulations are summarized so that employees and associates understand the necessity of complying with the Code. The following principles are the foundation for our standards of conduct:

- A. The Christ Hospital Health Network is an ethical health care organization which delivers patient and client services according to applicable federal, state and local laws, and all professional standards of business practice.
- B. Patients and families and their diverse needs and beliefs are at the center of all The Christ Hospital Health Network does and they deserve dignity, respect and honesty from every employee and associate of The Christ Hospital Health Network, in a non-discriminatory manner.



### III. CULTURE OF RESPONSIBILITY

Each employee and associate throughout the organization is responsible for performing their job responsibilities in compliance with the Code. Any employee or associate can ask a question, raise an issue and report a violation. No one who takes these steps in good faith will be disciplined or be subject to retaliation. Any person who becomes aware of retaliation action by an employee of the organization for reporting an issue or potential violation should call his/her supervisor or administrative manager and the Compliance Officer.

## IV. CORPORATE COMPLIANCE PROGRAM / COMPONENTS

### A. Adoption by Board of Directors

The Board of Directors of The Christ Hospital Health Network passed a resolution adopting the Corporate Compliance Program (the “Program”). The Program documents the organizational commitment to recognize and establish standards of compliance and ethics. The Program is designed to prevent, detect and resolve potential violations of the federal, state and local laws that govern the way The Christ Hospital Health Network provides care and conducts business, particularly with respect to the federal and state health care programs, such as Medicare and Medicaid.

### B. Scope of Application

The Corporate Compliance Program applies to all Christ Hospital Health Network employees as well as its associates.

### C. Overview of the Program

- Standards of Conduct, Policies & Procedures
- Compliance Officer – Reporting and Enforcement
- Cooperation with Investigations
- Health Care Laws, Rules and Regulations



## V. COMPLIANCE STANDARDS OF CONDUCT, POLICIES & PROCEDURES

- A. The Christ Hospital Health Network and its employees and associates will comply with all laws, regulations and standards.
1. It is the policy of The Christ Hospital Health Network to conduct its affairs in a lawful and ethical manner. Applicable laws, regulations, standards, and policies and procedures address many subjects, such as licenses, permits, accreditation, access to treatment, consent to treatment, medical record keeping, coding, billing, access to medical records and confidentiality, patients' rights, terminal care decision-making, medical staff membership and clinical privileges, corporate practice of medicine restrictions, and Medicare and Medicaid regulations.

2. For a more detailed understanding of these policies and procedures and associated requirements, employees and associates should consult the Compliance and other related policies available on The Christ Hospital Health Network's Website and Intranet. Any employee or associate who does not have access to The Christ Hospital Health Network's Website or Intranet may request access from IT Services through a service request, or can request a copy of the policies from the Division of Compliance & Organizational Ethics.

- B. Each employee and associate of The Christ Hospital Health Network must submit a Certification Form confirming that they have received a copy of the Code and that they understand the mandatory policies and procedures contained in the Code.
1. New employees will be required to sign this acknowledgment as a condition of employment following orientation and training on the Code.
  2. Adherence to and support of the Code and participation in related activities and training will be considered in decisions regarding hiring, promotion, compensation, and discipline of all employees.



3. The Christ Hospital Health Network employees and associates are expected to be knowledgeable about the Code and applicable policies, and should take reasonable steps to comply with applicable laws, regulations, and standards that affect them.
4. The Christ Hospital Health Network expects its employees and associates to exercise good judgment and integrity in all matters, including those involving investigation or reporting of matters described in this Code. The support of all



Christ Hospital Health Network employees and associates is required so that violations of the Code, The Christ Hospital Health Network's policies and procedures, and/or federal or state laws and regulations are brought to the attention of appropriate leaders in the organization. The Christ Hospital Health Network encourages employees and associates to address ethical or compliance issues with their supervisors whenever possible and appropriate. Supervisors are responsible for reporting issues to the Compliance Officer.

5. If for any reason an employee or associate is not comfortable or able to speak with his or her supervisor about an issue, or if upon reporting to his or her supervisor, the employee or associate is instructed to not follow the Code, The Christ Hospital Health Network's policies and procedures, and/or federal and state laws and regulations, the employee or associate should bring the issue to the Compliance Officer. Employees or associates may call the Compliance Hotline anonymously at (800) 398-1496.
  6. Concealment of a violation is, in itself, a violation of this Code. Therefore, anyone who is unsure about (1) whether a law, regulation, standard, or policy is applicable (to that person or to another), (2) what a law, regulation, standard, or policy means, or (3) whether something is a violation of an applicable law, regulation, standard, or policy should ask his or her supervisor, a member of management, and/or the Compliance Officer. In general, it is best to ask about or report any act or omission that makes you uncomfortable or that seems to require excessive rationalization or justification. The fact that "everybody does it" is not an excuse for violation of applicable laws, regulations, standards, or policies.
  7. The Christ Hospital Health Network will try to keep reports and the identity of any individual confidential if the law permits.
  8. The Christ Hospital Health Network will not permit retaliation against any employee or associate for inquiring about or reporting a suspected violation when done in good faith. But, deliberate false accusations made with the purpose of harming or retaliating against another will result in disciplinary action.
- C. The Christ Hospital Health Network's Compliance Officer will monitor compliance with the Code, investigate reports, and identify appropriate corrective actions. All employees and associates are obligated to cooperate in any investigation.
1. The Christ Hospital Health Network is committed to educating, monitoring and auditing compliance with the Code and The Christ Hospital Health Network's policies. The Christ Hospital Health Network also uses other means of ensuring and demonstrating compliance with applicable laws, standards, and policies.
  2. The Compliance Officer will review each report of a potential violation of the Code, and will initiate an investigation as necessary. The Christ Hospital Health Network expects all employees and associates to cooperate with any investigation.
  3. When the inquiry has been completed, the Compliance Officer will review findings with the appropriate Administrative Department and/or outside Legal Counsel to determine if a violation has occurred.
  4. If a violation has occurred, The Christ Hospital Health Network will initiate corrective action including, as appropriate, making restitution of overpayments, notifying the appropriate government officials, instituting necessary disciplinary action, and/or implementing systemic changes to prevent similar violations from recurring in the future.

- D. Anyone who violates any provision of the Code will be subject to disciplinary action.
1. The actual discipline administered will depend on the nature, severity, and frequency of the violation(s).
  2. Disciplinary action for a violation of the Code can include any of the following: verbal warning, written warning, written reprimand, suspension, termination, and/or restitution.
- E. The Christ Hospital Health Network and its employees and associates will cooperate with government auditors and investigators.
1. It is possible for a Christ Hospital Health Network employee or associate to receive letters, telephone calls, and/or personal visits from outside individuals asking questions about The Christ Hospital Health Network activities. Some of those outside individuals could be government auditors or investigators from federal or state agencies such as the Department of Health and Human Services Office of Inspector General (the "OIG"), the Department of Justice, the Medicaid Fraud Control Unit, the Federal Bureau of Investigation, various Medicare intermediaries, and state licensing agencies.
  2. During a government audit or investigation, The Christ Hospital Health Network and its employees and associates will be courteous to all government representatives.
  3. The Christ Hospital Health Network will take reasonable efforts to provide government auditors and investigators with complete and accurate information that they request and to which they are entitled.
  4. The Christ Hospital Health Network and its employees and associates will not conceal, destroy, or alter any documents, lie, or make misleading statements to government auditors and investigators. Similarly, The Christ Hospital Health Network and its employees and associates will not attempt to cause others to fail to provide accurate information or obstruct, mislead, or delay the communication of information or records relating to a possible violation of applicable laws, regulations, standards, or policies.
5. You should be aware of your individual rights and privileges, as well as the rights of The Christ Hospital Health Network during any audit or investigation. Any Christ Hospital Health Network employee or associate who receives any communication regarding a possible government audit or investigation should contact a member of The Christ Hospital Health Network's Administrative Team and/or the Compliance Officer as soon as possible. The Compliance Officer will evaluate the circumstances and determine the need for any additional action.
  6. If a government auditor or investigator contacts you, The Christ Hospital Health Network expects that you will follow these guidelines:
    - Please contact the Legal Department, and the Compliance Officer as soon as possible.
    - You may speak with government auditors and investigators or you may decline to speak with them, as you choose.
    - You are not obligated to answer any question asked by the auditor or investigator, no matter what he or she says, and no matter what assurances he or she might offer you concerning the information you disclose.
    - Be courteous and respectful in all interactions.
    - You should answer all questions completely, accurately, and truthfully. Tell the truth at all times. Do not guess at answers. If you do not know an answer, say that you do not know.

- You may inform the auditor or investigator that The Christ Hospital Health Network has requested you to notify Legal Counsel, and the Compliance Officer, and that The Christ Hospital Health Network will cooperate with requests and information.
- If a government auditor or investigator attempts to interview you at home, you have the right to request that an appointment be scheduled at The Christ Hospital Health Network during regular working hours at a convenient time, or that the meeting be scheduled at an alternate time and place of your choosing. The Christ Hospital Health Network will make an office on The Christ Hospital Health Network's premises available to you for this purpose and, if you desire, you may have the Compliance Officer and/or Legal Counsel attend the interview with you.
- During the interview, The Christ Hospital Health Network will ask the auditor or investigator for proper identification before any questions are answered.
- The Christ Hospital Health Network recommends that you do not answer questions over the telephone.
- Do not provide any Christ Hospital Health Network documents to the government auditor or investigator unless first authorized to make such a release by The Christ Hospital Health Network's Legal Counsel. Take reasonable steps to copy (or if that is not possible to identify in some other manner) all documents (paper or electronic) released to a government auditor or investigator.





## VI. REGULATORY COMPLIANCE

The Christ Hospital Health Network, its employees and associates are expected to recognize that fraudulent and abusive practices and activities can result in fines, penalties, overcharging or mis-billing related to health care services delivered to Medicare and Medicaid beneficiaries. You **MUST NOT** participate in any of these activities. Examples of these unethical and illegal activities are listed in this section.



## A. General Information about Medicare and Medicaid

The Christ Hospital Health Network participates in the Medicare and Medicaid programs and must be paid for the services and products that it provides in order to continue to provide health care services to the community. The process of providing medically necessary care, following all standards and policies related to that care, and requesting reimbursement or payment for services must be accurate, timely, and in accordance with a number of laws and regulations. Relationships between referral sources and The Christ Hospital Health Network are guided by a number of laws. Failure to obey those laws is unethical and illegal. When such a failure results in an overcharging or mis-billing, or improper relationships, it can lead to substantial civil and criminal penalties being imposed on The Christ Hospital Health Network and/or any individual(s) who were involved. Medicare/Medicaid fraud and abuse can take many forms, some of which might not seem improper unless you keep in mind that special rules govern health care providers who participate in the Medicare/Medicaid programs. Many business practices that are perfectly acceptable in other industries are not permitted in health care. Examples of fraud and abuse, all of which are unethical and illegal include, but are not limited to, the following:

- Billing for items not provided or services not actually rendered
- Billing twice for the same service or item (i.e., double billing)
- Upcoding (i.e., billing for a service at a rate higher than that warranted by the service actually performed and documented)
- Billing for services or items that do not meet Medicare/Medicaid "medical necessity" criteria

- Unbundling (i.e., billing separately for services or items that should be included in a global or composite rate)
  - Billing Medicare/Medicaid for services or items that are not reimbursable under those programs
  - Billing Medicare patients higher charges than non-Medicare patients
  - Submitting false cost reports and cost shifting
  - Failing to refund credit balances
  - Stinting on Care
  - Improper use of The Christ Hospital Health Network resources for personal or financial gain
  - Undocumented clinical services
  - Provision of free services not in comportment with The Christ Hospital Health Network's policies and procedures
  - Giving or paying to, or soliciting or accepting from potential referral sources (e.g., physicians, nursing homes, other providers and suppliers) incentives for referrals (this can violate the Civil Monetary Penalties, Anti-Kickback Statute and/or the Stark Law)
  - Patient dumping
  - Failure to comply with Medicare Conditions of Participation and Conditions of Payment
- B. Any employee or associate who knows or suspects that any of these activities are occurring is obligated to report that to his or her supervisor. Supervisors are responsible for reporting compliance issues to the Compliance Officer. If for any reason an employee or associate is not comfortable or able to speak with his or her supervisor about the issue or, if upon reporting the issue to his or her supervisor, the employee or associate is instructed to not follow the Code, The Christ Hospital Health Network's policies and procedures, and/or federal or state laws and

regulations, the employee or associate should bring the issue to the Compliance Officer. Employees or associates may call the Compliance Hotline anonymously at (800) 398-1496.

1. Proactively, The Christ Hospital Health Network will make every reasonable effort to ensure that its billings to government and private insurance payors are accurate and conform to applicable laws and regulations.
2. The Christ Hospital Health Network prohibits its employees and associates from knowingly or recklessly presenting or causing to be presented any false, fictitious, or fraudulent claim for payment or approval.
3. The Christ Hospital Health Network will take reasonable steps to verify that claims are submitted only for services that are actually provided and that those services are billed as provided. Critical to such verification is complete and accurate documentation of services provided.
4. Contact the Compliance Officer with any questions.

C. Christ Hospital Health Network employees and associates providing patient care items or services or who perform billing or coding functions on behalf of The Christ Hospital Health Network are responsible for maintaining current, complete, and accurate medical records.

1. The Christ Hospital Health Network will take reasonable steps to make sure that any subcontractors it engages to provide patient care items or services or perform coding or billing services on behalf of The Christ Hospital Health Network have appropriate skills, quality assurance processes, systems and procedures to bill Government and commercial insurance programs accurately and appropriately.
2. The Christ Hospital Health Network prefers to contract with entities that have adopted their own compliance programs.
3. The Compliance Officer or Legal Counsel should be consulted before third party billing entities, contractors, or vendors are engaged to provide patient care items or services or perform coding or billing services for The Christ Hospital Health Network.
4. The Christ Hospital Health Network requires its employees and associates providing patient care services to perform only medically necessary services in a high quality manner, and to document all such services and treatments accordance with The Christ Hospital Health Network's policies and procedures.



#### D. Summary of Applicable Laws and Additional Standards of Conduct

The Medicare/Medicaid fraud and abuse laws which most Christ Hospital Health Network employees and associates need to be knowledgeable about are the following statutes: (1) the federal **False Claims Act**; (2) the **Anti-Kickback Statute**; (3) the **Stark Law**; (4) the **Health Insurance Portability and Accountability Act**; (5) the **Civil Monetary Penalties Law**; (6) the **Exclusionary Statute**; (7) the **Mail Fraud and Wire Fraud Statute**; (8) **Program Fraud Civil Remedies Act**; (9) the **Emergency Medical Treatment & Labor Act**; and (10) state **Medicaid Fraud Laws**.

Together, these laws prohibit intentional false billing, improper referrals and relationships, and other forms of fraud and abuse. These health care statutes, rules, and regulations are specifically identified in the OIG Compliance Program Guidance (2/23/98) and the OIG Supplemental Compliance Program Guidance for Hospitals (1/31/05). The OIG recommendations are available for review in the Division of Compliance & Organizational Ethics and can be accessed through the OIG website: <http://oig.hhs.gov>.

A summary description of these important fraud and abuse laws follows. More information about any of these statutes may be obtained from the Division of Compliance & Organizational Ethics or from the Compliance Officer.

##### 1. The False Claims Act ("FCA")

Under the FCA, it is a felony to make or present a claim for payment to the United States or any United States agency when you know (or should know) that the claim is false, fictitious, or fraudulent. "Knowingly" means acting with actual knowledge or with reckless disregard or deliberate indifference to the truth or falsity of information. The FCA prohibits:

- Knowingly presenting/causing to be present a false claim to the federal government for payment/approval;
- Knowingly making/using or causing to be made/used, a false record or statement to the government for payment/approval of a false claim;
- Conspiring to defraud the government by having a false/fraudulent paid or approved; and
- Knowingly making/using a false record/statement to conceal, avoid, or lower an obligation to pay or transmit money or property to the government.

Violations of the FCA are punishable by prison terms of up to five years and substantial criminal fines. Civil damage suits may also be brought by the government under the FCA and can result in penalties including three times the amount of overpayment and between \$5,500 – to \$11,000 per claim plus attorneys' fees. "Whistleblower" claims may also be filed by individuals under the FCA; the government can intervene in these cases.

#### **False, fictitious, or fraudulent claims made in the course of seeking Medicare or Medicaid reimbursement are punishable under the FCA.**

The Medicare Program is made up of two parts: Medicare Part A and Medicare Part B. Medicare Part A pays for certain inpatient hospital services and certain post-hospital services. Claims for Part A reimbursement are submitted to the hospital fiscal intermediary for review and payment. Medicare Part B pays for certain physician services and certain outpatient services. Claims for Part B reimbursement are sent to the local Medicare carrier. Many complex rules govern when it is appropriate to submit a claim for reimbursement to a Medicare fiscal intermediary or a Medicare carrier. The rules are so numerous and

complex that even intermediaries and carriers often need help in interpreting and applying the rules. To assist the intermediaries and carriers, the Center for Medicare/Medicaid Services publishes the Medicare Intermediary's Manual and the Medicare Carrier's Manual. These manuals provide the basic operating instructions for intermediaries and carriers and are a source of guidance with respect to appropriate Medicare reimbursement.

### Standard of Conduct

Any claim for Medicare reimbursement that is rejected by a Medicare intermediary or carrier should be reviewed carefully because this rejection can lead to an allegation that the claim was false, fraudulent, or fictitious in violation of the FCA.

## 2. The Medicare/Medicaid Anti-Kickback Statute ("AKS")

Because The Christ Hospital Health Network and many of its medical staff members and privileged practitioners are participating providers in the Medicare/Medicaid programs, it is subject to the AKS and the Stark Law.

Under the AKS, no person (an individual or entity) may offer, pay, solicit, or receive anything of value (in cash or in kind) directly or indirectly for referrals of Medicare/Medicaid business. This prohibition is very broad and covers all situations in which something is provided either free of charge or at a reduced cost to any potential referral source (e.g., physicians, DME or other suppliers, nursing homes, other providers).

A "thing of value" includes, but is not limited to, the following items or services when provided free of charge or at a discount:

- Equipment (e.g., microscopes, centrifuges, computers)
- Office space

- Personnel (e.g., nurses, phlebotomists, secretaries, et., al.)
- CME (or other educational programs)
- Recruitment incentives (e.g., payment of moving expenses)
- Health benefits or health services; and/or
- Many other goods or services

There are some exceptions to the AKS general rule which are called "safe harbors." For example, it is permissible for a hospital, laboratory, or group practice to sell or lease something to a physician or other potential referral source, IF the physician (or other referral source) pays FAIR MARKET VALUE ("FMV") for the thing and the sale or lease is documented in a written agreement between the parties. FMV is a difficult concept to define. In general, it means the cost of the thing as negotiated between parties at arm's-length, without accounting for the value or volume of any Medicare or Medicaid business between the parties. Often, a financial consultant must perform a market analysis to document that a negotiated price is in fact "fair market value."

These exceptions, however, are narrow in scope and require detailed legal and financial analysis to apply correctly to a proposed transaction. No one should enter into a proposed arrangement unless the Compliance Officer and/or Legal Counsel has reviewed the arrangement and determined that an exception applies.

Persons (individuals or entities) who violate the AKS are subject to criminal penalties including fines of up to \$25,000 per violation, exclusion from the Medicare/Medicaid programs, and/or prison terms of up to five years. The penalties apply to all parties involved in a prohibited transaction (e.g., a hospital, laboratory, or group practice on one hand, and the physician or other potential referral source on the other).





### Standard of Conduct

The Christ Hospital Health Network shall not enter into any arrangement where anything is offered, given, or paid to, or solicited or accepted from, any physician or other potential referral source for less than FMV.

### 3. The Stark Law (“Stark’)

Stark prohibits physicians from referring Medicare/Medicaid patients for “designated health services” (as defined below) to an entity; (i) in which the physician or a family member of the physician has an ownership/investment interest, or (ii) with which the physician or a family member of the physician has a compensation arrangement (e.g., an employment relationship, a personal services agreement, a lease agreement) unless the ownership/investment interest or compensation arrangement qualifies for one of the Stark exceptions.

For purposes of Stark, the term “designated health services” includes the following:

- Clinical laboratory services
- Physical therapy services
- Occupational therapy services
- Radiology or other diagnostic services
- Radiation therapy services
- Durable medical equipment
- Parenteral and enteral nutrients, equipment and supplies
- Prosthetics, orthotics and prosthetic devices
- Home health services
- Outpatient prescription drugs
- Inpatient and outpatient hospital services

If a physician or a physician’s family member has an ownership/investment in or a compensation arrangement with an entity that does not qualify for an applicable exception, the physician may **NOT** refer Medicare/Medicaid patients to that entity for any of these designated health services. If the physician does make such a referral, it is an **AUTOMATIC** violation of Stark.

Whenever a referral is made in violation of Stark, the entity receiving that referral (e.g., a hospital, laboratory, physician group) may **NOT** bill Medicare/Medicaid, the patient, or any third-party payor for the services provided pursuant to the referral. If the entity does bill for those services, the entity also has violated Stark.

There are a number of narrow exceptions to Stark. Some of the exceptions apply only to ownership/investment interests that a physician or a physician's family member has with an entity (e.g., certain ownership/investment interests in publicly traded securities and mutual funds), and some apply only to compensation arrangements that a physician or a physician's family member has with an entity (e.g., certain bona fide employment arrangements, and certain isolated transactions that meet defined criteria). A few apply to both. The exceptions that apply to both ownership/investment interests and compensation arrangements include certain physician services provided in a group practice setting which meets defined criteria, and certain in-office ancillary services that meet defined criteria. All of the exceptions, however, are narrow in scope and require detailed legal and financial analysis to be applied correctly to a proposed transaction. No one should enter into a proposed arrangement unless the Compliance Officer and Legal Counsel has reviewed the arrangement and determined that an exception applies.

Unlike the AKS, which requires intent, Stark is a strict liability statute and requires no intent for there to be a Stark violation. Violations of Stark can lead to civil monetary penalties of up to \$15,000 per claim submitted, and up to \$100,000 for schemes designed to get around the laws, as well as exclusion from the Medicare/Medicaid programs for up to five years.

### **Standard of Conduct**

Physicians may not refer Medicare/Medicaid patients for any designated health service to an entity in which the physician or family member of the physician has a financial interest. The Christ Hospital Health Network will make every effort not to participate in a prohibited referral. In the event a prohibited referral occurs, no Christ Hospital Health Network entity will bill for any services provided pursuant to that prohibited referral.

#### **4. The Health Insurance Portability & Accountability Act ("HIPAA")**

HIPAA makes it a federal crime to engage in certain types of fraudulent or abusive activities that involve any payor of health care benefits whether public or private. HIPAA applies not only to providers who deal with government-funded health care payors and programs such as Medicare and Medicaid, but also to providers who deal with private, commercial payors and programs.

The five types of activities prohibited by HIPAA are: (i) knowingly or willfully defrauding a health care program or plan, or obtaining payment from a health care program or plan by using false or fraudulent pretenses; (ii) engaging in theft or embezzlement; (iii) making false statements; (iv) obstructing an investigation into health care fraud; and/or (v) money laundering related to health care programs or plans.

HIPAA also governs the use and disclosure of Protected Health Information. Employees are expected to comply with The Christ Hospital Health Network's HIPAA policies and procedures. The Christ Hospital Health Network's Privacy and Security Officers furnish guidance about these policies and procedures.

Violations of HIPAA can result in prison terms of up to ten years, criminal fines, or both. HIPAA also authorizes the Government to impose civil monetary penalties on entities or individuals who engage in a pattern or practice of presenting claims that are based on a code that the person/entity knows or should know will result in more reimbursement than is appropriate, or that are for services or items that are not medically necessary.

#### **Standard of Conduct**

Any false, fictitious, or fraudulent claim made in the course of seeking reimbursement from any health care payor or program (government or private) is punishable as a federal crime under HIPAA.

#### **5. Civil Monetary Penalties Law (“CMP”)**

Among the activities prohibited by the CMP Law are: (a) knowingly presenting or causing to be presented false claims (specifically up coded claims); (b) knowingly presenting or causing to be presented claims for services that are not medically necessary (as defined by Medicare); (c) knowingly presenting or causing to be presented claims that

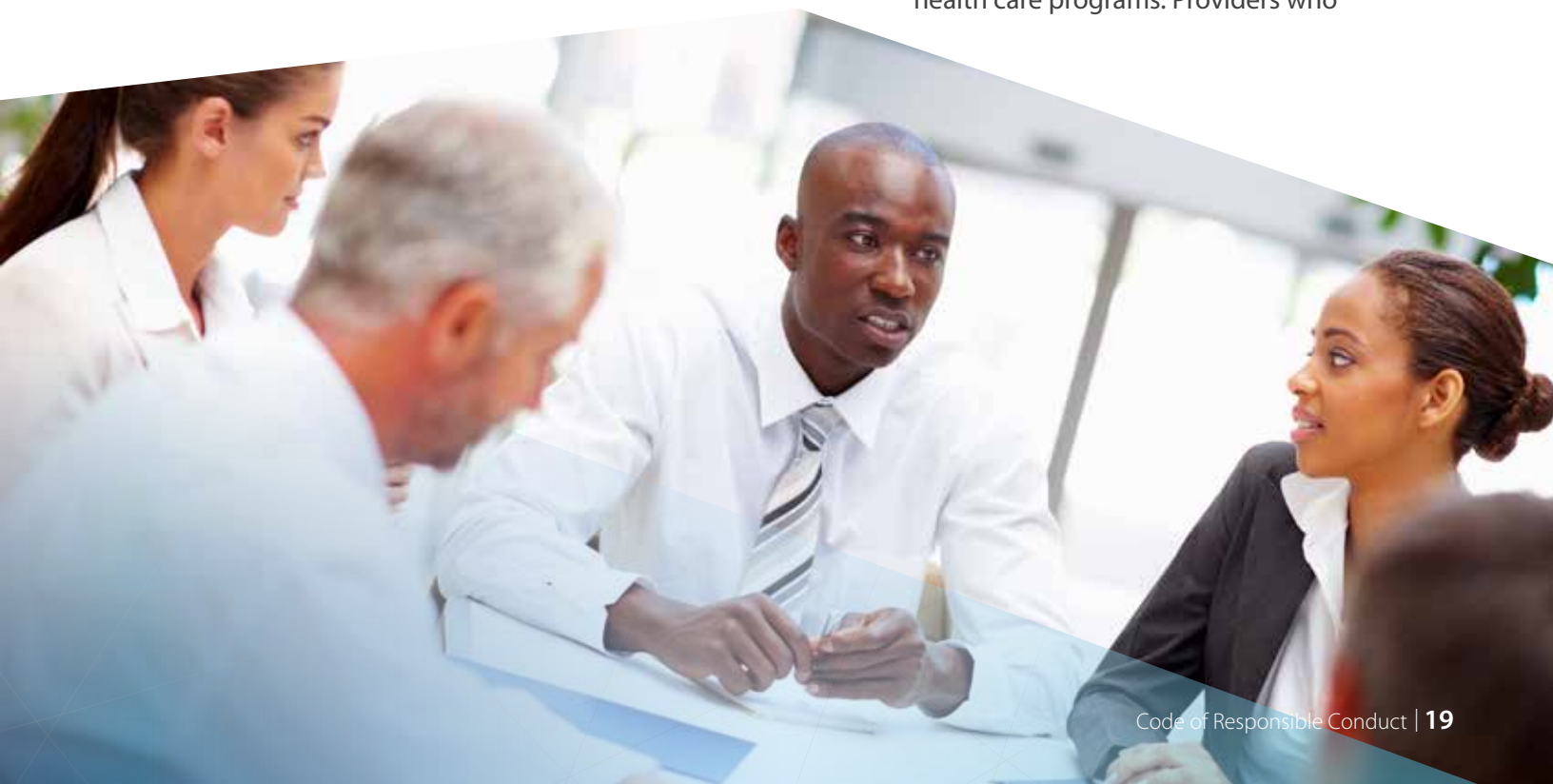
violate a benefits assignment; (d) offering or giving remuneration to Medicare or Medicaid patients as an incentive for them to receive services from the entity or individual giving the remuneration; and (e) contracting with or employing individuals or entities excluded from participating in a federal health care program.

#### **Standard of Conduct**

Any false claim, claim for unnecessary services, or claim for services ordered or provided by an excluded entity or individual can give rise to Civil Monetary Penalties. Offering or providing anything of value to Medicare/Medicaid patients as an incentive for them to receive services from the entity or individual making the offer or gift also can give rise to Civil Monetary Penalties.

#### **6. Exclusionary Statute**

The Exclusionary Statute prohibits providers from: (a) submitting claims for unnecessary services or for excessive charges; and (b) failing to furnish medically necessary services. Providers who engage in these prohibited activities may be excluded from participating in federal health care programs. Providers who



have been convicted of certain types of health care fraud or have been disciplined by state/federal agencies may also be excluded from state or federal health care programs.

As required by law, it is the policy of The Christ Hospital Health Network to take reasonable steps not to employ, grant medical staff membership or clinical privileges to, or otherwise do business with, any individual or entity named on the Office of Inspector General's list of individuals and entities who are excluded, debarred, suspended, or otherwise ineligible to participate in federal or state health care programs.

Each Christ Hospital Health Network employee and associate will be required to affirm that he/she/it is not currently excluded, debarred, suspended, or otherwise ineligible to participate in federal or state health care programs. All employees and associates shall also affirm that they have never been excluded, debarred, suspended, or otherwise ineligible to participate in federal or state health care programs, and that they have never been convicted of any criminal offense involving or otherwise related to any government health care program. Further, as a condition of employment, receiving and maintaining medical staff membership and privileges with The Christ Hospital Health Network or doing business with The Christ Hospital Health Network, all such employees and associates are required to immediately inform the Division of Compliance & Organizational Ethics, if they receive notice or otherwise become aware that they have been excluded, debarred, suspended, or otherwise ineligible to participate in federal or state health care programs for any reason.

### **Standard of Conduct**

The Christ Hospital Health Network will not employ, grant medical staff membership or clinical privileges to, or otherwise do business with, any individual or entity named on the Office of Inspector General's list of individuals and entities who are excluded, debarred, suspended, or otherwise ineligible to participate in federal or state health care programs. The Christ Hospital Health Network follows established financial policies regarding billing and payment for services rendered to assure no violation of the CMP Law is implicated. The Christ Hospital Health Network provides medically necessary services, and does not stint on care, including inappropriate discharge from the hospital.

### **7. Mail Fraud and Wire Fraud Statutes**

The Mail Fraud and Wire Fraud Statutes are used by the Government to prosecute Medicare/Medicaid fraud and abuse. Any misrepresentation that is a part of a scheme to obtain money or property by use of the mail system or a wire system (e.g., phones, computers) violates these laws. For example, each claim for reimbursement that The Christ Hospital Health Network mails to Medicare/Medicaid or that The Christ Hospital Health Network submits to Medicare/Medicaid electronically could be subject to these laws. In addition, any time a Christ Hospital Health Network employee or associate speaks by phone with a Medicare/Medicaid representative that conversation could be subject to these laws. As a result, it is critical that The Christ Hospital Health Network's claims and its statements be accurate and correct whenever The Christ Hospital Health Network communicates with Medicare/Medicaid representatives, and whenever The Christ Hospital Health Network seeks reimbursement from Medicare/Medicaid.

Violations of the Mail and Wire Fraud Statutes can lead to criminal penalties, including imprisonment and fines.



### **Standard of Conduct**

Conduct that violates the FCA, AKS, Stark, and/or HIPAA done using the mail system or a wire system, could also violate the Mail and/or Wire Fraud Statutes.

### **8. Emergency Medical Treatment & Labor Act (“EMTALA”)**

The Christ Hospital Health Network abides by the rules and regulations of the EMTALA in providing emergency medical treatment to all patients regardless of their ability to pay. The Christ Hospital Health Network does not admit or discharge patients based solely on their ability to pay. Any patient who presents to The Christ Hospital seeking emergency care will be screened to determine whether he or she has an emergency medical condition, or if she is in active labor. If so, the patient will be treated to stabilize the condition and either will be admitted, or once stabilized, will be discharged or transferred as is appropriate. Transfers of unstabilized patients will occur only when requested in writing by the patient (or patient’s family), or when a physician certifies in writing that the medical benefits of the transfer

outweigh the risks. Unstabilized patients will be transferred to the closest hospital that provides the services needed by the patient, that has available beds and staff, and that accepts the transfer. Unstabilized patients will be transferred via qualified personnel and equipment including the use of medically appropriate life support measures if necessary.

### **Standard of Conduct**

The Christ Hospital will evaluate all patients who come to the hospital seeking treatment for an emergency condition and will provide a medical screening examination to determine whether the patient has an emergency medical condition. If so, the patient may not be transferred or discharged from the hospital until his or her emergency medical condition has been stabilized, unless one of the applicable exceptions for proper transfers of unstabilized patients applies. It is illegal to delay a medical screening exam and stabilizing treatment to inquire about a patient’s financial status, insurance coverage, or ability to pay.





## 9. Program Fraud Civil Remedies Act of 1986 ("PFCRA")

PFCRA authorizes federal agencies to investigate alleged false claims or statements made to them and to assess penalties if the allegations are accurate. An individual may violate PFCRA by knowingly making, presenting, submitting, or causing to be made, presented or submitted, a claim or statement that is:

- False, fictitious or fraudulent;
- Supported by or includes a written statement containing a false, fictitious or fraudulent material fact;
- Supported by or includes a written statement omitting a material fact which renders the statement false, fictitious, or fraudulent where the person making/submitting the statement has a duty to include the material fact; or
- Payment for property/services which have not been provided.

The agency may assess twice the amount of claimed damages and a civil penalty of up to \$5,000 for each false claim.

## 10. State Laws

The State of Ohio ("Ohio") and Commonwealth of Kentucky ("Kentucky") have laws which prohibit illegal and fraudulent practices by health care providers. These laws are similar to some of the federal laws described previously and include laws authorizing the investigation and discipline of a provider's license to practice. Below is a summary of the key applicable laws for Ohio and Kentucky.

## Ohio

- **Anti-Kickback Statute.** Ohio Revised Code (“ORC”) 3999.22. This is a criminal statute which prohibits the solicitation, offer, payment or receipt of any kickback, bribe, or rebate, directly or indirectly, in cash or in kind, in return for referring an individual for the furnishing of health care services or goods for which whole or partial reimbursement is or may be made by a health care insurer, except as authorized by the health care or health insurance contract, policy or plan. There are specific exceptions within the statute. This law provides penalties of up to \$2,500 and imprisonment for a maximum of 12 months for a first violation. Any subsequent violation is punishable by penalties of up to \$5,000 and imprisonment for a maximum of 18 months.
- **Prohibiting Referrals for Designated Health Services.** ORC 4731.66: This statute authorizes the Ohio Medical Board to investigate and discipline a physician, osteopath, or podiatrist for referring patients for designated health services to persons or entities when the provider or a member of the provider’s immediate family has an ownership/investment interest or a compensation arrangement with the person/entity unless the arrangement falls under certain exceptions listed in ORC 4731.67. Hospital and physician relationships are complex and arrangements must be reviewed by the Compliance Officer and/or Legal Counsel prior to the acceptance of such referrals.
- **Medicaid Fraud.** ORC 2913.40: This is a criminal statute which prohibits the use of false, misleading statements to obtain Medicaid reimbursement and makes the soliciting/accepting/ receipt of property, money or other consideration in addition to the reimbursement an illegal “kickback”. The law also imposes a six-year requirement for record retention and prohibits the alteration, falsification, and destruction of records necessary to substantiate a claim. Penalties vary depending on the amount of the fraudulent reimbursement, and can involve restitution and the payment of costs for investigation and prosecution of the fraud case by the government agency.
- **Medicaid Eligibility Fraud.** ORC 2913.401: This law makes it a crime to fraudulently make a false or misleading statement or to conceal interests in property when applying for Medicaid benefits. Penalties involve restitution of benefit payments plus interest.
- **Falsification.** ORC 2921.13: This statute prohibits verbal and written false statements made to mislead officials in order to obtain benefits administered by a government agency, such as Medicaid benefits or a Medicaid provider agreement administered by the Ohio Department of Job and Family Services. Penalties involve restitution and can involve attorney fees.
- **Provider Offenses.** ORC 5164.35: This law prohibits Medicaid providers from using “deception” to obtain/ receive payments. Examples include falsification of reports and claims, withholding the provider to receive Medicaid reimbursement. This law permits civil and criminal penalties of \$5,000 to \$10,000 per claim, three times the amount of illegal reimbursement received, costs of enforcement, and possible exclusion from the Medicaid program.



- **Disciplinary Actions.** ORC 4731.22: This law prohibits physicians, osteopaths, and podiatrists from using fraudulent misrepresentation to obtain “money or anything of value” in the course of practice. It also prohibits physicians from waiving deductibles or co-payments as an enticement to keep the patient coming back for care, unless the waiver is approved in writing by the payor. This law enables the Ohio Medical Board to investigate and discipline a physician’s license.
- **Medical Payments Exceed \$5 Million.** ORC 5162.15: This law requires entities receiving Medicaid payments of \$5 million or more to provide written information to its employees, contractors and agents about the federal and state laws which govern false claims, fraud and waste, and information about “whistleblower” protections available to employees for preventing and detecting fraud, waste, and abuse.

### **Kentucky**

- **Fraudulent Acts.** Kentucky Revised Statutes (“KRS”) 205.8451-8483. Similar to the federal False Claims Act, under Kentucky law, a person or organization that makes or causes to be made false or fraudulent claims to the government for payment or who knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid by the government will be liable for restitution of the excess payments plus interest, a civil payment of up to three times the amount of excess payments, a civil payment of \$500 for each false or fraudulent claim, and payment of legal fees and costs of investigation and enforcement of civil payments. In addition, a provider will be subject to exclusion as a participating provider in Kentucky’s Medical Assistance Programs

and any licensed professionals who are found criminally liable will be required to forfeit their license for a minimum of 5 years. Further, any person who knows or has reasonable cause to believe that a violation of the Kentucky Medicaid Fraud and Abuse Laws is required to report the violation to the Medicaid Fraud Control Unit at the following address: Cabinet for Health and Family Services Office of the Inspector General Division of Audits and Investigations 275 East Main Street, 5 E-D Frankfort, Kentucky 40621 or the Medicaid Fraud and Abuse hotline at (800) 372-2970. The identity of any person making a report will be considered confidential by the receiving party. Any person making a report regarding the offenses of another provider will not be liable in any civil or criminal action based on the report if it was made in good faith. No employer may, without just cause, discharge or in any manner discriminate or retaliate against any person who in good faith makes a report required or permitted by Kentucky law, testifies, or is about to testify, in any proceeding with regard to any report or investigation.

- **Unlawful Referral Practices and Self Referral Restrictions.** KRS 205.8461 and 216.2950. Kentucky has adopted an anti-kickback prohibition similar to the federal Anti-Kickback Statute which incorporates elements of the federal prohibition on self-referral. These laws prohibit providers from knowingly soliciting, receiving, or offering any remuneration (including any kickback, bribe, or rebate) for furnishing medical assistance benefits or in return for purchasing, leasing, or ordering any goods, facility, service, or item for which payment may be made under Medicare or Medicaid except as otherwise provided in Kentucky’s Medical Assistance Act. Further, no



provider may knowingly make, offer, or receive a payment, a rebate of a fee, or a charge for referring a patient to another provider for the furnishing of Medicare or Medicaid benefits. Exceptions to this prohibition include any conduct or activity that is permissible under the federal Anti-Kickback Statute or Stark Law. Penalties involve restitution of payments for services that were related to the referral and any person who violates this law will be guilty of a Class A misdemeanor unless the combination or aggregation of offenses is valued at \$300 or more, in which case it will be a Class D felony.

- **Conditions of Medicaid Provider Participation.** Kentucky Administrative Regulations: 907 KAR 1:671. This regulation establishes provisions relating to Medicaid provider participation, recoupment of overpayments and the identification and referral of unacceptable practices. It includes the requirement not to submit a “false claim” or commit an “unacceptable practice” that constitutes “fraud” or “provider abuse.” Violations of the regulation may result in a provider being terminated from the Medicaid Program as well as civil liability, restitution of overpayments, and agency costs.

#### 11. **Fraud, Waste & Abuse Prevention & Detection**

The Christ Hospital Health Network maintains written policies which are part of the Code and the Corporate Compliance Program which acknowledges the role of each employee and associate in preventing and reporting fraud, waste, and abuse in health care programs.

#### 12. **“Whistleblower” Protection**

The Christ Hospital Health Network encourages the identification, investigation, and prevention of any action which may violate any of the fraud, waste, and abuse statutes and laws governing health care providers. If any employee or associate suspects that activity violating the law is taking place, or has taken place, the individual should contact his or her immediate supervisor. Supervisors are responsible for reporting compliance issues to the Compliance Officer. If for any reason an employee or associate is not comfortable or able to speak with his or her supervisor about the issue or, if upon reporting the issue to his or her supervisor, the employee or associate is instructed to not follow the Code, The Christ Hospital Health Network’s policies and procedures, and/or federal and state laws and regulations, the employee or associate should bring the issue to the Compliance Officer. Employees or associates may call the Compliance Hotline anonymously at (800) 398-1496.

#### **Standard of Conduct**

The Christ Hospital Health Network policy and federal/state laws prohibit retaliation against those who report such activity and protect anyone who files a “whistleblower” lawsuit in good faith. If a reporting or filing employee or associate believes he/she has experienced retribution or retaliation, this should be reported to the Division of Compliance & Organizational Ethics or call the Hotline at (800) 398-1496.

## VII. RELATIONSHIPS WITH AFFILIATED PHYSICIANS

Since the mid-1980s, health care has become one of the most heavily regulated industries in the nation. As a result, many transactions that used to be permissible in the health care arena are no longer proper. Relationships between health care providers and physicians have come under substantial scrutiny as part of the increasing regulation of health care. Therefore, The Christ Hospital Health Network must carefully structure its business arrangements with physicians to ensure that those arrangements comply with applicable legal requirements. Because most of the laws apply to the physicians involved in these transactions as well as to The Christ Hospital Health Network, compliance should benefit them also.

In order to comply with applicable legal and ethical standards regarding referrals and admissions, The Christ Hospital Health Network, its employees and associates will adhere strictly to the following standard of conduct.

### Standard of Conduct

The Christ Hospital Health Network does not pay for referrals and does not seek or accept payments for making referrals to health care entities or providers.

The Christ Hospital Health Network accepts patient referrals and admissions based solely on a patient's medical needs and its ability to meet those needs. The Christ Hospital Health Network does not pay or offer to pay anyone including, but not necessarily limited to, its employees, physicians, and other health professionals for referrals of patients. That is, The Christ Hospital Health Network does not offer or give anything of value (e.g., money, discounts, goods or services), directly or indirectly for patient referrals.

The Christ Hospital Health Network, its employees and associates may not solicit or receive any money or other item of value, directly or indirectly, in exchange for referring patients to another health care provider or supplier. When The Christ Hospital Health Network does make patient referrals to another provider or supplier, it will not consider the volume or value of referrals that that provider or supplier makes or may make to The Christ Hospital Health Network.

Violation of this rule could have serious consequences for The Christ Hospital Health Network and for the individuals involved in the violation including civil and criminal penalties, as well as possible exclusion from participation in federally funded health care programs. Any Christ Hospital Health Network employee or associate who is contemplating a business arrangement that might implicate this rule must submit the proposed arrangement to the Division of Compliance & Organizational Ethics or Legal Counsel for review, and contact the Compliance Officer prior to offering anything of value.



# CODE OF RESPONSIBLE CONDUCT CERTIFICATION FORM

I certify that I have received, read, understood, and shall abide by The Christ Hospital Health Network's Code of Responsible Conduct ("Code") and that I understand the Code represents mandatory policies of The Christ Hospital Health Network. I understand that violation of the Code can lead to disciplinary action, up to and including termination of employment or engagement as an associate.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Department & Title

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Facility

\_\_\_\_\_  
Date



