

# MEDICAL PRACTICE COMPLIANCE PLAN

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## INTRODUCTION

This medical practice compliance program ("the Plan") is intended to ensure that the Practice follows all applicable federal, state, and local laws, private insurance requirements, rules and policies relating to health care reimbursement and workplace discrimination, harassment and safety. This Plan also furthers the mission of the Practice to provide quality care to our patients. Reflective of the Practice's commitment to conducting business in a lawful and ethical manner, the Plan has been approved by the Practice's Board of Directors (See Board of Directors Resolution, attached as Exhibit A) and constitutes official corporate policy. While the Practice recognizes that mistakes will occur, employees have an affirmative, ethical duty to come forward and report fraudulent or erroneous conduct, so that it may be corrected. The Practice's physicians, employees and contractors who fail to comply with the rules and procedures set forth in the Plan shall be subject to consistent and appropriate sanctions, including the possibility of termination. Further, compliance with the Plan shall be a factor in performance evaluations and compensation decisions for all employees of the Practice.

The goal of the Plan is to create a culture of compliance. To accomplish this goal, compliance must be a team effort involving the Practice's physicians and staff.

### **BENEFITS OF COMPLIANCE PLAN**

The Practice will gain numerous benefits by implementing an effective compliance program. These benefits include:

- The development of effective internal procedures to ensure compliance with regulations, payment policies and coding rules:
- Improved medical record documentation;
- Improved education for Practice employees;
- Reduction in denial of claims;
- More streamlined Practice operations through better communication and more comprehensive policies;
- The avoidance of potential liability arising from noncompliance; and
- Reduced exposure to penalties.

## **SUMMARY OF THE PLAN**

The Plan contains seven (7) key elements.

- **Establishing compliance standards through the development of a code of conduct and written policies and procedures;**
- **Assigning compliance monitoring efforts to a designated Compliance Officer;**
- **Conducting comprehensive training and education on Practice ethics and policies and procedures;**
- **Conducting internal monitoring and auditing focusing on high-risk billing and coding issues through performance of periodic audits;**
- **Developing accessible lines of communication, such as discussion at staff meetings regarding fraudulent or erroneous conduct issues and bulletin boards, to keep Practice employees updated regarding compliance activities;**
- **Enforcing disciplinary standards by making clear or ensuring employees are aware that compliance is treated seriously and that violations will be dealt with consistently and uniformly; and**
- **Responding appropriately to detected violations through the investigation of allegations and the disclosure of incidents to appropriate Government entities.**

## 1. POLICIES AND PROCEDURES

### A. Employee and Contractor Hiring and Retention

#### 1. Screening Employees and Contractors

The Practice's physicians, employees and contractors are expected to be honest and lawful in their business dealings. The Practice will not employ or do business with individuals who have been convicted of health care fraud or listed by a federal agency as excluded, debarred or otherwise ineligible to participate in federally funded health care programs.

- (a). The Practice shall perform background investigations on all prospective employees, agents, consultants, suppliers, business partners, and independent contractors who will participate in the billing process. At a minimum the Practice shall:
  - (i). confirm that the applicant is not listed in the list of sanctioned individuals contained in the OIG's *Cumulative Sanctions Report* (<http://www.dhhs.gov/progorg/oig>); and
  - (ii). verify educational degrees and required licenses and references.
- (b). Applicants for employment with the Practice shall be required to disclose any criminal conviction of, civil monetary penalties assessed against or paid by, or exclusion action imposed against, the individual.

#### 2. Workplace Environment

The Practice is committed to maintaining a workplace free from discrimination, sexual harassment and drug and alcohol use.

- (a). **Discrimination.** The Practice shall not tolerate discrimination based on race, ethnicity, gender, disability or age in the workplace, by physicians, employees, or contractors. For purposes of the Practice's discrimination policy, discrimination occurs when race, ethnicity, gender, disability (in accordance with the American with Disabilities Act and the New Jersey Law Against Discrimination) or age is used as a factor in decisions affecting hiring, evaluation, promotion or other aspects of employment.
- (b). **Sexual Harassment.** The Practice shall not tolerate sexual harassment in the workplace, by physicians, employees, or contractors. For purposes of the Practice's sexual harassment policy, sexual harassment is defined as unwelcome or unwanted conduct of a sexual nature (verbal or physical) when:  
1) submission to or rejection of this conduct by an individual is used as a factor in decisions affecting hiring, evaluation, promotion or other aspects of

employment; and 2) this conduct substantially interferes with an individual's employment or creates an intimidating, hostile or offensive work environment.

(c) **Drug and Alcohol Free.** The Practice is committed to maintaining a working environment free from the abuse of illegal drugs and alcohol. The Practice recognizes that the abuse of illegal drugs and alcohol is dangerous to the individual and exposes the Practice, its patients, physicians, employees and contractors to unacceptable risks. The Practice prohibits using its premises to use, manufacture, sell or otherwise distribute illegal drugs. Failure to abide by this policy shall result in disciplinary action, including, without limitation, termination.

## 1. POLICIES AND PROCEDURES

### **B. Coding and Billing**

Under various state and federal laws and regulations, health care providers are subject to civil and criminal penalties for fraudulent billing practices. There are two fundamental principles of proper billing practice 1) only submit claims for services actually provided and 2) properly document the medical record to support the claims submitted. Thus, the Practice must exercise a high level of care in the billing and claims submission process. In this regard, the Practice shall follow the billing and coding rules issued, where applicable, by the Health Care Financing Administration ("HCFA"), and other statutes, regulations and federal, state or private payer health care program requirements. Further, the Practice's physicians, employees and contractors must adhere to the following principles:

1. Proper and timely documentation of all physician and other professional services shall be maintained to ensure that only accurate and properly documented services are billed.
2. Claims shall not be submitted for services not performed or for a level of service that exceeds the level of service actually provided.
3. Physician and technical records and medical notes used as a basis for a claim submission shall be appropriately organized in a legible form so they can be audited and reviewed.
4. Diagnosis and procedures reported on reimbursement claims shall be based on medical necessity and shall be documented in the medical record.
5. Physicians shall provide the appropriate level of supervision necessary to properly bill for diagnostic services.
6. The documentation necessary for accurate code assignment shall be available to coding staff.
7. The compensation for billing department coders and billing consultants shall not provide any financial incentive to improperly upcode or otherwise artificially inflate claims.
8. The Practice shall not routinely waive patient co-payments or deductibles but shall consider waiver of co-payment or deductibles on a case by case basis as needed.
9. The Practice shall refund to all third-party payors and/or patients in a timely manner all patient care revenues to which the Practice is not entitled.
10. Claims should only be submitted for medical equipment, medical supplies and

services that are reasonable and necessary.

11. There shall be no “double billing” for services.
12. Third party payers shall not be billed for non-covered services as if they were covered.
13. There shall be no knowing misuse of provider identification numbers, which results in improper billing.
14. There shall be no billing for unbundled services.
15. Coding modifiers shall be properly used.
16. There shall be no upcoding the level of the service provided.
17. All rejected claims pertaining to diagnosis and procedure codes shall be reviewed by the coder.
18. In the event the Practice retains a third party company to perform billing or marketing services ("Third Party Company"), legal counsel should review the Third Party Company's contract. Further, the contract with the Third Party Company should include the following provisions:
  - (a) an agreement that the Third Party Company will comply with all applicable laws and regulations;
  - (b) an agreement to be bound by the terms of this Plan;
  - (c) an agreement to notify the Practice in the event the Third Party Company is under investigation, civil or criminal, regardless of whether the investigation involves the Practice; and
  - (d) in the event the Third Party Company has adopted its own corporate compliance program and information is reported internally through such program relating to the Practice, an agreement that such information shall immediately be reported to the Practice's Compliance Officer.

In the event there is no written agreement in place with the Practice, the Practice shall submit a letter agreement to the Third Party Company which shall contain the provisions set forth above in substantially the form of the agreement set forth in Exhibit G.

**1. POLICIES AND PROCEDURES**

**C. Reasonable and Necessary Services**

The physician is responsible for determining what diagnostic and treatment services are appropriate for patients. The necessity and rationale for all services should be appropriately and accurately documented in the Medical Record.

The physicians should order only tests, including screening tests, they believe are appropriate for the treatment of their patients. However, Medicare, and some other insurance plans, will only pay for services that meet the Medicare, or other payer, definition of reasonable and necessary. When the Practice bills for services, the bill should only be for those services believed to be reasonable and necessary for the diagnosis and treatment of a patient consistent with the guidelines of the particular payer. There should always be documentation in the Medical Record or the physician's orders to support the appropriateness of a service the physician has provided.

## **1. POLICIES AND PROCEDURES**

### **D. Documentation and Medical Records**

#### **I. Documentation**

It is critical that the medical record be completed in a timely, accurate and thorough manner. The medical record is a reflection of the quality of care given and is essential to providing continuing quality care. There should be appropriate documentation of diagnosis and treatment. Thorough and accurate documentation helps to ensure accurate recording and timely transmission of information.

Accurate medical record documentation should comply, at a minimum, with the following principles:

1. The medical record should be complete and legible.
2. The documentation of each patient encounter should include:
  - the reason for the encounter;
  - any relevant history;
  - physical examination findings;
  - prior diagnostic test results;
  - assessment, clinical impression, or diagnosis;
  - plan of care; and
  - date and legible identity of the observer;
3. If not documented, the rationale for ordering diagnostic and other ancillary services should be easily inferred by an independent reviewer or third party. Past and present diagnoses should be accessible to the treating and/or consulting physician.
4. Appropriate health risk factors should be identified. The patient's progress, his or her response to, and any changes in, treatment, and any revision in diagnosis should be documented.

The CPT and ICD-9-CM codes reported on health insurance claims form should be supported by documentation in the medical record and the medical chart should contain all required information. Additionally, HCFA and the local carriers should be able to determine who provided the services.

Accurate documentation on all forms utilized in the patient treatment and billing are equally important. This includes, but is not limited to, forms used for patient encounters, registration, history and physical and charge master. All staff will comply with these requirements.

## II. HCFA 1500 Form

The Practice shall closely monitor the proper completion of the HCFA 1500 Form. The following practices will help ensure that the form has been properly completed:

1. Link the diagnosis code with the reason for the visit or service.
2. Use modifiers appropriately.
3. Provide Medicare with all information about a patient's other insurance coverage.

## III. Confidentiality

Medical records are to be treated as confidential and must at all times be handled and stored securely and destroyed, at the appropriate time, in such a way that preserves confidentiality. Medical records and the information contained therein shall only be disclosed to individuals directly involved in the provision of medical services or, upon written authorization, to the patient or his/her designee.

1. Practice personnel shall not discuss any patient, or any patient's treatment by the Practice, except as necessary to provide patient care.
2. Practice personnel shall not discuss any patient, or any patient's treatment by the Practice, in a location where such information could be heard by unauthorized personnel (i.e., an elevator, public place, etc.).
3. Confidentiality of Records. With regard to Practice patient records, the Practice shall require that any written authorization for the disclosure of patient information contains the following information:
  - (a) Name and address of patient;
  - (b) Other information sufficient to identify the patient, such as birth date;
  - (c) Dates of service;
  - (d) Name and address of recipient of the information;
  - (e) Description of the information to be disclosed;
  - (f) Signature of the patient, or in the case of a minor or incompetent, the patient's authorized representative;
  - (g) The date on which the authorization was signed; and
  - (h) The records shall be marked "CONFIDENTIAL" when forwarded to the authorized individual.

#### IV. Responding to Subpoenas.

Practice personnel shall comply with Hospital Policies regarding responding to Subpoenas. With regard to the Practice's medical records, the Practice shall designate an individual to receive subpoenas requesting the production of a witness at trial, or the production of medical records. At the Practice's discretion, it may appoint the Compliance Officer to fill this role.

1. Upon receipt of a subpoena requesting the production of a witness at trial pursuant to New Jersey Court Rule 1:9-1, the person designated above shall contact the Compliance Officer immediately. The Compliance Officer shall then notify legal counsel in the event there is any question as to the validity or applicability of the Subpoena.
2. Upon receipt of a proper subpoena duces tecum, or notice in lieu of a subpoena, or request for the production of files, documents, records, or other writings of the Practice, or any of its physicians, employees, agents, representatives, or patients, pursuant to New Jersey Court Rules 1:9-2 or 4:14-7:
  - (a) The person designated above shall promptly notify:
    - (1) The providers, if any, named in the request; and
    - (2) The patients, if any, named in the request, by a letter in the form set forth in Exhibit B;
  - (b) A subpoena is proper for purposes of this section if it
    - (1) States the name of the issuing Court and title of the action;
    - (2) States the date, time, and location whereby the information requested is to be produced;
    - (3) States that the subpoenaed documents shall not be produced until the date specified, and that, if the recipient receives notice that a motion to quash has been filed, the recipient shall not produce or release the subpoenaed documents until ordered to do so by the court, or the release is consented to by all parties to the action.
  - (c) Upon receipt of a release by the patient or patients named, the requested documents may be released in the manner described by the subpoena.
3. If any provider wishes to quash the subpoena, the provider shall give express written notice, within seventy-two (72) hours, to the person designated above. This person shall then notify legal counsel of the

**provider's intention.**

- 4. If no provider or patient wishes to quash the subpoena, the Practice, on the advice of legal counsel, may still move to quash.**
- 5. If no patient release is received and no motion to quash is made, the information requested shall be produced in a timely manner. In such event, however, the information shall not be produced prior to the date specified for production in the subpoena.**
- 6. All other requests for information received by the Practice not accompanied by a subpoena shall be denied, unless the patient in question provides express written consent to the release of the information in question, or upon advice of legal counsel.**

## **1. POLICIES AND PROCEDURES**

### **E. Illegal Remuneration (Kickbacks), Inducements and Self-Referrals**

Remuneration in exchange for referrals is illegal and can also affect the quality of patient care by encouraging physicians to order services or supplies based on profit rather than the patients' best interests.

In particular, arrangements with hospitals, hospices, nursing facilities, home health agencies, durable medical equipment suppliers and vendors are areas of potential concern. In general the anti-kickback statute prohibits knowingly and willfully giving or receiving anything of value to induce referrals of Federal health care program business. It is generally recommended that all business arrangements wherein physician practices refer business to an outside entity should be on a fair market value basis. Whenever the Practice intends to enter into a business arrangement that involves its making or receiving referrals, counsel familiar with the anti-kickback statute and physician self-referral statute should review the arrangement.

1. **Illegal Remuneration - Kickbacks.** Health care providers and their employees are prohibited from receiving remuneration of any kind, directly or indirectly, in return for or to induce a referral for health care services. Thus, the Practice's physicians, employees and contractors shall not:
  - (a) Provide to or receive from any person or entity any form of compensation, fees or anything of value in exchange for referrals.
  - (b) Enter into any joint venture or business arrangement relating to the provision of health care services without prior review of such arrangement by legal counsel for illegal remuneration issues.
  - (c) Enter into any consulting contract or medical directorship without prior review by counsel familiar with the anti-kickback statute and physician self-referral statute.
  - (d) Enter into any office or equipment leases with entities with which the Practice has a referral relationship without prior review by counsel familiar with the anti-kickback statute and physician self-referral statute.
2. **Self-Referrals.** Health care providers are prohibited from referring patients to an entity with which the provider, or an immediate family member of the provider, has a "financial relationship," unless a specific statutory or regulatory exception exists. The term "financial relationship" is interpreted liberally by state and federal regulators and includes ownership or investment interests through equity, debt or other means, and also compensation arrangements. Thus, the Practice's physicians, employees and contractors shall not order, recommend or permit the referral of any patient to an entity

with which the Practice's physicians, or any of their immediate family members, have a "financial relationship" without prior review by legal counsel.

3. **Inducements.** The Practice shall not in any way try to influence patients to use particular services. Examples of such inducements include routinely waiving coinsurance or deductible amounts without a good faith determination that the patient is in financial need or failing to make reasonable efforts to collect the cost-sharing amount.
4. **Gift-giving.** Gift-giving exchanges may be viewed as inducements to influence business decisions. Accepting gifts of any kind may influence independent judgment. Employees should not accept gifts having anything above nominal value and those should only be accepted during normal gift-giving times such as holidays or birthdays. Any gift offered or accepted should be reported to the Compliance Officer.
5. **Contract Review.** Contracts, leases and joint ventures should be reviewed against the corporate compliance checklists set forth in Exhibit H.

## **1. POLICIES AND PROCEDURES**

### **F. Retention of Compliance, Business and Medical Records**

While conducting compliance activities and daily operations, the Practice will document its efforts to comply with applicable Federal care program requirements. These records primarily include documents relating to patient care and the Practice's business activities. The Practice shall maintain a uniform system for record creation, distribution, retention, storage, retrieval, and destruction. In designing the record system, privacy concerns and Federal and State regulatory requirements will be taken into consideration. The types of documents developed under this system include (a) clinical and medical records; (b) all records and documentation (e.g., billing and claims documentation) required for participation in Federal, State and private payer health care programs and other financial records; and (c) all records necessary to demonstrate the integrity of the Practice's compliance process and the effectiveness of the program. The Practice shall maintain all such records for a period of seven (7) years from the date of the last entry. Medical records of minors should be retained for seven (7) years or to the age of their majority plus two (2) years, whichever is longer.

#### **1. Corporate Compliance Records**

- (a) The designated Compliance Officer should keep an updated binder or record of compliance related activities. This involves, at a minimum, keeping track of compliance meetings, educational activities, and internal audit results. Particular attention should be paid to documenting violations uncovered by the compliance program and the resulting remedial action.**
- (b) Among the materials which will be retained in the Corporate Compliance records are employee certifications relating to training and other compliance initiatives, copies of compliance training materials, and any corresponding reports of investigations, outcomes, and employee disciplinary actions.**
- (c) The Compliance Officer will also ensure that the Practice retains all relevant correspondence with carriers, private payer insurers, and HCFA.**

#### **2. Business Related Records**

In addition to the records retained by the Practice on an ongoing basis, the Practice will retain the following additional records for compliance purposes:

- (a) If the Practice requests advice from a Government agency (including a Medicare fiscal intermediary or carrier) charged with administering a Federal health care program, the Practice will document and retain a record of the request and any written or oral response. This step is**

**extremely important if the Practice intends to rely on that response to guide it in future decisions, actions, or claim reimbursement requests or appeals.**

- (b) A log of oral inquiries between the Practice and third parties, such as carrier representatives, will help the Practice document its attempts at compliance. In addition, in a subsequent investigation these records may become relevant to the issue of whether the practice's reliance was "reasonable" and whether it exercised due diligence in developing procedures and practices to implement the advice.**

**3. Medical Records**

- (a) Medical records will be secured against loss, destruction, unauthorized access, unauthorized reproduction, corruption, or damage.**
- (b) In the event the Practice is sold or closed, the Practice will develop a policy and procedure for the appropriate disposition of the medical records.**

**1. POLICIES AND PROCEDURES**

**G. Patient Rights**

- 1. Discrimination.** The Practice is committed to providing quality medical services to its patients. The Practice's services shall be provided on the basis of medical necessity and the Practice shall not discriminate on the basis of race, ethnicity, gender, or age.
  
- 2. Informed Consent.** Prior to providing services the Practice shall inform the patient of the following:
  - (a)** the nature and purpose of the proposed procedure;
  - (b)** the inherent and potential hazards of the proposed procedure;
  - (c)** the probable outcome of the proposed procedure;
  - (d)** all feasible alternatives to the procedure (including the risks, consequences and probable effectiveness of each); and
  - (e)** the prognosis if the procedure in question is not provided.

**1. POLICIES AND PROCEDURES****H. Managed Care**

The constantly changing face of health care reimbursement provides health care providers and their employees with a unique set of challenges as providers and insurance companies try to strike an appropriate balance between cost and quality of care. Further, the Practice shall handle all managed care claims properly. The Practice's physicians, employees and contractors shall immediately notify the Compliance Officer of any of the following:

1. The unreasonable denial of medically necessary services or other interference by managed care companies with the provision of medically necessary care;
2. The failure of a managed care company to make appropriate payment for services rendered to enrollees; or
3. Instructions from a managed care company to refrain from collecting co-payments or deductibles.

## **1. POLICIES AND PROCEDURES**

### **I. Hazardous Waste and Medical Waste Disposal**

All regulated hazardous and infectious waste products generated by the Practice shall be disposed of in accordance with applicable federal and state laws and regulations. The Practice shall take all reasonable steps necessary to prevent exposure to or contamination from medical waste products. In this regard, all hazardous and infectious waste products shall be stored, handled and disposed of as follows:

1. All medical waste products, with the exception of sharps, shall be stored in rigid, leak-resistant containers that are impervious to moisture and sufficiently strong to prevent tearing or bursting, and sealed to prevent leakage during transport;
2. All medical waste products, with the exception of sharps, shall be disposed of in designated waste containers in a manner that maintains the integrity of the packaging, and provides protection from water, rain, and wind;
3. All sharps shall be disposed of into specialized sharps containers that are puncture-resistant;
4. Access to medical waste products storage areas shall be limited to authorized personnel; and
5. All medical waste products shall be disposed of by a New Jersey licensed regulated medical waste disposal company.

## 1. POLICIES AND PROCEDURES

### J. Government Investigations/Search Warrants

In the event any Practice physician, employee or contractor is contacted by a governmental agency regarding the Practice's business; or, if a governmental agent visits a Practice physician, employee or contractor, the Practice physician, employee or contractor in question shall immediately notify the Compliance Officer (or, in the event the Compliance Officer is unavailable, another principle of the Practice) who shall in turn notify legal counsel. In the event a law enforcement officer or government agent presents a search warrant at the Practice, the following procedures shall be taken:

1. Ask the law enforcement officer or government agent to present his or her identification badge.
2. Ask to see a copy of the search warrant and request a brief time to consult with the Compliance Officer.
3. If possible, make a copy of the search warrant.
4. Immediately contact a supervisor or the Compliance Officer of the Practice and give him or her a copy of the search warrant, if available. The supervisor or Compliance Officer shall immediately contact legal counsel for the Practice.
5. Do not leave the law enforcement officer alone while they search the premises. Ask the law enforcement officers for permission to make copies of all documents before they are removed from the premises. If permission is not granted, ask for permission to make a written list of all documents before they are removed from the premises. If permission is not granted, remain on the premises, observe the search, and take detailed notes until a supervisor, Compliance Officer or legal counsel for the Practice arrives.
6. Interviews. Physicians, employees and contractors are not required answer questions asked by law enforcement officers or government agents without having the Practice's legal counsel present. However, in the event any physician, employee or contractor provides a law enforcement officer with any information, the person providing such information shall document in detail what information was provided and provide such documentation to the Compliance Officer.

## II. THE COMPLIANCE OFFICER

### A. The Compliance Officer

The Practice's Board of Directors shall at all times designate a person as the Practice's Compliance Officer. This person needs to be sufficiently independent in his or her position so as to protect against any conflicts of interest that may arise from performing assigned duties and compliance duties. Additional attributes that this person should possess include attention to detail; experience in billing and coding; and effective communications skills, both oral and written, with employees, physicians and carriers.

The Compliance Officer shall be charged with overseeing the implementation, administration and enforcement of the Plan. The Compliance Officer shall report directly to the Practice's Board of Directors.

The Practice's Compliance Officer shall sign a Confidentiality Agreement in the form attached as Exhibit F. The Compliance Officer's primary duty of loyalty shall be to the Practice. The Compliance Officer shall keep all information relating to the Practice's operations confidential. The Compliance Officer shall not disclose any such information to any person or entity, other than the Board of Directors, unless the Compliance Officer is specifically instructed to do so by the Board of Directors.

## II. THE COMPLIANCE OFFICER

### **B. Responsibilities**

The Compliance Officer shall have the following specific responsibilities:

1. Overseeing the development, implementation, administration and enforcement of the Plan.
2. Reporting regularly to the Board of Directors on the progress of Plan implementation and compliance.
3. Annually reviewing and revising the Plan in order to reflect any changes in the Practice, or in the law or policies of governmental or private payer health program.
4. Developing, coordinating, and/or conducting educational activities and other methods of communication that focus on the elements of the Plan and the specific risk areas identified in the Plan.
6. Ensuring that all Practice employees and physicians have received, read and comply with the Plan, and sign a statement acknowledging their understanding of its requirements.
6. Ensuring that independent contractors and other Practice agents are aware of and comply with the components of the Plan, particularly those parties involved in billing, coding, and marketing.
7. Developing policies and programs that encourage reporting of suspected fraud and other improprieties without fear of retaliation.
8. Independently investigating compliance problems and informing the Board of Directors of such issues.
9. Carrying out corrective actions with approval of Board of Directors and recommending to the Board appropriate disciplinary action if necessary.
10. Making him or herself generally available to discuss compliance issues with all Practice personnel.
11. Establishing methods, such as periodic audits, to improve the Practice's efficiency and quality of services, and to reduce the practice's vulnerability to fraud and abuse.
12. Ensuring that the HHS-OIG's "List of Excluded Individuals and Entities" and the General Services Administration's "List of Parties Debarred from Federal Programs" have been checked with respect to all employees, medical staff and independent contractors.

### **III. ENSURING PLAN COMPLIANCE**

#### **A. Training and Education**

- 1. In order to create and maintain a culture of compliance, the Practice shall provide initial and continuing education for both its physicians and employees on all matters set forth in this Plan. Participation in the educational programs set forth in this Plan shall be a condition of employment with the Practice and all new employees will be trained within sixty (60) days of beginning employment. New billing and coding employees will work under the supervision of an experienced employee until their initial training has been completed. The OIG recommends a minimum of one hour annually for basic training in compliance areas. Additional training shall be provided for specialty fields such as claims development and billing.**
- 2. The Practice will use a variety of methods to train and educate its employees including in-person training sessions, distribution of newsletters, posting information on bulletin boards. In establishing educational objectives for current and future employees the Practice will determine:**
  - (a) who needs training – both in coding and billing and compliance;**
  - (b) the type of training that best suits the Practice’s needs (e.g., seminars, in-service training, self-study or other programs); and**
  - (c) when the education is needed and how much each person should receive.**
- 3. Compliance Training. Training will be provided on both an initial and recurrent basis. This will include information on the compliance program itself and applicable statutes and regulations. The educational programs provided by the Practice should include:**
  - (a) An overview of this Plan with specific instruction on the disclosure and reporting mechanisms contained in the Plan;**
  - (b) An overview of state and federal laws and regulations regarding false claims, self-referrals, and the payment or receipt of remuneration to induce referrals;**
  - (c) An overview of state and federal laws relating to billing practices, including submitting a claim for physician services when rendered by a non-physician (under "incident to" supervision and physical presence requirements); signing a form for a physician without a physician's authorization; altering medical records after the fact; proper documentation of services rendered;**
  - (d) An overview of federal and state anti-discrimination and harassment**

laws and the Practice's policies with regard to the same;

- (e) Training and education on the Practice's policy regarding governmental investigations and search warrants as set forth in Section I.(J) of this Plan;
- (f) Training regarding the role of each employee and the consequences of violating the policies; and
- (g) Training regarding the key risk areas in the OIG guidance and areas of particular OIG interest.

4. **Coding and Billing Training.** Individuals who are directly involved with billing, coding or other aspects of the Federal health care programs will receive extensive training specific to their responsibilities. The Practice will ensure that updated ICD-9, HCPCS and CPT manuals (in addition to the carrier bulletins construing those sources) are available to those employees involved in the billing process. Continuous updates on current billing policies will also be readily available.

As appropriate for the individual the training will include:

- (a) coding requirements;
- (b) claim development and submission processes;
- (c) marketing practices that reflect current legal and program standards;
- (d) the ramifications of submitting a claim for physician services when rendered by a non-physician;
- (e) signing a form for the physician without the physician's authorization;
- (f) the ramifications of altering medical records;
- (g) proper documentation of services rendered;
- (h) how to report misconduct;
- (i) proper billing standards and procedures and submission of accurate bills for services or items rendered to Federal health care program beneficiaries;
- (j) the personal obligation of each person involved in the billing process to ensure claims are properly and accurately submitted;
- (k) the legal sanctions for submitting deliberately false or reckless billings; and

- (l) **informing physicians that they cannot receive payment or any type of incentive to induce referrals and that claims should not be submitted for physician services when those services are rendered by a non-physician (unless they follow the applicable Federal health care program requirements).**
  
- 5. Documentation.** The Compliance Officer shall maintain documentation of all educational activities, including a record of dates, times, attendance, and agenda for all professional and compliance training sessions in which Practice personnel participate.
  
- 6. Compliance Reference Materials.** The Compliance Officer shall maintain a library of regulatory and compliance-related information and training manuals. This information includes coding references, carrier newsletters, Medicare manuals, federal regulations, HCFA interpretations, and materials published by the American Medical Association and other relevant professional societies. The Compliance Officer is also responsible for regularly disseminating new compliance information to Practice physicians and employees.

### **III. ENSURING PLAN COMPLIANCE**

#### **A. Lines of Communication**

An open line of communication is essential to proper implementation of an effective compliance program. The Compliance Officer is charged with the responsibility of ensuring that a clear “open door” policy between physicians, Practice employees and compliance office is established. The Compliance Officer will utilize a number of communication techniques to continually update staff on compliance information. This will include the use of bulletin board(s) in areas used by everyone.

**1. To ensure effective communication the Practice will:**

- (a) require that employees report conduct that a reasonable person would, in good faith, believe to be fraudulent or erroneous:**
- (b) have an anonymous drop box for reporting fraudulent or erroneous conduct;**
- (c) ensure that staff are aware that policies and procedures require staff to report fraudulent or erroneous conduct, failure to do so is a violation of the compliance program;**
- (d) have a simple and readily accessible procedure, developed by the Compliance Officer, to process reports of fraudulent or erroneous conduct;**
- (e) have a process that maintains the confidentiality of the persons involved in the alleged fraudulent or erroneous conduct and the person making the allegation; and**
- (f) ensure that there will be no retribution for reporting conduct that a reasonable person acting in good faith would have believed to be fraudulent or erroneous.**

**2. All Practice physicians and personnel are required to report incidents of material billing errors, violations of this Plan, unethical conduct, or incidents of potential fraud and abuse to the Compliance Officer.**

- (a) Such reports may be made to the Compliance Officer in person or anonymously in writing through a drop box. Reports shall be treated as confidential to the extent reasonably possible. There shall be no retaliation against anyone who submits a good faith report of noncompliance.**
- (b) Reports may be made on an anonymous basis. Any reported matters that suggest substantial violations of compliance policies, regulations,**

or statutes shall be documented and investigated promptly.

- (c) Each report, regardless of the source, shall be assigned a control number, and a record shall be made containing the following data: (1) the date the report was made; (2) the person who received the report; (3) the allegations; (4) the actions taken in response; and (5) the name of the person making the report, if not made anonymously. The report shall be in the form attached hereto as Exhibit C.
- (d) The Compliance Officer shall inform the Board of Directors of any reported incidents, and provide the Board of Directors with the record of the report.
- (e) The Compliance Officer shall maintain all discovered or reported information in the strictest confidence and shall not disclose to any person or entity, other than the Practice's Board of Directors, any such information unless otherwise directed by the Board of Directors.

3. **Employee Certification.** All employees and independent contractors engaged by the Practice, shall be required, on an annual basis, to certify, on a signed and dated form, whether they are aware of any violations or potential violations of this Plan, and if so, shall provide detailed information about these possible violations on the form. The form shall state (1) that confidentiality shall be maintained as best possible, and (2) that the employee has the right to meet personally with the Compliance Officer in place of completing the certification form. The certification shall be in the form attached hereto as Exhibit D.

4. **Exit Interviews.** Any employee or any independent contractor, who leaves the Practice's employ, whether voluntarily or involuntarily, shall be requested to participate in an exit interview with the Compliance Officer. The Compliance Officer shall ask the departing employee whether he or she is aware of any violations of this Plan. The Compliance Officer shall document the exit interview contents thoroughly on a report, the form of which is attached hereto as Exhibit E.

### **III. ENSURING PLAN COMPLIANCE**

#### **C. Auditing, Monitoring and Internal Reporting and Disclosure**

In order to detect noncompliance with the Plan, the Practice shall use a system of periodic monitoring and auditing of the business activities of the Practice. Further, all Practice personnel shall be required to report incidents of violations of this Plan and shall be subject to disciplinary action for failure to report any such incident.

1. **Formal Auditing and Monitoring.** The Compliance Officer shall be responsible for the coordination of formal audits. Audits may be performed by internal or external auditors with expertise in federal and state health care statutes, regulations, and policies. The auditor shall be independent of the Practice's physicians and management and have broad access to records and personnel. In the event the Practice uses a Third Party Company; the Practice shall require the Third Party Company to participate in any audit.
  - (a) **Initial Audit.** Shortly after this Plan is established, the Practice shall conduct a comprehensive initial audit of 1) all of the Practice's business arrangements and agreements with third parties and 2) its claims submission process. The initial audit is undertaken at the request of and under the supervision of legal counsel. The purpose of the initial audit is to initially identify and subsequently correct any existing problems in the Practice's business arrangements and billing, coding, and claims submission process. Any information that is identified shall be referred to the Compliance Officer who shall in turn consult with legal counsel for appropriate investigation and action.
  - (b) **Baseline Audit.** This initial audit shall establish a baseline against which to measure progress. Included in this baseline audit should be an examination of the claim development and submission process, from patient intake through claim submission and payment, and identify elements within this process that may contribute to non-compliance or that may need to be the focus for improving execution. This audit should establish a methodology for examining records, and this methodology should serve as a basis for future audits. It should be conducted based on claims submitted during the initial three (3) months after the implementation of the education and training program so as to give the Practice a benchmark against which to measure future compliance effectiveness.
  - (c) **Disclosure of Audit Results.** The Compliance Officer shall report to the Board of Directors of the Practice the results of any audit. The Compliance Officer, in consultation with legal counsel, shall determine whether corrective action is necessary. Legal counsel will advise on matters of attorney/client privilege, disclosure, and whether the Practice has any affirmative duties to report the violations and/or make restitution to health care payors.

- (d) **Documentation.** All efforts to comply with applicable statutes and regulations shall be documented, including the fact that an audit has taken place and a description of the nature and results of the audit. Any inquiries the Practice makes of third party payors or Medicare carriers regarding the claim submission process shall be documented if the Practice intends to rely on the guidance provided by any such third party payor or Medicare carrier.

2. **Informal Audits and Monitoring.** The Practice will develop an ongoing evaluation process to ensure a successful evaluation program. The Compliance Officer will periodically review the policies and procedures to see if they are current and complete. If they are ineffective or outdated, the Compliance Officer will update them and ensure, where appropriate, that changes in the CPT codes or Government regulations are reflected in them.

- (a) **Periodic Audits.** On a periodic basis as determined by the Compliance Officer, but no less than once a year, the Practice shall conduct random audits to ensure claims processing accuracy and Plan compliance. A randomly selected number of medical records should be reviewed to ensure that the coding was performed accurately. A minimum of two to five medical records per payer, or five to ten medical records per physician should be reviewed. If problems are identified, focused review should be conducted on a more frequent basis through the informal audit process. When audit results reveal areas needing additional information or education of employees and physicians, these areas will be incorporated into the training and educational system. Periodic audits could include the following:
- A valid sample of the Practice's top ten denials, or the Practice's top ten services provided;
  - Confirmation that the Practice has been using specific codes, as some codes are too general for "reasonable and necessary" purposes;
  - A check for data entry errors;
  - Confirmation that all orders are written and signed by a physician;
  - A check for reasonable and necessary services performed; confirmation that all tests ordered by the physician(s) were actually performed and documented and that only those tests were billed; and
  - A review of assigned codes and modifiers to the claims.
- (b) **Claims Submission Audit.** Bills and medical records will be reviewed for compliance with applicable coding, billing and documentation requirements. The person in charge of billing compliance and a medically trained person (e.g., registered nurse or a physician) should be involved in these audits. The Practice will determine whether to review the claims retrospectively or concurrently with the claims submission. The formal audit referred to above should be used as a baseline so that the Practice can evaluate its progress in

reducing or eliminating potential areas of vulnerability. These self-audits will be used to determine whether:

- (a) bills are accurately coded and accurately reflect the services provided;
- (b) services or items provided are reasonable and necessary;
- (c) any incentives for unnecessary services exist; and
- (d) medical records contain sufficient documentation to support the charge.

One of the most important elements of a successful billing compliance program is appropriate action when the Practice identifies a problem in its internal audit. Proposed action will be taken in accordance with Section E below.

### **III. ENSURING PLAN COMPLIANCE**

#### **D. Disciplinary Procedures**

The Practice shall not tolerate illegal or unethical conduct of any sort (business or personal) by its physicians or its employees. Individuals who fail to detect or report violations of the compliance program may also be subject to discipline. There will be no retribution against a person for reporting conduct that a reasonable person acting in good faith would have believed to be fraudulent or erroneous. The Practice is prepared to take consistent and appropriate disciplinary action against individuals who violate the requirements of this Plan or otherwise engage in unethical or unlawful activities. All aspects of disciplinary actions taken against Practice physicians and employees shall be thoroughly documented. This policy will be included in in-house training. The sanctions available under this Plan include:

1. warnings (oral);
2. reprimands (written);
3. probation;
4. demotion;
5. suspension without pay;
6. referral to counseling;
7. withholding of a promotion or salary increase or other financial penalties; and
8. termination;
9. restitution of damages;
10. referral for criminal prosecution.

Any communication in the finding of non-compliant conduct should be documented in the compliance files by including the date of the incident, name of the reporting party, name of the person responsible for taking action, and the follow-up action taken.

### **III. ENSURING PLAN COMPLIANCE**

#### **E. Investigations and Corrective Action**

The Practice is committed to investigating any incident of noncompliance with the Plan, significant failures to comply with applicable Federal or State law, and other types of misconduct which threaten the Practice's status as a reliable, honest, and trustworthy provider of health care. Fraudulent or erroneous conduct that has been detected, but not corrected, can seriously endanger the reputation and legal status of the Practice. Consequently, upon receipt of reports or reasonable indications of suspected noncompliance, the Compliance Officer, or the person to whom he delegates, will investigate the allegation(s) to determine whether a material violation of applicable law or requirements of the Plan has occurred, and, if so, take decisive steps to correct the problem.

1. **Billing and Claims Submission.** In the event any material violation of this Plan, or if any incident of fraud is reported to the Compliance Officer, the Compliance Officer shall conduct, in consultation with legal counsel and an outside expert if legal counsel deems it necessary, an appropriate investigation.
  - (a) **The Investigation.**
    - (i) An investigation of a particular practice or suspected violation shall involve a review of the relevant documentation and records, interviews with staff and physicians, and analysis of applicable laws and regulations.
    - (ii) All investigations shall be conducted under the auspices of legal counsel and any and all investigators, consultants or other third parties retained to participate in the investigations shall be retained through legal counsel.
    - (iii) The results of any investigations shall be thoroughly documented. Investigation records shall include a description of the investigative process, copies of interview notes and key documents, a log of individuals interviewed and documents reviewed, the results of the investigation, and any disciplinary or corrective actions taken.
    - (iv) Precautions shall be taken to ensure that critical documents are not destroyed without permission of the Compliance Officer and approval of legal counsel.
  - (b) **Corrective Action** should be taken promptly following completion of the

investigation.

- (i) If an audit or investigation reveals a material billing, coding, claims submission problem or other material violation of this Plan, the Compliance Officer and legal counsel shall draft a corrective plan of action, and establish deadlines by which corrective action must take place.
- (ii) Possible corrective actions include, but are not limited to, refunds of any overpayment received, disciplinary actions, and reporting to federal or state authorities.
- (iii) All corrective actions shall be documented, and include progress reports with respect to each error identified.
- (iv) Any decision whether to disclose the results of investigations or audits to federal or state authorities shall be made by the Practice's Board of Directors based upon recommendations of legal counsel.

**2. Workplace Environment.** Set forth below is the procedure that the Practice shall use when investigating discrimination or harassment claims.

- (a) **Notification of Compliance Officer.** Individuals who believe they have been subjected to discrimination or sexual harassment shall report the incident to the Compliance Officer.
- (b) **Description of Misconduct.** An accurate record of objectionable behavior or misconduct is needed to resolve a formal complaint. Verbal reports must be reduced to writing by the complainant, with the assistance of the Compliance Officer, and be signed by the complainant. Individuals who believe they have been or currently are being harassed or discriminated against shall maintain a record of objectionable conduct in order to effectively prepare and corroborate their allegations. While the Practice encourages individuals to keep written notes in order to accurately record offensive conduct or behavior, the Practice hereby notifies all employees that, in the event a lawsuit develops from the reported incident, a complainant's written notes may not be considered privileged information, and therefore will not be confidential unless such notes were originally made in anticipation of litigation.
- (c) **Timeframe for Reporting Complaint.** The Practice encourages a prompt reporting of complaints so that appropriate action can be taken quickly. However, the late reporting of a complaint shall not preclude the Practice from taking remedial action.
- (d) **Protection Against Retaliation.** The Practice shall not in any way

retaliate against an individual who makes a complaint nor permit any physician or employee to do so. Retaliation is a serious violation of this policy and shall be reported immediately. Any person found to have retaliated against another individual for filing a complaint shall be subject to disciplinary action.

- (e) **Confidentiality.** Any allegation brought to the attention of the Compliance Officer shall be promptly investigated in a discreet manner so as to protect the privacy of persons involved. Confidentiality shall be maintained throughout the investigatory process to the extent practical and appropriate under the circumstances.
- (f) **Identification of Investigators.** Complaints shall be investigated and resolved by the Compliance Officer. In addition, the Compliance Officer may appoint members of the Board of Directors to serve on an investigative committee for the purpose of investigating a claim.
- (g) **Investigation Process.** In pursuing the investigation, the Compliance Officer shall try to take the wishes of the complainant into consideration, but shall thoroughly investigate the matter as the Compliance Officer sees fit, keeping the complainant informed as to the status of the investigation. With specific regard to sexual harassment claims, the steps to be taken in the investigation include:
  - (i) Identify the alleged harasser.
  - (ii) Confirm the name and position of the complainant;
  - (iii) Determine the frequency/type of alleged harassment, and if possible, the dates and locations where alleged harassment occurred.
  - (iv) Find out if there were witnesses who observed the alleged harassment.
  - (v) Ask the complainant how he/she responded to the alleged harassment.
  - (vi) Determine whether the complainant consulted anyone else about the alleged harassment and take note of who else is aware of the issue.
  - (vii) Develop a thorough understanding of the professional relationship, degree of control and amount of interaction between the alleged harasser and complainant. (Does the alleged harasser control compensation, terms of employment or promotions? Do the individuals involved work in close proximity to one another and/or with the same patients?).

- (viii) Determine whether the alleged harasser has carried out any threats or promises directed at the complainant.
  - (ix) Does the complainant know of or suspect that there are other individuals who have been harassed by the alleged harasser?
  - (x) Has the complainant informed other physicians or supervisors of the situation? What response, if any, did complainant receive from these individuals?
  - (xi) Ask complainant what action he/she would like the Practice to take as a consequence of the harassment.
  - (xii) When first interviewing the alleged harasser, remind him/her of the Practice's policy against retaliation for making a complaint of sexual harassment.
- (h) **Resolving the Complaint.** Upon completing the investigation of a discrimination or sexual harassment complaint, the Compliance Officer shall communicate his/her findings and intended actions to the complainant and alleged discriminator or harasser.
- (i) **Sanctions.** Individuals found to have engaged in misconduct shall be severely disciplined, up to and including discharge. Appropriate sanctions will be determined by the Compliance Officer. The Practice's response at a minimum shall include reprimanding the offender and preparing a written record. Additional forms of disciplinary action include referral to counseling, withholding of a promotion and temporary suspension without pay or other financial penalties.
- (j) **False Accusations.** If an investigation results in a finding that the complainant falsely accused another knowingly or in a malicious manner, the complainant shall be subject to appropriate disciplinary sanctions, up to and including the possibility of termination.
- (k) **Appeals Process.** If either party directly involved in an investigation is dissatisfied with the outcome or resolution, that individual has the right to appeal the decision. The dissatisfied party must submit written comments in a timely manner to the Board of Directors.
- (l) **Maintaining a Written Record of the complaint.** The Practice shall maintain a complete written record of each complaint and how it was investigated and resolved. Written records shall be maintained in a confidential manner by the Compliance Officer.

### **III. ENSURING PLAN COMPLIANCE**

#### **F. Review of Compliance Plan's Effectiveness**

The Compliance Officer will regularly, at least annually, review the effectiveness of the Plan and make a report to the Board of Directors. The report will include any Plan updates or revisions that may be needed.

If a violation occurred and was not immediately detected, the compliance Plan may need modification. The Compliance Officer should analyze the situation to determine whether a flaw in the Plan failed to anticipate the detected problem, or whether the Plan's procedures failed to prevent the violation.

As part of the regular review of the effectiveness of the Plan, the Compliance Officer should consider other risk areas, which might be appropriate for the Plan to review. This includes local medical review policies, advanced beneficiary notices, certifications in the provision of medical equipment and supplies and home health services, professional courtesy, rental of space in physician offices by persons or entities to which physicians refer, advertising, patient outreach, quality of care, etc.

The Compliance Officer will remain educated and knowledgeable in the area of compliance. S/he will regularly review notices and reports from the OIG to identify vulnerabilities and risk area on which the OIG will focus in the future. The Board of Directors will be advised of any particular activities that are being reviewed by OIG and any risks of which the Practice needs to be aware.

**EXHIBIT A**

**BOARD OF DIRECTORS  
RESOLUTION REGARDING  
CORPORATE COMPLIANCE PROGRAM**

The undersigned, being members of the Board of Directors (the "Board") of \_\_\_\_\_ (the "Practice"), do hereby adopt the following preamble and resolutions, and consents to action taken by virtue thereof, in all respects as though the said preamble and resolutions were duly adopted at a special meeting of the Board called and held this \_\_\_\_\_ day of \_\_\_\_\_, 2000.

WHEREAS the Practice's policy of compliance with federal and state laws and adherence to the Practice's own ethical standards is of primary importance;

WHEREAS the Board will continue to strive to promote and enforce, in whatever way possible, adherence to this corporate policy by the shareholders, officers, employee and staff of the Practice;

WHEREAS the Board believes that adoption of a formal corporate compliance program is an additional means to foster adherence to the Practice's policy;

WHEREAS the Board has considered and evaluated recommendations regarding the development of a comprehensive Corporate Compliance Plan;

NOW THEREFORE IT IS HEREBY RESOLVED that the Board approves the development of a comprehensive Corporate Compliance Plan consistent with the Practice's policy of compliance with federal, state, and local laws, rules and policies, and its own ethical and business standards.

FURTHERMORE RESOLVED that the Corporate Compliance Officer (the "CCO") is authorized to oversee the development, implementation and maintenance of the Corporate Compliance Plan. The CCO is also charged with reviewing the Corporate Compliance Plan at least annually to determine whether the program is effective and to recommend appropriate amendments to the program. The CCO will report to the Board at least annually on any major issues related to the Corporate Compliance Plan.

\_\_\_\_\_  
[Name]  
Director

Date: \_\_\_\_\_

**EXHIBIT B**

**SAMPLE PATIENT NOTICE**

Patient Smith  
123 Abc Drive  
North Mountain, New Jersey 07070

Re: Request for Medical Records

Dear Patient Smith:

Please be advised that \_\_\_\_\_ has been served with a request for copies of all your medical records. A copy of the request is enclosed.

Pursuant to the New Jersey Rules of Court, we are required to furnish these documents unless you object to this disclosure with the above named court prior to the date the records are required to be produced.

Please notify us within seventy-two (72) hours of the date of this letter whether you approve of, or object to, the release of these records. If you do not have an attorney, we suggest you consult one immediately.

Very truly yours,

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT C**

**COMPLIANCE INCIDENT REPORT FORM**

Date: \_\_\_\_\_ Control No.: \_\_\_\_\_

Form of Submission: [check one]

Hotline       Personal Interview       Written Submission

Allegations:

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Actions Taken in Response to Allegations:

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This Report was Completed on [Date] by \_\_\_\_\_.

If this form was not completed in response to a call to the Hotline, please be aware that you have the right to submit this form anonymously. If you choose not to submit this report anonymously, every effort will be made to maintain the strictest confidence possible for the information contained herein, and the identity of provider of this information. There shall be no retaliation against anyone who submits a report in good faith.

**EXHIBIT D**

**ANNUAL EMPLOYEE CERTIFICATION**

I, [Employee Name], as of [Date], am an employee of \_\_\_\_\_ and do hereby solemnly state and certify that:

- 1. I am currently employed by the Practice as a/an [Position].
- 2. I am familiar with the Corporate Compliance Plan (the "Plan") of the Practice.
- 3. Except as set forth below, I am not aware of any violations of the Plan, which have occurred within the one-year preceding the date above written.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 4. I agree to meet with the Compliance Officer, if so requested, at a reasonable time to discuss the information provided above.
- 5. If I become aware of any violations or possible violations after signing this certification, I shall report that information to the Compliance Officer of the Practice within ten (10) days of learning of the violation or possible violation.
- 6. I understand and agree that, in lieu of completing the information required by Section 3 above, I have a duty to meet with the Compliance Officer of the Practice within ten (10) days of the date above written, to discuss my reasons for not completing this certification, and any information that would be contained herein.
- 7. I understand that the Compliance Officer shall maintain all reported information in the strictest confidence and shall not disclose to any person or entity, other than the Practice's Board of Directors, any such information unless otherwise directed by the Board of Directors.

Signature: \_\_\_\_\_

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

Date: \_\_\_\_\_

**EXHIBIT E**

**EXIT INTERVIEW REPORT FORM**

I, [Employee Name], was an employee of \_\_\_\_\_  
until [Date], and do hereby solemnly state and certify that:

1. Up through the date first above written, I was employed by the Practice as a/an [Position].
2. During my time of employment at the Practice, I was aware and familiar with the Corporate Compliance Plan (the "Plan") of the Practice.
3. Except as set forth below, I am not aware of any violations of the Plan that occurred during my time of employment.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

4. I have met with the Compliance Officer to discuss any of the information provided above.
5. I understand that the Compliance Officer shall maintain all reported information in the strictest confidence and shall not disclose to any person or entity, other than the Practice's Board of Directors, any such information unless otherwise directed by the Board of Directors.

Signature: \_\_\_\_\_

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

Date: \_\_\_\_\_

]

**EXHIBIT F****CONFIDENTIALITY AGREEMENT**

THIS CONFIDENTIALITY AGREEMENT ("Agreement") is entered into as of \_\_\_\_\_, \_\_\_\_\_, 2000 by and between \_\_\_\_\_ (the "Practice"), a corporation organized under the laws of the State of New Jersey, and \_\_\_\_\_ (Dr. \_\_\_\_\_), a physician licensed to practice medicine in the State of New Jersey and a shareholder of the Practice.

WHEREAS, the Practice has developed and implemented a plan of corporate compliance (the "Plan"), and has selected Dr. \_\_\_\_\_ to serve as the Practice's Compliance Officer so that he may monitor, maintain, and ensure compliance with the Plan on behalf of the Practice;

WHEREAS, Dr. \_\_\_\_\_'s primary responsibility in his capacity as the Practice's Compliance Officer is to adhere to the requirements of the Plan and his responsibilities as the Practice's Compliance Officer;

WHEREAS, in connection with the administration of the Plan, Dr. \_\_\_\_\_ may receive, locate, collect, or otherwise obtain information regarding the Practice's operations that is not available to the general public; and

WHEREAS, the parties desire to protect the confidential nature of such information;

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. For purposes of this Agreement, the term "Confidential Information" shall mean all proprietary business information, medical records and information and data pertaining in any way to the Practice, including, but not limited to, information and data relating to the maintenance and administration of the Plan.

2. Dr. \_\_\_\_\_ will not disclose any Confidential Information to any third party (including, but not limited to, federal and state governmental entities and/or their agents) without the prior written consent of the Board of Directors of the Practice (the "Board"), and will not use or disclose any Confidential Information at any time, except as authorized in advance and in writing by the Board. Dr. \_\_\_\_\_ further agrees he shall not use any Confidential Information for personal benefit (financial or otherwise) or for the benefit of another.

3. If Dr. \_\_\_\_\_ is requested or required to disclose any Confidential Information by a third party, Dr. \_\_\_\_\_ will provide the Board with prompt notice of any such request or requirement, unless prohibited by law to do so, prior to disclosing such information, so that the Practice may seek an appropriate protective order, and/or waive compliance with the provisions of this Agreement.

WHEREFORE, the parties have executed this Agreement on the date first above written.

\_\_\_\_\_  
[Entity]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**COMPLIANCE OFFICER**

By: \_\_\_\_\_

Name: \_\_\_\_\_

**EXHIBIT G**

**THIRD PARTY COMPANY LETTER AGREEMENT**

**Name  
Company President  
Billing/Marketing Company**

**RE: Letter of Agreement**

**Dear Sir/Madam:**

In connection with the provision of \_\_\_\_\_ by  
[insert nature of services provided]

\_\_\_\_\_ (the "Company") to \_\_\_\_\_ (the  
[firm name]

"Practice") this letter shall serve to confirm the following:

1. The Company will comply with all applicable rules, laws and regulations.
2. The Company agrees to be bound by the Practice's Corporate Compliance Plan (the "Plan").
3. The Company hereby represents that it has not been and is currently not under any investigation, civil or criminal. The Company further represents that it has performed background checks on its employees involved in any billing functions related to the Practice and certify that none of its employees is listed, in the list of sanctioned individuals contained in the OIG's Cumulative Sanctions report.
4. The Company agrees to notify the Practice in the event it is involved in any investigation, civil or criminal, regardless of whether the investigation involves the Practice.
5. The Company agrees that in the event the Company has adopted its own Corporate Compliance Program and information is reported internally through such program relating to the Practice, such information shall immediately be reported to the Practice.

Please acknowledge the Company's acceptance of the foregoing terms by signing this agreement below and returning it to me.

Should you have any questions with respect to the foregoing, please not hesitate to contact me.

Very truly yours,

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

The Company agrees to the terms set forth above.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Exhibit H**

**Corporate Compliance Checklists**

These checklists are provided as a guide to be used when reviewing contracts and arrangements that may implicate the Federal Anti-Kickback Law (42 U.S.C. 1320a-7b) and Safe Harbor regulations (42 C.F.R. 1001.952). They should be used only to highlight areas in the Hospital's contracting with third parties that may need further negotiation. Compliance, or failure to comply, with these checklists does not indicate that an arrangement will or will not violate the Anti-Kickback Law, and all arrangements of concern should be reviewed by legal counsel.

**EXHIBIT H1**

**Checklist for Employment Contracts.**

Name of Employee: \_\_\_\_\_

Effective Date: \_\_\_\_\_

Expiration Date: \_\_\_\_\_

Compensation: \$ \_\_\_\_\_ per \_\_\_\_\_ (hour) \_\_\_\_\_ (day) \_\_\_\_\_ (week) \_\_\_\_\_ (year)  
*[check one]*

- 1. Is the total compensation package consistent with fair market value? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 2. Is there evidence that data concerning fair market value was considered prior to entering into the contract? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 3. Does the contract provide for any incentive or bonus compensation? \_\_\_\_\_ Yes \_\_\_\_\_ No
  - a. If "Yes" is that incentive not based on the volume or value of referrals or other business between the employee and the Hospital? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 4. Does the contract identify the services to be performed by the employee? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 5. Was the compensation (either base salary or bonus) determined without taking into account the volume or value of referrals or business generated between the party? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 6. Would the amount of compensation paid be commercially reasonable even if no referrals were made to the Hospital? \_\_\_\_\_ Yes \_\_\_\_\_ No

**NOTE:** If the answer to any question is "No" the contract should be reviewed by legal counsel.

**EXHIBIT H2**

**Checklist for Personal Services Contracts (Non-Employment)**

Name of Other Party: \_\_\_\_\_

Effective Date: \_\_\_\_\_

Expiration Date: \_\_\_\_\_

Compensation: \$ \_\_\_\_\_ per \_\_\_\_\_ (hour) \_\_\_\_\_ (day) \_\_\_\_\_ (week) \_\_\_\_\_ (year)  
[check one]

- 1. Is the contract set out in a writing signed by the parties? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 2. Is the term of the agreement for at least one year? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 3. Is the total compensation package consistent with fair market value? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 4. Is there evidence that data concerning fair market value was considered prior to entering into the contract? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 5. Does the contract provide for any incentive or bonus compensation? \_\_\_\_\_ Yes \_\_\_\_\_ No  
If "Yes" is that incentive not based on the volume or value of referrals or other business between the employee and the Hospital? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 6. Does the contract identify the services to be performed by the outside party? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 7. Was the compensation (either base compensation or bonus) determined without taking into account the volume or value of referrals or business generated between the party? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 8. Would the amount of compensation paid be commercially reasonable even if no referrals were made to the Hospital? \_\_\_\_\_ Yes \_\_\_\_\_ No

**NOTE:** If the answer to any question is "No" the contract should be reviewed by legal counsel.

**EXHIBIT H3****Checklist for Leases (Both Space and Equipment)**

1. Is the lease set out in writing signed by the parties?  Yes  No
2. Does the lease specify the premises or equipment covered by the lease?  Yes  No
3. Does the equipment or space leased exceed that which is reasonable and necessary for the legitimate business purpose of the lease?  Yes  No
4. Is the term of the lease for at least one year?  Yes  No
5. Are the rental charges in the lease set in advance?  Yes  No
6. Are the rental charges consistent with fair market value?  Yes  No
7. Are the rental charges determined without taking into account the volume or value of referrals or business generated between the party?  Yes  No
8. If the rental arrangement sets a fixed fee per hour, does it set the number of hours or schedule?  Yes  No
9. Would the lease be commercially reasonable even if no referrals were made between the parties?  Yes  No
10. Can the agreement be terminated without cause?  Yes  No
11. If "Yes" is there a prohibition against entering another contract within one year?  Yes  No

**Note:** If the answer to any question is "No" the contract should be reviewed by legal counsel.

**EXHIBIT H4**

**Checklist for Joint Ventures**

- 1. Do investors in the joint venture who are in a position to make or induce referrals or generate business for the entity hold more than 40% of the value of the investment interests? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 2. Are the terms on which investments are offered the same to passive and active investors? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 3. Are the terms on which investments are offered related to the previous or expected volume of referrals? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 4. Does the arrangement prohibit the entity from divesting a passive investor's investment because that passive investor does not make, or is not in a position to make referrals? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 5. Are services of the joint venture marketed or furnished the same to passive and active investors? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 6. Does less than 40% of the gross revenue of the joint venture in any 12-month period come from referrals or business generated by the investors? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 7. Does the arrangement prohibit the loaning of funds to or guaranteeing the loans for investors who make referrals to the joint venture? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 8. Is the return on investment directly proportional to the amount of the investor's capital investment? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 9. Does the Hospital provide services or property to the joint venture at less than fair market value? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 10. Do investors receive greater than fair market value compensation for services or property provided to the joint venture? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 11. Does the joint venture track its sources of referrals and distribute the information to the investors? \_\_\_\_\_ Yes \_\_\_\_\_ No
- 12. Are investors required to divest their interests if they cease to practice in the service area, move, become disabled, or retire? \_\_\_\_\_ Yes \_\_\_\_\_ No

**NOTE:** If the answers to questions 1, 2, 9, 10, 11, and 12 are "Yes", or the answers to the remaining questions are "No" the contract should be reviewed by legal counsel.