



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N
Quality Healthcare for All

CORPORATE COMPLIANCE PLAN

Issued by: Corporate Compliance Committee

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DESCRIPTION OF HAWAII HEALTH SYSTEMS CORPORATION'S COMPLIANCE PROGRAM

POLICY: Hawaii Health Systems Corporation (HHSC or System) has adopted a Corporate Compliance Program (Compliance Program) to reaffirm HHSC's commitment to promoting full compliance with applicable federal and state laws and regulations, and Federal health care program requirements. The Compliance Program provides a solid framework for structuring a comprehensive range of compliance activities that are designed to avoid legal and ethical problems, to effectively address compliance allegations as they arise, and to remedy the effects of noncompliance.

LEGAL BASIS: HHSC's Compliance Program has been developed in accordance with applicable law, and with guidance from federal authorities, including the *United States Federal Sentencing Guidelines*, adapted to providers of healthcare services by the Office of Inspector General of the Department of Health and Human Services (OIG) in its various *Compliance Program Guidance* documents¹. The scope of the Compliance Program may be expanded in the future to cover additional areas of regulatory compliance to which HHSC is subject.

CORE ELEMENTS: The Compliance Program reflects HHSC's good faith commitment to identify and reduce risk, improve internal controls, and establish standards to which the entire System shall adhere. As such, HHSC adopts the following principals of compliance:

1. Developing and distributing a written Code of Conduct, as well as written policies and procedures that address the various components of HHSC's Compliance Program, and address HHSC's principal risk areas.
2. Designating a Chief Compliance and Privacy Officer (CCPO), Regional Compliance Officers (RCOs) and a Corporate Compliance Committee (Compliance Committee) charged with the responsibility of operating and monitoring the Compliance Program.
3. Developing and implementing regular, effective education and training programs for HHSC employees, Board members, members of the medical staff and agents.
4. Maintaining an effective and well-publicized protocol for reporting or raising conduct or ethical concerns without fear of retaliation.
5. Developing disciplinary standards to clarify and respond to conduct that is prohibited by HHSC's Code of Conduct and policies and procedures, to respond to illegal or unethical conduct, and to pursue equitable enforcement of these standards with regard to all employees who violate any criminal, civil or administrative law or regulation, or the standards developed according to HHSC's Compliance Program.
6. Developing criteria and protocol for ensuring no individual who has engaged in illegal or unethical behavior, or who has been convicted of healthcare-related crimes, shall occupy positions that require the exercise of discretionary authority.
7. Maintaining effective auditing and monitoring systems to evaluate HHSC's compliance with laws, regulations, Federal health care program requirements, and the standards developed according to HHSC's Compliance Program; to assist in the prevention of Compliance Program violations; and to maintain the effectiveness of the Compliance Program.
8. Investigating, responding to and preventing identified noncompliance, including establishing appropriate and coordinated corrective action measures.

SCOPE: These Compliance Program standards shall apply to all employees, Board members, members of the medical staff and agents affiliated with HHSC throughout HHSC's diverse medical facilities, including: Hale Ho'ola Hamakua, Hilo Medical Center, Ka'u Hospital, Kauai Veterans Memorial Hospital, Kohala Hospital, Kona Community Hospital, Kula Hospital, Lanai Community Hospital, Leahi Hospital, Maluhia, Maui Memorial Medical Center, Samuel Mahelona Memorial Hospital and any other facilities or services which are currently operated or provided by HHSC, or which shall be operated or provided by HHSC in future (the HHSC facilities). It is the responsibility of all employees, Board members, members of the medical staff and agents to be familiar and comply with all requirements of the Compliance Program that pertain to their respective areas of responsibility; recognize and avoid actions and relationships that might violate those requirements; and seek guidance from, as applicable, an immediate supervisor, a HHSC facility administrator, a Regional Chief of Staff (RCS), a RCO or the CCPO.

LIMITATIONS: The Compliance Plan is not intended to summarize all laws and regulations applicable to HHSC. This Compliance Plan is a living document that shall be reviewed and updated periodically to assure that employees, Board members, members of the medical staff and agents are kept informed of the most current legal and compliance developments in the healthcare industry.

GLOSSARY OF IMPORTANT TERMS

These terms shall have the following meanings throughout the HHSC Corporate Compliance Program:

Agents with respect to HHSC shall mean all persons and entities that have contracted with or volunteer at HHSC to provide healthcare related services, equipment or other items that impact HHSC's provision of healthcare to patients, and HHSC's relationship with Federal health care programs. Agents shall include, but not be limited to, residents, medical students, contractors, consultants, volunteers and vendors.

Audit shall mean a formal review of compliance with internal (e.g., policies and procedures) and external (e.g., laws and regulations) standards.

Board or Board members shall mean the members of HHSC's Board of Directors, which consists of community volunteer leaders who are representatives of the total community, and are knowledgeable of Hawaii's unique cultural diversity and health care needs.

Complainant shall mean an individual who reports conduct inconsistent with the goals of HHSC's Compliance Program or in violation of any criminal, civil or administrative law or regulation, or Federal health care program requirement.

Compliance Committee shall mean those employees responsible for providing direct support to the CCPO in the creation, implementation and operation of HHSC's Compliance Program.

Employees shall mean those persons employed by HHSC, including, but not limited to, managers, facility administrators, supervisors, employed medical staff, and other healthcare professionals.

Excluded individuals and entities refer to an individual or entity who: (a) is currently excluded, debarred, suspended, or otherwise ineligible to participate in the Federal health care programs or in Federal procurement or non-procurement programs; or (b) has been convicted of a criminal offense that falls within the ambit of 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible.

Exclusion lists refer to the electronic lists of excluded individuals or entities maintained by the OIG and the General Services Administration.

Executive management shall mean those individuals who are part of HHSC's Executive Management Team.

Federal health care programs as defined in 42 U.S.C. § 1320a-7b(f), include any plan or program that provides healthcare benefits to any individual, whether directly, through insurance, or otherwise, which is funded directly, in whole or in part, by a United States Government or state healthcare program, including, but not limited to, Medicare, Medicaid, Civil Health and Medical Program for the Uniformed Services (CHAMPUS), Department of Veterans Affairs (VA), Federal Bureau of Prisons, and Indian Health Services, but excluding the Federal Employees Health Benefit Program (FEHBP).

HHSC or System shall include all healthcare facilities or services which are currently operated or provided by the Hawaii Health Systems Corporation, or which shall be operated or provided by the Hawaii Health Systems Corporation in future.

Management or managers shall mean those HHSC employees, including supervisors, who have the responsibility of evaluating, recommending and implementing major policies and strategies that assure continuance of quality healthcare to the communities which HHSC serves.

Medical staff or member of the medical staff shall mean those physicians and other providers of healthcare services who have been granted membership or clinical privileges to admit, treat or practice medicine within the facilities owned or operated by HHSC, and according to the terms of the Medical Staff Bylaws.

Monitoring refers to compliance reviews that are repeated on a regular basis during the normal course of HHSC's operations.

Noncompliance refers to conduct inconsistent with the goals of HHSC's Compliance Program or in violation of any criminal, civil or administrative law or regulation, or Federal health care program requirements.

¹ See 63 Fed. Reg. 8987 (Feb. 23, 1998) for the compliance program guidance for hospitals; 70 Fed. Reg. 4858 (Jan. 31, 2005) for the draft supplemental compliance program guidance for hospitals. These documents, along with the other OIG compliance program guidance documents, are available at <http://www.oig.hhs.gov/fraud/complianceguidance.html>.

I. Written Standards

A core principal of HHSC's Compliance Program is the development, distribution and implementation of written standards that address HHSC's principal risk areas, reflect HHSC's commitment to promote compliance with all applicable legal duties, and foster and promote ethical conduct. These written standards shall consist of the Code of Conduct and policies and procedures that reflect HHSC's values and expectations regarding the behavior of employees, Board members, medical staff and agents, explain the operation of the Compliance Program, clarify and establish internal standards for compliance with laws and regulations, and help employees, Board members, medical staff and agents understand the consequences of noncompliance to both HHSC and the individual.

A. Code of Conduct

HHSC has adopted a Code of Conduct, which is intended to serve as a guide to provide standards by which HHSC employees, Board members, medical staff and agents shall conduct themselves to protect and promote system-wide integrity and to enhance HHSC's ability to achieve its mission. The Code of Conduct is designed to assist all HHSC employees, Board members, medical staff and agents in carrying out their daily responsibilities within the appropriate legal and ethical standards. However, the Code of Conduct cannot possibly encompass all legal and ethical standards, and is not a substitute for each employee, Board member, member of the medical staff or agent's own internal sense of honesty, integrity and fairness. Instead, each employee, trustee, member of the medical staff and agent must utilize their own good judgment, along with the principals announced in the Code of Conduct, to maintain HHSC's values.

The Code of Conduct is intended to be easily understood. In some instances, the Code of Conduct deals fully with the subject-matter covered. In many cases, however, the subject discussed is sufficiently complex that additional guidance is necessary to provide adequate direction. Consequently, the Code of Conduct is designed to be supplemented by this Compliance Plan and policies and procedures. Those policies and procedures shall expand upon and supplement many of the principals articulated in the Code of Conduct.

The Code of Conduct defines how HHSC operates internally and conducts business with respect to the following:

- Commitment to patients;
- Commitment to legal and regulatory compliance;
- Expectation that employees, Board members, medical staff and agents remain free of conflicts of interest in the performance of their responsibilities and services to HHSC;
- Commitment to satisfy the payment conditions required by payors with which HHSC transacts business, including Federal health care programs;
- Commitment to monitor and structure HHSC's relationships with physicians and other healthcare providers to be consistent with relevant federal and state laws and regulations, and in furtherance of HHSC's mission;
- Commitment to a diverse workforce and safe work environment; and
- Commitment to ensure that business, financial and patient-related information is used and safeguarded effectively and appropriately.

B. Policies and Procedures

The Compliance Program requires the creation, distribution and maintenance of sound policies and procedures that address the various components of the Compliance Program and HHSC's principal legal risk areas.

Policies directly relating to the operation of the Compliance Program shall address:

- The duties of the CCPO, the RCOs, the Compliance Committee, and the duties of any subcommittees or task forces created by the Compliance Committee;
- Compliance education and training program requirements;
- Protocol for reporting or raising conduct or ethical concerns without fear of retaliation;
- Disciplinary standards and response to violations of those standards;

- Criteria and protocol for screening employees and agents, and potential employees and agents, including protocol for querying the exclusion lists to identify ineligible persons and entities;
- Effective auditing and monitoring procedures;
- Investigating and responding to complaints and potential compliance problems; and
- Implementing corrective action plans in instances of noncompliance.

There are certain areas of heightened risk that have been identified throughout the healthcare industry, including the investigative and audit functions of the OIG. Therefore, to ensure that HHSC's Compliance Program remains effective, it is important for HHSC's policies and procedures to adequately address the following risk areas:

- The integrity and accuracy of claims submitted to the Federal health care programs and commercial payors for reimbursement, including policies that address:
 - Claiming reimbursement for services that have not been rendered;
 - Filing duplicate claims for the same service;
 - "Upcoding" to more complex procedures than those performed to obtain greater payment than that which is applicable to the items or service actually provided;
 - "Unbundling" or splitting a code for combined services into individual component codes to maximize reimbursement;
 - Including inappropriate or inaccurate costs on hospital cost reports;
 - Falsely indicating that a particular healthcare professional attended a procedure, or that services were otherwise rendered in a manner they were not;
 - Billing for a length of stay beyond what is medically necessary;
 - Billing for services or items that are not reasonable and necessary for the diagnosis or treatment of illness or injury or to improve certain functions;
 - Billing excessive charges; and
 - Collecting and submitting on a timely basis proper documentation to support claims for reimbursement.
- Guidance regarding gifts, gratuities and discounts to Federal health care program beneficiaries.
- Patient referrals to and by HHSC to promote the best interests of every patient and to comply with anti-kickback and patient self-referral laws.
- Appropriate methods for recruiting physicians to HHSC.
- The manner in which HHSC contracts with physicians for professional and administrative services.
- HHSC's obligations and rights when dealing with patients in emergency situations.
- The protection of confidential and other sensitive health information.
- Conflicts of interest and best strategies for avoiding and identifying potential conflicts.
- Compliance standards to govern HHSC's relationship with independent contractors, vendors, and other agents.

Policies and procedures shall be made readily available to, and easily accessible by, all employees, medical staff and agents. Policies and procedures shall also be revised or supplemented as necessary to reflect changes in laws, regulations and HHSC operations.

II. Chief Compliance and Privacy Officer, Regional Compliance Officers and Compliance Committee

HHSC's CCPO, provides management and oversight for the ongoing implementation and development of the Compliance Program with the support of the RCOs. HHSC shall establish a compliance committee to advise and provide support to the CCPO in the implementation and maintenance of the Compliance Program.

A. Chief Compliance and Privacy Officer, Regional Compliance Officers

While compliance is everyone's responsibility, the CCPO is the focal point of HHSC's Compliance Program and shall be accountable for all compliance responsibilities at HHSC. The RCOs are responsible for ensuring that Compliance Program initiatives are implemented through the System in each of the HHSC facilities. The CCPO may delegate authority and responsibility for compliance activities in the HHSC facilities to the RCOs, but shall ultimately retain responsibility for the effectiveness of HHSC's Compliance Program.

In addition to general accountability for HHSC's Compliance Program, the CCPO's responsibilities include:

- Periodically assessing HHSC's compliance risk exposure and the development of action plans to assure that the Compliance Program responds to identified risk areas.
- Formulating and ensuring the distribution of the Code of Conduct.
- Overseeing the creation, distribution and maintenance of HHSC's compliance policies and procedures.
- Coordinating with the various Human Resource departments to ensure adequate employee background checks are performed.
- Establishing effective systems to prevent employment of individuals, relationships with contractors, or purchase from vendors who have been barred from participation in federal government programs (commonly referred to as ineligible individuals and entities) or who have demonstrated a propensity to engage in illegal activities.
- Ensuring mandatory compliance education and training programs, which are effective to familiarize all HHSC employees, Board members, medical staff and agents with the components of the Compliance Program, the Code of Conduct, compliance policies and procedures and relevant compliance issues.
- Updating and refreshing education and training information according to updates or revisions in relevant laws and regulations or changes in the Compliance Program.
- Maintaining a well-publicized procedure for reporting potential Compliance Program violations without fear of retaliation, and promoting effective lines of communication for employees, Board members, medical staff and agents to pose informal compliance questions.
- Maintaining a record of compliance-related complaints and allegations and the disposition of each case, including any associated disciplinary actions and remedial action pursued by HHSC.
- Coordinating audit endeavors to assess the effectiveness of HHSC's internal controls and to detect significant violations of legal and ethical standards.
- Conducting investigations, or authorizing external investigations, in consultation with the President and Chief Executive Officer (President and CEO) and the General Counsel, of potential legal violations, or instances of unethical behavior.
- Evaluating, determining and implementing the most appropriate remedies to correct incidents of noncompliance, and develop and implement strategies for preventing future offenses.
- Reporting, after consulting with the President and CEO and the General Counsel, any compliance matter requiring external reporting or disclosure.
- Establishing methods of improving HHSC's efficiency and quality of services, and reducing the System's vulnerability to fraud, abuse and waste.
- Making quarterly reports on compliance developments to the President and CEO and to the Board. Additional reports may be made to the President and CEO and the Board as determined by the CCPO, with input from the President and CEO and the Board.
- Serving as Chairperson of the Compliance Committee.
- Providing guidance and interpretation to the Board, the President and CEO, and executive management on matters related to the Compliance Program.
- Preparing, at least annually, a report describing the compliance activities and actions undertaken during the preceding year, the compliance priorities for the next year, and any recommendations for changes to the Compliance Program. This report shall be prepared with input from the Compliance Committee.
- Reviewing and updating the Compliance Program at least annually, and as required by events, such as changes in the law, or discovered deficiencies in the Program.

To ensure the CCPO is able to carry out the responsibilities of his or her role, the CCPO and RCOs have complete authority to review all documents or other information related to compliance activities, including, but not limited to:

- Patient records
- Billing records
- Records concerning marketing activities
- Records concerning HHSC's arrangements with employees, Board members, medical staff and agents
- Contracts and obligations that may implicate relevant laws, such as anti-kickback, physician self-referral or other statutory or regulatory requirements.

The presence of the CCPO and RCOs does not diminish or alter the independent duty of every employee, Board member, member of the medical staff or agent to abide by the Compliance Program. For example, as clarified by the Code of Conduct, employees in a supervisory role shall be responsible for monitoring and promoting compliant behavior among subordinate employees.

B. Compliance Committee

The Compliance Committee shall be responsible for providing support to the CCPO in planning, overseeing, implementing, operating and enforcing the various components of the Compliance Program. The Compliance Committee is critically important to establishing accountability, credibility, and the structure of the Compliance Program. The purpose of the Compliance Committee is to allow HHSC and the CCPO to benefit from the combined perspectives of individuals with diverse responsibilities and experiences. The Compliance Committee shall consist of high-ranking System employees. Accordingly, in addition to the CCPO, who will chair the Committee, the Compliance Committee shall include:

- the five RCOs;
- Vice President and General Counsel;
- Chief Operating Officer and Chief Financial Officer;
- Vice President and Director of Human Resources;
- Vice President and Chief Information Officer; and
- two other high-ranking System employees to be determined by the President and CEO in consultation with the CCPO.

In addition to the permanent membership, the Compliance Committee is authorized to invite other HHSC employees to meetings to draw from their relevant expertise as related to the matter under discussion.

The Compliance Committee shall support the CCPO in furthering the objectives of HHSC's Compliance Program by:

- Analyzing the legal requirements with which HHSC must comply, and HHSC's principal risk areas.
- Ensuring appropriate System responses to identified organizational risk areas.
- Developing appropriate internal controls to facilitate legal and ethical conduct.
- Ensuring the Code of Conduct is distributed to all employees, Board members, medical staff and agents.
- Ensuring policies and procedures are distributed to the appropriate departments, employees and agents to which they apply.
- Updating and providing revisions to the Code of Conduct and policies and procedures.
- Recommending and supervising, in consultation with the relevant departments at the HHSC facilities, the development of internal systems and controls to achieve the standards set forth in the Code of Conduct and HHSC's policies and procedures.
- Developing effective education and training programs.
- Developing a system to solicit, evaluate and respond to complaints and problems.
- Reviewing the process by which reports of noncompliance are investigated and resolved.
- Creating and implementing effective methods for the proactive identification of potential compliance problems throughout HHSC.
- Assessing the effectiveness of the Compliance Program.
- Furnishing recommendations to the CCPO regarding reports to be furnished to the President and CEO, the Board, or external third parties.

The Compliance Committee may also address other compliance functions as the Compliance Program develops.

The Compliance Committee shall create task forces to be comprised of employees with relevant expertise, who are not Compliance Committee members, to perform specialized functions with regard to implementing the Compliance Program.

III. Education and Training

To promote compliance with applicable legal requirements and to assure that the standards set forth in this Compliance Plan are maintained, HHSC is committed to conducting education and training programs for employees, Board members, medical staff and, as applicable, agents. Training

programs shall be conducted at least annually, but possibly more during the implementation phase of the Compliance Program; if there is a change in the law, regulations or Federal health care program requirements that affects the Compliance Program; or if other issues arise that the CCPO feels necessitates additional training.

The CCPO, the RCOs and the Compliance Committee shall be responsible for the proper coordination and supervision of the education and training process. This shall require the development of a general compliance training program that is designed to provide an overview of Compliance Program activities and requirements and emphasize the areas that generate the greatest compliance risks for HHSC.

In addition to a general compliance training program, HHSC shall also sponsor more detailed, job-specific compliance training programs designed for certain employees, medical staff and agents, to help them effectively perform their job responsibilities and comply with the various specific legal and ethical issues that may not be included in general training. Special attention shall be paid to individuals whose responsibilities involve claims development and submission processes, and business relationships with physicians and other healthcare providers.

The compliance training programs are intended to provide each HHSC employee, Board member, member of the medical staff and, as applicable, agents with an appropriate level of information and instruction regarding the Compliance Program and applicable legal requirements and ethical standards. Both general and specific compliance training programs shall include distribution of the Code of Conduct and policies and procedures to the appropriate attendees.

Each new employee orientation shall, at a minimum, include general compliance training to be followed promptly by specific training as the new employees' job responsibilities require.

Compliance education and training sessions shall be conducted by qualified personnel, which may include the CCPO, the RCOs, other members of the Compliance Committee, or other trained HHSC personnel. Seminars may also be conducted by consultants or vendors qualified to conduct educational programs. The CCPO, after consultation with the President and CEO, may require that certain employees, medical staff and, as applicable, agents, attend, at HHSC's expense, publicly available seminars covering relevant compliance topics.

Education and training programs shall be updated according to results from audits and investigations, feedback from education and training program attendees, trends in reporting, and changes in applicable law and Federal health care program requirements.

Attendance at, and completion of, the education and training programs is mandatory for all employees, Board members and medical staff with regard to general training, and selected employees, medical staff and agents with regard to specific training. Attendance shall also be a factor in each employee's annual performance review. Failure to attend and complete compliance training will be grounds for disciplinary action, up to, and including, termination of employment or

medical staff privileges, or failure to renew contracts. All attendees shall be required to certify to attending the education and training sessions.

The CCPO, with the assistance of the RCOs, shall be responsible for seeking feedback from all training session attendees, and developing and implementing a system for retaining records of employee training, including attendance logs, certifications, and material distributed at training sessions.

IV. Reporting

To effectively detect, resolve and prevent instances of noncompliance it is essential that employees, Board members, medical staff and agents are encouraged to raise conduct or ethical concerns to, as applicable, an immediate supervisor, a HHSC facility administrator, a RCS, a RCO or the CCPO.

To ensure a viable system of internal reporting, the following shall be incorporated into HHSC's Compliance Program:

- Creation of an environment within which employees, Board members, medical staff and agents feel comfortable reporting concerns, questions and instances of improper conduct without fear of retaliation.
- Provision of a mechanism for confidential or anonymous reporting for employees, Board members, medical staff and agents who are uncomfortable reporting concerns to, as applicable, an immediate supervisor, a HHSC facility administrator, a RCS, a RCO, or the CCPO. This reporting may be accomplished through the use of HHSC's telephone hotline, which can be accessed 24 hours a day, 7 days a week, by dialing **1-877-733-4189**.
- Publicizing HHSC's telephone hotline and other methods of internal reporting in a manner in which all employees, Board members, medical staff and agents are made aware of the various reporting methods available.
- Tracking, documentation and oversight mechanisms to ensure that reports of suspected noncompliance are fully and promptly investigated and addressed. In the case of the telephone hotline, a log of the calls received shall be maintained by the CCPO.
- Mechanisms to ensure that the President and CEO, the Board, and relevant management are properly and regularly apprised of, and can take appropriate action on, compliance issues identified in investigations that result from reports of noncompliance. Such action may include the development or updating of related policies and procedures and training program content.

Once an employee, Board member, member of the medical staff or agent has made a report, the complainant has a continuing obligation to update the report as new information becomes known to the complainant. Reports that are deemed credible by the CCPO shall be thoroughly and appropriately investigated and addressed.

Although HHSC shall always strive to maintain the confidentiality of a complainant's identity, regardless of the method used to report suspected noncompliance, the complainant shall be made aware that his or her identity may have to be revealed in certain circumstances, such as scenarios involving government or law enforcement authorities, or when it is necessary to further an internal investigation into the reported matter. Nevertheless, HHSC strictly prohibits a complainant from being retaliated against in any manner based on the complainant's report of suspected noncompliance. Any individual found to have retaliated against a complainant shall face disciplinary action, up to and including, termination of employment or medical staff privileges, or failure to renew contracts. If a complainant is found to be responsible for the noncompliance, the Human Resource departments shall be responsible for responding according to established disciplinary standards and applicable collective bargaining contract language.

V. Disciplinary Standards

Adherence to HHSC's Compliance Program standards, and all applicable laws and regulations, is a condition of employment or association with HHSC. Accordingly, HHSC shall develop, implement and maintain a mechanism of accountability and discipline for individuals who are found to be in violation of any law or regulation, or any of the Compliance Program standards in the course of their employment or association with HHSC. Examples of actions or omissions that will subject an employee, member of the medical staff and certain agents to disciplinary action include, but are not limited to:

- Mistreatment of patients;
- Conduct inconsistent with legal requirements or Compliance Program standards;
- Failure to report suspected noncompliance; or
- Direct or indirect retaliation against an individual who reports, through any means, suspected noncompliance.

Possible disciplinary action may include, but shall not be limited to, counseling, written warnings, suspension, demotion, reduction in pay, termination of employment or medical staff privileges, and failure to renew contracts, depending on the degree of severity of noncompliance. Disciplinary action will be pursued on a fair and equitable basis, and employees at all levels of HHSC shall be subject to the same disciplinary action for the commission of similar offenses, including executive management. The Human Resources departments shall ensure that the imposed discipline is proportionate to the level of misconduct, and administered fairly and consistently in compliance with HHSC policies and procedures.

Disciplinary standards shall be well-publicized and disseminated, and made available to all levels of HHSC employees, medical staff and, where applicable, agents.

VI. Hiring Criteria

Legally and ethically, HHSC has a responsibility to protect the integrity of the delivery of healthcare services, and billing and claims submission systems. Therefore, HHSC shall not knowingly employ or contract with an individual or entity who has engaged in illegal activities or who has been convicted of healthcare-related crimes.

Accordingly, any applicant for an employment position with HHSC, physician or other healthcare provider seeking medical staff privileges, or any agent seeking to provide services to or for HHSC, shall be required to disclose whether they have ever been convicted of a crime, including:

- Crimes related to the delivery of a healthcare item or service;
- Patient abuse or neglect;
- Fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct in connection with a healthcare program; or
- Exclusion from participation in federal government programs.

In addition, HHSC shall reasonably inquire into the status of each prospective employee, member of the medical staff and agent by, at a minimum, pursuing the following steps:

- Conducting background checks of employees and agents with discretionary authority in the delivery of healthcare services or items, or billing functions to ensure that no history of engaging in illegal or unethical behavior exists;
- Conducting periodic reviews of the General Services Administration's List of Parties Excluded from Federal Programs available at www.epls.gov and the OIG's List of Excluded Individuals and Entities available at <http://www.oig.hhs.gov/fraud/exclusions.html>;
- Conducting periodic reviews of the National Practitioner Data Bank; and
- Conducting periodic reviews of actions pursued by the Food and Drug Administration and the Drug Enforcement Agency.

If an existing employee, member of the medical staff, or agent is found to be excluded he or she shall be immediately removed from a position of discretionary authority at HHSC, and HHSC may terminate employment, medical staff privileges, or its relationship with agents accordingly.

VII. Auditing and Monitoring

HHSC shall conduct a variety of active auditing and monitoring functions designed to test and confirm the effectiveness of the Compliance Program, and identify HHSC's principal organizational risk areas. Audits shall be conducted at the CCPO's direction. In addition, audits shall be outlined in an audit plan to be reviewed and approved by the Compliance Committee, and reevaluated annually to determine whether audits have been effective at identifying HHSC's principal risk areas and, if action has been taken to correct discovered deficiencies, whether that corrective action was sufficient to improve the audited area.

Audits may target diverse levels of HHSC operations, including, but not limited to:

- Billing systems
- Claims accuracy
- High volume services
- Medical record documentation
- Patient admissions, transfers and discharges
- Cost reporting
- Emergency medical services
- External relationships with third parties, particularly those with substantive exposure to government enforcement actions
- Potential kickback arrangements
- Physician self-referrals
- Marketing endeavors

Compliance audits may take one or more of the following forms:

- **Baseline Audit** – an initial audit in a series of identical audits that provides a basis against which the progress of future audits is compared. Assessments of organizational risk areas can be determined through baseline audits.
- **Prospective Audit** – an audit that is performed before a function is implemented or performed in an effort to correct discovered deficiencies. For example, in the case of billing, a prospective audit would be performed before a bill is submitted for payment.
- **Retrospective Audit** – an audit that is performed after a function is implemented or performed, which may require HHSC to implement corrective action to rectify any discovered deficiencies in the audited area.

- **Special Audits** – an unscheduled audit that is performed at the direction of the CCPO in response to events that necessitate an audit, such as internal or external investigations.
- **Post-Compliance Audits** – an audit that is performed following the correction of any detected deficiency to determine the effectiveness of the corrective action.
- **Annual Risk Assessment Audit** – an audit that is performed on annual basis to identify those audited areas that have improved, and those that require further corrective action.

Audits may be conducted by external auditors who have attained the requisite certification and, as such, have expertise in applicable federal and state healthcare laws and Federal health care program requirements. Compliance audits may also be conducted by the CCPO and the RCOs, with assistance from HHSC management or other individuals as the CCPO shall designate.

Monitoring activities shall be ongoing. The CCPO, with the assistance of the RCOs and RCEOs shall direct each HHSC department as to the level of monitoring activities necessary to detect and prevent deficiencies in the Compliance Program. Monitoring activities may also be initiated by managers.

The CCPO, with the assistance of the RCO, the CCPO's designees, and any external auditors retained by HHSC, shall prepare a written report to include the findings and results of each audit. These reports will help to determine whether an audited area shows improvement, or whether there are continued deficiencies that need additional examination. Compliance reports created by an auditing or ongoing monitoring process, including reports of noncompliance, shall be reported to, and maintained by, the CCPO and shared with the Compliance Committee, the RCEOs, the President and CEO and the Board as dictated by HHSC policy.

VIII. Investigation, Response and Prevention

Conduct in violation of law or inconsistent with the goals of the Compliance Program corrupts HHSC's mission and endangers HHSC's reputation. Accordingly, HHSC shall establish mechanisms that enable prompt response to credible reports of noncompliance.

When the CCPO receives a report of noncompliance that he or she deems to be credible, the CCPO shall coordinate with the RCOs and representatives from the relevant HHSC departments to:

- Promptly halt the underlying activity, and halt or mitigate, where possible, any ongoing harm caused by the suspected noncompliance;
- Fairly and expeditiously investigate to determine the existence, scope and seriousness of the noncompliance, and to identify the conduct or process that caused the noncompliance;

- Respond with appropriate action to correct the confirmed noncompliance;
- Implement preventative measures to avoid similar instances of noncompliance in the future; and
- Perform periodic audits of the identified problem area(s) to ensure that the implemented preventative measures have effectively eliminated the cause of the noncompliance.

If an investigation uncovers credible evidence of noncompliance, and, after a reasonable inquiry, the CCPO has reason to believe that the noncompliance may violate a law or regulation, the CCPO shall immediately report the matter to the General Counsel for advice regarding HHSC's reporting obligations. After consulting with the General Counsel, the CCPO shall promptly report such matters to the President and CEO and the Board. The CCPO shall maintain appropriate protocol to ensure that steps are pursued to secure or prevent the destruction of documents or other evidence relevant to the investigation.

ACKNOWLEDGEMENT and CERTIFICATION

I hereby certify that I have received and read **Hawaii Health Systems Corporation's Corporate Compliance Plan** and I understand that compliance with the requirements set forth in the Compliance Plan is a condition of my continued employment. I understand that it is my responsibility to read, understand and seek guidance, should I require clarification, with regard to the standards set forth in the Plan. I also understand that I may be subject to disciplinary action, up to and including termination, for violating these standards or failing to report violations of these standards.

Print Name: _____

Signed: _____

Department: _____

Date: _____

Please retain a copy for your records and return your original signed acknowledgement form to:

**Chief Compliance and Privacy Officer
Hawaii Health Systems Corporation
3675 Kilauea Avenue
Honolulu, HI 96816**