



**CORPORATE  
COMPLIANCE  
MANUAL**

**NORWEGIAN AMERICAN HOSPITAL**

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**DEVELOPMENT OF THE**  
**NORWEGIAN AMERICAN HOSPITAL**  
**CORPORATE COMPLIANCE PROGRAM**

# **NORWEGIAN AMERICAN HOSPITAL CORPORATE COMPLIANCE PROGRAM**

## **OVERVIEW**

In recent years, there has been significant concern about "fraud and abuse" in healthcare. In light of this, the Office of the Inspector General (OIG) has issued a document entitled "Compliance Program Guidance for Hospitals."

The OIG has recommended that an effective compliance plan should contain the following seven elements:

1. The development and distribution of written standards of conduct, as well as written policies and procedures that promote the Hospital's commitment to compliance and that address specific areas of potential fraud, such as claims development and submission processes, code gaming, and financial relationships with physicians and other health care professionals;
2. The designation of a chief compliance officer and other appropriate bodies charged with the responsibility of operating and monitoring the compliance program, and who report directly to the CEO and the governing body;
3. The development and implementation of regular, effective education and training programs for all affected employees;
4. The maintenance of a process, such as a hotline, to receive complaints, and the adoption of procedures to protect the anonymity of complainants and to protect complainants from retaliation;
5. The development of a system to respond to allegations of improper/illegal activities and the enforcement of appropriate disciplinary action against employees who have violated internal compliance policies, applicable statutes, regulations or federal health care program requirements;
6. The use of audits and/or other evaluation techniques to monitor compliance and assist in the reduction of identified problem areas; and
7. The investigation and remediation of identified systemic problems and the development of policies addressing the non-employment or retention of sanctioned individuals.

This manual outlines the process NAH will utilize to assure that it is in compliance with all the various laws and regulations established by both the Federal government as well as the State of Illinois. This manual is part of an ongoing process; it will be updated and expanded as the Program evolves.

## **NORWEGIAN AMERICAN HOSPITAL**

### **RESOLUTION OF THE BOARD OF TRUSTEES**

WHEREAS, it has always been the policy of Norwegian American (the "Hospital") to operate in a legal and ethical manner and to comply with all laws and regulations applicable to its business; and

WHEREAS, the health care industry is more heavily regulated than ever at a time when financial pressures continue to increase;

WHEREAS, the Board of Trustees believes that it is at just such a time that Norwegian American Hospital should both restate its commitment to quality and integrity and to take new steps and establish such formal mechanisms as are necessary to assure that future activities of the Hospital and its employees and agents are in compliance with applicable laws and regulations; and

WHEREAS, upon the recommendation of Counsel and in furtherance of its intention to remain in compliance with relevant laws, this Board desires to implement an appropriate and effective Compliance Program for the Hospital.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Hospital that:

Section 1. In order to assure continued and future adherence to these important goals, the Board of Trustees hereby directs the design and implementation of a Corporate Compliance Program.

Section 2. The Board of Trustees hereby appoints the Assistant Vice President of Finance, to serve as the Chief of Compliance with the responsibility of expeditiously establishing and implementing an appropriate and effective Compliance Program for the Hospital, which shall be approved by this Board.

AND BE IT FURTHER RESOLVED, that this Resolution be spread on the Corporate Records of Norwegian American Hospital.

Adopted this 16th day of February, 1998

## **NORWEGIAN AMERICAN HOSPITAL**

### **BOARD RESOLUTION TO ESTABLISH HIPAA AS AN INTEGRAL COMPONENT OF THE SYSTEMS' CORPORATE COMPLIANCE PROGRAM AND TO REDESIGNATE COMPLIANCE OFFICER**

WHEREAS, Norwegian American Hospital ("NAH") is committed to conducting business that promotes the highest ethical standards of business practices and care for its patients;

WHEREAS, it is a central tenet of ethical business behavior to be in compliance with federal and state law, which includes the privacy, electronic data transmission and security of patient protected health information provisions of the Health Insurance Portability and Accountability Act ("HIPAA"); and

WHEREAS, NAH is committed to maintaining a work environment that promotes compliance with applicable HIPAA requirements and demonstrates that its physicians, employees and agents maintain the appropriate standards in performing their patient care and other responsibilities; and

WHEREAS, the Board of Trustees of NAH (the "Board") recognizes and believes that the development of a HIPAA Compliance Program, would facilitate NAH's ability to provide services consistent with federal and state law, including the HIPAA requirements; and

WHEREAS, in order to avoid violations of the HIPAA requirements, the Board believes management should implement a HIPAA Compliance Program as an integral part of the Corporate Compliance Program; and

WHEREAS, the Board believes that directing management to proceed with development and implementation of the HIPAA Compliance Program as an integral part of the Corporate Compliance Program should not be interpreted as a concern that present activities are inadequate. Rather, the development and implementation of the HIPAA Compliance Program as an integral part of the Corporate Compliance Program is an effort by NAH to continually improve quality and performance' and

WHEREAS, the Board also has decided that the Chief Compliance Officer should be someone other than the person who holds the position of either the Chief Financial Officer and/or the Vice President of Finance.

NOW, THEREFORE, BE IT RESOLVED, that the Board directs management to develop and implement a HIPAA Compliance Program to be included as a part of the Corporate Compliance Program, paying particular attention to NAH's access, and/or use or disclosure of protected health information. In so doing, the Board:

1. Directs management to dedicate the necessary resources toward the development of an effective HIPAA Compliance Program (the "Program") designed to detect and prevent violations of federal and state law paying particular attention to compliance with the HIPAA requirements.



2. Requires the Program to contain or include:
  - a. policies and procedures reasonably capable of reducing the prospect of inappropriate use, access or disclosure of patient protected health information;
  - b. appointment of a specific individual with overall responsibilities to oversee compliance of such policies and procedures;
  - c. appointment of a Privacy and Security Officer;
  - d. annually, and as needed, provide education and training programs for all employees, physicians and agents of NAH;
  - e. consistent enforcement of standards and utilizing appropriate disciplinary mechanisms, including appropriate discipline of individuals for non-compliance;
  - f. such steps as reasonably necessary to effectively communicate the Program standards and procedures to all employees, agents and physicians;
  - g. reasonable steps to respond appropriately to non-compliance after detection, and to prevent reoccurrence, which may require modification to standards and procedures of the Program;
  - h. a mechanism for employees, physicians and agents to report incidents of non-compliance in a non-threatening way;
  - i. such other steps as management may deem necessary in order to ensure compliance with federal and state law to protect the privacy, electronic data transmission and security of patient protected health information under the HIPAA regulations.

FURTHER RESOLVED, that the Chief Compliance Officer shall no longer be the Chief Financial Officer and/or the Vice President of Finance, but rather whomever is recommended by the Chief Executive Officer and approved by the Board.

FURTHER RESOLVED, that the Board understands the development and implementation of the Program, including standards, education and training of employees with respect to those standards, and reviewing and possibly enhancing internal controls and monitoring systems, will be a time-consuming process. Accordingly, the Board has indicated to NAH's management that the implementation and further development of the Program shall be a management priority.

Adopted by the Board of Trustees of NAH on this 19th day of December, 2005.

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Chairman of the Board of Trustees  
Norwegian American Hospital

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**STATEMENT OF COMMITMENT TO CORPORATE COMPLIANCE**

Norwegian American Hospital is a not-for-profit community facility that provides selected healthcare services. Norwegian American Hospital is committed to providing effective and efficient family healthcare services to our community.

The NAH Mission is to provide and promote accessible, affordable, high-quality family-centered healthcare services to enable individuals to achieve optimum health status.

The NAH Vision is to be the primary care provider to our Community.

In order to achieve its Mission and Vision, NAH is committed to maintaining a work environment that promotes integrity and trust in order that its employees, medical staff, and agents may perform their tasks with the highest ethical standards. These ethical standards require strict adherence to all applicable laws and regulations.

In order to avoid any violations of laws and regulations, a formal Corporate Compliance Program has been implemented at NAH. This Corporate Compliance Program is a part of Norwegian American Hospital's continuing effort to improve quality and performance.

Corporate Compliance means that everyone associated with Norwegian American Hospital will try to understand all legal and other requirements that relate to their positions and comply with them. (Regulations published by the Center for Medical Services ("CMS"), and other federal or state agencies). Any deviations are to be reported to a supervisor, the Compliance Officer or the Chief Executive Officer so that they can be dealt with appropriately. If you have a question or concern, please call the Compliance Officer at (773) 292-5934 and/or the Hotline at (888) 826-8433.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**CODE OF ETHICS**

It is the policy of Norwegian American Hospital that the Corporate Compliance Program is considered as a guideline to be followed by all members of the Board of Trustees, medical staff, administrative officers, directors, managers and employees of this hospital. Norwegian American Hospital requires that its board members, medical staff, administrative officers, managers and employees maintain high standards of integrity, and business ethics. The Board of Trustees, medical staff, administrative officers, directors, managers and employees must avoid any actions that are or appear to be inconsistent with such standards.

The Corporate Compliance Program is an on-going process designed to prevent and detect violations of the law, particularly fraud and abuse. If a situation should arise where there is a question about whether a proposed action is in compliance with a law, regulation or policy, all individuals associated with NAH should contact the Corporate Compliance Officer or a member of the Corporate Compliance Committee.

Conflicts of interest must be avoided. Norwegian American Hospital has policies concerning conflicts of interest, which must be followed. These include the Employment Conflict of Interest Policy, the Hospital Corporate Conflict of Interest Policy and the Medical Staff Conflict of Interest Policy.

## **NORWEGIAN AMERICAN HOSPITAL CORPORATE COMPLIANCE PROGRAM**

### **FRAUD AND ABUSE LAWS**

Relevant laws and regulations are contained in the Federal statutes enacting the Medicare and Medicaid programs and in various state laws. These statutes are collectively referred to as the "fraud and abuse" laws.

#### **FRAUD:**

Intentionally misrepresenting services (upcoding, miscoding, unbundling), billing for services not rendered, billing for services that are medically unnecessary, double billing, providing substandard care, falsifying records in order to obtain payment.

#### **ABUSE:**

Intentionally recording diagnosis and/or procedure codes improperly, granting waivers of copayments and similar sums improperly, adjusting bad debts improperly, recording dates and/or description of services improperly, and adjusting depreciation of assets that have been fully depreciated.

#### **ANTI-KICKBACK:**

These provisions, found in both Federal and State laws, prohibits the offer, solicitation, payment, or receipt of any remuneration, (cash goods and services or in kind), in return for or to induce the referral of any patient for any service that may be paid by any federal or state healthcare programs.

#### **ANTI SELF-REFERRAL LAWS:**

These laws prevent physicians and other health care providers from profiting from referrals for health care services made by the provider to another provider in which the referrer has a financial interest. These statutes are embodied at the Federal level in the "Stark" laws, and at the state level in the Illinois Health Care Worker's Self-Referral Act. Note that usually the impact of these laws is on the individual health care provider and NOT on the hospital.

Therefore, corporate compliance with these laws for the hospital is usually achieved by being aware of the restrictions and not promoting or participating in any action that might inadvertently result in a hospital-affiliated health care provider violating one of these laws.

Among the Stark anti-self referral laws are:

#### **STARK I:**

Prevents physicians from referring patients who participate in a federal health program to clinical laboratories in which physicians or their families have a financial interest.

## **STARK II:**

Now includes eleven categories of designated health services, namely:

- ◆ Clinical laboratory services (Stark 1)
- ◆ Physical therapy services
- ◆ Occupational therapy services
- ◆ Radiology or other diagnostic services (MRI, CT Scan, Ultrasound)
- ◆ Radiation therapy services and supplies
- ◆ Durable medical equipment and supplies
- ◆ Parenter and enteral nutrients, equipment, supplies
- ◆ Prosthetics, orthotics, prosthetic devices and supplies
- ◆ Home health services
- ◆ Outpatient prescription drugs
- ◆ Inpatient and outpatient hospital services

## **ANTI-TRUST:**

The following practices are forbidden:

1. Entering into agreements to fix prices, rig bids, share price or billing information with competitors.
2. Entering into price discrimination agreements, or engage in bid-rigging unfair trade practices or other unethical activities.

## **EXCLUSION:**

Federal law prohibits any person or entity from employing or contracting with an individual or entity that has been excluded from participation in any federal health care program, including Medicare and Medicaid.

**DESIGNATION OF CORPORATE**  
**COMPLIANCE OFFICER**  
**AND COMPLIANCE COMMITTEE**

## NORWEGIAN AMERICAN HOSPITAL

### COMPLIANCE OFFICER JOB DESCRIPTION

1. The primary responsibilities of the Compliance Officer shall include:
  - a. Overseeing and monitoring the implementation of the Compliance Program;
  - b. Reporting on a regular basis to the Board, the Chief Executive Officer and the Compliance Committee on the progress of implementation and assisting them in establishing methods to improve efficiency and quality of services and to reduce vulnerability to fraud, abuse and waste;
  - c. Periodically revising the program in light of changes in the organizational needs and in the law and policies and procedures of government and private payer health plans;
  - d. Developing and coordinating educational and training program that focuses on the elements of the compliance program;
  - e. Ensuring that all medical staff members are aware of the requirements of the compliance program and all policies and procedures relating to same;
  - f. Coordinating personnel issues with the Human Resources Department and Medical Staff Office to ensure that the National Practitioner Data Bank and Medicare Cumulative Sanction Report have been checked with respect to all employees, independent contractors and medical staff applicants, and is checked on a periodic basis;
  - g. Assisting the Finance Department in coordinating internal compliance review and monitoring activities, including annual or periodic audits and reviews;
  - h. Independently investigating and acting on matters related to compliance, including the flexibility to design and coordinate internal investigations (e.g., responding to reports of problems or suspected violations) and any resulting corrective action with all hospital departments, providers, sub-providers, agents and, if appropriate, independent contractors; and
  - i. Developing policies and programs that encourage managers and employees to report suspected billing errors, suspected fraud and other possible problems without fear of retaliation.
2. The Compliance Officer shall have authority to review all documents and other information that are relevant to compliance activities, including, but not limited to, patient records, billing records, and records concerning marketing efforts and arrangements with other parties, including employees, independent contractors, suppliers, agents, and physicians and other professionals on staff.



3. The Compliance Officer shall have the full resources of the organization at his or her disposal to carry out these functions and to implement the Corporate Compliance Policy.
4. The Compliance Officer, with the approval of the Chief Executive Officer and the Board, may retain legal counsel or other consultants as deemed necessary or desirable to assist in carrying out these functions. It is the intention of the Board that all communications between the Compliance Officer and counsel be privileged to the fullest extent of the law.

## NORWEGIAN AMERICAN HOSPITAL

### COMPLIANCE COMMITTEE STRUCTURE, FUNCTIONS AND DUTIES

1. The Compliance Committee shall be appointed by the Chief Executive Officer and shall consist of the Compliance Officer, who shall serve as its Chairperson, the Vice President of Patient Services, the Vice President of Human Resources, the ER Nurse Manager, the Manager of Patient Accounting Services, the Director of Medical Records, the Vice President of Medical Affairs, the Director of Pharmaceutical Services, the Director of Laboratory Services and such other individuals as may be requested to serve on the Committee from time to time by the Compliance Officer.
2. The Compliance Committee's functions shall include;
  - a. Analyzing the environment in which the Hospital does business, the legal requirements with which it must comply and specific risk areas;
  - b. Assessing existing policies and procedures that address these areas for possible incorporation into the Compliance Program;
  - c. Working with appropriate departments to develop standards of conduct and policies and procedures to promote the Compliance Program;
  - d. Recommending and monitoring, in conjunction with the relevant departments, the development of internal systems and controls to carry out compliance standards, policies and procedures as part of its daily operations;
  - e. Determining the appropriate strategy/approach to promote compliance with the program and detection of any potential violation; and
  - f. Developing a system to solicit, evaluate and respond to complaints and problems.

The Committee may also address other functions as the compliance program is integrated into and becomes part of the overall operating structure and daily routine of the Hospital.

3. The Committee shall maintain a permanent record of its findings, proceedings and actions and shall make a report thereon to the Board. These records and reports are intended to be privileged to the fullest extent permitted by law.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**DOCUMENTATION OF COMPLIANCE TRAINING AND OTHER ACTIVITIES**

Norwegian American Hospital must insure that a record of all compliance-related activities is maintained and that the record is available to governmental agencies in the event of an investigation.

Therefore, NAH employees will maintain records of all compliance-related audits, investigations, and training as it relates to compliance for a period of ten years.

**PROCEDURE:**

1. Any records of training (formal or informal) will be forwarded to the Corporate Compliance Officer for retention. A record of training should include the date, time spent, program content and list of attendees and employee department.
2. All calls to the Hotline will be recorded per the Hotline contractor's protocol. The Corporate Compliance Officer will maintain these records.
3. Any audit findings from any audits undertaken as part of the compliance effort (both specific audits in response to a compliance complaint and random annual audits) will be preserved through the Corporate Compliance Officer.
4. All minutes from meetings with the Corporate Compliance Committee will be maintained by the Corporate Compliance Officer.

**ESTABLISHMENT OF**  
**WRITTEN STANDARDS,**  
**PROCEDURES AND POLICIES**

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**STANDARDS OF CONDUCT RELATING TO  
BILLING FEDERAL HEALTH PROGRAMS**

It is the policy of this organization to comply with all rules and regulations regarding claims for payment under the Medicare, Medicaid and other federal health programs. Accordingly, the following standards will be observed in the claims and billing process.

**A. GENERAL PRINCIPLES**

1. Submission of claims for payment and cost reports to Medicare, Medicaid and other federal health programs will be in accordance with current reimbursement rules, policies and procedures promulgated by the CMS, the Illinois Department of Health and Family Services, any applicable fiscal intermediary or carrier, or other agency with responsibility for the program in question.
2. Clinical and reimbursement staff shall use their best efforts to communicate effectively and accurately with each other to assure compliance. The following rules will be observed by all concerned:
  - a. All professional services rendered to patients shall be documented in a proper and timely manner so that only accurate and properly documented services are billed.
  - b. Claims will be submitted only when appropriate documentation supports the claims and only when such documentation is maintained for audit and review. The documentation shall be in form and substance as generally recognized as appropriate for the level of professional service of the individual providing or ordering the service.
  - c. Physician and hospital records or notes used as the basis for claims submission shall be organized in a legible form to enable audit and review.
  - d. Medical records and other clinical documentation shall support the diagnosis, procedures reported on the reimbursement claim, and the documentation necessary for accurate code assignment shall be available to the coding staff. Any late entries or marginal notes in the medical record must be explained by the provider making such entries.
  - e. Compensation for billing department personnel (including coders) and billing consultants shall not contain any financial incentive to submit improper claims or codes.
3. Any relevant coding guidelines promulgated by CMS, the National Center for Health Statistics, the American Hospital Association, the American Health Information Management Association and the state Medicaid program, along with

any guidance or interpretation received from Medicare carriers or intermediaries, will be maintained and be available to billing and coding personnel for reference as needed.

4. The CCO will establish a program in which previously submitted claims shall be randomly examined for accuracy and compliance with applicable rules and regulations.
5. The fiscal intermediary or carrier shall be advised of any material incorrectly submitted claims in a reasonably prompt manner after the CCO has verified the existence of an error.
6. The fiscal intermediary or carrier shall be promptly reimbursed for any material overpayment and (where possible) the beneficiary shall be reimbursed for any copayment or deductible incorrectly paid in a reasonably prompt manner after the CCO has verified the existence of an error.

**B. OUTPATIENT SERVICES RENDERED IN CONNECTION WITH INPATIENT STAYS**

The Hospital will use its best efforts to implement measures to comply with Medicare billing rules for outpatient services rendered in connection with an inpatient stay. These measures will include at least one of the following:

1. Installation and maintenance of computer software that will permit the Hospital to identify outpatient services that may not be billed separately from an inpatient stay;
2. Implementation of a routine manual review by individuals familiar with Medicare billing policies to determine the appropriateness of billing outpatient service claims; or
3. Implementation and maintenance of a process to review each claim for outpatient services before it is submitted to determine whether those services should be included as part of an inpatient stay.

**C. MEDICAL NECESSITY**

Claims shall be submitted to federal health programs only for services that are medically necessary. Documentation supporting the same, such as forms containing diagnostic codes, shall be retained and submitted to said programs on request.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**STANDARDS OF CONDUCT RELATING TO ANTITRUST COMPLIANCE**

The following standards will be observed relative to compliance with the antitrust laws, specifically with respect to activities, negotiations and interactions with competitors.

1. No employee, director, trustee or agent of the Hospital has authority to enter into any activity, agreement or contract that would have the effect of reducing or eliminating competition, controlling prices, allocating markets or excluding competitors. This includes not only formal written agreements but also so-called "gentlemen's agreements" or "understandings".
2. Examples of potentially anticompetitive arrangements include but are not limited to those that limit admissions or capacity, allocate patients, markets or territories, boycott or refuse to deal with third party payers, restrict advertising or marketing efforts, or suppress technological developments.
3. No employee, director, trustee or agent of the Hospital may enter into any discussion, communication, or agreement with any representative of any other organization providing the same services concerning prices or charges, pricing policies, discounts or allowances, other pricing terms and conditions, or wage and salary information. Requests for such information in the form of third party surveys and questionnaires shall be reviewed by the Corporate Compliance Officer and the Chief Executive Officer.
4. Any agreement with any other organization that provides the same services as this organization must be reviewed by the Corporate Compliance Officer and/or legal counsel and approved by the Chief Executive Officer or Board of Trustees.
5. Any employee, director or trustee who suspects that a particular activity, communication agreement or situation involving employees, agents or trustees violates these standards or state or federal antitrust laws, or appears to do so, should report those concerns to his or her supervisor, the Corporate Compliance Officer or the Chief Executive Officer.

## **NORWEGIAN AMERICAN HOSPITAL CORPORATE COMPLIANCE PROGRAM**

### **STANDARDS OF CONDUCT TO MAINTAIN THE TAX EXEMPT STATUS OF NAH**

NAH a tax-exempt organization, must act in an ethical manner and engage in activities in furtherance of its charitable purpose. NAH, its employees, Board members, medical staff and agents cannot engage in activities that benefit the personal interests of any individual. Such activities are not only ethical violations, they could result in the loss of the Hospital's tax-exempt status.

A tax-exempt organization must meet certain requirements in the following areas:

1. Community benefit - The organization must have a conflict of interest policy and an Emergency Department open to all regardless of payment.
2. Lobbying-only for legislation.
3. Political contributions-cannot use assets for political purposes.
4. Private inurement-no private benefit passes to individuals or corporations doing business with the organization.
5. Reporting requirements-annual information returns and public inspection of specific tax documents.
6. Tax-exempt status is granted under both federal and state laws. Violations of these laws by NAH employees, agents, Board members, and medical staff, may result in a loss of this status.

If an employee becomes aware of a possible violation in this area, the employee must contact his/her supervisor, Corporate Compliance Officer or call the Hotline.



**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**STANDARDS OF CONDUCT RELATING TO GIFTS FROM VENDORS**

Many gifts given to physicians and other health care professionals by companies in the pharmaceutical, device, and medical equipment industries serve an important and socially beneficial function. For example, drug companies have long provided funds for educational seminars and conferences. Some gifts that reflect customary practices may not be consistent with the principles of medical ethics. To avoid the acceptance of inappropriate gifts, all physicians and other employees of Norwegian American Hospital shall observe the following standards of conduct:

1. Any gifts accepted by individuals should primarily entail a benefit to patients and should not be of substantial value, not to exceed \$100.00 annually. Accordingly, textbooks, modest meals, and other gifts are appropriate if they serve a genuine educational function. Cash payments may not be accepted. Individual gifts of minimal value are permissible as long as the gifts are related to the individual's work (e.g., pens and notepads).
2. Subsidies to underwrite the costs of continuing medical education conferences or professional meetings can contribute to the improvement of patient care and therefore are permissible. Since the giving of a subsidy by a company's sales representative may create a relationship that could influence the use of the company's products, any subsidy should be accepted by the conference's sponsor, who, in turn, can use the money to reduce the conference registration fee. Payments to defray the costs of a conference may not be accepted directly from the company by individuals who are attending the conference.
3. Subsidies from vendors may not be accepted directly or indirectly to pay for the costs of travel, lodging, or other personal expenses, nor may subsidies be accepted to compensate for the individual's time. Subsidies for hospitality may not be accepted outside of modest meals or social events that are held as part of a conference or meeting. It is appropriate for faculty at conferences or meetings to accept reasonable honoraria and to accept reimbursement for reasonable travel, lodging, and meal expenses. It is also appropriate for consultants who provide genuine services to receive reasonable compensation and to accept reimbursement for reasonable travel, lodging, and meal expenses. Token consulting or advisory arrangements cannot be used to justify the compensation of individuals for their time or their travel, lodging, and other out-of-pocket expenses.
4. No gifts may be accepted if there are strings attached. For example, physicians should not accept gifts if they are given in relation to the physician's prescribing practices. In addition, when companies underwrite conferences or lectures other than their own, responsibility for and control over the selection of content, faculty, educational methods, and materials should belong to the organizers of the conferences or lectures.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**STANDARDS OF CONDUCT RELATING TO BUSINESS ETHICS**

1. No employee, Board member or medical staff appointee may make improper use of the Hospital property or permit others to do so. Examples of improper use include the unauthorized appropriation or personal use of services, equipment, technology and patents, software, and computer and copying equipment and the alteration, destruction or disclosure of data. The occasional use of telephones, copying machines and office supplies, when the cost is insignificant, is permitted.
2. Seeking, accepting, offering or making any payment, gift or other thing of value to or from any subcontractor, vendor, supplier or potential contractor for the purpose of obtaining or acknowledging favorable treatment under a private or government contract or subcontract is strictly forbidden. Ordinary business courtesies or de minimis gifts which are not solicited may be accepted.
3. All entries on books and records, including financial records, clinical records, and expense accounts, shall be accurate and complete and conform with applicable policies.
4. Employees shall use their best efforts to avoid violations of federal copyright laws, including, but not limited to laws pertaining to computer software.
5. Required time records shall be completed in a timely and accurate manner. No cost should be allocated which is unallowable, misallocated, contrary to a contract provision, or otherwise improper.
6. All Board members, employees and medical staff appointees shall refrain from any conduct during the performance of their duties that has the appearance of impropriety or that could reasonably be construed as contrary to the interests and mission of this organization.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**STANDARDS OF CONDUCT RELATING TO BIDDING,  
NEGOTIATION, AND PERFORMANCE OF CONTRACTS  
*TO BE ASSESSED WITH REGARD TO  
HOSPITAL CONTRACT ADMINISTRATION***

It is the policy of this organization to use its best efforts to comply with all laws, rules and regulations regarding acquisition of goods and services. Accordingly, the following standards will be observed relative to the bidding, negotiation and performance of contracts.

1. No employee or agent shall attempt to obtain information regarding competitors' bids or proposals in circumstances in which there is reason to believe the release of such information is unauthorized.
2. Employees or agents will not directly or indirectly pay any form of remuneration, overt or covert, in cash or in kind, with the intent of obtaining any service that is paid for in whole or in part by Medicare, Medicaid or any other federal health program.
3. Employees shall not attempt to obtain access to source selection information that is not subject to release or disclosure.
4. Employees or agents will not improperly influence the award of any contract.
5. No employee or agent shall submit or concur in the submission of any claims, invoices, bids, proposals, or other documents of any kind that are false, fictitious, or fraudulent.
6. Employees must properly report and charge all costs to the appropriate account, regardless of the status of the budget for that account. Improprieties, such as charging labor or material costs improperly or to the wrong account and the falsification of time sheets or other records, will not be tolerated. Every supervisor is personally responsible for monitoring the time of employees and ensuring that the time is recorded promptly and accurately.
7. When employees are required to submit cost or pricing data, they must certify that any such data is current, accurate and complete.
8. Any costs reported to the federal or state government or to a private third-party payer for reimbursement must be reported in an accurate manner that satisfies any applicable governmental or third-party payer requirements.
9. Supervisors must be careful in words and conduct to avoid placing, or seeming to place, pressure on subordinates that could cause them to deviate from acceptable norms of conduct.
10. Each department manager and supervisor shall be personally responsible for assuring compliance with this policy by those who report to them.

11. Violations of this policy shall result in appropriate disciplinary action, including termination.
12. All contracts and other transactions with any physician, any spouse or immediate family member of a physician, or any organization controlled by them must be approved in accordance with the Standards of Conduct Relating to Physician Contracts.
13. All contracts and compensation programs for senior level management personnel or any of their spouses or immediate family members must be approved in accordance with the Standards of Conduct Relating to Executive Contracts.
14. All contracts and other transactions with any Board member, any spouse or immediate family member of a Board member, or any organization controlled by them shall be approved in accordance with the Standards of Conduct Relating to Transactions with Board Members or Related Persons.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**STANDARDS OF CONDUCT RELATING TO PHYSICIAN CONTRACTS**

The following standards and procedures will be observed relative to any contract with physicians:

1. The contract shall be in writing.
2. The contract shall be executed by the CEO or COO of the Corporation which is a party to the contract.
3. The term of the contract shall be for at least one year. Contracts which give an exclusive right to hospital-based physicians to perform services may not exceed three years. Contracts may be terminable for good cause prior to their expiration, provided that no other contract is executed during the remainder of the contract term.
4. Any compensation paid to or remuneration received by physicians must be set in advance and be reasonable and reflect fair market value.
5. The compensation or remuneration available to the physician under the contract shall not vary based on the volume or value of services referred or generated by the physician, except that the physician may be paid a productivity bonus as permitted by law. If the physician is to be paid a productivity bonus, the total available compensation shall be limited to an amount consistent with reasonable compensation for the services rendered.
6. The contract in question shall further the organization's charitable mission to serve the community.
7. All physician contracts must be approved by the Board or a committee appointed by the Board after reviewing appropriate data as to the reasonableness of compensation or remuneration, such as:
  - a. Compensation paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions;
  - b. The availability of similar specialties in the geographic area;
  - c. Independent compensation surveys by nationally recognized independent firms;
  - d. Actual written offers from similar institutions competing for the services of the covered person;
  - e. Verified historical data regarding prior compensation of the individual in question;
  - f. Independent appraisals;

- g. or Government data regarding reasonable compensation, such as the Medicare Reasonable Compensation Equivalents.
- 8. Forms for requesting approval of physician contracts are attached and shall be used in all circumstances.
- 9. Contracts pursuant to which physicians who will not be employees are given financial incentives to relocate to the community must also comply with the physician recruitment guidelines issued by the IRS.
- 10. These standards apply not only to contracts with individual physicians, but also to contracts with physician groups, family members of physicians and any organization in which 35% or more of the voting power is controlled by physicians.
- 11. These standards shall apply to leases as well as contracts.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**STANDARDS OF CONDUCT RELATING TO EXECUTIVE CONTRACTS**

The following standards and procedures will be observed relative to any contract with executive management personnel:

1. The contract shall be approved or executed by the Chief Executive Officer (or by the Board Chair in the case of the CEO).
2. The contract shall be terminable at will by the CEO (or by a majority vote of the Board in the case of the CEO), subject to such severance provisions as may be contained in the contract.
3. Compensation shall fit within ranges approved by the Board or a committee appointed by the Board after review of appropriate data on reasonableness, such as:
  - a. compensation paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions;
  - b. the availability of similar expertise in the geographic area;
  - c. independent compensation surveys by nationally recognized independent firms;
  - d. actual written offers from similar institutions competing for the services of the covered person;
  - e. verified historical data regarding prior compensation of the individual in question; or government data.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**STANDARDS OF CONDUCT RELATING TO TRANSACTIONS  
WITH BOARD MEMBERS OR RELATED PERSONS**

The following standards and procedures will be observed relative to any contract with any of the following "Covered Persons": (a) any member of the Board, (b) any individual in the immediate family of any Board member, or (c) any person or entity, 35% or more of the voting interests of which is controlled by a Board member or any individual in his or her immediate family:

1. The Board member in question shall make full disclosure of the nature of the interest involved in accordance with the Conflict of Interest Policy and not take part in any substantive discussion or vote on the contract.
2. All contracts with the Hospital must be approved by a majority vote of disinterested members of the Board or a committee appointed by the Board after review of appropriate data on the reasonableness of compensation or remuneration paid pursuant thereto, such as:
  - a. Compensation paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable services;
  - b. Independent compensation surveys by nationally recognized independent firms;
  - c. Actual written offers from similar institutions competing for the services of the Covered Person;
  - d. Government data.



**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**STANDARDS OF CONDUCT RELATING TO JOINT VENTURES**

It is the policy of Norwegian American Hospital (hereinafter referred to as "the Hospital") only to enter into joint venture arrangements that further the Hospital's charitable purposes. In this regard, the following rules shall be observed by the Hospital Corporate Compliance Committee, Board and management regarding proposed or existing joint venture arrangements involving the Hospital and any of its affiliates.

1. Legitimate reasons for entering into a joint venture that further the Hospital's charitable purposes shall include:
  - a. Increasing the efficiency of the Hospital;
  - b. Encouraging full utilization of its facilities;
  - c. Improving the overall quality of patient care;
  - d. Raising needed capital;
  - e. Bringing new services or a new provider to the communities served by the Hospital; f. Sharing risk inherent in a new activity; or
  - f. Pooling diverse areas of expertise.
2. All payments and financial arrangements made pursuant to any joint venture arrangement shall reflect reasonable payments for goods and services and shall not confer excess benefit on the other parties to the joint venture.
3. Any interest received by the Hospital and any return to or risk assumed by the Hospital pursuant to a joint venture arrangement shall be proportionate to the value of the assets that the Hospital has invested in the joint venture relative to the other participants in the joint venture.
4. The governing documents of the joint venture shall commit the joint venture to providing services for the benefit of the community as a whole and give charitable purposes priority over maximizing profits for investors.
5. The Hospital or its affiliate which participates in the joint venture shall exercise reserved powers with respect to major changes in activities, extraordinary disposition of assets, merger, consolidation, dissolution and selection of management for the joint venture.
6. The joint venture shall not enter into any management agreements with third parties which are unreasonable or which give the managers unreasonable compensation or the

discretion to override the reserved powers or community benefit activities referred to above.

7. All joint ventures involving the Hospital must be:
  - a. Reviewed by legal counsel;
  - b. Approved by formal resolution of the Corporate Compliance Committee;
  - c. Approved and ultimately executed by the Hospital's Chief Executive Officer; d. Approved by the Board of Trustees.
8. The extent to which a potential joint venture furthers one or more of the purposes outlined in paragraph 1 shall be documented prior to entering into the joint venture and such documentation shall be maintained with any other records of the joint venture.
9. Any joint venture that involves a Board member, executive team or physician staff shall be subject to the Hospital's Conflict of Interest Policy and Standards of Conduct Relating to Transactions with Board Members, Executives and Physicians.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**STANDARDS OF CONDUCT RELATING TO EMTALA COMPLIANCE**

The Emergency Medical Treatment and Active Labor Act, as well as Medicare regulations, prohibits hospitals with emergency departments from refusing to examine or treat medically unstable patients. This applies to all individuals (not just Medicare beneficiaries) who attempt to gain access to a hospital for emergency care. It is in the interest of Norwegian American Hospital to comply with these requirements and, in this regard, the following general policies will be followed to assure compliance.

1. All individuals presenting to the Emergency Department, regardless of their race, color, religion, national origin, gender, age, handicap, insurance status or ability to pay, shall receive a medical screening examination to determine if an emergency medical condition exists, prior to any inquiry regarding insurance or financial status. If such a condition does exist, Norwegian American Hospital will provide further medical examination and treatment, within the capabilities of its staff and facilities, to stabilize the medical condition of the patient. Norwegian American Hospital shall then either transfer the patient, if further treatment is not possible, or make arrangements for further treatment in accordance with its regular policies and procedures.
2. Signs will be posted in the Emergency Department specifying the rights of individuals with emergency medical conditions and women in labor who come to the Emergency Department for health care services, and the signs will indicate the Norwegian American Hospital participates in the Medicaid program.
3. Medical and other records related to individuals transferred to and from Norwegian American Hospital will be maintained for a period of five years from the date of the transfer.
4. A list of physicians who are on-call to provide treatment to stabilize an individual with an emergency medical condition will be maintained in the Emergency Department.
4. A central log on each individual who comes to the Emergency Department seeking treatment will be maintained and will indicate whether the individual:
  - a. refused treatment;
  - b. was refused treatment and the reason for the refusal;
  - c. was admitted and treated, or stabilized and transferred; or
  - d. was discharged.
5. An unstabilized patient will be transferred to another medical facility if:
  - a. the patient (or a person acting on his or her behalf), after being informed of the risks and Norwegian American Hospital's obligations, requests a transfer;

- b. a physician has signed a certification that the benefits of transferring the patient to another medical facility outweigh the risks; and
  - c. a qualified medical person has signed the certification after a physician, in consultation with that qualified medical person, has made the determination that the benefits of the transfer outweigh the risks and the physician subsequently, in a timely manner, countersigns the certification. (This applies if the responsible physician is not physically present in the Emergency Department at the time the individual is transferred).
6. The Emergency Department will provide treatment to minimize the risks of transfer. All pertinent records will be sent to the receiving hospital.
  7. The consent of the receiving hospital to accept the transfer will be obtained.
  8. The transfer of an unstabilized patient will be effected by qualified personnel and transportation equipment, including the use of medically appropriate life support measures.
  9. The Emergency Department will accept appropriate transfers of patients with medical emergencies to the extent that Norwegian American Hospital has specialized capabilities or facilities and has the capacity to treat those individuals.
  10. No penalties or adverse action will be imposed against a physician or a qualified medical person because the physician or qualified medical person refuses to authorize the transfer of an individual with an emergency medical condition that has not been stabilized or against any Norwegian American Hospital employee who reports a violation of these requirements.
  11. Reports will be made to HCFA or to the state health department promptly when the Emergency Department suspects it may have received an improperly transferred individual.
  12. The transfer portions of this policy also apply to inpatients. Only stable patients will be discharged from an inpatient unit. If an inpatient's condition becomes unstable and Norwegian American Hospital is unable to stabilize and effectively treat the patient, a proper transfer to an appropriate facility will be effectuated.

These standards are intended to outline the basic corporate compliance requirements relative to patients seeking emergency treatment. More detailed rules and procedures may be found in the Emergency Department manuals.

# **COMPLIANCE RELATED POLICIES**

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**CONFIDENTIALITY POLICY**

1. Confidential Information" means business strategies, patient information, peer review records, financial data, clinical information, medical records, strategic and business plans, computer programs, market research, market plans, documents and all other information kept as part of normal operations. It does not include any information that would otherwise be publicly available.
2. Maintaining the security of confidential information is a duty of all board members, employees, medical staff appointees, contractors and agents, regardless of whether the individual in question works directly with such information. Individuals who have access to confidential information must ensure that such information, in whatever form it exists, is handled strictly in accordance with this Policy and applicable legal, accreditation and regulatory requirements regarding safeguarding confidential information.
3. Failure to maintain the confidentiality of such information shall be grounds for disciplinary action, including termination.
4. Confidential information to be reviewed at meetings shall not be routinely distributed prior to meetings. If it is necessary to distribute confidential information prior to meetings, the following precautions shall be observed:
  - a. The material shall be clearly marked as confidential;
  - b. Distributed copies of the confidential information shall be numbered;
  - c. Each numbered copy shall be retrieved at the meeting at which it is reviewed;
  - d. All numbered copies shall be destroyed; and
  - e. The original shall be retained in a secure location.
5. All Board members, managers and others who have access to confidential information shall execute the attached acknowledgment form.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**CONFIDENTIALITY ACKNOWLEDGMENT FORM  
FOR INDIVIDUALS AFFILIATED WITH  
NORWEGIAN AMERICAN HOSPITAL, BUT NOT AN EMPLOYEE**

As a condition of continuing in my position with this organization and intending to be legally bound hereby, I agree to the following terms:

1. I have read the attached Confidentiality Policy and will comply with it while I am affiliated with this organization and for three years thereafter.
2. I shall not use, disclose or publish any Confidential Information as defined in the Policy without the express written consent of the Chief Executive Officer.
3. Violation(s) of this Policy may result in termination, or the need to vacate a position with NAH.

\_\_\_\_\_  
Employee

\_\_\_\_\_  
Printed or Typed Name

\_\_\_\_\_  
Date

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**STATEMENT CONCERNING POSSIBLE CONFLICTS OF INTEREST**

**GENERAL**

Key employees of NORWEGIAN AMERICAN HOSPITAL, must conduct their personal affairs in such a manner as to avoid any possible conflict of interest with their duties and responsibilities as key employees of NORWEGIAN AMERICAN HOSPITAL. For purposes of this policy, key employees are defined as all officers of the corporation, employees who function as directors and above levels of administration, all employed physicians and consultants who function as interims in any of the above defined roles.

**SPECIFIC**

Any duality of interest on the part of any key employee shall be disclosed to the CEO and made a matter of record through an annual procedure, and also when the interest becomes a matter of that employee action. The definition of duality of interest for consultants acting in the roles of key employees shall be limited to third party vendors and arrangements with other healthcare organizations in which their roles could weaken Norwegian American Hospital's market share or have a negative impact on Norwegian American Hospital's net income. All remaining duality of interests listed below under SPECIFIC APPLICATION OF STATEMENT, must be disclosed by consultants holding the positions at issue.

Conflicts regarding officers of the corporation shall be disclosed to the Finance and Audit Committee of the Board of Trustees.

Any employee having a duality of interest shall not use his/her personal influence on the matter.

Any key employee will be advised of this statement upon employment.

This statement shall also be applicable to any member of one's immediate family or any person acting on his/her behalf.

Employees will be required to attest annually to their familiarity with NORWEGIAN AMERICAN HOSPITAL'S statement in this regard and to provide information concerning any possible conflict of interest so that disclosure may, if necessary, be made.

Whenever there exists a conflict, the matter in question shall be made public by disclosure to the Board of Directors.

**SPECIFIC APPLICATION OF STATEMENT**

1. Financial Interests: "Financial Interest" for this purpose shall mean beneficiary. A possible conflict of interest arises when a key employee holds a financial interest in or will receive any personal benefit from a business firm furnishing services, materials, or supplies to NORWEGIAN AMERICAN HOSPITAL. Assuming that the amount of



business done by NORWEGIAN AMERICAN HOSPITAL with any publicly held company has virtually no effect on the total results of such a company, "financial interest" shall not include the ownership of shares in a publicly held corporation.

2. Use of NORWEGIAN AMERICAN HOSPITAL'S Services, Property, or Facilities: Another area of potential conflict involves the use of NORWEGIAN AMERICAN HOSPITAL'S services or facilities. A key employee seeking staff assistance or the use of NORWEGIAN AMERICAN HOSPITAL property or facilities to the extent that extraordinary assistance is provided, there should be a clear understanding of how this assistance will benefit NORWEGIAN AMERICAN HOSPITAL.
3. Privileged Information: A key employee must never use information received while an employee of NORWEGIAN AMERICAN HOSPITAL if the personal use of such information would be detrimental in any way to NORWEGIAN AMERICAN HOSPITAL. Any actions, which might impair the reputation of NORWEGIAN AMERICAN HOSPITAL, must also be avoided.
4. Employment of Relatives: Employment or the use of relatives as independent contractors, who would be directly or indirectly supervised by a relative will not be permitted without the express written consent of the Vice President of Human Resources and the President/CEO. Relatives are defined by HR Policy 03-200-09 as spouses, children, parents, siblings, grandparents, grandchildren, adopted children, stepchildren, mothers-in-law, fathers-in-law, brothers-in-law, daughters-in-law, sons-in-law, aunts, uncles, nieces, nephews and first cousins.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**CONFLICT OF INTEREST  
ANNUAL AFFIRMATION OF COMPLIANCE AND DISCLOSURE STATEMENT FOR  
KEY EMPLOYEES, BOARD MEMBERS AND KEY CONSULTANTS**

I have received and carefully read the Conflict of Interest Policy of Norwegian American Hospital. This policy is part of the Hospital’s Corporate Compliance Program and requires that conflicts of interest must be avoided by employees, board members and consultants. By signing this affirmation of compliance, I hereby affirm that I understand and agree to comply with the Conflict of Interest Policy. I further understand that Norwegian American Hospital is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Except as otherwise indicated below on this Disclosure Statement and on the back of this form, if any, I hereby state that I do not, to the best of my knowledge, have any conflict of interest that may be defined in the Policy. I understand that if I and/or any members of my family work for vendors who supply services to Norwegian American Hospital that I must disclose them below.

If any situation should arise in the future which I think may involve me in a conflict of interest, I will promptly and fully disclose the circumstances as required in the Policy.

I further certify that the information set forth in the Disclosure Statement and attachments, if any, is true and correct to the best of my knowledge, information and belief.

List conflicts of interest, if any, below. If additional space is required please use the back of this form.

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\_\_\_\_\_  
Signature

\_\_\_\_\_  
Position

\_\_\_\_\_  
Date

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**POLICY ON REPORTING TO OUTSIDE AGENCIES**

From time to time, it may be necessary or advisable to disclose or report internal activities, communications or events to outside agencies, such as governmental and accreditation agencies. Accordingly, such disclosures and reports shall be made in accordance with the following standards or other policies referenced herein.

**1. INSPECTIONS AND SURVEYS**

Employees will cooperate fully with any inspection or survey conducted by all governmental and private agencies by whom it is licensed, accredited or surveyed. Any representative of those agencies shall be granted full access to all books and records, including medical records that are relevant to the inspection or survey in question and not otherwise privileged or confidential by law. If there is a question as to the relevance of a particular document or as to the applicability of any privilege, that question shall be directed to the Compliance Officer or to legal counsel prior to disclosure.

**2. SUBPOENAS, SEARCH WARRANTS, AND OTHER DOCUMENT REQUESTS**

In the event that any board member, employee or agent of the Hospital receives a subpoena, civil investigative demand, search warrant or other request for production of documents in the possession of the organization (other than routine requests for medical records) that request shall be immediately directed to the Compliance Officer, the Hospital's Chief Executive Officer, Risk Manager, or administrator on call. Whichever of those individuals first receives the request shall immediately confer with legal counsel to determine the proper response to the request. It should be emphasized that time is usually of the essence in responding to such requests. In no case shall any documents or communications (including e-mail or voice mail communications) subject to the request be destroyed, altered or deleted after the request has been received.

**3. REPORTS OF SUSPECTED VIOLATIONS OF LAW**

If, after an investigation pursuant to the procedure outlined in the Procedure for Investigating Possible Violations, it is determined that there is credible evidence that the organization has violated any criminal, civil, or administrative law, the suspected violation will be reported to the appropriate governmental agency within 60 days after such determination in accordance with the Procedure.

**4. SENTINEL EVENTS REPORTS**

"Sentinel events" shall be reported to the Joint Commission on Accreditation of Health Care Organizations in accordance with the Policy on Sentinel Events. [A sentinel event is an unexpected occurrence involving death or serious physical or psychological injury, or the risk thereof. Serious injury specifically includes loss of limb or function. The phrase, "or the risk thereof" includes any process variation for which a recurrence would carry a significant chance of a serious adverse outcome.]

5. **REPORTS TO DATA BANK**

Reports to the National Practitioner Data Bank shall be made in accordance with the Policy on the National Practitioner Data Bank.

6. **OTHER REQUIRED REPORTS**

All other reports shall be filed as may be required by law, including but not limited to reports of coroner's cases, gunshot wounds, suspected child abuse, impaired practitioners, statistical summaries, tax returns, informational reports, reports required by prior corporate integrity agreements or settlements and the like. All such reports shall first be reviewed by the Risk Manager to assure completeness and timeliness. The Risk Manager shall maintain a record of all reports filed by the organization and shall also maintain a system to assure that regular required reports are filed in a timely manner. The Risk Manager shall bring any problems or issues relating to the reports to the attention of The Compliance Officer as deemed necessary.

7. **NO WAIVER OF PRIVILEGE**

Nothing herein shall be construed as a waiver of any privilege that the organization is now or hereafter entitled to claim.

8. **NO OTHER REPORTS AUTHORIZED**

No board member, employee, medical staff appointee or agent is authorized to make any disclosure to outside agencies on behalf of the organization except as authorized by this policy.

9. **VIOLATIONS OF POLICY**

Failure to comply with this policy on the part of any board member or employee shall be grounds for termination.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**SAMPLE LETTER TO NON PHYSICIAN OUTSIDE CONTRACTORS  
REGARDING CORPORATE COMPLIANCE**

Dear \_\_\_\_\_,

As part of Corporate Compliance Policy, Norwegian-American Hospital is asking all of our outside contractors to agree to comply with the law and to report any actual or suspected violation of the same by Norwegian-American Hospital or any of its directors, officers or employees to us. Accordingly, we ask you to please sign the enclosed acknowledgment form and return it to our Director of Materials Management.

As always, it is a pleasure doing business with you, and we appreciate your cooperation in this matter. If you have any questions, please call.

Sincerely,

Corporate Compliance Officer

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**SAMPLE ACKNOWLEDGMENT FORM  
FOR OUTSIDE CONTRACTORS**

The undersigned acknowledge(s) that the Corporate Compliance Policy of Norwegian American Hospital is posted on its website at <http://www.nahospital.org/> and that the undersigned is responsible for reviewing and understanding the content of the policy. In the event that the undersigned know(s) or suspect(s) that Norwegian-American Hospital or any -of its directors, officers or employees are in violation of the same, the undersigned will immediately report the same to the Corporate Compliance Officer at (773) 292-5934 or to the Chief Executive Officer.

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

\_\_\_\_\_  
Signature

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**SAMPLE LETTER TO MEDICAL STAFF  
REGARDING CORPORATE COMPLIANCE**

Dear \_\_\_\_\_:

As part of Corporate Compliance Policy, Norwegian-American Hospital is asking all members of the medical staff to agree to comply with the law and to report any actual or suspected violation of the same by Norwegian-American Hospital or any of its directors, officers, employees or medical staff appointees to us. Accordingly, we would ask you to please sign the enclosed acknowledgment form and return it to the Medical Affairs Office.

As always, it is a privilege to be associated with professionals like you, and we appreciate your cooperation in this matter. If you have any questions, please call.

Sincerely,

Corporate Compliance Officer

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**SAMPLE ACKNOWLEDGMENT FORM FOR MEDICAL STAFF**

The undersigned acknowledge(s) that the Corporate Compliance Policy of Norwegian American Hospital is posted on its website at <http://www.nahospital.org/> and on its internal Intranet and that the undersigned is responsible for reviewing and understanding the content of the policy. In the event that the undersigned know(s) or suspect(s) that Norwegian-American Hospital or any of its directors, officers or employees or medical staff appointees are in violation of the same, the undersigned will immediately report the same to the Corporate Compliance Officer at (773) 292-5934 or to the Chief Executive Officer.

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

\_\_\_\_\_  
Signature



**POLICIES SPECIFIC**  
**TO IDENTIFIED RISK AREAS**

**CONDUCTING EFFECTIVE TRAINING**  
**AND EDUCATION FOR STAFF**

## **NORWEGIAN AMERICAN HOSPITAL CORPORATE COMPLIANCE PROGRAM**

### **EMPLOYEE PARTICIPATION**

In order to have an effective Corporate Compliance Program, NAH must depend upon the complete participation of all of its employees. Therefore, all employees must comply with all the policies and procedures under the Compliance Program. Specifically, all employees must attend required educational and training sessions relating to the Compliance Program and adhere to the policies of the Program. There will be general employee training and job-specific training, if required, by the employee's position at NAB.

All employees must sign a form acknowledging their receipt of the Compliance Policy. In addition, at an employee's exit interview, he/she must sign a document confirming that the employee has conformed with the Compliance Policy.

Failure to comply with the policies of the Program is a violation of NAH policy and may be grounds for disciplinary action.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**EDUCATION AND TRAINING**

1. Education and training are critical elements of the Compliance Program. Compliance policies and standards of conduct will be communicated to all employees and agents by requiring participation in training programs and by disseminating information as to what is required in particular. The Compliance Officer shall document any formal training undertaken as part of the compliance program.
2. Training for corporate officers, managers, medical staff appointees and other staff, including marketing and finance, shall include, at least, the following:
  - a. Government and private payer reimbursement principles;
  - b. General prohibitions on paying or receiving remuneration to induce referrals;
  - c. Proper confirmation of diagnoses;
  - d. Submitting a claim for physician services when rendered by a non-physician;
  - e. Signing a form for a physician without the physician's authorization;
  - f. Alterations to medical records;
  - g. Prescribing medications and procedures without proper authorization;
  - h. Proper documentation of services rendered; and
  - i. Duty to report misconduct.
3. Managers of specific departments shall assist the Compliance Officer in identifying areas that require training and in carrying out the training.
4. As part of their orientation, all new employees shall be given a copy of this policy and instructed in any specific standards of conduct that affect their positions.
5. Targeted training will be provided to all managers and any other employees who could create exposure to enforcement actions, such as coding and billing personnel.
6. Attendance and participation in compliance training shall be a condition of continued employment for employees subject to training requirements. Failure to comply with training requirements may result in termination.
7. Management shall also communicate this compliance policy and applicable standards of conduct to independent contractors doing business with the Hospital as appropriate and shall require, as a condition of contracting with the Hospital, that such independent contractors abide by the compliance policy and applicable standards of conduct.

8. The Compliance Officer shall establish a procedure for employees and others to submit questions about, or request clarification of, any compliance issues. If appropriate, the Compliance Officer shall share the questions and answers with appropriate employees, directors, medical staff appointees and others.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**ACKNOWLEDGMENT OF RECEIPT  
OF CORPORATE COMPLIANCE POLICY**

I have received either a copy of the Corporate Compliance Policy or access to the policy through the Norwegian American Hospital Intranet. I have also received and read any policies and standards of conduct applicable to my position. I agree to comply with them. I acknowledge that I have a duty to report any suspected violations of the law or the standards of conduct to my immediate supervisor, the Compliance Officer, the Chief Executive Officer, or the Compliance Hotline.

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Signature

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Printed or Typed Name

---

Date

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**ACKNOWLEDGMENT OF CORPORATE COMPLIANCE  
EMPLOYEE EXIT INTERVIEW**

I have no knowledge of any violation of the law or any corporate policies or standards of conduct by me or any other employees while I have been employed. If I recall any suspected violations in the future, I will immediately report them to the Compliance Officer.

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Signature of Employee

---

Printed or Typed Name

---

Date

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**EFFECTIVE TRAINING AND EDUCATION**

**JOB-SPECIFIC COMPLIANCE TRAINING:**

1. Job-specific compliance training will be developed especially for billing, coding and medical records personnel.



# **DEVELOPING EFFECTIVE LINES OF COMMUNICATION FOR REPORTING**

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**PROCEDURE FOR COMPLIANCE REFERRALS**

(NOTE: This list is a general reference only. The ultimate responsibility for Compliance activities rests with the Board of the Hospital, and therefore the Board may assign any compliance-related task to any person as it chooses. Generally, compliance activities will be handled by the relevant department with the technical assistance of the Compliance Officer and his or her staff.)

**A. ISSUES HANDLED BY COMPLIANCE OFFICER/COMPLIANCE COMMITTEE**

1. Disclosures of confidential information
2. Allegations of fraudulent activities
3. Allegations of falsification of records
4. Allegations of non-compliance with sponsored research requirements
5. Allegations of misuse of assets
6. Allegations of non-compliance with policies, procedures, standards of conduct or law by any Hospital officer, director, board member, affiliated physician, employee or agent
7. Alleged instances of billing fraud
8. Allegations of financial misdealings, fraud, theft or embezzlement
9. Allegations of improper, unbundled or incorrect billings
10. Allegations contained in sections (B), (C) or (D) below which the Hospital Board directs be investigated concurrently by the department specified below and the Compliance Officer/Compliance Committee.

**B. ISSUES HANDLED BY HUMAN RESOURCES**

1. Americans with Disabilities Act Issues
2. Equal Employment Opportunity/Discrimination Issues
3. Illegal Substance Use Issues and Issues involving allegations of impaired persons by reason of use of alcohol or legal or illegal drugs.
4. Management-Labor Issues

5. Sexual Harassment Issues
6. Workplace Safety Issues

**C. ISSUES HANDLED BY MEDICAL STAFF**

1. Questions regarding quality of care rendered by physicians or allied health professionals credentialed through Medical Affairs
2. Questions regarding professional conduct of physicians, nurses or other licensed health care providers
3. Disruptive/impaired physicians

**D. ISSUES HANDLED BY RESPECTIVE DEPARTMENTS**

1. All issues specific to area

## NORWEGIAN AMERICAN HOSPITAL CORPORATE COMPLIANCE PROGRAM

### COMPLIANCE HOTLINE AND CORPORATE COMPLIANCE MAILBOX

All employees and agents must have an effective and confidential method by which to report potential violations, which they have observed. Norwegian American Hospital shall have a 24-hour a day voice mailbox and outside Hotline available to all employees and agents by whom they can report violations of the Corporate Compliance Program. Further, a mailbox will be posted at the 2nd floor entrance to the employee cafeteria. The mailbox will be opened by the Compliance Officer or a member of his or her staff and the contents reviewed at least once a week.

**The internal compliance voice mailbox is (773) 292-5934 (extension 5934 if dialed within the hospital). The Hospital has also decided to employ the Global Compliance Services to provide 24-hour hotline service. The telephone number for the NAH Hotline is (888) 826-8433.**

#### PROCEDURE:

1. All staff, employees and agents will be informed of the number for the Hotline to which they may report violations of the Corporate Compliance Program.
2. Pursuant to the attached description of the Global Compliance Services, a regular log of all calls received on the Hotline will be maintained.
3. Every potential violation reported or discovered via the hotline or the mailbox shall be investigated and logged. Hospital's legal counsel shall conduct all investigations. The disposition and action taken on each call shall also be logged.
4. The CCO will attempt to preserve the confidentiality and privacy of the employee or agent who reported the potential violation (if known), but it may become necessary during the course of the investigation to reveal that person's identity.
5. There will be no retribution done to any employee or agent who in good faith reports a potential violation to the Hotline. However, to preserve the integrity and effectiveness of the Hotline, inappropriate use of the Hotline will result in disciplinary measures.

If an employee suspects that any Norwegian American Hospital employee is engaging in acts of retaliation, retribution or harassment against another employee for reporting suspected wrongdoing, they must immediately notify the Corporate Compliance Officer, use the mailbox or call the Compliance "Hotline". Harassment, retaliation or seeking retribution against a reporting employee may lead to disciplinary action, up to and including termination.

Employees always have a responsibility to report concerns about actual or potential wrongdoing and are not permitted to overlook such, actions. If an employee has knowledge of actual wrongdoing and does not report the activity, Norwegian American Hospital will consider this a serious offense, which may lead to termination.

NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM

SAMPLE COMPLIANCE REPORT INTAKE FORM

CONFIDENTIAL AND PRIVILEGED

Report Number \_\_\_\_\_

Name of Person Reporting (or Anonymous) \_\_\_\_\_

Date/Time \_\_\_\_\_

Nature of Report \_\_\_\_\_

Phone \_\_\_\_\_ In-Person \_\_\_\_\_ Mail \_\_\_\_\_ Letter \_\_\_\_\_

Name of Person Receiving Report \_\_\_\_\_

Date/Time of Alleged Non-Corporate Compliance \_\_\_\_\_

Department Involved \_\_\_\_\_

\_\_\_\_\_

Witness(es) \_\_\_\_\_

Summary of Report: (or attach if written)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(Attach additional sheets if necessary)

Response \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Party/Department to Whom Matter Was Referred \_\_\_\_\_

Date of Referral to Other Department \_\_\_\_\_

Summary of Investigation \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Summary of Action Taken \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Disclosure to Government/Intermediary \_\_\_\_\_

Date: \_\_\_\_\_  
Compliance Officer

Date Case Closed: \_\_\_\_\_  
CEO

**RESPONDING TO DETECTED  
OFFENSES AND DEVELOPING  
CORRECTIVE ACTION PLANS**

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**PROCEDURE FOR INVESTIGATING POSSIBLE VIOLATIONS**

1. Any report or evidence of suspected violations of law, regulations or applicable standards of conduct shall be forwarded to the Compliance Officer, who shall review the report or evidence and determine whether there is any basis to suspect that a violation has occurred.
2. If advice is sought from a governmental agency or fiscal intermediary or carrier, the request and any written or oral response shall be fully documented.
3. At the conclusion of this investigation, the CCO and legal counsel shall assemble all relevant data and shall issue a report to the Board of Trustees summarizing his or her findings, conclusions, and recommendations. The notes and records of the investigation, as well as the report of the CCO connected with the investigation shall be considered a confidential and privileged communication, and no board member, officer, employee or agent shall be authorized to discuss it or release it to any person or outside agency without the approval of the Chief Executive Officer of the Hospital.
4. If the report of the CCO concludes that there is credible evidence that a violation of the law has occurred, and that a report must be made to a government agency, a report will be made to the appropriate governmental agency. This report may take the form of a voluntary disclosure to the Office of Inspector General of the Department of Health and Human Services or the state Medicaid agency, an offer to settle directed to the United States Attorney, an offer to refund overpayments to the applicable fiscal intermediary or carrier, disclosure to the applicable licensure agency, or other report as the CCO deems appropriate.
5. The report will be completed by the CCO, and may contain documentation of the suspected violation, copies of key documents, a log of witnesses interviewed and documents reviewed, and a summary of any disciplinary or corrective actions taken as a result of the investigation.
6. If the investigation clearly reveals that a material overpayment was received from any third party payer, the overpayment shall be repaid to the affected payer. Systems shall also be put in place to prevent such overpayments in the future.
7. Regardless of whether a report is made to a governmental agency, the Compliance Officer shall maintain a record of the investigation. Said record shall be considered confidential and privileged and shall not be released without the approval of the Chief Executive Officer of the Hospital.
8. The Compliance Officer shall report to the Compliance Committee regarding the nature and status of each investigation conducted.



9. The privileges for attorney-client communication and attorney work product, as well as the privileges available under the federal and state constitutions, statutes and common law, may attach to certain information, documents and communications or other information related to investigations of suspected violations. Nothing in this policy shall be construed to be a waiver of these privileges or to require production of material protected by such privilege and/or doctrine.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**COOPERATION WITH AUTHORITIES**

Employees, affiliates, Directors or agents of Norwegian American Hospital who are approached by governmental enforcement as agents of the Federal Bureau of Investigation (FBI), the Office of the Inspector General (OIG) or the Department of Justice (DOJ) who are or may be conducting an investigation of NAH, or persons affiliated with Norwegian American Hospital, should immediately notify the Compliance Officer. The Compliance Officer will instruct the person as to his/her rights and obligations to speak to the agents. The Compliance Officer or Administrative Officer will contact legal counsel immediately.

Hospital employees are encouraged to cooperate or assist with any governmental investigations, after notification of the Compliance Officer or Administration.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**PROCEDURE TO RESPOND TO SEARCH WARRANTS**

1. In the event that agents of the federal or state government present any agent, affiliate, director or employee of the Hospital with a search warrant seeking access to the organization's books, records or documents, that person should immediately contact one or all of the President & Chief Executive Officer, Corporate Compliance Officer and/or legal counsel for the Hospital.
2. The employee receiving the warrant should ask to see identification from each agent and get a business card from each agent present. The business cards should be immediately copied and transmitted by either fax or hand delivery to the President & Chief Executive Officer, the Corporate Compliance Officer and/or legal counsel.
3. A copy of the search warrant should also be obtained from the agents and either faxed or hand carried to the President & Chief Executive Officer, the Corporate Compliance Officer and/or legal counsel. The agents are required to provide a copy of the warrant.
4. The agents should also be asked for a copy of any affidavit supporting the search warrant. This must also be disclosed unless it is under seal. If the affidavit is obtained, it should be immediately faxed or hand carried to the President & Chief Executive Officer, the Corporate Compliance Officer and/or legal counsel. If the agents state that the affidavit is under seal, that fact should also be immediately communicated to the President & Chief Executive Officer, the Corporate Compliance Officer and/or legal counsel.
5. The search warrant will include an attachment listing things that can be seized and places that may be searched. If the agents try to go into areas that are not listed in the warrant, ask them to wait until legal counsel can arrive. If they refuse to wait, do not interfere, but note which agents went into areas not specified in the warrant and exactly when that occurred.
6. The agents should be requested to provide an itemized list of any things taken away. They are required to give you a receipt.
7. If the agents take documents (including computer files), ask to make copies of those documents before they do. They are not required to allow copies to be made and may refuse to do so.
8. **PERSONS ON THE PREMISES are NOT required to speak with agents during the search, even if they are served with a subpoena, and should not do so except to the extent that it is necessary to comply with the search warrant. ANY PERSON PRESENT MAY DECLINE TO ANSWER ANY QUESTIONS ADDRESSED TO THEM BY AN AGENT.**

9. The senior ranking employee(s) present should accompany the agents during the search and take careful notes of what they take, what they look at, who they talked to, and what questions were asked.
10. It is absolutely critical that no employee interferes with the agents during their search or prevents them from accessing anything listed in the search warrant. To do so could constitute obstruction of justice, which is a criminal offense.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**CORRECTIVE ACTION PLAN FOR CONFIRMED VIOLATIONS**

The Corporate Compliance Officer, with the assistance of the Compliance Committee, is responsible for implementing the corrective action plan needed to resolve confirmed compliance violations.

**PROCEDURE:**

1. A corrective action plan which is approved by the Compliance Committee will be overseen by either the Corporate Compliance Officer (CCO), Vice-President (VP), or Director/Manager appointed by the Compliance Committee. The CCO, VP, Director/Manager are responsible for submitting periodic status reports to the Compliance Committee.
2. Any compliance violation requiring disciplinary action against an employee is referred to Human Resources.
3. The CCO and/or the VP, Director/ Manager are responsible for the following activities:
  - ◆ Providing the appropriate employees with programs to educate personnel in an effort to prevent a recurrence of a confirmed compliance violation
  - ◆ Developing an ongoing monitoring or auditing system which should detect a potential recurrence of a confirmed compliance violation
4. The CCO, in consultation with the Compliance Committee, will propose to the Board of the Hospital modifications to the NAH Compliance Program, when a confirmed violation pinpoints problems or areas of omission.
5. The CCO is responsible for performing a timely follow-up review of all corrective action plans.

# **ENFORCING STANDARDS THROUGH GUIDELINES AND PROCEDURES**

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**HUMAN RESOURCES PROCEDURES  
CONCERNING CORPORATE COMPLIANCE**

1. All employees, as a condition of their employment, are required to adhere to the Corporate Compliance Program.
2. To document efforts with respect to education and training in the Compliance Program, employees shall acknowledge in writing their acceptance and understanding of this Policy and its requirements.
3. Attendance at annual compliance training will be documented and maintained in the employee's personnel file.
4. Failure to adhere to the Compliance Program, violations of any applicable laws, rules and regulations, and failure to report misconduct are considered to be violations of hospital policy and may be grounds for disciplinary action by the Hospital, including termination of employment when warranted.
5. All employees will:
  - a. receive training regarding the Compliance Program within 30 days of employment;
  - b. receive, or have access through the Intranet, the Compliance Policy applicable to their position and any revisions thereto. An acknowledgment of receipt and agreement to adhere to the same will be signed and filed in the employee's personnel file;
  - c. attend and participate in compliance training as a condition of continued employment;
  - d. use candor and honesty in the performance of their responsibilities;
  - e. protect confidential and sensitive information to prevent unauthorized or unlawful disclosure of such information and will conduct all business activities to maintain the confidentiality of patient information;
  - f. report any actual or suspected compliance violations to the Compliance Officer, their immediate supervisor or the Chief Executive Officer;
  - g. cooperate with government officials as required by the Policy on Reporting to Outside Agencies;
  - h. not engage in any business practice prohibited by the Standards of Conduct, including, but not limited to, kickbacks or payments intended to induce or

influence new and favorable decisions to those in a position to benefit the Hospital or the employee, in any way, including payments for referrals;

- i. prepare and maintain all patient and business records and reports accurately and truthfully and report inaccurate documents promptly to their supervisor.
6. Prior to extending an offer of employment to any new hire, the Human Resources Department shall take reasonable steps to determine if the prospective employee has been excluded from any federal health program or otherwise sanctioned for violations of the law. These steps shall include, but not be limited to, checking the list of persons excluded from Medicare and Medicaid, as well as the list of debarred contractors, and documenting the same. Individuals who appear on either list shall not be offered employment.



**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**DISCIPLINE AND ENFORCEMENT POLICY**

Every employee, staff and agent must assist NAH in complying with the Compliance Program. Individuals who are responsible for the failure to detect a problem and report it according to the Program, will be disciplined.

Discipline will be decided on a case-by-case basis through the Human Resources Department. All levels of employees will be held to the same penalty for the same offense. All disciplinary measures will be documented regardless of whether they are recorded in the employee's personnel file. All disciplinary measures will be reported to the Corporate Compliance Committee and the Corporate Compliance Officer.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**BACKGROUND CHECKS**

NAH follows all Federal and State laws and regulations that pertain to the hiring of personnel. NAH will conduct a criminal background investigation as well as checking the Medicare Sanctions Report prior to hiring any employee.

No candidate who has been convicted of a healthcare-related crime, or excluded from participation in federal healthcare program, will be hired for a position, which includes discretionary authority which would result in providing a service which would be billed to any federal healthcare program.

If any candidate appears on the Medicare Sanctions Report or has a criminal background, they will not be hired. Human Resources will notify the candidate and director/manager of their ineligibility.

When an individual has been denied employment due to a criminal background or appearance on the Medicare Sanctions Report, it will be reported to the Corporate Compliance Officer and the Corporate Compliance Committee.

**MEDICAL STAFF:**

For all medical staff, the Medical Staff office will check the National Practitioner Data Bank (NPDB) and The Office of Inspector General's (OIG) List of Excluded Individuals/Entities (LEIE) and any other resource required for granting privileges and reappointment. All reports received from these compliance-related background checks will be forwarded to the Corporate Compliance Officer.

# NORWEGIAN AMERICAN HOSPITAL CORPORATE COMPLIANCE PROGRAM

## CUMULATIVE SANCTIONS

The Cumulative Sanctions report is an OIG-produced report. It is updated on a regular basis to reflect the status of health care providers and individuals who have been excluded from participation in the Medicare and Medicaid programs.

### **Compliance Department Summary and Recommendations**

The Office of Inspector General's (OIG) Compliance Program Guidance for Hospitals has specific guidelines and recommendations in regards to cumulative sanctions. It states that the compliance committee should coordinate personnel issues with the hospital's Human Resources Department or Medical Staff Office to ensure that the National Practitioner Data Bank and Cumulative Sanction Report have been checked with respect to all employees, medical staff and independent contractors.

### **Human Resources**

- ◆ Each new employee is reviewed through the cumulative sanctions data base during the hiring process. In addition, based on state law requirements, each new employee goes through the verified criminal background check.
- ◆ There is an bi-annual review of all employees for cumulative sanctions and criminal background check during the final quarter of that given calendar year.
- ◆ Human Resources will refer employees found on the cumulative sanctions list to the Corporate Compliance officer.
- ◆ All job descriptions contain a key result area relating to demonstrating understanding and adherence to corporate compliance plan.

### **Medical Staff**

- ◆ Each physician applicant is checked initially and then every two years at reappointment to the medical staff. The processes used are: National Practitioner Data Bank, Illinois Department of Professional Regulations, IDPH (for Medicare and Medicaid sanctions).
- ◆ The OIG web site sanctions list is checked on a monthly basis by the Corporate Compliance Department.
- ◆ Medical Staff Office implements a policy for non-employed physicians on notification of sanctions or activity against a license. They are required to notify the medical director within 24 hours of any arrest, indictment, convictions or actions taken against their license such as suspension, refusal to renew,

cancellation or other restrictions. This is in order to accomplish our obligation for due diligence.

### **Material Management**

- ◆ Material Management utilizes Metropolitan Chicago Health Care Association's (MCHC) "Vendors Sanctions Report" disk.
- ◆ The current vendor list has been compared to MCHC's "Vendor Sanctions Report" and all new vendors have been compared to that report prior to doing business with them.

**AUDITING AND MONITORING**  
**FOR NONCOMPLIANCE**

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**ONGOING AUDITING AND MONITORING SYSTEM**

1. An ongoing auditing and monitoring system shall be developed by the Compliance Officer in consultation with the Chief Financial Officer and/or Vice President of Finance, Chief Executive Officer, legal counsel, and other appropriate individuals and shall be approved by the Compliance Committee. It shall include charge to charge audits for each of the following: Ambulatory Surgery, Inpatient Medical, Inpatient Surgery, and Emergency Services.
2. The ongoing auditing and monitoring system shall include, at a minimum, an annual review of the following:
  - a. relationships with third-party contractors, specifically those with substantive exposure to government enforcement actions, to determine the Hospital's compliance with:
    - i. laws governing kickback arrangements and physician self-referral prohibitions;
    - ii. CPT/HCPCS and ICD-9 coding;
    - iii. claim development and submission;
    - iv. reimbursement;
    - v. cost reporting; and
    - vi. marketing.
  - b. the effectiveness and implementation of the Hospital's corporate compliance program including:
    - i. dissemination of the Hospital's standards of conduct;
    - ii. ongoing educational programs regarding corporate compliance issues;
    - iii. the reporting system;
    - iv. disciplinary actions; and
    - v. corrective action plans.
  - c. any reserves the Hospital has established for payments that it may owe to Medicare, Medicaid or other federal health programs. The establishment of such reserves shall not constitute an admission that any monies are owed to any of those programs.

3. Auditing and monitoring shall be conducted by internal personnel or outside consultants as determined by the Compliance Officer.

**NORWEGIAN AMERICAN HOSPITAL  
CORPORATE COMPLIANCE PROGRAM**

**DEPARTMENT SPECIFIC STANDARDS AND PROCEDURES**

Each Department Director/Manager will develop, with the assistance of the Corporate Compliance Officer, Corporate Compliance Committee, and NAH legal counsel, specific standards and procedures for that department when indicated.