



# Compliance

**“Doing the Right Thing”**

## Compliance Program Policy Handbook



**COOKEVILLE REGIONAL  
MEDICAL CENTER**

***It's the Way WeCARE***



## **“Doing the Right Thing”**

*This, our Compliance Program Policy Handbook, is a valuable reference for every member of Cookeville Regional Medical Center (CRMC). Cookeville Regional Medical Center includes our main facility and any other health care entity legally owned or operated by Cookeville Regional Medical Center. Everyone, including CRMC Board of Trustees, members of leadership, all employees, and contracted service providers should read this manual and have an understanding of its content.*

*Compliance violations in the health care industry result in millions of dollars in fines paid annually. Through an active and participatory compliance program we can assure that none of our valuable resources are spent on civil or criminal fines. Compliance is a simple concept, it is “doing the right thing”. This manual will assist each of us with a better knowledge of the regulatory issues and will help us to act appropriately.*

*Compliance is everyone’s responsibility. It is important that we understand the principles of our corporate compliance program. Cookeville Regional Medical Center is committed to maintaining an environment that is compliant with all state and federal rules and regulations relating to health care delivery and we expect all employees to make the same commitment.*

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## **Cookeville Regional Medical Center Compliance Program**

Cookeville Regional Medical Center (CRMC) is committed to demonstrating the reliability, honesty, trustworthiness, and integrity expected of a leading healthcare organization. To help strengthen this commitment, CRMC has implemented its Compliance Program. CRMC is committed to the prevention, detection, and control of Fraud, Waste, and Abuse activity within its organization. This plan indicates the structures and activities through which the hospital system achieves these goals. Compliance with the principles, policies, and procedures is a condition of employment.

### **Purpose**

The Cookeville Regional Medical Center Compliance Program clarifies the organization's expectation that all employees will adhere to applicable laws governing their behavior. It also provides guidance as to how the organization will do business in certain situations.

The Compliance Program ensures the organization meets the requirements of the Federal Sentencing Guidelines for Organizational Defendants and the advice of the Office of the Inspector General of the United States Department of Health and Human Services.

The Compliance Program also ensures CRMC can seek reimbursement for services provided to Medicare and Medicaid participants. The government acts as a trustee by distributing money designated to fund the healthcare expenses of Medicare and Medicaid participants. Like any trustee, the government takes great care to ensure that these funds are distributed appropriately and that those healthcare providers, who seek reimbursement from Medicare and Medicaid, do so in accordance with the law.

Finally, the Compliance Program helps promote uniformity across CRMC. The Compliance Program and the associated policies and procedures apply equally to employees at all CRMC facilities and organizations.

### **Identifying a Compliance Issue**

Occasionally, we may come across situations where we aren't quite sure what to do or we feel that what is happening is not quite right. No compliance program and no law or regulation can address all the situations that might occur in the healthcare environment. Ultimately, it is up to each one of us to apply the general principles we have learned in our compliance training, and if we aren't sure, ask for help! No one at Cookeville Regional Medical Center should ever have to struggle alone with a compliance question or concern.

If you are unsure about the legality or the appropriateness of an action or a proposed action, think of the following:

- ***Does it comply with the law and CRMC's policies and procedures?***
- ***How would it look to your family and friends, your coworkers, or our patients and the community?***
- ***How would it make you feel if you did it?***

If you know it is wrong, don't do it! If you are not sure, ask, and keep asking until you get an answer that makes sense. Get the right answer, not just the easy answer.

## **Resolving a Compliance Issue**

Many resources are available to help employees resolve compliance issues. The answers to many questions can be found in the various Cookeville Regional Medical Center compliance policies and procedures. These policies can be found on the Intranet in PolicyStat.

### ***The Four-Step Communication Process***

For compliance questions or concerns that cannot be resolved by reviewing the various CRMC compliance documents, discuss the issue with your supervisor, manager, or another higher-level supervisory employee. Seek to resolve the compliance problem promptly and constructively by following these four steps:

1. ***Discuss the issue with a supervisor.*** Supervisors are familiar with the particular workplace environment and its issues. Therefore, they should be given the first opportunity to resolve the matter.
2. ***Speak to the department manager.*** If you and your supervisor cannot resolve the matter, if you feel that your concern is not getting the proper attention, or if your supervisor is part of the issue, you should request a meeting with your Department Manager or Director to discuss the matter further.
3. ***Speak to the Compliance Officer, Human Resources Department, and/or your CEO.*** If your Department Manager or Director is unable to resolve the matter to your satisfaction, you should contact your Compliance Officer or Human Resources Department, or alternatively, you may elect to bring the matter directly to your CEO or Senior Executive.
4. ***Bring the matter to the attention of the Compliance Department or the Legal Counsel.*** Matters that are not resolved at the facility level should be brought to the attention of the Compliance Department or the Legal Counsel. You can bypass the above if you feel uncomfortable.

### ***Reporting a Compliance Issue***

Each employee is obligated to report any issue or practice that he or she believes may constitute a violation of law or CRMC's compliance policies. People who are found to have engaged in unlawful conduct or conduct in violation of CRMC's policies, or who have failed to detect, report and/or correct any offense, are subject to corrective action, up to and including termination of employment.

To report a compliance issue, follow the Four-Step Communication Process described above. If an employee feels uncomfortable reporting a compliance issue to his or her supervisor or any other CRMC organization-specific manager, he or she may call the Compliance Alert Hotline.

### ***The Alert Hotline***

CRMC's Compliance Department has a compliance hotline where employees may leave messages regarding any suspected illegal or unethical activity. The hotline number is **855-528-4230**. Calls to the Alert Hotline will not be traced and will be treated confidentially. Callers are asked to leave enough detail to allow for a full investigation.

Employees may remain anonymous if they so choose (to the extent allowed by law). No caller will be subject to retaliation for bringing forth a good faith concern. Anyone who attempts to retaliate against an employee who has in good faith made a call to the Alert Hotline will be subject to corrective action, up to and including termination of employment.

The hotline is available 24 hours a day, seven days a week. The Compliance Officer reviews the messages Monday through Friday.

### ***Failing to Act in Accordance with the Compliance Program***

The Compliance Program helps ensure that Cookeville Regional Medical Center follows applicable laws, regulations and CRMC's compliance policies. Therefore, the consequences of not acting in accordance with the Compliance Program are significant for the employee, as well as for CRMC. Both CRMC and the employee may be subject to criminal and/or civil prosecution resulting in payment of fines and/or imprisonment. In addition, CRMC, its member organizations, and the individual may be excluded or suspended from participation in any federal or state funded healthcare program. Finally, any employee who fails to adhere to the Compliance Program will be subject to corrective action, such as a verbal or written reprimand, suspension, or even termination of employment.

## **Principal Documents of the Compliance Program**

The principal documents that make up the Cookeville Regional Medical Center Compliance Program are the following:

### ***Compliance Plan***

The Compliance Plan is formally described in a document titled “Corporate Compliance Program” and can be found in PolicyStat. This Plan is specifically tailored to CRMC and specifies the various compliance personnel, documents and activities that make up the Compliance Program. The Plan discusses the designation of compliance personnel and establishes their responsibilities and duties, the development and distribution of compliance policies and procedures, how CRMC will conduct its compliance education and training activities, the compliance communication lines established for employees to use in obtaining answers to their compliance questions or concerns, the enforcement standards and disciplinary guidelines for compliance violations and the various compliance auditing and monitoring activities that CRMC will use to ensure that its compliance policies and procedures are operating effectively and are being followed by its employees.

### ***Compliance Handbook***

The Compliance Handbook summarizes CRMC’s Compliance Program, provides instructions on how to identify, resolve and report compliance issues, and contains general compliance guidelines that all employees must follow.

### ***Compliance and Legal Counsel Policies***

The Compliance Department and the Legal Counsel have specific compliance and legal policies that apply throughout Cookeville Regional Medical Center. All of these policies are located in PolicyStat which can be accessed through CRMC’s intranet.

### ***Privacy and Security Compliance Policies***

Cookeville Regional Medical Center’s Privacy and Security Compliance policies are also located in PolicyStat. These policies provide guidance to CRMC staff regarding the use and disclosure of patient information in the medical record, the electronic patient record, or in conversations. All newly hired employees are trained personally by the Privacy Officer, or approved trainer during orientation, and all employees are trained at least annually through HealthStream assignments.

### ***Code of Conduct***

The Code of Conduct was adopted by the Cookeville Regional Medical Center Board of Trustees. The Code requires that all facilities, business areas, and functional areas of CRMC, and all employees and agents within those areas, exercise due diligence to prevent, detect and report unlawful conduct or conduct in violation of CRMC’s compliance policies.

## **Management of the Compliance Program**

The Compliance Program was created at the direction of CRMC's Board of Trustees. The Board of Trustees oversees the operation of the Compliance Program and receives regular reports from CRMC's Compliance Officer and Legal Counsel. All CRMC leaders, from the Board of Trustees to the Senior Leadership in every CRMC Facility are important to CRMC's compliance efforts. The Compliance Program is essential to Cookeville Regional Medical Center's future success. Therefore, all employees, as well as all persons and entities retained and authorized to act on behalf of CRMC (agents), are responsible for understanding and following the compliance policies that make up the Compliance Program.

Managers and supervisors must consistently enforce and communicate CRMC's compliance policies to all employees and agents within their business areas. Finally, every employee and agent is responsible for detecting, resolving and reporting to the appropriate CRMC management any unlawful conduct that may violate the Compliance Program or CRMC's compliance policies.

Although compliance is the responsibility of every employee at CRMC, certain persons and departments have been specifically charged with management of the Compliance Program. These persons and departments serve as resources to all employees to ensure that the Compliance Program and CRMC's compliance policies are implemented and enforced consistently. They are the:

- Compliance Officer
- Corporate Compliance Committee
- Billing-Auditing Compliance Committee
- Chief Legal Counsel
- Audit Services and Medical Records Department
- Privacy Officer
- Information Security Officer

### ***Compliance Officer***

The Compliance Officer is responsible for the day-to-day management and administration of the Compliance Program, such as developing compliance policies, procedures, and training; managing the Alert Hotline; reporting auditing and monitoring compliance issues; and verifying corrective action plans for areas of non-compliance.

The Compliance Officer can be contacted by the information below:

Compliance Department  
Cookeville Regional Medical Center  
1 Medical Center Blvd  
Cookeville, TN 38501

Phone: 931-783-5842

Fax: 931-783-2094

Email: [compliance@crmchealth.org](mailto:compliance@crmchealth.org)



### ***Cookeville Regional Medical Center Corporate Compliance Committee***

The Cookeville Regional Medical Center Compliance Committee provides advice, oversight, and guidance to the Compliance Officer on matters relating to CRMC's Compliance Program. The Committee meets at least quarterly, and consists of members of the Board of Trustees, the Compliance Officer, the Chief Executive Officer, and the Chief Legal Counsel, as well as representatives from Audit Services, Medical Records, Accounting, Patient Financial Services, and Information Systems. Other members may be designated from time to time by CRMC's Chief Executive Officer or Chief Legal Counsel.

The Corporate Compliance Committee's primary objective is to facilitate the effective operation of CRMC's Compliance Program in the facility. This is accomplished through creating a culture of compliance within the facility and overseeing implementation of the Compliance Program.

The Committee may review policies and procedures, Alert Hotline call summaries, privacy incident reports, and any compliance violations that may affect facility operations.

### ***CRMC Billing-Auditing Compliance Committee***

The CRMC Billing-Auditing Compliance Committee meets bimonthly to review routine audits that are performed in various areas, denial trends, external audit results, and to identify any additional auditing or monitoring efforts that may be needed. Minutes of the Billing-Auditing Committee meetings are reported to the Corporate Compliance Committee.

The Billing-Auditing Compliance Committee consists of the Compliance Officer and representatives from Accounting, Audit Services, Medical Records, Coding, Patient Financial Services (including Appeals & Denials Specialists), Legal, and Physician Billing (CRMG).

### ***Privacy and Security Support***

The Compliance Officer also functions as the HIPAA Privacy Officer and works closely with the Chief Information Officer, who functions as the HIPAA Security Officer. All employees and patients are encouraged to report any privacy related issues to the Privacy Officer. Employees are trained regarding privacy and security requirements during orientation and annually through HealthStream. In addition, periodic reminders are sent via email or may be published in the bi-monthly CRMC newsletter, *The Pulse*.

CRMC also maintains a software program, FairWarning, which helps detect inappropriate access to protected health information. CRMC maintains secure servers and encryption devices for all electronic hardware and software in our facilities. The federal government standards for protecting electronic personal health information is met by CRMC conducting training and awareness programs, the use of internal auditing and monitoring systems, and a reporting system for any alleged violations.

## **Responsibilities of Cookeville Regional Medical Center**

As an organization committed to compliance, Cookeville Regional Medical Center has assumed certain responsibilities:

- Develop compliance documents to provide employees with guidance on matters of daily business conduct.
- Ensure that the compliance documents are accessible to all employees, officers and directors.
- Establish and maintain training programs to ensure familiarity with and understanding of compliance requirements.
- Advise employees, officers and directors on the proper interpretation and application of the Compliance Program.
- Administer the Compliance Program and its supporting policies in a fair and timely manner.
- Ensure a working atmosphere conducive to compliance and free of retaliation for the reporting of alleged violations of the Compliance Program.

## **Responsibilities of Cookeville Regional Medical Center Employees**

Everyone has an obligation to ensure that the Compliance Program is a success. Employees can help to achieve that success by doing the following:

- Read and regularly review Cookeville Regional Medical Center's compliance documents to fully understand the compliance requirements that apply to one's job.
- Participate in training programs and staff meetings designed to help employees understand their obligations under the Compliance Program.
- Abide by the requirements set forth in the Compliance Program's policies and procedures.
- Ask questions and seek assistance if uncertain about the proper course of action.
- Support employees who report suspected violations of the Compliance Program. **Recognize that retaliation against persons who report suspected violations is not permitted.**
- Be alert to situations that could result in illegal or unethical conduct and encourage other employees to consult with their supervisors, the Compliance Officer, or the Chief Legal Counsel if it appears that they may be in danger of violating the law.
- Report suspected violations of the Compliance Program.

## **Compliance Guidelines**

The guidelines in this handbook summarize CRMC's basic standards and expectations for employee conduct. Many of the laws and policies discussed in this Compliance Handbook are complex and many of the concepts are developed in case-by-case determinations. In addition, the Compliance Handbook can deal only generally with some of the more important legal principles and compliance policies.

Their mention is not intended to minimize the importance of other applicable laws, regulations, professional standards or ethical principles, which may be covered in more detail under other compliance documents and policies. While the Compliance Handbook does not address every conceivable situation, it does summarize Cookeville Regional Medical Center's basic standards and expectations for employee conduct. Questions or concerns not specifically addressed in the Compliance Handbook may be covered in the other compliance documents or may be resolved by contacting a supervisor, other member of management, or the Compliance Officer.

### ***Patient Rights and Relationships - Patient Care***

Cookeville Regional Medical Center is committed to providing quality healthcare to its patients. Assuring the quality of medical services is the single most important responsibility of each CRMC employee. All CRMC employees are expected to contribute to this effort and promote exemplary conduct that complies fully with laws and standards applicable to the industry. Misconduct of any kind, including fabrication or falsification of any medical services or documents, masking incorrect services, or any other action which might compromise the quality and integrity of the patient's care, will not be tolerated. Employees who engage in such misconduct will be subject to corrective action, up to and including termination of employment.

### ***Freedom of Choice***

Upon admission, Cookeville Regional Medical Center must provide patients with a written statement of their rights. This statement must include the rights of patients to make decisions regarding their medical care and it must conform to all applicable state and federal laws and regulations. Patients must be given the opportunity to be involved in all aspects of their care and CRMC must obtain informed consent for treatment. As applicable, each patient or patient representative may be provided with a clear explanation of care including, but not limited to, diagnosis, treatment plan, right to refuse or accept care, care decision dilemmas, advance directive options, organ donation or procurement, and an explanation of the risks and benefits associated with available treatment options. Patients must be given the right to request transfers to other facilities. In such cases, the patient must be given an explanation of benefits, risks, and alternatives.

### ***Emergency Treatment***

Cookeville Regional Medical Center must meet or exceed the requirements of the Emergency Medical Treatment and Active Labor Act (“EMTALA”) in providing emergency medical treatment to all patients, regardless of their race, religion, national origin, age, gender, gender identity, physical condition, disability, or ability to pay. In general, when a patient arrives at our emergency department, CRMC will provide for an appropriate medical screening examination to determine whether an emergency medical condition exists, or with respect to a pregnant woman having contractions, whether the woman is in labor. Cookeville Regional Medical Center must not delay the examination or stabilizing treatment to inquire about the method of payment or the individual’s insurance status.

If the patient has an emergency medical condition, CRMC must provide either (a) further medical examination and treatment, including hospitalization, if necessary, to stabilize the medical condition to the extent possible within the capabilities CRMC’s staff and facilities, or (b) a transfer to another more appropriate or specialized facility. Cookeville Regional Medical Center may not transfer a patient with an emergency medical condition who has not been stabilized unless an appropriate physician signs a written certification that the benefits reasonably expected from the appropriate medical treatment at another facility outweigh the risk of transfer, or unless the patient, or a legally responsible person acting on the patient’s behalf, requests the transfer in writing, after being informed of CRMC’s obligations under EMTALA and of the risks and benefits of the transfer. To ensure that all patients have the opportunity to review their right to a medical screening examination and stabilization for an emergency medical condition, Cookeville Regional Medical Center must post in its emergency department(s), and other appropriate areas, appropriate signage notifying patients of their right to a medical screening examination and stabilization treatment.

In addition, CRMC must develop and implement written policies and procedures to ensure that the EMTALA requirements are met, maintain a central log to include information on each individual who comes to a CRMC facility requesting emergency medical treatment, and establish a documented system for providing on-call coverage for all services offered by Cookeville Regional Medical Center.

## ***Confidential Information***

There are two general types of confidential information: patient medical information and business information. Information about a patient's medical condition is highly sensitive and its confidentiality must be maintained. No employee, physician or other healthcare provider has the right to any patient information other than that necessary to perform his or her job. No employee should ever release or discuss patient-specific information with others, unless it is necessary to provide appropriate medical care to the patient, it is with the patient's written consent, or it is required or permitted by law.

All employees are expected to maintain the confidentiality of "protected health information" (or "PHI") as that term is defined by the Standards for Privacy of Individually Identifiable Health Information (commonly known as the "HIPAA Privacy Regulations").

Confidential business information is any information about a present or planned business matter that has not been released publicly by Cookeville Regional Medical Center. Specifically, employees are not allowed to release without authorization information about:

- Pricing
- Financial data
- Marketing programs
- Research

Information such as this is the core of CRMC's business. It is also a component of just about every topic discussed in this Compliance Handbook. For example, releasing this information can violate laws regarding:

- Conflict of interest
- Antitrust
- Employment matters
- Finances
- Intellectual property
- Patient confidentiality

Employees must remember to keep business and patient medical information confidential and to respect the privacy of those served by CRMC.

## ***Conflict of Interest***

A conflict of interest arises whenever an employee's interest or that of an employee's immediate family conflicts, or appears to conflict, with the interest of Cookeville Regional Medical Center. Everyone has a duty to avoid conflicts of interest or the appearance of conflicts of interest. The following discussion is not intended to intrude upon an employee's privacy but to help employees avoid conflicts of interest. If an employee is faced with a personal transaction, decision, or situation which they think may create a conflict of interest, they must report it promptly to their supervisor, the Compliance Officer, and CRMC's Legal Counsel.

In many situations, if there is no illegal or unethical conduct involved, CRMC can consent to the proposed activity even though a conflict of interest may exist.

CRMC's Compliance Handbook or the Conflict of Interest policy cannot describe all of the situations that may give rise to conflict of interest circumstances, nor can it take the place of a personal commitment to do what is right.

The following is a list of issues related to **conflict of interest**:

- ***Agents and Consultants:*** Individuals who provide services to CRMC as agents or consultants are required to observe the same standards of conduct as employees of Cookeville Regional Medical Center.
- ***Business Opportunities:*** We are prohibited from taking personal financial advantage of a business opportunity as a result of our association with CRMC without first obtaining approval. Written approval must be obtained from the CRMC CEO or designee. Examples of business opportunities include real estate deals, patents and purchasing options.
- ***Competitors and Suppliers:*** Employees may not invest in any company that is a supplier or competitor of CRMC without first disclosing this in writing to the CEO. Ownership of less than 5 percent of a business's publicly traded securities is not a conflict of interest. Key employees or members of their immediate families may not work for, provide service to, or serve as officers or directors of a competitor or supplier of CRMC without notification. This notification must be provided in writing to the CEO. "Key employees" are department heads and above.
- ***Diversion of Business:*** We are expected to refrain from any activity that may shift business from Cookeville Regional Medical Center to ourselves or to other non-Cookeville Regional Medical Center entities.
- ***Confidential Information:*** Sharing information between and among employees is encouraged where it supports our mission of improving health. The use of confidential, non-public information for personal advantage is prohibited. In addition, the release of confidential information is prohibited unless authorized. Examples of authorized releases include press releases through our Marketing Department, advertisements, or management announcements.

- ***Outside Employment:*** Employment with non-Cookeville Regional Medical Center companies must not interfere or conflict with the performance of our duties at Cookeville Regional Medical Center.
- ***Loans:*** We and our immediate families may not loan to or borrow from suppliers or customers. Dealings with banks and other financial companies which arise in the normal course of business are allowed.
- ***Property of Cookeville Regional Medical Center:*** We may not use or permit others to use Cookeville Regional Medical Center property or employees on duty for personal benefit or the gain of others.
- ***Personal Gifts and Gratuities:*** Employees should never solicit gifts or gratuities from patients, customers, companies doing business with CRMC, or companies seeking to do business with CRMC. Employees are discouraged from accepting gifts in general, however, on occasion, patients and others may give personal non-monetary gifts such as flowers, food, homemade items, or small tokens of recognition. Employees may accept these token gifts as long as the gift is of a nominal value (generally less than \$25).

Cash or cash equivalents may never be accepted. Cash or cash equivalents must either be returned to the gifting person or entity or, in the rare circumstance this is not possible, must be surrendered to a CRMC affiliated charitable foundation for its unrestricted use.

Accepting any gift or gratuity intended to induce or reward referrals or to result in the purchase of goods or services is strictly prohibited.

### ***Conflict Disclosure Statement***

On an annual basis, a Conflict of Interest Disclosure Survey is completed by all Board members, members of local Boards of owned facilities, officers of Cookeville Regional Medical Center, administrators, employed physicians, and other employees and individuals designated by their supervisors or by the Legal Counsel. This is required to be submitted annually, and affirms that the individual completing the survey and disclosure:

- Has received a copy of the conflict of interest policy,
- Has read and understands the policy,
- Has agreed to comply with the policy,
- Has responded fully, accurately and completely to all questions in the disclosure form.

New disclosures or disclosures covering changed circumstances related to matters previously disclosed must be disclosed in writing to the Compliance Officer, when the officer, director or employee becomes aware of the new or changed circumstances. The Compliance Officer reports all such disclosures to the Chief Executive Officer.

### ***Antitrust***

Antitrust laws forbid companies from doing business in a way that gives them too much control in the marketplace. The purpose of these laws is to preserve competition. These laws may affect your dealings with patients, doctors, payers, suppliers and competitors of Cookeville Regional Medical Center. For purposes of the antitrust laws, members of CRMC are not competitors of one another. Hospitals and healthcare providers not controlled by CRMC should be considered our competitors.

The antitrust laws may be violated if competitors agree to:

- Fix prices or pricing methods.
- Allocate patients, payer contracts, or regions.
- Boycott or refuse to do business with a payer, physician, provider or other party.

For this reason we should avoid discussions with our competitors concerning:

- Prices or payer rates.
- Our desire to deal with a particular payer or group of payers, or patient or group of patients.
- The granting of membership, privileges or managed care participation status of any physician, healthcare provider or group of providers.

### ***Employment Matters - Employee Rights Protected***

Employees' rights are best protected by open communication and a spirit of cooperation. We are committed to equal employment opportunity in the workplace. We seek a working environment free of prejudice or harassment on the grounds of race, color, religion, sex, sexual orientation, sexual identity, age, disability, national origin, or any other legally prohibited factor. We are expected to abide by all federal, state, and local laws dealing with employment matters.

### ***Health, Safety, and the Environment***

CRMC employees are expected to:

- Learn the procedures for handling and disposal of hazardous materials encountered.
- Know and follow the applicable safety procedures.
- Share with supervisor ideas for improving safety and reducing waste.
- Use best efforts to ensure that actions are carried out in a safe and healthy manner.

Our commitment to health, safety and environmental protection can be seen in our efforts to reduce the generation of waste. Waste should be recycled or reused whenever possible. Waste that cannot be recycled or reused should be discarded in a safe manner.



## ***Financial Matters***

We are required to maintain the financial records of Cookeville Regional Medical Center in an accurate and complete manner.

Accounting controls must be sufficient to provide reasonable assurance that:

- Financial contracts are carried out with management's approval.
- All transactions are recorded to help us prepare our financial statements and account for assets.
- Access to assets is permitted only with management's approval.
- Recorded assets are periodically compared with existing assets. Any differences should be reported to management.

The financial matters of Cookeville Regional Medical Center, its employees, physicians, and patients are very private, and should not be revealed to outside parties.

## ***Government-Funded Programs***

CRMC receives monies from government-funded programs. Contracts with the government require special care because of strict legal requirements and complex language. Failure to observe government rules and regulations can result in the loss of funds or grants and civil and criminal penalties. For example, it is a federal crime to make a false statement to a federal official.

We work with government funds, including Medicare and Medicaid, and we must know the rules related to that work. Ignorance is not an excuse. Contact your supervisor or consult the Compliance Department if you have any questions regarding these rules.

Occasionally, payments from research grants and other government contracts are based on costs. Only costs allowed by a contract may be billed to the government. Costs should be recorded in an accurate and consistent manner.

## ***Intellectual Property Owned by Cookeville Regional Medical Center***

Intellectual property includes patents, trademarks, service marks, trade secrets, copyrights, proprietary information, such as reports, inventions, or techniques. Intellectual property is protected by federal and state laws.

Violations of the intellectual property laws may result in personal civil damages or criminal charges. In addition, the entire Cookeville Regional Medical Center organization may be held responsible for the actions of individual employees who break intellectual property laws.

Inventions, techniques, or reports created by employees of Cookeville Regional Medical Center during the course of their employment are the property of CRMC, unless there is a written agreement with CRMC stating differently. If we use Cookeville Regional Medical Center patents, techniques, reports, publications and trade secrets in our work, be very careful not to disclose such information to others. The use of this information for your own purposes is prohibited.

### ***Intellectual Property not Owned by Cookeville Regional Medical Center***

During the course of our employment, we may have access to intellectual property owned by other businesses. This information is private and should not be disclosed to others. Licensed computer software is a good example of intellectual property owned by another business. Copying computer software or the materials that come with it violates copyright laws and CRMC policy. The use of illegal copies of software on company hardware is prohibited.

### ***Fraud and Abuse***

Entities that receive monies for services provided under Medicare and Medicaid are subject to several laws and regulations designed to prevent fraud and abuse. These laws are designed to ensure the safety of beneficiaries and the integrity of health care programs. In general, fraud is making false representations in order to obtain some benefit for which one is not entitled. Abuse describes practices that, either directly or indirectly, result in unnecessary costs to the Medicare Program. Abuse includes any practice inconsistent with providing patients with medically necessary services meeting professionally recognized standards. Failure to obey these laws can result in fines, jail, or exclusion from Medicare and Medicaid programs.

### ***Billing and Claims***

Honesty and accuracy in billing and in the creation of healthcare claims for payment is vital. It is a federal crime to willfully make a false statement in connection with a claim for payment or an application for certification under Medicare and Medicaid.

### ***The Anti-Kickback Statute***

The anti-kickback statute is a federal law prohibiting persons from willfully offering, paying, seeking or receiving anything of value to bring about a referral for medical services or goods payable under Medicare or Medicaid. Failure to obey this law can result in fines, jail, or exclusion from the Medicare and Medicaid programs. This law prohibits kickbacks and bribes. It also affects the way healthcare entities carry out a broad range of ordinary business deals.

The following activities are illegal under the anti-kickback statute:

- Offer or acceptance of payment at less than fair market value for healthcare services as a way of getting more business.
- Acceptance of prizes, gifts, cash payments, coupons or bonuses offered to physicians for referrals or purchasers for purchasing certain products.
- Financial incentives given to physicians that are based on number of referrals.

The following activities must be carefully monitored to assure compliance with the statute:

- Space and equipment leasing
- Discounts on goods and services
- Physician practice purchases
- Physician recruitment and retention

In addition to the federal anti-kickback statute, there may be state anti-kickback laws that apply.

### ***Ban on Self-Referrals (Stark Law)***

Generally, a physician who receives payment directly or indirectly from, or has an investment interest in, a healthcare business should not refer patients to that business for services paid by Medicare or Medicaid. In addition, there may be state self-referral laws that apply. Therefore, any potential relationship must be reviewed and approved by CRMC's Legal Counsel. Claims should not be submitted for services performed as a result of improper referrals.

Both the Anti-Kickback Statute and the Stark Law are subject to numerous exceptions. These exceptions, as well as the proper application of these laws, can best be handled by the Legal Counsel or the Compliance Department. If your job involves these issues and you have questions concerning them, please consult your supervisor, the Compliance Officer, or the Legal Counsel.

### ***Federal and State False Claims Acts***

The Federal False Claim Act ("FCA") imposes civil liability on any person or entity that knowingly submits, or causes to be submitted, a false or fraudulent claim for payment to the U.S. government. It also penalizes anyone who knowingly uses, or causes to be used, a false record or statement to conceal, avoid, or decrease an obligation to pay money or transmit property to the U.S. government. The FCA covers fraud involving any federally funded contract or program such as Medicaid and Medicare. The term "knowingly" is defined to mean that a person:

- has actual knowledge of the falsity of the information,
- acts in deliberate ignorance of the truth or falsity of the information, or
- acts in reckless disregard of the truth or falsity of the information,

Health care providers who are convicted of violating the FCA can be subject to thousands of dollars in civil monetary penalties for each false claim submitted. Providers can also be required to pay three times the amount of damages sustained by the U.S. government. If a provider is convicted of a FCA violation, the Office of the Inspector General may seek to exclude the provider from participating in federal health care programs.

The FCA includes a whistleblower provision, or a "qui tam." This provision allows any person with actual knowledge of false claims activity to file a lawsuit on behalf of the U.S. government. To qualify as a whistleblower, an individual must meet certain conditions.

Under the federal False Claims Act, if an employee initiates a *qui tam* claim and is then demoted, suspended, threatened, harassed or in any other manner discriminated against because he or she filed the claim, they may be entitled to double back pay, interest on the back pay, plus special damages including litigation costs and reasonable attorneys' fees.

Many states also have their own "false claims acts." The Deficit Reduction Act of 2005 ("DRA") is designed to encourage states to enact legislation that is comparable to the federal False Claims Act in order to have consistent enforcement throughout the country. Under the DRA, states may keep an additional 10% of any recoveries obtained if they have a state law similar to the federal act.

### ***Physician Recruitment and Retention***

Entities that operate on a not-for-profit basis are subject to additional rules relating to the recruitment and retention of physicians. For example, these rules prohibit private inurement. Private inurement occurs when a not-for-profit business pays an individual or group of individuals more than the market price for services provided to the business. In some cases, the rules governing recruitment and retention also may require that the community benefit from the decision to hire a physician or buy a physician's practice. Keeping a written record of community benefit is an important part of all physician recruitment activities.

### ***Political Activity***

As employees, we are encouraged to take part in community and political affairs and to vote in elections. If you participate in such activities, please remember to make it clear that you are acting as a private citizen and not as a representative of Cookeville Regional Medical Center.

### ***Campaign Contributions***

Generally, not-for-profit businesses like CRMC may not make political contributions of any sort. This means that CRMC property, funds or personnel cannot be used to help or support a political candidate. Indirect assistance, such as the supply of goods, services or equipment to candidates, political parties or committees is also banned. There are, however, a few exceptions, and advance approval is required for any such activities.

### ***Research Compliance***

Cookeville Regional Medical Center is a recipient of clinical research funds from various companies. In order to conduct the clinical research, CRMC must comply with a myriad of regulations and rules imposed by private funding agencies and corporations. The receipt of funds carries significant regulatory burdens. There are also special rules relating to the consent that must be obtained for research involving human subjects, and rules relating to record keeping requirements and reports of adverse outcomes. In addition, there are special rules governing conflict of interest in the conduct of research.

Any Cookeville Regional Medical Center facility or colleague who becomes involved in clinical research activities must be aware of legal issues that can arise out of clinical research that is conducted. Clinical Research must be conducted under the supervision of an Institutional Review Board ("IRB"). Three significant issues include compliance with IRB requirements for human subject research, correct billing for research-related activities, and guarding against violations of the anti-kickback law and conflicts of interest in connection with research grant funding. Those employees who handle and manage research matters are responsible for ensuring all requirements are met and, if necessary, CRMC's Legal Counsel and Compliance Officer are fully advised of the research activities.

### ***Other Laws and Cookeville Regional Medical Center Policies and Procedures***

This Compliance Handbook covers many areas, but your job may involve specific legal rules not explained here. For example, if you work in a pharmacy or are responsible for the collection of receivables, additional laws may apply to your duties. Questions or concerns not specifically addressed in the Compliance Handbook may be resolved by examining the other compliance policies or by contacting your supervisor, the Compliance Officer, or the Chief Legal Counsel.

The guidelines set forth in this Compliance Handbook are intended to reaffirm Cookeville Regional Medical Center's longstanding commitment to compliance. They are not intended to replace other CRMC policies and procedures. All of us must comply with the applicable CRMC facility and departmental policies and procedures, as well as the guidelines in the Compliance Handbook.

### **Conclusion**

You can help prevent the mistakes that lead to compliance problems. Prevention begins with education.

Each employee is expected to know and understand Cookeville Regional Medical Center's compliance policies and the basic laws and regulations that affect his or her job. Knowledge is the most powerful weapon you can use to prevent compliance mistakes from happening. If you are not knowledgeable about Cookeville Regional Medical Center's compliance policies and the basic laws and regulations that affect your job, you must educate yourself.

Start by studying this Compliance Handbook and any other compliance documents that contain the policies that most directly impact your job. Study those policies and talk to your supervisor if you do not understand how they apply to your job. If your supervisor cannot resolve your problem, follow the "Four Step Communication Process" **and keep asking your questions until you get an answer that makes sense to you.**

With the assistance of every employee, Cookeville Regional Medical Center will fulfill its commitment to provide medical services of the highest quality to its patients, in full compliance with all applicable laws and regulations.