

Sequoyah County – City of Sallisaw Hospital Authority
d/b/a Sequoyah Memorial Hospital
Standards of Conduct
Revised April, 2009

Sequoyah County – City of Sallisaw Hospital Authority d/b/a Sequoyah Memorial Hospital Standards of Conduct

The Sequoyah County - City of Sallisaw Hospital Authority d/b/a Sequoyah Memorial Hospital's (Hospital) has developed Standards of Conduct that describe the Hospital's commitment to conducting its business in accordance with applicable laws, regulations and guidelines. The Standards of Conduct shall apply to all employees, board members, physicians, independent contractors (independent contractors are defined as individuals or companies providing direct patient care or impacting claim submission and/or payments) and covered persons (covered persons are defined as members of the auxiliary, volunteers and students of health care professions).

The Standards of Conduct, or applicable portions, shall be distributed to all employees, board members, physicians, independent contractors and covered persons. (When necessary, the Standards of Conduct shall be translated into other languages and written at appropriate reading levels.) The Standards of Conduct shall be reviewed on an annual basis.

A. *Fraud and Abuse*

The Hospital requires that employees, board members, physicians, independent contractors and covered persons adhere to the standards contained in the Sequoyah County - City of Sallisaw Hospital Authority d/b/a Sequoyah Memorial Hospital's (the Hospital) Corporate Compliance Program (Program) while serving in their respective capacities on behalf of the Hospital. Conduct that does not comply with these standards is not authorized by the Hospital and shall not be tolerated. Failure to comply with these standards may constitute a violation of the law, regulation or guidelines and shall be subject to disciplinary action.

If a question arises as to whether any action complies with said standards, laws, regulations or guidelines, the employee, board member, physician, independent contractor or covered person shall present that question either to their supervisor, Hospital contact person or directly to the Compliance Officer. Conduct that does not comply with the standards as contained in the Program shall be immediately reported to the Compliance Officer. The Hospital expects that the following standards will be followed at all times:

No employee, board member, physician, independent contractor or covered person shall:

1. Make any false statement of any kind in any claim or application for health care benefits.
2. Retain on behalf of the Hospital any funds from any federal, state or private insurance programs that they know have not been properly paid.
3. Knowingly submit on behalf of the Hospital any claim for health care benefits if he/she has reason to believe the services were not medically necessary.

4. Pay or offer to pay any source for referrals of individuals to the Hospital for services or receive or attempt to receive payments from any source for referrals of individuals to other organizations.
5. Present a claim on behalf of the Hospital to any governmental agency or other payer that is for an item or service that the employee knows was not provided or that the employee knows was false. No employee shall make any false representations regarding coverage of any patient services.
6. Engage in any conduct or scheme to cheat or defraud any health care program or governmental agency.
7. Falsify or conceal any facts concerning the delivery of services or payments of benefits in connection with any health care program.
8. Destroy the information or records related to a potential health care offense or obstruct the investigative process.
9. Use any funds obtained improperly or illegally from any health care program.
10. Fail to report an incident which shall be considered a violation of any Standard of Conduct, the Program or any other Hospital policies.

B. *Honest Communications*

The Hospital requires employees, board members, physicians, independent contractors and covered persons to perform their duties and responsibilities honestly and ethically. The Hospital expects verbal and written communications from its employees, board members, physicians, independent contractors or covered persons to be honest and ethical at all times. Employees, board members, physicians, independent contractors or covered persons shall not make false or misleading statements to any person or persons regarding the services or products provided by the Hospital.

C. *Misappropriation of Proprietary or Confidential Information*

Employees, board members, physicians, independent contractors or covered persons are prohibited from misappropriating confidential or proprietary information. Confidential or proprietary information includes information that is specific to the Hospital's operations that could be considered a trade secret and may include software, contracts, agreements, documents, records and other sensitive or restrictive information that may not be used in an unauthorized manner.

D. *Confidentiality*

The Hospital recognizes the need to maintain patient and other information in a confidential manner. As such, patient information shall not be shared in an unauthorized manner and sensitive information concerning personnel and management issues shall be maintained in the strictest confidence and utilized only by those individuals authorized to review and act upon such information.

Underlying each of the above principles is the Hospital's overall commitment to act with integrity in all of our activities and to treat the Hospital's employees, patients, physicians, independent contractors, covered persons and the many constituents we serve with the utmost respect.

1. **Patient.** Medical information on all patients is privileged information. Hospital employees, physicians, independent contractors or covered persons should not attempt to use their contacts with fellow employees to gain medical information unless it is necessary to perform their job function. Reasons for admission, diagnosis and treatment of patients are all confidential information and employees, physicians, independent contractors and covered persons should not divulge this information unless authorized by Hospital policy. All requests for information from sources outside the Hospital must be referred to personnel assigned to release information.
2. **Corporate.** Employees, board members, physicians, independent contractors or covered persons with either access to or the ability to obtain confidential information about the business matters of the Hospital shall not discuss such information with anyone except those who need to know to perform their job functions. An exception shall be made for any proper requests made in accordance with applicable laws and regulations.
3. **Personnel.** Information relating to employees, board members, physicians, independent contractors, and covered persons of the Hospital is confidential. Personnel information shall be maintained in accordance with Hospital policies and applicable laws governing employment. Board members, physicians, independent contractors, and covered persons information shall be maintained in accordance with Hospital policies. Personnel having access to such information shall exercise due care in protecting its confidentiality and limit the dissemination of such information to only those individuals in the Hospital who need the information to perform their job functions. An exception shall be made for any properly authorized requests made in accordance with applicable laws and regulations.

E. *Conflicts of Interest*

Employees, board members, physicians, independent contractors and covered persons of the Hospital have an obligation to make decisions and to perform their duties for the sole benefit of the Hospital. An employee, board member, physician, independent contractor or covered person shall avoid placing himself or herself in a position where personal interests are in conflict, or give the appearance of being in conflict, with the interests of the Hospital. If such conflicts arise, an employee, board member, physician, independent contractor or covered person must fully disclose his or her interest.

An employee, board member, physician, independent contractor or covered person shall not participate on behalf of the Hospital, either directly or indirectly in any transaction, investment, contract or other activity, if he or she or a family member has a financial interest or other involvement which would make such participation improper. A full disclosure of such interest shall be made to either the Chief Executive Officer or the Compliance Officer.

The potential exists for a conflict of interest among decision makers at all levels of the Hospital. Decision makers at all levels shall adhere strictly to the Standards of

Conduct, the Program and to all other policies of the Hospital relating to conflicts of interest. This includes employees, board members, physicians, independent contractors, and covered persons. The disclosure of potential conflicts of interest must be made so appropriate action may be taken to ensure such conflict is not inappropriately influenced by important decisions.

Board members, administration, department directors and managers are required to submit an annual conflict of interest form, which requires the disclosure of potential conflicts of interest.

F. *Gifts and Gratuities*

Business transactions with vendors, contractors and other third parties shall be transacted free from offers or solicitation of gifts and favors or other improper inducements in exchange for influence or assistance in a transaction.

1. Employees, board members, physicians, independent contractors or covered persons may not personally accept monetary gifts, tips or gratuities from patients, vendors or suppliers. However, the Hospital may conduct fundraising activities, which are intended for charitable purposes. Soliciting monetary gifts for charitable purposes on behalf of the Hospital shall be permissible as directed by the Hospital's Chief Executive Officer.

Whenever monetary gifts, tips or gratuities are offered by patients, vendors or suppliers, they should be gracefully declined. If a vendor, supplier or anyone else persists in offering monetary gifts, tips or gratuities, report such activity to the Compliance Officer.

Employees, board members, physicians, independent contractors or covered persons may accept occasional nonmonetary gifts of a nominal value not to exceed \$50 annually. Employees, board members, physicians, independent contractors or covered persons who fail to comply are subject to disciplinary action, which may include discharge, contract termination or removal.

Likewise, gifts or gratuities may not be given by any employee, board member, physician, independent contractor or covered person representing the Hospital for the purpose of inducing or influencing referrals. Such gifts may constitute a violation of the law, regulations or guidelines.

Any questions about gifts, tips or gratuities, whether received or given, shall be referred to the Compliance Officer for review and approval.

2. ***Workshops, Seminars and Training Sessions.*** Attendance at local, vendor-sponsored workshops, seminars and training sessions shall be permitted with prior approval by the employee's, physicians, independent contractors or covered persons immediate supervisor or the Hospital's Chief Executive Officer or designee in their absence. Attendance at out of town seminars, workshops and training sessions, which are at the vendor's expense, is permitted only with the prior approval and knowledge of the Compliance Officer and Hospital Chief Executive Officer or designee in their absence.
3. ***Contracting.*** Business relations with independent contractors, vendors or suppliers shall be conducted at arms length, both in fact and in appearance, and in compliance with the Hospital's purchasing policies. Independent

contractors, vendors and suppliers shall disclose personal and business relationships with Hospital employees, board members, physicians and covered persons. Contracts shall be approved by the Chief Executive Officer and/or the Board of Directors subject to existing Hospital policies.

The Hospital may from time to time engage legal counsel to conduct a review of its contracts with independent contractors, vendors and suppliers.

4. **Business Inducements.** The Hospital shall follow the policy of not entering into contracts or financial arrangements that are designed to induce such referrals in violation of the antikickback statute, Stark self-referral law or similar federal or state statutes or regulations. Furthermore, the Hospital shall not offer or provide gifts or other incentives to patients, relatives of patients, physicians, hospitals, contractors, nursing facilities, assisted living facilities or other potential referral sources for the purpose of inducing referrals in violation of the antikickback statute, Stark self-referral law or other federal or state statutes or regulations. Business inducements which are intended to generate referrals may violate the law and are prohibited under the Program.
5. **Writeoffs and Discounts.** The Hospital shall discount standard charges when required by contractual agreements as permitted under federal and state law and other regulations. The Patient Concern Committee of the Hospital may also adjust patient bills due to concerns about patient satisfaction issues with final approval by the CEO. The Hospital shall make a reasonable collection effort on unpaid accounts, unless the patients are determined to be eligible for the Hospital's Indigent/Charity Care program. Those accounts that cannot be collected after such efforts have been exhausted shall be written off according to Hospital policies.

G. *Protection of Assets*

All employees, board members, physicians, independent contractors and covered persons are responsible for the preservation and protection of the Hospital assets. Employees, board members, physicians, independent contractors or covered persons shall make prudent and effective use of the Hospital resources and accurately report their financial condition.

1. **Internal Control.** The Hospital has established internal control standards and procedures to provide that assets are properly used and that financial information is reported properly. Maintaining internal control standards is the responsibility of the Hospital.
2. **Financial Accounting and Reporting.** It is the Hospital's policy to ensure that financial and accounting information is reported accurately, timely and completely. Improper or fraudulent reporting, documentation, or accounting is contrary to the Hospital policies and may be in violation of applicable laws.

The following are examples of practices that shall not be acceptable:

- a. Falsifying either the reasons for any payment or documentation pertaining to any payment.
 - b. Recording false entries on patient charts, claims forms or any other documents.
 - c. Billing for items or services not actually rendered.
 - d. Billing for medically unnecessary services.
 - e. Using a billing code that provides a higher payment rate than the billing code that actually reflects the service furnished to the patient.
 - f. Billing using a code, such as a Diagnosis Related Group (DRG) or Resource Utilization Group (RUG), that provides a higher payment rate than the proper code that accurately reflects the service furnished to the patient.
 - g. Submitting duplicate claims or duplicate billing for reimbursement.
 - h. Submitting false cost reports.
 - i. Billing for services not covered or reimbursable.
3. ***Travel and Entertainment.*** Employees, board members, physicians, independent contractors or covered persons expecting reimbursement of expenses shall obtain and submit receipts for travel and entertainment expenses incurred while performing their job. It is the Hospital's policy that employees, board members, physicians, independent contractors or covered persons shall not suffer or improperly gain financially as a result of performing their job.
- Employees, board members, physicians, independent contractors or covered persons shall exercise good judgment in the use of the Hospital's assets and shall only request reimbursement for valid expenses that are reasonable, necessary and proper for the performance of the employees, board members, physicians, independent contractors or covered person's job function.
4. ***Personal Use of Corporate Assets.*** Employees, board members, physicians, independent contractors or covered persons shall not convert the Hospital's assets to their own personal use. Employees, board members, physicians, independent contractors or covered persons are prohibited from the unauthorized use or taking of the Hospital's equipment, supplies, furniture and materials. Any use of the Hospital's assets for purposes not related to services provided by the Hospital must be approved in advance by the Chief Executive Officer in writing.

H. *Duty and Obligation to Report*

Hospital employees, board members, physicians, independent contractors and covered persons have a duty and obligation to report suspected violations of the Program, Standards of Conduct, laws, regulations, guidelines and policies to which the Hospital is subjected. Failure to report suspected violations shall be grounds for disciplinary actions.