

## **I. ARIA HEALTH COMPLIANCE POLICY STATEMENT**

- ARIA Health and the organizations under ARIA Health's control (collectively referred to as ARIA) are dedicated to maintaining excellence and integrity in all aspects of their operations and their professional business conduct. Accordingly, ARIA is committed to high ethical standards and compliance with all governing laws and regulations not only in the delivery of health care but in the business affairs and its dealings with employees, administrative staff, physicians, agents, payers and the communities ARIA serves. It is the personal responsibility of all who are associated with ARIA to honor this commitment in accordance with the terms of the ARIA Code of Conduct, and related policies and procedures and standards developed in connection to or with the Corporate Compliance Program.

## **II. PURPOSE OF THE COMPLIANCE PROGRAM**

The ARIA Health Compliance Program (the Program) is intended to provide reasonable assurance that ARIA:

1. complies in all material respects with all federal, state and local laws and regulations that are applicable to its operations;
2. satisfies the conditions of participation in health care programs funded by the state and federal governments and the terms of its other contractual obligations;
3. detects and deters criminal conduct or other forms of misconduct by trustees, officers and employees, medical staff, agents and contractors that might expose ARIA to significant civil liability;
4. promotes self-auditing and self-policing and provides for, in appropriate circumstances, voluntary disclosure of violations of laws and regulations; and
5. establishes, monitors, and enforces high professional and ethical standards.

## **III. SCOPE OF THE COMPLIANCE PROGRAM**

The provisions of the Program apply to all medical, business, and legal activities performed by ARIA employees, medical staff, residents, agents and contractors. The expectations for ARIA employees regarding compliance with the program are as follows:

1. compliance with the ARIA Code Of Conduct (Do the Right Thing) contained in Section V. of this document;
2. familiarize themselves with the purpose of the Program;
3. perform their jobs in a manner that demonstrates commitment to compliance with all applicable laws and regulations;
4. report known or suspected compliance issues to the ARIA Chief Compliance Officer and upon request investigate or participate in investigations to the point of resolution of any alleged violations; and

5. strive to prevent errors and provide suggestions to reduce the likelihood of errors.

#### IV. ARIA HEALTH COMPLIANCE PROGRAM ELEMENTS

The ARIA Health Board of Directors directed the development and implementation of an effective compliance program that includes the following elements recommended in the Office of Inspector General's (OIG) Compliance Program Guidance for Hospitals and the Deficit Reduction Act of 2005 (DRA). (Section references are to relevant sections within this document):

1. **Code of Conduct (Section V.)** – development and distribution of the ARIA Code of Conduct, as well as the development of new or revised written policies that further promote ARIA's commitment to compliance. Such policies should be considered an integral component of this program;
2. **Corporate Compliance Officer and Compliance Committee designations (Sections VI. and VIII);**
3. **Education and Training Program Development and Implementation (Section X.)** to provide general compliance information to the broad-based employee population as well as focused technical training of those functional areas that have the capability to enhance ARIA's culture of compliance;
4. **Hotline Process Maintenance (Section XI.)** – to receive complaints confidentially and to ensure non-retaliation to any individual reporting concerns utilizing the Compliance Hotline;
5. **Sanctions or Disciplinary Action Enforcement (Section XV.)** – the enforcement of appropriate sanctions or disciplinary actions against employees, physicians, or on-site agents or contractors who violate compliance policies, applicable laws, regulations or federal health program requirements;
6. **Monitoring (Section XIII.)** – the performance of audits and risk assessments to identify problems and conduct ongoing compliance monitoring of identified problem areas; and
7. **Investigation and Remediation (Sections XII.)** – the investigation and remediation of identified systemic problems and the development of appropriate corrective action plans to remediate such problems.
8. **Fraud, Abuse and the False Claims Laws (Section XVI.)**

This Program establishes a framework for legal and ethical compliance by ARIA Hospitals. The Program is a living document and all members of the ARIA community are encouraged to suggest changes or additions to the Program. It is not intended to set forth all of the substantive programs and practices of ARIA Health that are intended to achieve compliance. Certain functional areas within ARIA that are more likely to have issues involving compliance with applicable laws, regulations and ARIA policies and practices (such as laboratory, professional billings, home health care and long term care) may develop specific compliance plans and/or policies that address issues specific to those

areas. These specific compliance plans and policies will augment and further support this program.

## **V. ARIA HEALTH CODE OF CONDUCT (Do the Right Thing)**

The ARIA Code of Conduct provides the guiding standards for our decisions and actions as members of the ARIA community. As used in the Code of Conduct, the term ARIA Health means ARIA Hospitals and each of its facilities, physician practices, subsidiaries and divisions. Although the Code of Conduct can neither cover every situation in the daily conduct of ARIA's many varied activities nor substitute for common sense, individual judgment or personal integrity, it is the duty of each member of the ARIA community to adhere without exception to these principles.

### **1. We will provide exceptional care to our patients.**

We recognize that our patients trust us with their lives. We will always be respectful of this sacred trust and in return we offer our compassion, our competence, and our courtesy. We will maintain a safe and clean environment for our patients. We will seek to provide health services of the highest quality that respond to the needs of our patients, their families and the community as a whole. We continuously seek ways to improve the quality, safety and affordability of health care.

### **2. We will show respect and dignity toward all members of our community.**

We are committed to treat both patients and their families with the utmost respect. We understand that ill patients can at times be demanding and challenging. We will always be polite, show concern, and when appropriate, we will apologize and take action to amend the situation.

We acknowledge that it is the policy of ARIA Health that all individuals within its facilities be treated courteously, respectfully and with dignity. To that end, all employees, physicians, and other independent practitioners shall conduct themselves in a professional and cooperative manner while in the Hospital or involved in Hospital business. (ARIA Health Hospital Policy of Clinical Appointments – Appendix #1).

We know that to establish a culture of respect, we need to include all members of the community with whom we interact. In addition to treating our patients and visitors with respect, we must also show respect and dignity to our co-workers, medical staff, and volunteers. We are committed to providing educational and employment opportunities for all persons without regard to race, color, nationality or ethnic origin, religion, gender, age, sexual orientation, or disability. We will respect the dignity of each individual in the community. We will not tolerate sexual harassment or any type of prohibited discrimination in any form or context in our environment.

We recognize the value of every member of our staff and we will work to ensure a safe workplace that conforms to regulations regarding occupational health and safety.

We are respectful of our natural environment; therefore, all medical waste, hazardous waste and other products shall be used and disposed of in accordance with all applicable environmental laws and regulations.

**3. We will honor our patient's right to privacy.**

In the course of our activities we have access to a variety of personal and sensitive information about our patients. Federal and state laws obligate us to protect the confidentiality of this information. Our commitment to our patient care compels us to respect their privacy. We must adhere to the appropriate laws, regulations, policies and procedures to ensure that confidential information is properly maintained, and to prevent unauthorized access to this information. We will follow proper procedures when discarding confidential patient information. We will work to ensure proper safeguards are used to ensure the confidentiality of our patient medical data and to secure the trust they place in us when they provide their protected health information (PHI). We will not discuss patient information in areas where others can overhear the conversation or outside of the hospital.

**4. We will comply with all applicable laws.**

We will conduct all activities in accordance with the highest ethical standards at all times and in a manner which shall uphold ARIA Health's reputation and standing. Each of us is responsible for knowing the legal requirements and restrictions applicable to our respective positions and duties at ARIA. We will uphold all applicable laws and regulations.

Any questions about the legality or propriety of any actions undertaken on behalf of ARIA should be immediately referred to one's supervisor; ARIA's Chief Compliance Officer (215-612-5290) or the ARIA Chief Legal Counsel (215-612-2654). To provide further assistance, ARIA has implemented a Compliance Hotline, a confidential hotline that can be reached by dialing 1-866-572-8863. Calls made to the Compliance Hotline may be made anonymously. It is a violation of this Code of Conduct to take any actions in reprisal against anyone who reports in good faith, either directly to management or through the Compliance Hotline, suspected violations of the Code of Conduct or other ARIA policies and procedures.

We will implement programs necessary to maintain awareness and to monitor and promote compliance with laws and regulations. We will refrain from engaging in activity which may jeopardize the tax-exempt status of the organization, including inappropriate lobbying or political activities. We will create and maintain records and documentation that conform to legal, professional and ethical standards.

**5. We will avoid conflicts of interest.**

ARIA is a non-profit organization dedicated to the provision of health care, education of health professionals and performance of health - related research. In our assigned roles and tasks, we must faithfully conduct our duties for the purpose, benefit and interest of ARIA and may not use our position and affiliations with ARIA for personal benefit. We must avoid situations in which an employee's or staff member's responsibility to ARIA might be, or appear to be, compromised by outside obligations. **We will conduct all business practices with honesty and integrity.**

We acknowledge that in all that we do and in all that we say, we can either polish or tarnish the reputation of ARIA Health. We seek to promote and continue the superior

reputation of this organization. We will not make false or misleading statements to any patient, person or entity doing business with ARIA. We understand that our community counts on the integrity of our actions.

We recognize that we operate in a complex system, with intricate responsibilities and with multifaceted obligations. But even when faced with the most difficult decisions, even when our actions may undoubtedly be concealed, we will take no action that cannot bear the light of day, the informed scrutiny of our community, and the thorough judgement of our collective conscience. Honesty will be our guide.

Accordingly:

- We will adhere to proper business practices and federal and state fraud and referral prohibitions in dealing with vendors and referral sources.
- We will conduct business transactions free from offers or solicitations of gifts, favors or others improper inducements.
- We will conform to all applicable antitrust laws and regulations, and ensure that ARIA does not violate laws and regulations with respect to (i) pricing or other sale terms or conditions, (ii) improper sharing of competitive information, (iii) the allocation of territories or (iv) the impermissible exclusion of others from economic activities.
- We will maintain and protect the property and assets of ARIA Health, including intellectual property and proprietary information, controlled substances and pharmaceuticals, equipment and supplies, and funds.
- We will never tolerate the converting of ARIA assets to personal use.
- We will maintain the confidentiality of proprietary information belonging to other persons or entities doing business with ARIA.
- We will prepare accurate financial reports, accounting records, research reports, expense accounts, time sheets and other documents so that they completely and accurately represent the relevant facts and true nature of all ARIA business transactions.
- We will ensure that all of our requests for payments are for services that are reasonable, necessary and appropriate, are provided by properly qualified persons, and the claims for such services are billed in the correct amount and supported by appropriate documentation.

This Code of Conduct augments but does not limit specific ARIA policies and procedures. ARIA community members must perform their duties in accordance with such policies and procedures.

It is the duty of each member of the ARIA Health community to support and uphold the standards set forth in the Code of Conduct and to report violations by following the reporting procedures established by this Program.

Officers, managers and supervisors of ARIA have a special duty to adhere to the principles set forth in the Code of Conduct, to support other members of the community in their adherence to the Code of Conduct, to recognize and detect violations of the Code of Conduct, and to enforce the standards set forth in support of the Code.

It is a violation of the Code of Conduct to take any action in reprisal against anyone who reports in good faith suspected violations of the Code of conduct or other ARIA policies and procedures.

Alleged violations of the Code of Conduct or other policies and procedures of ARIA will be investigated by persons designated by ARIA Health's Chief Counsel or Chief Compliance Officer, pursuant to procedures established by the Compliance Program.

Disciplinary action for violations of the code of conduct and/or other ARIA policies and procedures shall be enforced through the disciplinary policies and procedures of ARIA Health. Disciplinary actions will be determined on a case-by-case basis and may include dismissal from employment. ARIA will cooperate with law enforcement authorities and governmental agencies in connection with investigation and prosecution of any member of the ARIA Health community who violates any law governing the operation of ARIA.

## **VI. CHIEF COMPLIANCE OFFICER**

The Chief Compliance officer (CCO) reports to the ARIA Health Chief Executive Officer (CEO) and the Audit and Regulatory Committee of the ARIA Health Board of Directors. The CCO's primary responsibilities include:

- Overseeing and monitoring the implementation of the ARIA Health Compliance Program. The CCO will work with appropriate administrators to develop a Compliance Workplan to guide implementation of the Compliance Program. The Compliance Workplan at a minimum will include:
  - An annual identification of areas which require review and monitoring with timetables and personnel assigned. The Workplan will be reviewed on an annual basis with the President and CEO or his/her designee and be approved by the ARIA Compliance Committee and Audit and Regulatory Committee of the ARIA Board of Directors;
  - plan and timetables for educational and training programs relating to legal and regulatory areas;
  - plan and timetables for continued monitoring of areas under corrective action based upon prior compliance assessments;
- plan and timetables for implementation of departmental compliance policies or plans, where appropriate.
- reporting as necessary to the Audit and Regulatory Committee of the ARIA Board of Directors on the progress of Compliance Program implementation. Included in such reports

will be any new compliance issues noted, plans for investigations, status of previously initiated investigations, timing and adequacy of corrective action plans implemented, and designs for on-going future monitoring;

- assist in establishing methods to improve their efficiency and quality of services, and to reduce ARIA's vulnerability to fraud, abuse and waste;
- obtaining from ARIA the required commitment of resources to carry out review and monitoring activities identified in the Compliance Workplan;
- periodically revising the Compliance Workplan in light of changes in the needs of the organization, and in the laws and policies and procedures of governmental and private payor health plans;
- developing, coordinating, and participating in a multifaceted educational and training program that focuses on the elements of the Compliance Program and ensures that all appropriate employees and management are knowledgeable of, and comply with, pertinent federal and state standards;
- ensuring that independent contractors and agents who furnish services to ARIA are aware of the applicable requirements of the ARIA Health Compliance Program with respect to coding, billing, marketing and all applicable federal and state requirements;
- coordinating personnel issues with Human Resources and Medical Staff Office to ensure that the National Practitioner Data Bank and Cumulative Sanction Reports have been checked with respect to all employees, medical staff and independent contractors;
- assisting ARIA financial management by coordinating internal compliance review and monitoring activities, including annual or periodic reviews of certain departments that have the potential to become involved in compliance issues;
- independently investigating and acting on matters related to compliance, including the design and coordination of internal investigations that respond to reports of problems or suspected violations, and any resulting corrective action with departments, and providers, agents and, if appropriate, independent contractors. The CCO and his/her designee have the authority to review all documents and other information relevant to compliance activities;
- monitoring THE Compliance Hotline to ensure that members of the ARIA community are able to report suspected improprieties without fear of retribution, and implementing processes to investigate, resolve and document all issues reported via The Compliance Hotline;
- monitoring activities related to the ARIA Compliance Program and Compliance Workplan and reporting progress and relevant information to the Board of Directors; and
- responding in conjunction with Legal Counsel to external agency requests regarding compliance issues.

## **VII. SENIOR MANAGEMENT COMPLIANCE STEERING COMMITTEE**

ARIA engages a Senior Management Compliance Steering Committee (Steering Committee) comprised of the CEO, Chief Financial Officer (CFO), Chief Legal Counsel, Chief Operation Officer (COO), Chief Medical Officer (CMO), Chief Information Officer (CIO), CCO and such other members as are necessary to be effective in its responsibilities. The CEO chairs this committee and the CCO provides staff support to the committee.

The Steering Committee assists the CCO and the CEO in fulfilling their responsibilities in developing, implementing and monitoring the Compliance Program. The purpose of the Steering Committee is to provide strategic direction for the Program, monitoring changes in the health care environment and identifying the impact of such changes on specific areas. The Steering Committee also monitors and reviews compliance audits and investigations, and calls coming through the Compliance Hotline telephone service.

## **VIII. CORPORATE COMPLIANCE COMMITTEE**

ARIA has created a Corporate Compliance Committee (Compliance Committee) comprised of representatives from appropriate clinical and administrative areas. The Compliance Committee members have broad backgrounds and experience levels and expertise in operations, monitoring quality, service delivery and legal and regulatory compliance.

The Compliance Committee advises the CCO and assists in the development, implementation and monitoring of this Compliance Program. The Compliance Committee's functions include:

- monitoring changes in the health care environment, including regulatory changes with which ARIA must comply, and identifying the impact of such changes on specific risk areas;
- recommending the revision of policies and procedures, as needed, so that such policies support the Code of Conduct;
- monitoring through summary reports shared by the CCO or his/her designee, the types of hotline calls coming through the Compliance Hotline system, identifying trends or patterns; and evaluating the adequacy of the investigation, follow up and resolution of such calls.
- Provide tactical leadership and support to the Compliance Program in specific areas as required.

## IX. BOARD OF DIRECTORS OVERSIGHT

The ARIA Health Board of Directors, acting through its Audit and Regulatory Committee, exercises regular oversight with respect to the Compliance Program. Specific oversight activities include the following:

- Receiving reports directly from the CCO on a periodic (at least quarterly) basis, or immediately, if necessary; and
- Approving compliance budgets, workplans, reports of compliance audits and reviews of the Compliance Program's effectiveness.

## X. EDUCATION AND TRAINING

The CCO has developed a policy on the dissemination and implementation of the Compliance Program and other compliance education/training initiatives. The policy requires compliance training as follows:

- **General Training:** All new employees, within their first 90 days of employment, receive sufficient general training covering the Compliance Program, the Code of Conduct, *ComplyLine*, direct contact information for the CCO, patient information confidentiality, and other compliance policies and procedures. All employees receive sufficient general information each year thereafter.
- **Specific Training:** All employees involved in the delivery and documentation of patient care or the preparation (coding) and submission of claims for reimbursement, within their first 60 days of employment, receive sufficient specific training in addition to the general training required above. Such specific training focuses on laws, regulations and Compliance Program policies and procedures directly relevant to their respective roles and responsibilities. All such employees also receive sufficient specific training each year thereafter. ARIA Hospitals also encourage members of the non-employed medical staff to attend such training.

Attendance at training is appropriately documented and the CCO develops appropriate measure to assess the effectiveness of the training in promoting the goals of the Compliance Program. Documentation of required training will be developed jointly by the CCO and Human Resources.

## XI. ARIA HEALTH COMPLIANCE COMMUNICATION

### 1. Direct Access to the Chief Compliance Officer (CCO)

ARIA recognizes that an open line of communication between the CCO and ARIA personnel is critical to the success of the Program. In addition to using the Compliance Hotline, members of the ARIA community are strongly encouraged to report incidents

of potential fraud or to seek clarification regarding legal or ethical concerns directly from the CCO. ARIA Health's Chief Compliance Officer may be reached at (215) 612 5290.

## **2. Non-Retaliation**

ARIA employees who, in good faith, report possible compliance violations will not be subject to retaliation or harassment as a result of their report. Retribution related to reporting on compliance concerns is prohibited and anyone who engages in such prohibited activity will be subject to disciplinary action. Concern about possible retaliation or harassment should be reported to the CCO or his/her designee. All such communications will be kept confidential but there may be situations when the reporting individual's identity may become known or may have to be revealed if required.

This Non-Retaliation policy extends to anyone who finds it necessary to report a perceived ARIA problem to any governmental agency. While the intent of the Compliance Program is to encourage, and in most cases require, the reporting of problems to the CCO or the appropriate supervisor, all ARIA employees have the right to be protected from discharge, demotion, suspension, threat, harassment, discrimination, or retaliation in the event the employee files a claim or otherwise makes a good faith report to the appropriate authorities alleging fraud, waste or abuse in a Federal health care program, including the Medicare and Medical Assistance (MA) programs. ARIA is committed to compliance with all governmental regulatory mandates and cooperating with any inquiry regarding such mandates.

## **3. Compliance Hotline Service**

A key element of the ARIA Compliance Program is the hotline telephone service which may be accessed by dialing 1-866-572-8863. The Compliance Hotline is a completely confidential resource that may be used anonymously to allow members of the ARIA community to voice concerns over any situation that may conflict with ARIA's commitment to excellence or to report any misconduct which may give rise to liability if not corrected. An impartial independent company records information reported by callers and communicates this information to the CCO or his/her designee in order that appropriate investigation and resolution may occur. A unique code is assigned to each call for follow-up communication by the anonymous caller.

A log is maintained of all Compliance Hotline calls, the results of investigations and continued monitoring, if applicable. Reports of Hotline calls, summarized by category and by operational areas, will be provided at least annually to identify any significant events or patterns which may require follow-up review.

## **4. New Employee Policy**

For all new employees, ARIA conducts a reference check and screening as part of the hiring process. This process will include, at a minimum, a criminal background check and verification that the proposed hire is not listed on any Health and Human Services (HHS) Office of Inspector General's (OIG) List of Excluded Individuals. All ARIA employment applicants are specifically required to disclose any criminal convictions as defined by 42 U.S.C. § 1320a-7(i), or any actions by HHS or the OIG which has resulted

in their exclusion from any Federal health care programs. Failure to disclose such information will be considered a material omission which will result in immediate termination.

**5. Communication with Government Agencies**

ARIA shall document and retain records of all requests for information regarding payment polices from government agencies and all written or oral responses received. Such records are critical if ARIA intends to rely upon such responses to guide them in future decisions, actions, or claim reimbursement requests or appeals, while further underscoring ARIA's commitment to compliance with all applicable regulations and laws.

**6. Record Retention**

ARIA is committed to complying with the record retention and documentation requirements under federal and state laws and to the maintenance and retention of records and documentation necessary to confirm the effectiveness of ARIA's Compliance Program. Such documentation includes, but is not limited to, the Hotline log, minutes of Compliance Committee meetings, educational presentation overviews, handouts, attendance sheets, and documentation of ongoing auditing and monitoring activities.

**XII. INVESTIGATIONS**

The CCO has the authority to investigate any potential compliance issue. The CCO or his/her designee will:

- Promptly initiate an investigation of a potential compliance issue to make a case-by-case determination as to whether a violation has occurred. The CCO will either personally conduct the investigation or refer the complaint to a more appropriate area within ARIA or outside such as internal or outside counsel, auditors or health care consultants with appropriate expertise. The CCO may request assistance in the investigation from the person or persons who filed the initial complaint, other relevant personnel or external sources;
- Request legal counsel to participate in the investigation and to provide legal advice in any such matter, as appropriate. In any investigation involving legal counsel, the fact gathering is to be conducted under counsel's direction and control and coordinated by the CCO. All members of the ARIA community are obligated to cooperate with counsel in confidence.
- Prepare a report of each investigation that will include documentation of the issues and, as appropriate, a description of the investigation process, copies of any interview notes and key documents, a log of the witnesses interviewed and the documents reviewed, the results of the investigation, any disciplinary actions, and the corrective action implemented to prevent recurrence. Reports of each investigation and the status of the corrective action will be presented to the Compliance Committee and to the Audit and Regulatory Committee of the ARIA Board of Directors on a quarterly basis, or as necessary.

- Work with relevant areas within ARIA to ensure return of discovered overpayments to the relevant government programs.
- Report violations of criminal or administrative law to the appropriate federal and/or state authority within a reasonable time period after determining that there is credible evidence of such violation.

### **XIII MONITORING**

As outlined in Section V., one of the principal responsibilities of the CCO is to oversee and monitor the implementation of the ARIA Compliance Program. The CCO will work with the organization administrators to develop a Compliance Workplan to track implementation of the Compliance. The Workplan shall set forth the rationales for selecting particular risk areas for compliance audits. The CCO will prepare reports of each investigation resulting in material findings regarding compliance and submit such reports to the ARIA Audit and Regulatory Committee.

Monitoring techniques that will be used by the CCO include, but are not limited to the following:

- Compliance audits focused on those areas within ARIA that have potential exposure to government enforcement actions as those areas identified in (i) Special Fraud Alerts issued by the OIG, (ii) OIG annual Workplan, (iii) Medicare Fiscal Intermediary or carrier reviews, and (iv) law enforcement initiatives.
- Benchmarking analysis that provides operational “snapshots” from a compliance perspective that identify the need for further assessment, study or investigation.
- Periodic reviews in the areas of Program dissemination, communication, of ARIA’s compliance standards and Code of Conduct, availability of the Compliance Hotline and adequacy of compliance training and education to ensure that the Program’s compliance elements have been satisfied.
- Subsequent reviews to ensure that corrective actions have been effectively and completely implemented.

### **XIV. CORRECTIVE ACTION PLANS**

When a compliance issue that has been identified requires special action, the appropriate department or administrative personnel responsible for the activity shall develop a corrective action plan that specifies the tasks to be completed, completion dates and responsible parties. In developing such a plan the responsible personnel will obtain advice and guidance from the CCO, legal counsel, or other appropriate personnel, as necessary. Each Corrective Action Plan must be approved by the CCO prior to implementation.

The CCO is required to report directly to the Audit and Regulatory Committee on (i) the implementation of all corrective action plans; (ii) compliance issues for which corrective action plan has not been implemented; and (iii) the results of corrective action plans. A corrective

action plan should ensure that the specific issue is addressed and that similar issues will not occur in other areas or departments, to the extent possible. Corrective action plans may require that compliance issues be handled in a designated manner, that relevant training takes place, that restrictions be imposed on particular employees, or that the matter be disclosed externally. Sanctions or discipline, in accordance with the ARIA administrative disciplinary policies and procedures may also be initiated. If it appears that certain individuals have exhibited a propensity to engage in practices that raise compliance or competence concerns, the corrective action plan should identify actions that may be taken to prevent such individuals from exercising discretion in that area.

## **XV. SANCTIONS**

All members of the ARIA community are responsible for complying with the ARIA Compliance Program, the Compliance Code of Conduct, and related policies and procedures. Corrective actions for noncompliance will be initiated by the appropriate management personnel, who must notify Human Resources in accordance with the ARIA administrative disciplinary policies and procedures. Disciplinary actions will be determined on a case-by-case basis and will be taken appropriately, equitably, and consistently, given the underlying circumstances and the degree of non-compliant behavior. Disciplinary action may include termination for employees, termination of contractual relations for contractors or consultants, dismissal for interns and volunteers, or suspension or expulsion for students. Additionally, individuals are subject to loss of access privileges and civil and/or criminal prosecution. ARIA will also inform the appropriate governmental agency concerning any employee or agent sanctions imposed by ARIA which may result in an exclusion from participation in Federal health care programs.

ARIA will also review the HHS/OIG list of excluded individuals periodically but at least quarterly to ensure that no current employees, physicians, or contractors are listed. This review which will be conducted by Human Resources for pre-employment candidates as described above (Section XI.) will also be conducted by Human Resources for all ARIA employees on payroll. The ARIA Physician Practices will also review their prospective and current physicians as part of their credentialing process. The ARIA Department of Purchasing will conduct a review of all current ARIA vendors and contractors to ensure that ARIA is not contracting with any excluded entities or individuals. A “back end” sanction check is also performed by Accounts Payable. The CCO will oversee the sanction check process and any findings shall be disclosed for appropriate action. Each area responsible for performing sanction checks shall maintain a log of their search results.

## **XVI. FRAUD, ABUSE AND THE FALSE CLAIMS ACT**

Federal laws prohibit health care providers from submitting “false” or “fraudulent” claims for payment to public health programs. (Medicare, Medicaid, and other federally funded health care programs).

### **1. Federal Civil False Claims Act (“FCA”)**

The Federal Civil False Claims Act (31 U.S.C. § 3729 et seq.) prohibits any individual or company from knowingly submitting false or fraudulent claims, causing such claims to

be submitted, making a false record or statement to secure payment from the federal government for such a claim, or conspiring to get such a claim allowed or paid. Under the statute the terms “knowing” and “knowingly” mean that a person (1) has actual knowledge of the information; (2) acts in deliberate ignorance of the truth or falsity of the information; or (3) acts in reckless disregard of the truth or falsity of the information. A specific intent to defraud is not required for there to be a violation of the law. Examples of the types of activities prohibited by the FCA include billing for services that were not actually rendered, and upcoding (the practice of billing for more highly reimbursed service or product than that which was actually provided). Other examples may include those situations in which someone may obtain money from the federal government to which he may not be entitled, and then uses false statements or records in order to retain the money. An example of this so-called “reverse false claim” may include a hospital who obtains interim payments from Medicare throughout the year, and then knowingly submits a false cost report at the end of the year in order to avoid making a refund to the Medicare program.

The FCA is enforced by the filing and prosecution of a Civil Complaint. Under the Act, civil actions must be brought within six years of a violation, or if brought by the government, within three years of the date when material facts are known or should have been known to the government, but in no event more than ten years after the date on which the violation was allegedly committed.

Individuals or companies found to have violated the statute are liable for a civil penalty of not less than \$5,500 and not more than \$11,000 for each claim plus up to three times the amount of damages sustained by the federal government.

The FCA authorizes the United States Attorney to bring actions alleging violations of the statute. The statute also authorizes private citizens to file a lawsuit in the name of the United States known as a qui tam action. The government has sixty days to investigate the allegations in the qui tam complaint and decide whether it will join the action, in which case the complaint is unsealed, and the department of Justice or the United States Attorney’s Office takes the lead role in prosecuting the claim. If the government decides not to join, the individual may pursue the action alone, but the government may still join at a later time upon a demonstration of good cause for doing so.

The Act provides that individuals who file a qui tam action may be entitled to receive a reward of 15 to 30% of the proceeds of the FCA action depending upon the extent to which the relator substantially contributed to the prosecution and whether the government decided to participate in the action. The award may be reduced, however, if, for example, the court finds the relator planned and initiated the violation. The FCA also provides that individuals who prosecute clearly frivolous qui tam claims can be held liable to a defendant for its attorney fees and costs.

Employees who initiate such actions are protected by law and by ARIA Health’s policy against retaliatory actions as described in Section XI. 2 of this program.

2. **Federal Program Fraud Civil Remedies Act**

The Program Fraud Civil Remedies Act of 1968 (PFCRA) provides for administrative remedies against persons who make, or cause to be made, a false claim or written statements to certain federal agencies, including HHS. PFCRA was enacted as a means to address lower dollar fraudulent acts, and generally applies to claims of \$150,000 or less. The OIG investigates violations and any enforcement action as a result must be approved by the Attorney General. Because of the availability of other criminal, civil and administrative remedies, cases are not routinely prosecuted under the PFCRA.

3. **Pennsylvania Law**

Pennsylvania law provides similar sanctions and penalties found in federal law for any fraudulent activities involving the Medical Assistance (MA) Program. Violations of the MA program may also be prosecuted jointly by the Federal and State governments.

If you know or have reason to believe that anyone in the ARIA community has committed fraud or abuse with respect to any government programs or contracts, or if you believe a particular arrangement or agreement that you are involved in might fall under one of these statutes, you are required under this Compliance Program to contact either the ARIA Chief Legal Counsel (215-612-2654) or the ARIA Chief Compliance Officer (215-612-5290) for assistance, or to report such concerns anonymously, through the toll free, 24 hour compliance hotline (1-866-572-8863).

## **XVII. SUMMARY**

The ARIA Health commitment to excellence and integrity means more than doing the best job possible. It is our commitment to ***Do The Right Thing***. Our continued success and future depend upon it. Any questions concerning any aspect of this Program may be addressed by the Chief Compliance Officer (215-612-5290).

[Reviewed and Revised May 1, 2009]