

Corporate Compliance Program



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TABLE OF CONTENTS

INTRODUCTION	1
PURPOSE	1
WRITTEN STANDARDS OF CONDUCT	2
COMPLIANCE AS AN ELEMENT OF PERFORMANCE EVALUATION	2
CORPORATE COMPLIANCE OFFICER	2
CORPORATE COMPLIANCE COMMITTEE	3
EDUCATIONAL TRAINING PROGRAMS	4
INITIAL INTRODUCTION OF THE PROGRAM	4
ONGOING TRAINING AND EDUCATION	5
RECEIVING COMPLAINTS	5
DISCIPLINE FOR CODE VIOLATIONS	6
MONITORING THE PROGRAM	6
RESPONDING TO DETECTED VIOLATIONS	7
REVISING THE PROGRAM AND THE CODE	8
APPENDIX 1	9

INTRODUCTION

Swedish Medical Center (SMC), always has been, and continues to be, committed to conducting its business with integrity and in accordance with all federal, state and local laws to which SMC's operations are subject. It is the long-standing policy of SMC to prevent the occurrence of unethical or unlawful behavior; to halt such behavior as soon as reasonably possible after its discovery; to discipline staff who violate SMC policies, including whenever a staff member is responsible for the failure to detect a violation that is attributable to his or her negligence or reckless conduct; and to implement changes in policies and procedures necessary to prevent recurrences of violations. SMC has instituted this Corporate Compliance Program (the Program), a Code of Conduct (the Code), which is incorporated into the Program, and other related policies to reflect SMC's commitments.

Purpose

The purpose of the Program is to prevent, detect and discourage violations of the law. The Program is intended to be a confidential peer review process. The Corporate Compliance Officer (CCO) (designated below) is intended to be a peer review officer and the Corporate Compliance Committee (CCC) is intended to be a peer review committee within the meaning of RWC 70.41. The Program is intended and is designed to meet the requirements of the Federal Sentencing Guidelines for organizations as a "program that has been reasonably designed, implemented and enforced so that it generally will be effective in preventing and detecting criminal conduct." As such, the Program, coupled with the Code and related policies, includes the following elements:

1. SMC has established standards of conduct and procedures in the Program and the Code to be followed by all staff in order to reduce the prospect of criminal conduct;
2. Specific individuals with high-level responsibility, as well as a compliance committee, have responsibility for overseeing compliance with such standards and procedures. These individuals and this committee, collectively, are directly responsible to the chief executive officer of SMC and the SMC Board of Trustees;
3. SMC has taken steps and will continue to take steps to effectively communicate its policies and procedures to all employees through the publication and dissemination of the elements of the Program and the Code and by requiring participation in training programs;
4. SMC has established a process to receive complaints, including the use of a hotline. The SMC policy, *Reporting of Compliance Violations, Administrative Manual*, affirms that no retaliation may be taken against any employee for making a good faith report of a violation. Additionally, SMC will, to the greatest extent possible, maintain the confidentiality of employees reporting violations;
5. The Program, the Code and all related policies and procedures are required to be consistently enforced through appropriate disciplinary mechanisms;
6. SMC has taken steps to achieve compliance with such policies by utilizing, monitoring and auditing systems designed to detect inappropriate conduct by staff;
7. If an offense is detected, SMC is committed to taking reasonable steps to respond appropriately and to prevent further offenses, including any necessary modifications to the Program or the Code.

WRITTEN STANDARDS OF CONDUCT

The Program, the Code and all related policies and procedures are statements of policy with which all SMC staff must comply. The Program sets forth the means by which the Program, the Code and all related policies are to be implemented and monitored within SMC. The Code sets forth SMC's policies and guidelines regarding how employees and agents should respond to certain legal and ethical issues that could be raised through the course of being an employee or agent of SMC. The Program, the Code and all related policies and procedures apply directly to SMC, all of SMC's subsidiaries and all personnel employed by or under contract with SMC.

All SMC staff must report any known or suspected violations of the Code of Conduct, including any applicable federal and state laws and regulations, in accordance with the procedures described in the Code and, unless the reporting individual wishes to be kept anonymous, assist in investigating any allegations of violations.

Compliance as an Element of Performance Evaluation

SMC has entrusted responsibility for achieving compliance with the Program and the Code to administrative, management and supervising employees. All such individuals are expected to set an example for other personnel by conducting their duties in compliance with the Program and the Code. These individuals are responsible for taking steps such that the individuals they supervise understand and obey the Program and the Code and are responsible for immediately reporting all violations or suspected violations. Performance of these duties is an element of performance evaluation for all administrative, management and supervisory personnel. Failure to adequately instruct subordinates and failure to detect noncompliance, where reasonable diligence on the part of the manager would have led to discovery of problems/violations will be treated as serious performance problems under the *SMC Human Resource Corrective Action Policy, Administrative Manual*.

CORPORATE COMPLIANCE OFFICER

The SMC Board of Trustees hereby appoints the SMC Director of Corporate Compliance, Internal Audit and Privacy as the Corporate Compliance Officer (CCO). The SMC Board of Trustees hereby delegates all authority to the CCO as will be necessary to undertake and comply with such responsibilities. The CCO will have open access to the SMC Board of Trustees and each of its members at all times to address compliance issues. The designation of the CCO in no way diminishes or vitiates the responsibility of all personnel to comply with all SMC policies and procedures, nor does it diminish every supervisor's responsibility to require compliance with the Program, the Code and all related policies by those staff for whom he or she has responsibility.

The CCO, in conjunction with the Corporate Compliance Committee (CCC), is responsible for

enforcing the provisions of the Program and the Code and will have responsibility for overseeing compliance with all related policies, procedures and applicable law. The CCO will be responsible for coordinating the annual review and updating of the Program, the Code and its related policies. The CCO will regularly report to the SMC Board of Trustees about implementation and enforcement of the Program. The CCO is responsible for preparing an annual report on the status of compliance activities to the SMC Board of Trustees and for recommending Program revisions and improvements.

In addition to the above responsibilities, the CCO is responsible for the overall effectiveness of the Program. In executing this responsibility, the CCO will be responsible for developing compliance policies and standards, overseeing and monitoring all compliance activities, and achieving and maintaining compliance with the Program and the Code.

CORPORATE COMPLIANCE COMMITTEE

SMC has established a Corporate Compliance Committee (CCC) to advise the Compliance Officer and to assist in the implementation of the compliance program. Functions of the committee include:

1. Analyzing the legal and regulatory environment of SMC to assist in identifying specific areas of risk;
2. Working with departments and operating elements to assess existing standards and procedures; developing standards and procedures to promote compliance;
3. Identifying and implementing strategies and plans to promote compliance within SMC, including detection of potential violations;
4. Developing and supporting effective lines of communication for reporting violations and clarification of policies;
5. Recommending monitoring and auditing operations to detect noncompliance and improve quality of operations;
6. Developing and implementing effective training and educational programs;
7. Enforcing the Program, the Code and all of its related policies and procedures.

The CCC will hold regular meetings and will hold special meetings as may be necessary.

The Corporate Compliance Officer is the chairman of the CCC. The CCC will collectively report directly to the chief executive officer of SMC and the SMC Board of Trustees. The SMC chief executive officer will fill vacancies on the CCC.

See Appendix 1 for a list of members.

EDUCATIONAL TRAINING PROGRAMS

The CCO is responsible for ensuring preparation, coordination and presentation of training and educational seminars for SMC employees and agents about the requirements of the Program and the Code. This training will emphasize SMC's commitment to compliance with all laws, regulations and guidelines of federal and state reimbursement programs. Directors, managers and supervisors are responsible for educating their current and new staff regarding questions with regard to compliance standards, policies and procedures and for ensuring full understanding and implementation thereof. This section sets forth the steps that will be taken to communicate SMC's policies and procedures to all employees through the publication, presentation and participation in training programs regarding the Program and the Code.

Initial Introduction of the Program

A critical aspect of a compliance program is the effective communication of its policies and procedures to every affected individual in the organization. The CCO is responsible for establishing procedures to make every employee familiar with the Program and the Code and all of its related policies and procedures. These procedures include the following:

1. The Program and the Code will be presented initially to all members of the SMC Management team who will be provided a training toolkit and charged with presenting the content of the Program and the Code to all reporting staff in formal training sessions. All SMC employees are required to attend the seminars. The manager will ensure each reporting employee has received the Compliance Handbook. While relevant elements of the Program and the Code will be explained, special emphasis will be given to the employee's role in maintaining compliance, the employee's responsibility to report non-compliance and the mechanisms available to report violations. Educators will clearly state that compliance is a condition of future employment at SMC and that failure to comply may result in disciplinary action, including dismissal. This initial training session is mandatory for all current SMC employees. Upon completion of the seminar, employees will be required to execute an acknowledgment that they have read and will comply with the elements of the Program and Code. This documentation of employee training will be maintained by Human Resources. Annual review of relevant portions of the Program and Code, by each employee, is a requirement of continued employment. Written acknowledgment of each education session is required and will be maintained by Human Resources.
2. As a condition of employment, each new employee will receive training and a copy of the Compliance Handbook during his or her new-employee-orientation session, which is required to be within 30 days of employment. The new employee must sign an acknowledgement stating that the employee has read and understands the contents of the Handbook and agrees to abide by the standards therein.

Ongoing Training and Education

Training and education concerning the requirements of the Program and the Code must be accomplished in an ongoing manner. Therefore, all employees are required at least annually to participate in education regarding the reporting requirements contained in the Compliance Handbook. This training will be incorporated into annual employee education. Managers, in collaboration with the CCO, will provide focused training on specific deficits identified in employee reviews and reports.

RECEIVING COMPLAINTS

SMC is committed to establishing an environment that encourages and allows employees to seek and receive prompt guidance before engaging in conduct that may violate the Program, the Code or related policies.

SMC is committed to the policy that every employee has an obligation to report any known violation or good faith suspected violation of the Program, the Code or any related policy.

The CCO will ensure a reporting system is established and publicized. The purpose of the system is to accept anonymous reports of violations of the Program and the Code. The reporting systems will include use of a hotline telephone number and a dedicated e-mail address. A notice describing the hotline telephone number and e-mail address will be posted in common work areas of employees.

Employees will not be subject to any reprisal for a good faith report of a suspected violation of the Program, the Code or related policy. (See SMC policy *Reporting of Compliance Violations, Administrative Manual.*)

To achieve these reporting objectives, the CCO is responsible for the implementation of the following standard reporting practices and procedures and publicizing them in writing to all employees:

1. An employee may seek guidance by consulting with his or her immediate supervisor about any questions regarding the Program or the Code. An employee may also consult a higher-level manager, the CCO, any member of the CCC, or other resources such as Risk Management and Human Resources. Any supervisor who receives such questions should respond to the inquiry by providing an answer or by referring the question to one of the staff identified above.
2. An employee is required to report any known or suspected violation of the Program, the Code or related policy and may select any of several methods to make their report.
 - An employee may report to his or her immediate supervisor.
 - An employee may report a violation to a higher level manager.
 - An employee may report to the CCO, Human Resources or Risk Management.
 - Alternatively, a report may be made to the hotline at (206) 386-2880; via e-mail to compliance @swedish.org, or in writing to the Corporate Compliance Officer.

If not made directly to the CCO, reports from employees will be immediately forwarded to the CCO.

The CCO is responsible for periodic review of all reports received of violations or suspected violations of the Program or the Code. Managers who receive a report of a violation or suspected violation along with the CCC are required to maintain the anonymity of employees who submit reports of violations or suspected violations to the best of their ability.

Matters, reported through any method that suggest violations of the Program, the Code or other legal requirements will be investigated immediately to determine their veracity.

The CCO will in all cases maintain an open door, non-retribution policy and encourage employees to make appropriate inquiry, instead of participating in activity that they may think is in violation of the Program, the Code or related policies or applicable law.

DISCIPLINE FOR CODE VIOLATIONS

The SMC *Human Resources Corrective Action Policy, Administrative Manual*, establishes the manner in which discipline will be applied for failure to comply with the elements of the SMC Corporate Compliance Program, the SMC Code of Conduct and related standards and procedures.

In addition, supervisors may be sanctioned for failure to adequately instruct their subordinates or for failing to detect non-compliance with the Program or the Code when reasonable diligence would have led to the discovery of any problems or violations and allowed SMC the opportunity to correct them.

ADDITIONAL compliance-specific issues that must be considered are:

1. The extent to which the circumstances reflect lack of diligence by the manager.
2. If the violation consisted of retaliation against another individual for reporting a good faith suspected violation or cooperating with an investigation.

Discipline may include, but is not limited to verbal warning, written warning, suspension without pay, or termination.

MONITORING THE PROGRAM

To establish and maintain compliance with the Program, the Code and federal and state law, the CCO will adopt and implement a monitoring system, which will require agreed upon compliance review procedures to be performed no less than annually. The compliance review may include, but is not limited to: onsite visits; interviews with hospital personnel; a review of written materials and documentation used by SMC and trend analysis studies. Examples of areas that may be reviewed during onsite visits include billing, sales, marketing, notices and disclosures to physicians and other

hospital personnel, requisition forms and pricing.

The compliance review will also address issues related to contracts, competitive practices, marketing materials, coding and billing, reporting and record keeping. A report of the compliance review will be prepared and submitted within a reasonable time after its completion to the CCO and the CCC.

If any review reveals that misconduct has occurred, corrective action, including discipline for a violation, will be initiated. If any investigation reveals that SMC has received overpayments from any federally funded health care program, prompt repayment to the appropriate program will be made.

RESPONDING TO DETECTED VIOLATIONS

The CCO will conduct an investigation of any conduct that may be inconsistent with this Plan, Code or departmental compliance policies. Whenever possible, management in the chain of command responsible for the department in which the suspected violation occurred will be involved in the investigation. After review and investigation, the CCO will ensure preparation of a written report of findings.

SMC staff are expected to cooperate fully with any investigations undertaken by the CCO.

If the CCO determines, after investigation, that noncompliant conduct occurred as a result of negligence or inadvertence, the matter will be forwarded to the management of the department, the vice president of the department and Human Resources, to be handled according to the SMC *Human Resources Corrective Action Policy, Administrative Manual*. Department management will be charged with preparation of a corrective action plan that is intended to modify standards, procedures and/or reporting relationships to prevent reoccurrence of the identified violation.

If the CCO determines, after investigation, that noncompliant conduct occurred as a result of willful and knowing conduct or gross negligence, then the matter will be referred to the SMC Legal Department and the chief operating officer of the facility. Response and disciplinary action may include, but not be limited to, terminating the individual(s) involved, revising this Plan to prevent the occurrence of future misconduct in the area, increasing auditing and monitoring procedures, reassigning supervisors who, although not involved in the misconduct, nonetheless failed to adequately supervise and control SMC employees' behavior, or reporting the responsible individuals to the appropriate governmental agency.

The SMC, *Human Resources Employee Disclosure Requirements Policy, Administrative Manual* specifies that SMC will not employ individuals excluded from Medicare, Medicaid or other Federal health care programs as identified by the Health and Human Services Office of Inspector General List of Excluded Individuals/Entities and the General Services Administration Excluded Parties List System. Additionally, before an employee is hired or transferred, this standard requires a Washington State Patrol check to ensure no conviction of crimes against individuals.

No individual who has allegedly engaged in illegal or unethical behavior and/or who is under suspicion for healthcare related crimes will be allowed to occupy positions within SMC that involve the exercise of discretionary authority.

REVISING THE PROGRAM AND THE CODE

The Program and the Code will be reviewed periodically, not less than annually, by the CCO and the CCC to determine if the Program is working effectively. During the review process, the CCC will evaluate the results of the periodic reviews and follow-up procedures, to determine whether revisions of or additions to the Program or Code are necessary. Any revisions or additions to the Program or Code must be approved by the SMC Senior Leadership and the Board of Trustees. Revisions and additions to the Program and Code will be distributed to all SMC managers and key employees.

APPROVED by:
Swedish Health Services

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Swedish Health Services

Rodney F. Hochman, M.D.
Chief Executive Officer

Date

Nancy Auer, M.D.
Board of Trustees

Date

Appendix 1

Corporate Compliance Committee

June Altaras	Nurse Executive
Carolyn Barton	Compliance Officer
Mike Carter	Chief Administrative Officer First Hill Campus
Kevin Brown	Senior Vice President/Chief Administrative Officer
Rick Canning	Vice President Finance
Nancy Gladish	Director Health Information Management
Cary Natiello	Director Employee Relations
Janice Newell	Chief Information Officer
Cindy Strauss	Chief Legal Counsel
John Vassall, M.D.	Chief Medical Officer
Jeff Veilleux	Executive Vice President/Chief Financial Officer
Ray Williams	Vice President - Swedish Medical Group