



SoHum Health

Southern Humboldt Community Healthcare District

QUALITY SUPPLEMENTAL DOCUMENTS

**286 Sprowel Creek Road
Garberville, CA 95542**



SoHum Health

Southern Humboldt Community Healthcare District



Compliance Plan

Dear Colleague,

The Southern Humboldt Community Healthcare District (“SoHum Health” or “District”) is fully committed to compliance with the law and ethical standards. An extraordinary commitment to compliance is necessary in healthcare operations, to manage the exponential increase in government regulation and oversight, public scrutiny of business practices, and malicious cyber-attacks against healthcare entities every year.

Your partnership in Compliance, as a valued community leader and employee of the District, is essential to meet our goals and ensure our ability to continue to provide high-quality healthcare services in Southern Humboldt. We have developed this Compliance Plan to further our mission in a manner that ensures compliance with the law and the highest business ethics. This Compliance Plan includes a comprehensive discussion of certain laws, the District’s policies, and expectations about employee conduct. Please read this Compliance Plan carefully to understand not only its written words, but its purpose and meaning as well. Keep in mind that no document can cover all potential scenarios, and you may face unanticipated challenges, but you are part a team and we are here to help.

If you have any questions about this Compliance Plan or think an event has occurred that violates this Compliance Plan, you should contact our Chief Compliance Officer. We encourage you and everyone on our team to ask questions and to report potential violations of this Compliance Plan in order to facilitate growth and education for all staff. You can count on the District to provide the support and environment necessary to make this Compliance Plan a success. Similarly, the District is counting on you to fully understand and respect this Compliance Plan as we are all trying to achieve the same goals, and these topics are particularly important.

Sincerely,

SoHum Health Chief Compliance Officer

SoHum Health Chief Executive Officer

SoHum Health Governing Board

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This section contains specific policies related to your personal conduct while performing your job functions. The primary objective of these policies is to create a work environment that promotes cooperation, professionalism and compliance with the law. Compliance with the Code of Conduct is a significant factor in employee performance evaluations.

Section III – Compliance Plan Systems and Processes

This section explains the roles of the Chief Compliance Officer and the Compliance Committee. It also contains information about Compliance Plan education and training, auditing and corrective action. Most importantly, this section explains how to report violations anonymously.

Section IV – Primary Risk Areas

This section covers the primary risk areas to be considered in education, audit plans, and corrective actions. Some information is given concerning each risk area and employees' duties in relation to these primary risk areas. This is not intended to be all-inclusive of the risks or duties related to the risks but will serve as a reminder and guide for the Governing Board, Chief Compliance Officer, Compliance Committee, and Personnel at all levels of the organization.

Section V – Compliance Policies

This section includes specific policies that apply to various aspects of the District's business and operations. Some of these policies may not apply to your specific job function, but it is still important that you are aware of their existence and importance.

Here are some tips on how to effectively use this Compliance Plan:

Important Reference Tool. This Compliance Plan should be viewed as an important reference manual that can be referred to on a regular basis to answer questions about how to perform your job.

Read it in Context. The District has created this Compliance Plan to incorporate numerous compliance policies, many of which may not apply to you. When reviewing this Compliance Plan and the policies contained in it, keep in mind that the policies are to be applied in the context of your job. If you are uncertain about if or how a policy applies to you, ask your supervisor.

Talk to Your Co-Workers. Regular dialogue among co-workers and supervisors is a wonderful way to ensure that policies are being uniformly applied. While this discussion is encouraged, always remember that the provisions of this Compliance Plan should guide you on compliance matters.

Ask Questions. Should you have further questions regarding the compliance Plan or any of its associated documents, contact the Chief Compliance Officer or a member of the Compliance Committee. Questions are encouraged to foster an environment of learning and collaboration as the organization strives to remain compliant with the many rules and regulations under which it falls.

SECTION I – COMPLIANCE PLAN SUMMARY**Definitions of Commonly Used Terms**

“District” means the District, and all its subsidiaries and affiliates that are covered by this Compliance Plan.

“Personnel” means all employees and volunteers of the District, and all contractors or others who are required to comply with this Compliance Plan. Each of these persons must sign an Acknowledgment of Receipt of District Compliance Plan and a Conflict of Interest Certification Form

Purpose of This Compliance Plan

The District is committed to ensuring compliance with all applicable statutes, regulations and policies governing our daily business activities. To that end, the District created this Compliance Plan to serve as a practical guidebook that can be used by all Personnel to assist them in performing their job functions in a manner that complies with applicable laws and policies. This Compliance Plan is intended to further our day-to-day commitment that our operations comply with federal and state laws, to provide guidance for all employees, and to serve as a mechanism for preventing and reporting any violation of those laws.

It is the policy of the District that:

- ♥ All employees are educated about applicable laws and trained in matters of compliance;
- ♥ There is periodic auditing, monitoring and oversight of compliance with those laws;
- ♥ An atmosphere exists that encourages and enables the reporting of noncompliance without fear of retribution; and
- ♥ Mechanisms exist to investigate, discipline and correct noncompliance.

The Compliance plan should be current and accurate. Compliance requirements are subject to change as a result of new laws. We must all keep this Compliance Plan current and useful. You are encouraged to let your supervisor or a member of the Compliance Committee know when you become aware of changes in law or District policy that might affect this Compliance Plan.

SECTION II – CODE OF CONDUCT

Our Compliance Mission

The District believes this Code of Conduct will significantly contribute to a positive work environment for all. In concert with our medical staff, the District strives to provide comprehensive quality health care to our community. Our team of dedicated health care professionals shall provide a caring, positive, and collaborative environment for patients, visitors, vendors, and employees, while continuously striving to improve the quality, accessibility, and affordability of care.

The District shall collaborate with its medical staff and affiliated organizations to improve health outcomes, enhance quality of life, and promote human dignity through health education, prevention and services across the health care continuum.

The District's Board of Directors (referred to herein as the "Governing Board") adopted the Compliance Plan, including this Code of Conduct, to provide standards by which Personnel must conduct themselves to protect and promote the District's integrity and to enhance the District's ability to achieve its objectives.

The District expects Personnel to consider not only the words written in this Code of Conduct, but the meaning and purpose of those words as well, and exercise good judgment. You are encouraged to talk to your supervisor or the District's Chief Compliance Officer if you have any questions about this Code of Conduct or what is expected of you.

Compliance With Laws

It is the policy of the District, its affiliates, contractors and employees to comply with all applicable laws. When the application of the law is uncertain, the District will seek guidance from legal counsel.

Open Communication

The District encourages open lines of communication between Personnel. If you are aware of an unlawful or unethical situation, there are several ways you can bring this to the District's attention. Your supervisor is the best place to start, but you can also contact the District's Chief Compliance Officer or a member of the Compliance Committee to express your concerns. In addition, the District has provided an online tool to report compliance concerns. All reports of unlawful or unethical conduct will be investigated promptly. The District does not tolerate threats or acts of retaliation or retribution against employees for using these communication channels.

Your Personal Conduct

The District's reputation for the highest standards of conduct rests not on periodic audits by lawyers and accountants, but on the high measure of mutual trust and responsibility that exists between Personnel and the District. It is based on you, as an individual, exercising good judgment and acting in accordance with this Code of Conduct and the law.

Ethical behavior on the job essentially comes down to honesty and fairness in dealing with other Personnel and with patients, vendors, competitors, the government, and the public. The District's integrity and reputation are in your hands with every decision made and action taken by you, even when not in direct patient contact.

The District's basic belief in the importance of respect for the individual has led to a strict regard for the privacy and dignity of Personnel and patients. When management determines that your personal conduct adversely affects your performance, that of other Personnel, or the interests of the District, the District may be required to take action.

The Work Environment

The District strives to provide Personnel with a safe and productive work environment. All Personnel must dispose of medical waste, environmentally sensitive materials, and any other hazardous materials correctly. Employees should immediately report to their supervisor any situations that are likely to result in falls, shocks, burns, or other harm to patients, visitors, or Personnel.

The work environment also must be free from discrimination and harassment based on race, color, religion, sex, sexual orientation, age, national origin, disability, veteran status or other factors that are unrelated to the District's legitimate business interests. The District will not tolerate sexual advances, actions, comments or any other conduct in the workplace that creates an intimidating or otherwise offensive environment. Similarly, the use of racial or religious slurs — or any other remarks, jokes or conduct that encourages or permits an offensive work environment — will not be tolerated.

If you believe that you are subject to such conduct, from other staff, patients, visitors, or supervisors, you should bring such activity to the attention of the District. You should contact Human Resources to convey any information regarding harassment of any kind. You may also inform your supervisor, the Chief Quality and Compliance officer, or a member of the Compliance Committee. If you disclose information regarding harassment, to your supervisor, the Chief Quality and Compliance Officer, or a member of the Compliance Committee, HR will be notified of and investigate the issue. The District considers all complaints of such conduct to be serious matters, and all complaints will be investigated promptly and kept as confidential as possible.

Other prohibited activities that are not appropriate in the workplace:

- ♥ Threats;
- ♥ Violent behavior;
- ♥ The possession of weapons of any type;
- ♥ The distribution of offensive jokes or other offensive materials via e-mail or any other manner; and
- ♥ The use, distribution, sale or possession of illegal drugs or any other controlled substance, except to the extent permitted by law for approved medical purposes;
- ♥ In addition, Personnel may not be on the District premises or in the District work environment if they are under the influence of or affected by illegal drugs, alcohol or controlled substances used other than as prescribed.

Consensual Relationships

It is against the District's policy to use a position of authority to induce another person to enter a nonconsensual relationship. Even consensual relationships in the workplace can cause disruption and other problems in violation of District policy. Consensual Relationships must be disclosed to HR and a Consensual Relationship Agreement completed. The District expects, regardless of the status of the

relationship, that partners agree to behave professionally while on District Property or working on behalf of the District.

Employee Privacy

The District collects and maintains personal information that relates to your employment, including medical and benefit information. Access to personal information is restricted solely to people with a need to know this information. Personal information is released outside the District or to its agents only with employee approval, except in response to appropriate investigatory or legal requirements, or in accordance with other applicable law. Employees who are responsible for maintaining personal information and those who are provided access to such information must ensure that the information is not disclosed in violation of the District's Personnel policies or practices. The District applies a "break the glass" feature to all District employees' medical records. This provides an extra layer of protection to District employees' personal information. Employee files and health records are confidential and created and maintained with security measures applied.

Use of District Property

District equipment, systems, facilities, corporate charge cards, and supplies must be used only for conducting District business or for purposes authorized by administration.

Personal items, messages, or information that you consider private should not be placed or kept in telephone systems, computer systems, offices, workspaces, desks, credenzas, or file cabinets. Employees should have no expectation of privacy regarding items or information stored or maintained on District equipment or premises. Management is permitted to access these areas. Employees should not search for or retrieve articles from another employee's workspace without prior approval from that employee or management.

Since supplies of certain everyday items are readily available at District work locations, the question of making personal use of them frequently arises. The answer is clear: employees may not use District supplies for personal use.

Use of District Computers

The increasing reliance placed on computer systems, internal information, and communications facilities in carrying out District business makes it essential to ensure their integrity. Like other District assets, these facilities, and the information they make available through a wide variety of databases should be used only for conducting District business or for purposes authorized by administration. Their unauthorized use, whether or not for personal gain, is a misappropriation of District assets.

While the District conducts audits to help ensure that District systems, networks and databases are being used properly, it is your responsibility to make sure that your use of any District system is authorized and appropriate.

Personnel are not allowed to load or download software or data off of or onto District computer systems unless it is for business purposes and is approved in advance by the Information technology (IT) department. Personnel shall not use District e-mail systems to deliver or forward inappropriate jokes, unauthorized political materials, or any other potentially offensive materials. Personnel are strictly forbidden from using computers to access the Internet for purposes of gambling, viewing pornography or engaging in any illegal activities, or any other personal or social purposes.

Employees should have no expectation of privacy regarding items or information stored or maintained on District premises or computer, information, or communication systems.

Use of Proprietary Information

Proprietary Information

Proprietary information is generally confidential information that is developed by the District as part of its business and operations. Such information includes, but is not limited to, the business, financial, marketing and contract arrangements associated with District services and products. It also includes computer access passwords, procedures used in producing computer or data processing records, personnel and medical records, and payroll data.

Other proprietary information includes management expertise and processes; District business and product plans with outside vendors; a variety of internal databases; and copyrighted material, such as software, including the electronic health record.

The value of this proprietary information is well known to many people in the District industry. Besides competitors, they include industry and security analysts, members of the press, and consultants. The District alone is entitled to determine who may possess its proprietary information and what use may be made of it, except for specific legal requirements such as the publication of certain reports.

Personnel often have access to information that the District considers proprietary. Therefore, it is important not to use or disclose proprietary information except as authorized by the District.

Inadvertent Disclosure

The unintentional disclosure of proprietary information can be just as harmful as intentional disclosure. To avoid unintentional disclosure, never discuss with any

unauthorized person proprietary information that has not been made public by the District. This information includes unannounced products or services, earnings, procurement plans, business volumes, capital requirements, confidential financial information, marketing and service strategies, business plans, and other confidential information. Furthermore, you should not discuss confidential information even with authorized District employees if you are in the presence of others who are not authorized — for example, at a conference reception or in a public area such as an airplane. This also applies to discussions with family members or with friends, who might innocently or inadvertently pass the information on to someone else.

Disclosure and Use of District Proprietary Information

Besides your obligation not to disclose any District proprietary information to anyone outside the District, you are also required to use such information only in connection with the District's business. These obligations apply whether or not you developed the information yourself.

Proprietary and Competitive Information About Others

In the normal course of business, it is not unusual to acquire information about many other organizations, including competitors (competitors are other Districts and health facilities). Doing so is a normal business activity and is not unethical in itself. However, there are limits to the ways that information should be acquired and used. Improper solicitation of confidential data about a competitor from a competitor's employees or from District patients is prohibited. The District will not tolerate any form of questionable intelligence gathering.

Direct Requests for Information

If someone outside the District asks you questions about the District or its business activities, either directly or through another person, do not attempt to answer them unless you are certain you are authorized to do so. If you are not authorized, refer the person to the appropriate source within the District. Under no circumstances should you continue contact without guidance and authorization. If you receive a request for information or to conduct an interview from an attorney, investigator, or any law enforcement officer, and it concerns the District's business, you should refer the request to the office of the District's Chief Executive Officer. Similarly, unless you have been authorized to talk to reporters, or to anyone else writing about or otherwise covering the District or the industry, direct the person to your supervisor.

Recording and Reporting Information

You should record and report all information accurately and honestly. Every employee records information of some kind and submits it to the District (for example, a timecard, an expense account record, or a report). To submit a

document that contains false information — an expense report for meals not eaten, miles not driven, or for any other expense not incurred — is dishonest reporting and is prohibited.

Dishonest reporting of information to organizations and people outside the District is also strictly prohibited and could lead to civil or even criminal liability for you and the District. This includes not only reporting information inaccurately, but also organizing it in a way that is intended to mislead or misinform those who receive it. Personnel must ensure that they do not make false or misleading statements in oral or written communications provided to organizations outside of the District.

Exception

Nothing contained herein is to be construed as prohibiting conduct legally protected by the National Labor Relations Act or other applicable state or federal law.

Gifts and Entertainment

The District understands that vendors and others doing business with the District may wish to provide gifts, promotional items and entertainment to District Personnel as part of such vendors' own marketing activities. The District also understands that there may be occasions where the District may wish to provide reasonable business gifts to promote the District's services. However, the giving and receipt of such items can easily be abused and have unintended consequences; giving and receiving gifts, particularly in the health care industry, can create substantial legal risks.

General Policy

It is the general policy of the District that neither you nor any member of your family may solicit, receive, offer or pay any money or gift that is, or could be reasonably construed to be, an inducement in exchange for influence or assistance in conducting District business. It is the intent of the District that this policy be construed broadly such that all business transactions with vendors, contractors and other third parties are transacted to avoid even the appearance of improper activity.

Spending Limits — Gifts, Dining and Entertainment

Spending limits permitted for items such as gifts, dining and entertainment are defined in fair political practices (FPPC) (Section 89503; Regulation 18940.2.) and other regulation and updated regularly. All Personnel are strictly prohibited from making any expenditures of District or personal funds for gifts, dining or entertainment in any way related to District business, unless such expenditures are made in strict accordance with District policies and the employee handbook. Any questions should be directed to the Chief Quality and Compliance Officer.

Marketing and Promotions in Health Care

As a provider of health care services and a district, the marketing and promotional activities of the District may be subject to anti-kickback and other laws that specifically apply to the health care industry. The District has adopted policies elsewhere in this Compliance Plan to specifically address the requirements of such laws.

It is the policy of the District that Personnel are not allowed to solicit, offer or receive any payment, compensation or benefit of any kind (regardless of the value) in exchange for referring, or recommending the referral of, patients or customers to the District.

Marketing

The District expends significant effort and resources in developing its services and reputation for providing high-quality patient care. Part of those efforts involve advertising, marketing, and other promotional activities. While such activities are important to the success of the District, they are also potential sources of legal liability due to health care laws (such as the anti-kickback laws) that regulate the marketing of health care services. Therefore, it is important that the District closely monitor and regulate advertising, marketing, and other promotional activities to ensure that all such activities are performed in accordance with District objectives and applicable law.

This Compliance Plan relates to various policies applicable to specific business activities of the District. It is the general policy of the District that no Personnel engage in any advertising, marketing, or other promotional activities on behalf of the District unless such activities are approved in advance by the appropriate District representative. In addition, all advertising, marketing, content posted on internet websites maintained by the District, or other promotional activities targeted at health care providers or potential patients must be carefully considered. For any staff engaged in the above activities, it is strongly encouraged to receive training in applicable law and counsel with the Chief Quality and Compliance Officer and or legal counsel regarding the above activities.

Conflicts of Interest

A conflict of interest is any situation in which financial or other personal considerations may compromise or appear to compromise any Personnel's business judgment, delivery of patient care, or ability of any Personnel to do his or her job or perform his or her responsibilities. A conflict of interest may arise if you engage in any activities or advance any personal interests at the expense of the District's interests. An actual or potential conflict of interest occurs when any Personnel is in a position to influence a decision that may result in personal gain for that Personnel, a relative or a friend as a result of the District's business dealings. A

relative is any person who is related by blood or marriage, or whose relationship with the Personnel is similar to that of persons who are related by blood or marriage, including a domestic partner, and any person residing in the Personnel's household. The District discourages situations in which your loyalty may become divided. You should disclose any potential or actual conflict of interest using the District Conflict of Interest form and process. If you have questions, please contact your supervisor, Human Resources, or the Chief Quality and Compliance Officer.

An obvious conflict of interest is providing assistance to an organization that provides services and products in competition with the District's current or potential services or products. You may not, without prior consent, work for such an organization as an employee (including working through a registry or "moonlighting" and picking up shifts at other health care facilities), independent contractor, a consultant, or a member of its Governing Board. Such activities may be prohibited because they divide your loyalty between the District and that organization. Failure to obtain prior consent in advance from the District's Chief Compliance Officer, the governing board, or legal counsel may be grounds for discipline, including termination.

Outside Employment and Business Interests

You are not permitted to work on any personal business venture on the District premises or while working on District time. In addition, you are not permitted to use District equipment, materials, resources, or proprietary information for any personal use or outside work. You must abstain from any decision or discussion affecting the District when serving as a member of an outside organization, board, or in public office, except when specific permission to participate has been granted by the District's Chief Compliance Officer, the Chief Executive Officer, the Governing Board, or legal counsel.

Contracting with the District

You may not contract with the District to be a supplier, to represent a supplier to the District, or to work for a supplier to the District while you are an employee of the District. In addition, you may not accept money or benefits, of any kind, for any advice or services you may provide to a supplier in connection with its business with the District.

General Conflict of Interest Standards

All decisions and transactions undertaken by Personnel in the conduct of the District's business must be made in a manner that promotes the best interests of the District, free from the possible influence of any conflict of interest of such Personnel or the Personnel's family or friends. Personnel have an obligation to address both actual conflicts of interest and the appearance of a conflict of interest. You must always disclose and seek resolution of any actual or potential conflict of

interest — whether you consider it an actual conflict — before taking a potentially improper action.

No set of principles or standards can cover every type of conflict of interest. The following standards address conduct required of all Personnel and provide some examples of potential conflict of interest situations in addition to those discussed above.

1. Personnel may not make or influence business decisions, including executing purchasing agreements (including but not limited to agreements to purchase or rent equipment, materials, supplies or space) or other types of contracts (including contracts for personal services), from which they, a family member, or a friend may benefit.
2. Personnel must disclose their “significant” (defined below) financial interests in any entity that they know to have current or prospective business, directly or indirectly, with the District. There are two types of significant financial interests:
 - a. Receipt of anything of monetary value from a sole source in excess of regulatory spending limits annually. Examples include salary, royalties, gifts, and payments for services including consulting fees and honoraria; and
 - b. Ownership of an equity interest exceeding 5 percent in any single entity, excluding stocks, bonds and other securities sold on a national exchange; certificates of deposit; mutual funds; and brokerage accounts managed by third parties.
3. Personnel must disclose any activity, relationship or interest that may be perceived to be a conflict of interest so that these activities, relationships, and interests can be evaluated and managed properly.
4. Personnel must disclose any outside activities that interfere, or may be perceived to interfere, with the individual’s capacity to satisfy his or her job or responsibilities at the District. Such outside activities include leadership participation (such as serving as an officer or member of the board of directors) in professional, community or charitable activities; self-employment; participation in business partnerships; and employment or consulting arrangements with entities other than the District.
5. Personnel may not solicit personal gifts or favors from vendors, contractors, or other third parties that have current or prospective business with the District. Personnel may not accept cash gifts and may not accept non-monetary gifts including meals, transportation or entertainment valued in excess of regulatory limits from vendors, contractors or other third parties that have current or prospective business with the District. Questions

regarding the gift limitations should be directed to the District's Chief Compliance Officer.

6. Any involvement by Personnel in a personal business venture shall be conducted outside the District work environment and shall be kept separate and distinct from the District's business in every respect.
7. Personnel should not accept employment or engage in a business that involves, even nominally, any activity during hours of employment with the District, the use of any of the District's equipment, supplies or property, or any direct relationship with the District's business or operation.
8. Personnel must guard patient and District information against improper access or use by unauthorized individuals.
9. The District's materials, products, designs, plans, ideas and data are the property of the District and should never be given to an outside firm or individual, except through normal channels with appropriate prior authorization.
10. Personnel must avoid any appearance of impropriety when dealing with clinicians and referral sources.
11. All vendors and contractors who have or desire business relationships with the District must abide by this Code of Conduct. Personnel having knowledge of vendors or contractors who violate these standards in their relationship with the District must report these to their supervisor or manager.
12. Personnel shall not sell any merchandise on District premises and shall not sell any merchandise of a medical nature that is of a type or similar to what is sold or furnished by the District, whether on or off District premises, unless prior approval is obtained from the District's Chief Compliance Officer.
13. Personnel shall not request donations for any purpose from other Personnel, patients, vendors, contractors or other third parties, unless prior approval is obtained from the District's Chief Compliance Officer.
14. Personnel may not endorse any product or service without explicit prior approval to do so by the District's Chief Compliance Officer.

Disclosure of Potential Conflict Situations

You must disclose any activity, relationship, or interest that is or may be perceived to be a conflict of interest and complete the attached Conflict of Interest Certification Form within 90 days of being subject to this Code of Conduct (that is, being hired by the District, beginning to volunteer at the District, or assuming any responsibilities at the District). At least annually thereafter, you must review this Code of Conduct and your most recent Conflict of Interest Certification. You are not

required to file a Conflict of Interest Certification Form annually unless there is a change in your circumstances that you have not previously reported. At any time during the year, when an actual, potential, or perceived conflict of interest arises, you must revise your certification form and contact the District's Chief Compliance Officer. It is your responsibility to promptly report any actual or potential conflicts.

All certification forms must be sent to the District's Chief Compliance Officer. The Chief Compliance Officer will review all disclosures and determine which disclosures require further action. The Chief Compliance Officer will consult with the District's Chief Executive Officer or legal counsel if it is unclear whether an actual conflict of interest exists or if the Chief Compliance Officer determines that an actual conflict of interest exists. The outcome of these consultations will result in a written determination, signed by all decision-makers involved, stating whether or not an actual conflict of interest exists. If a conflict of interest is determined to exist, the written determination shall set forth a plan to manage the conflict of interest which may include that:

1. The conflict of interest is permitted;
2. The conflict of interest is permitted with modification or oversight, including such steps as reassignment of responsibilities or establishment of protective arrangements;
3. The conflict of interest will require the Personnel to abstain from participating in certain governance, management or purchasing activities related to the conflict of interest; or
4. The conflict of interest must be eliminated or, if it involves a proposed role in another organization or entity, must not be undertaken.

The Chief Compliance Officer will review any written determination with you, discuss any necessary action you are to take, and ask you to sign the written determination. The signed written determination will be kept with your certification form.

Anti-Competitive Activities

If you work in sales or marketing, the District asks you to perform your job not just vigorously and effectively, but fairly, as well. False or misleading statements about a competitor (e.g., other districts or healthcare facilities) are inappropriate, invite disrespect and complaints, and may violate the law. Be sure that any comparisons you make about competitors' products and services are fair and accurate.

Reporting Violations

The District supports and encourages each employee and contractor to maintain individual responsibility for monitoring and reporting any activity that violates or

appears to violate any applicable statutes, regulations, policies or this Code of Conduct.

The District has established a reporting mechanism that permits anonymous reporting, if the person making the report desires anonymity. Employees who become aware of a violation of the District Compliance Plan, including this Code of Conduct, must report the improper conduct to their departmental compliance officer or the Chief Compliance Officer. That officer, or a designee, will then investigate all reports and ensure that appropriate follow-up actions are taken.

District policy prohibits retaliation against an employee who makes such a report in good faith. In addition, it is the policy of the District that no employee will be punished on the basis that he/she reported what he/she reasonably believed to be improper activity or a violation of this Plan.

However, employees are subject to disciplinary action if after an investigation the District reasonably concludes that the reporting employee knowingly fabricated, or knowingly distorted, exaggerated or minimized the facts to either cause harm to someone else or to protect or benefit themselves.

Complete, Accurate, and Ethical Charting and Billing Practices

No District representative should ever knowingly document inaccurately or bill for items or services that were not rendered. No charge or claim should be submitted, or document generated, which represents the District performed a service, all or part of which was not performed.

No District representative should ever knowingly bill for medically unnecessary or undocumented services. The District will not charge or bill for an item or service that is not reasonable and necessary for the diagnosis or treatment of a specific illness or injury. When a District representative submits a claim to an agency, they are certifying that the services provided and billed for were medically necessary, were documented in the patient record, and were rendered in accordance with orders prescribed by the beneficiary's practitioner.

No District representative should ever knowingly submit duplicate bills. Duplicate billing occurs when a District representative knowingly submits more than one claim for the same service, or the bill is submitted to more than one primary payer at the same time. Duplicate billing due to simple errors should be analyzed for cause(s) and corrected.

No District representative should knowingly "up-code" or "un-bundle" a patient bill. Up-coding is the practice of using a billing code which provides a higher payment rate than the code which reflects the service furnished to the patient. Unbundling is the submission of a claim piecemeal or in a fragmented fashion to maximize the reimbursement for various tests or procedures which are required to be billed together and paid at a reduced rate.

SECTION III – COMPLIANCE PLAN SYSTEMS AND PROCESSES

This Compliance Plan contains a comprehensive set of policies. To effectively implement and maintain these policies, the District has developed various systems and processes. The purpose of this section of the Compliance Plan is to explain the various systems and processes that the District has established for the purpose of providing structure and support to the Compliance Plan.

Compliance Officers and Committee





Chief Compliance Officer

The District's Chief Compliance Officer serves as the primary supervisor of this Compliance Plan. The District's Chief Compliance Officer has authority to carry out all compliance responsibilities described in this Compliance Plan. The Chief Compliance Officer is responsible for assuring that the Compliance Plan is implemented so that the District consistently maintains business integrity and that all applicable statutes, regulations and policies are followed.

The Chief Compliance Officer reports to the Governing Board about the Compliance Plan and compliance issues. The Governing Board is ultimately responsible for supervising the work of the Chief Compliance Officer and is charged with maintaining the standards of conduct set forth in the Compliance Plan. The Governing Board oversees all the District's compliance efforts and takes any appropriate and necessary actions to ensure that the District conducts its activities in compliance with the law and sound business ethics.

The Chief Compliance Officer and Governing Board shall consult with legal counsel as necessary on compliance issues raised by the ongoing compliance review.

The Chief Compliance Officer's responsibilities include the following:

-  Overseeing and monitoring the implementation and maintenance of the Compliance Plan.
-  Reporting on a regular basis to the Governing Board (no less than annually) on the progress of implementation and operation of the Compliance Plan and assisting the Governing Board in establishing methods to reduce the District's risk of fraud, abuse and waste.
-  Periodically revising the Compliance Plan with consideration to changes in the needs of the District, changes in applicable statutes, regulations and government policies, and compliance concerns based on ongoing operations.
-  Annually, and as needed, reviewing the implementation and execution of the elements of this Compliance Plan. The review includes an assessment of each

basic element individually, the overall success of the program, and a comprehensive review of the compliance department.

- ♥ Developing, coordinating, and participating in educational and training programs that focus on elements of the Compliance Plan with the goal of ensuring that all Personnel are knowledgeable about, and act in accordance with, this Compliance Plan and all pertinent federal and state requirements.
- ♥ Ensuring that independent contractors and agents of the District are aware of the requirements of this Compliance Plan as they affect the services provided by such contractors and agents.
- ♥ Ensuring that employees, independent contractors, and agents of the District have not been excluded from participating in Medicare, Medicaid (Medi-Cal) or any other federal or state health care program.
- ♥ Ensuring that the District does not employ or contract with any individual who has been convicted of a healthcare-related criminal offense within the previous five years, or who is listed by a federal or state agency as debarred, excluded, or otherwise ineligible for participation in Medicare, Medicaid (Medi-Cal), or any other federal or state health care program.
- ♥ Coordinating internal compliance review and monitoring activities.
- ♥ Independently investigating and acting on matters related to compliance, including design and coordination of internal investigations and implementation of any corrective action.
- ♥ Maintaining a good working relationship with other key operational areas, such as internal audit, coding, billing and clinical departments.
- ♥ Designating work groups or task forces needed to carry out specific missions, such as investigating or evaluating a proposed enhancement to the Compliance program.

The Chief Compliance Officer has the authority to review all documents and other information relevant to compliance activities, including, but not limited to, patient records, billing records, records concerning marketing efforts and all arrangements with third parties, including without limitation employees, independent contractors, suppliers, agents and physicians.

The Chief Compliance Officer has direct access to the Governing Board, Chief Executive Officer, other senior management, and legal counsel. The Chief Compliance Officer has the authority to retain, as they deem necessary, outside legal counsel.

Compliance Committee

The District has established a Compliance Committee to advise the Chief Compliance Officer and assist in monitoring this Compliance Plan. The Compliance Committee provides the perspectives of individuals with diverse knowledge and responsibilities within the District.

The members of the Compliance Committee include those individuals designated below and other members chosen by the District's Chief Compliance Officer:

- ♥ Chief Compliance Officer
- ♥ Chief Executive Officer
- ♥ Chief Financial Officer
- ♥ Chief Nursing Officer
- ♥ Information Technology Director
- ♥ Human Resources Director/Manager
- ♥ Medical Staff Representative
- ♥ Health Information Manager
- ♥ Revenue Cycle Manager
- ♥ As appropriate, management of other service areas

The Chief Compliance Officer serves as the Chairperson of the Compliance Committee. The Compliance Committee serves in an advisory role in the oversight of compliance program effectiveness, review, and execution. The Chief Compliance Officer will consult with members of the Compliance Committee on a regular basis and may call meetings of all or some members of the Compliance Committee.

The Compliance Committee's functions include the following:

- ♥ Assessing existing and proposed compliance policies for modification or possible incorporation into the Compliance Plan.
- ♥ Working with the Chief Compliance Officer to develop further standards of conduct and policies to promote compliance.
- ♥ Recommending and monitoring, in conjunction with the Chief Compliance Officer, the development of internal systems and controls to carry out the standards and policies of this Compliance Plan.
- ♥ Reviewing and proposing strategies to promote compliance and detection of potential violations.

- ♥ Assisting the Chief Compliance Officer in the development and ongoing monitoring of systems to solicit, evaluate, and respond to complaints and problems related to compliance.
- ♥ Assisting the Chief Compliance Officer in coordinating compliance training, education and other compliance-related activities in the departments and business units in which the members of the Compliance Committee work.
- ♥ Consulting with vendors of the District on a periodic basis to promote adherence to this Compliance Plan as it applies to those vendors and to promote their development of formal Compliance Plans.

The tasks listed above are not intended to be exhaustive. The Compliance Committee may also address other compliance-related matters as determined by the Chief Compliance Officer.

Compliance as an Element of Performance

The promotion of, and adherence to, the elements of this Compliance Plan is a factor in evaluating the performance of all District employees. Personnel will be trained periodically regarding the Compliance Plan, and new compliance policies that are adopted. All managers and supervisors involved in any processes related to the evaluation, preparation, or submission of medical claims must do the following:

- ♥ Discuss, as applicable, the compliance policies and legal requirements described in this Compliance Plan with all supervised Personnel.
- ♥ Inform all supervised Personnel that strict compliance with this Compliance Plan is a condition of continued employment.
- ♥ Inform all supervised Personnel that disciplinary action will be taken, up to and including termination of employment or contractor status, for violation of this Compliance Plan.

Managers and supervisors will be subject to discipline for failure to adequately instruct their subordinates on matters covered by the Compliance Plan. Managers and supervisors will also be subject to discipline for failing to detect violations of the Compliance Plan where reasonable diligence on the part of the manager or supervisor would have led to the discovery of a problem or violation and thus would have provided the District with the opportunity to take corrective action.

Training and Education

The District acknowledges that this Compliance Plan will be effective only if it is communicated and explained to Personnel on a routine basis and in a manner that clearly explains its requirements. For this reason, the District requires all Personnel to attend specific training programs, or participate in electronic training courses, on a periodic basis. Training requirements and scheduling are established by the







District for its departments and affiliates based on the needs and requirements of each department and affiliate. Training programs include appropriate training in federal and state statutes, regulations, guidelines, the policies described in this Compliance Plan, and corporate ethics. Training will be conducted by qualified internal or external personnel. New employees are trained early in their employment. Training programs may include sessions highlighting this Compliance Plan, summarizing fraud and abuse laws, physician self-referral laws, claims development and submission processes, and related business practices that reflect current legal standards.

All formal training undertaken as part of the Compliance Plan is documented. Documentation includes at a minimum the identification of the Personnel participating in the training, the subject matter of the training, the length of the training, the time and date of the training, the training materials used, and any other relevant information.

The Chief Compliance Officer evaluates the content of the training program annually and as needed to ensure that the subject content is appropriate and sufficient to cover the range of issues faced by the District's employees. The training program is modified as necessary to keep up to date with any changes in federal and state health care program requirements, and to address results of the District's audits and investigations; results from previous training and education programs; trends in Hotline reports; and guidance from applicable federal and state agencies. The appropriateness of the training format is evaluated by reviewing the length of the training sessions; whether training is delivered via live instructors or via computer-based training programs; the frequency of training sessions; and the need for general and specific training sessions.

The Chief Compliance Officer will routinely, and as needed, solicit feedback to identify shortcomings in the training program and administers post-training tests as appropriate to ensure understanding and retention of the subject matter delivered.

Specific training for appropriate corporate officers, managers, and other employees may include areas such as:

-  Restrictions on marketing activities
-  General prohibitions on paying or receiving remuneration to induce referrals
-  Proper claims processing techniques
-  Monitoring of compliance with this Compliance Plan
-  Methods for educating and training employees
-  Duty to report misconduct

The members of the District's Governing Board will be provided with periodic training, not less than annually, on fraud and abuse laws and other compliance matters.

Attendance and participation in compliance training programs is a condition of continued employment. Failure to comply with training requirements will result in disciplinary action, including possible termination.

Adherence with the provisions of this Compliance Plan, including training requirements, is a factor in the annual evaluation of each District employee. Where feasible, outside contractors will be afforded the opportunity to participate in, or be encouraged to develop their own, compliance training and educational programs, to complement the District's standards of conduct and compliance policies. The Chief Compliance Officer will ensure that records of compliance training, including attendance logs and copies of materials distributed at training sessions, are maintained.

The compliance training described in this Plan is in addition to any periodic professional education courses that may be required by statute or regulation for certain Personnel. The District expects its employees to comply with applicable education requirements; failure to do so may result in disciplinary action.

Lines of Communicating and Reporting

Open-Door Policy

The District recognizes that clear and open lines of communication between the Chief Compliance Officer and District Personnel are important to the success of this Compliance Plan. The District maintains an open-door policy regarding all Compliance program related matters. District Personnel are encouraged to seek clarification from the Chief Compliance Officer in the event of any confusion or question about a statute, regulation, or policy discussed in this Compliance Plan.

Submitting Questions or Complaints

Personnel may also submit compliance-related questions or complaints in writing. Emails may be sent to compliance@shchd.org. Letters may be sent anonymously. All such letters should be sent to the Chief Compliance Officer at the following address:

Chief Compliance Officer
SoHum Health
733 Cedar Street
Garberville, CA 95542

The Chief Compliance Officer's address is posted in conspicuous locations throughout the organization's facilities. The District's Chief Compliance Officer or designee investigates all calls and letters and initiates follow-up actions as

appropriate. Communications to the Chief Compliance Officer are treated as privileged to the extent permitted by applicable law; however, it is possible that the identity of a person making a report may become known, or that governmental authorities or a court may compel disclosure of the name of the reporting person.

Matters reported that suggest violations of compliance policies, statutes or regulations, are documented and investigated promptly. A log is maintained by the Chief Compliance Officer of calls or communications, including the nature of any investigation and subsequent results. A summary of this information is included in reports by the Chief Compliance Officer to the organization's Governing Board and Chief Executive Officer.

Non-Retaliation Policy





It is the District's policy to prohibit retaliatory action against any person for making a report, anonymous or otherwise, regarding compliance. However, District Personnel cannot use complaints to the Chief Compliance Officer to insulate themselves from the consequences of their own wrongdoing or misconduct. False or deceptive reports may be grounds for termination. It will be considered a mitigating factor if a person makes a forthright disclosure of an error or violation of this Compliance Plan, or the governing statutes and regulations.

Enforcing Standards and Policies

Policies

It is the policy of the District to appropriately discipline District Personnel who fail to comply with the Code of Conduct, or the policies set forth in, or adopted pursuant to, this Compliance Plan or any federal or state statutes or regulations.

The guiding principles underlying this policy include the following:

-  Intentional or reckless noncompliance will subject Personnel to significant sanctions, which may include oral warnings, suspension or termination of employment, depending upon the nature and extent of the noncompliance.
-  Negligent failure to comply with the policies set forth in this Compliance Plan, or with applicable laws, will also result in sanctions.
-  Disciplinary action will be taken where a responsible employee fails to detect a violation, if this failure is attributable to his or her negligence or reckless conduct.
-  Internal audit or review may lead to discovering violations and result in disciplinary action.

Because the District takes compliance seriously, the District will respond to Personnel misconduct.

Discipline Procedures

Employees found to have violated any provision of this Compliance Plan are subject to discipline consistent with the policies set forth herein, including termination of employment if deemed appropriate by the District. Any such discipline is within the sole discretion of the District. Each instance involving disciplinary action shall be thoroughly documented by the employee's supervisor and the Chief Compliance Officer.

Upon determining that an employee of the District or any of its affiliates has committed a violation of this Compliance Plan, the employee shall meet with their supervisor to review the conduct that resulted in violation of the Compliance Plan. The employee and supervisor will contact the Chief Compliance Officer to discuss any actions that may be taken to remedy such violation. All employees are expected to cooperate fully with the Chief Compliance Officer during the investigation of the violation. Legal counsel will be consulted prior to final actions or disciplinary measures, as appropriate.

Auditing and Monitoring

The District conducts periodic monitoring of this Compliance Plan. Compliance reports created by this monitoring, including reports of suspected noncompliance, will be reviewed and maintained by the Chief Compliance Officer.

The Chief Compliance Officer will develop and implement an audit plan. The plan will be reviewed at least annually to determine whether it addresses the proper areas of concern, considering, for example, findings from previous years' audits, risk areas identified as part of the annual risk assessment, and high-volume services.

Periodic compliance audits are used to promote and ensure compliance. These audits are performed by internal or external auditors who have the appropriate qualifications and expertise in federal and state health care statutes and regulations and federal health care program requirements. The audits will focus on specific programs or departments of the District, including external relationships with third-party contractors. These audits are designed to address, at a minimum, compliance with laws governing kickback arrangements, physician self-referrals, claims development and submission (including an assessment of the District's billing system), reimbursement and marketing. All Personnel are expected to cooperate fully with auditors during this process by providing information, answering questions, etc. If any employee has concerns regarding the scope or manner of an audit, the employee should discuss this with his or her immediate supervisor.

The District shall conduct periodic reviews, including unscheduled reviews, to determine whether the elements of this Compliance Plan have been satisfied. Appropriate modifications to the Compliance Plan will be implemented when

monitoring discloses that compliance issues have not been detected in a timely manner due to Compliance program deficiencies.

The periodic review process may include the following techniques:

- ♥ Interviews with Personnel involved in management, operations, claim development and submission, and other related activities.
- ♥ Questionnaires developed to solicit impressions of the District Personnel.
- ♥ Reviews of all billing documentation, including medical and financial records and other source documents that support claims for reimbursement and claims submissions.
- ♥ Presentations of a written report on compliance activities to the Chief Compliance Officer. The report shall specifically identify areas, if any, where corrective actions are needed. In certain cases, subsequent reviews or studies may be conducted to ensure that recommended corrective actions have been successfully implemented.

Corrective Action

Violations and Investigations

Violations of this Compliance Plan, failure to comply with applicable federal or state laws, and other types of misconduct threaten the District's status as a reliable and honest provider of health care services. Detected but uncorrected misconduct can seriously endanger the District's business and reputation and can lead to serious sanctions against the District. Consequently, upon reports or reasonable indications of suspected noncompliance, prompt steps to investigate the conduct in question will be initiated under the direction and control of the Chief Compliance Officer to determine whether a material violation of applicable law or the requirements of the Compliance Plan has occurred. The Chief Compliance Officer may retain outside investigators or legal counsel or create a response team to review suspected noncompliance.

If such a violation has occurred, prompt steps will be taken to correct the problem, considering the root cause of the problem. As appropriate, such steps may include an immediate referral to criminal and/or civil law enforcement authorities, a corrective action plan, a report to the Office of Inspector General (OIG) or any other appropriate government organization, and/or submission of any overpayments. The specific steps that are appropriate in any given case will be determined after consultation with legal counsel.

Depending upon the nature of the alleged violations, the Chief Compliance Officer's internal investigation could include interviews with relevant Personnel and a review of relevant documents. Legal counsel, auditors or health care experts may be

engaged by the Chief Compliance Officer to assist in an investigation where the Chief Compliance Officer deems such assistance appropriate. Complete records of all investigations will be maintained which contain documentation of the alleged violations, a description of the investigative process, copies of interview notes and key documents, a log of the witnesses interviewed, the documents reviewed, results of the investigation (e.g., any disciplinary action taken), and corrective actions implemented.

If an investigation of an alleged violation is undertaken and the Chief Compliance Officer believes the integrity of the investigation may be at stake because of the presence of employees under investigation, those employees will be removed from their current work activity until the investigation is completed. Where necessary, the Chief Compliance Officer will take appropriate steps to secure or prevent the destruction of documents or other evidence relevant to the investigation.

Reporting

If the Chief Compliance Officer or a management official discovers credible evidence of misconduct from any source and, after reasonable inquiry, has reason to believe that the misconduct may violate criminal, civil or administrative law, then the misconduct will promptly be reported as appropriate to the OIG, other appropriate governmental authority, or federal and/or state law enforcement agency having jurisdiction over such matter. Such reports will be made by the Chief Compliance Officer immediately or as soon as possible.

SECTION IV – PRIMARY RISK AREAS

Primary Risk Areas and Compliance Standards

The following are the primary risk areas and compliance standards which District representatives should use in their daily work. These guidelines are to be used as a reference and training tool.

Physician Orders and Referrals

Department services should not be performed without a signed physician order, or an authorized protocol where appropriate and in line with District policy and best practices. An admission order should include the physician's intent related to status. If the admission status is indicated as Inpatient, the Severity of Illness and Intensity of Service criteria must be met to support the status.

Referrals, Kickbacks and Rebates

The District will ensure the following:

- ♥ Employees shall not solicit, receive, offer to pay, or pay any remuneration of any kind (including rebates, kickbacks, or bribes) in exchange for referring or recommending the referral of any individual to another person, District or medical facility of the District for services, or in return for the purchase of goods or services, to be paid by Medicare or Medicaid.
- ♥ Employees shall not offer or grant any benefit to a referring physician or other referral source on the condition that such physician or referral source refer or agree to refer any patient to a person or medical facility.
- ♥ Providers shall not make referrals for designated health care services to entities in which the physician has a financial interest either through ownership or investment interests or a compensation arrangement (assuming such financial relationship does not fit within an exception).
- ♥ Employees and/or providers shall not bill for services rendered as a result of an illegal referral. All employees are urged to use caution when engaging in transactions that involve referral sources. If an employee believes that an illegal arrangement has been or may be entered into involving the District and a referral source or a vendor of goods or services, they shall discuss the situation with their immediate supervisor, or with a member of the Compliance Committee.

The Chief Compliance Officer, in conjunction with outside legal counsel, is available to assist in the structuring and preparation of documentation reflecting arrangements with physicians and other referral sources. Every agreement involving compensation or cross referrals with a physician or other referral source for the District shall be in writing and shall be reviewed by outside counsel prior to its execution.

Medical Necessity

All services ordered by a physician must be supported by an appropriate diagnosis or sign/symptom. All services ordered by a physician on Medicare patients will be checked against Medicare coverage policies to confirm medical necessity and to issue the patient an Advanced Beneficiary Notice (ABN) when applicable. ABN's will be issued to patients in accordance with the following Medicare guidelines:

- ♥ Before the ordered test/procedure is performed; no "blanket" or post-dated ABN's will be issued to patients.
- ♥ Specific to the test/procedure and will include an estimate of the cost of that test/procedure.
- ♥ Notification and date of the issuance will be noted on any claims sent to Medicare for medically unnecessary services.

Medicare Secondary Payor Billing Requirements

The District will determine when Medicare is the primary or secondary payor according to Medicare Secondary Payor requirements and will bill Medicare accordingly.

EMTALA – Emergency Medical Treatment and Labor Act

The District will provide an appropriate medical screening examination to any person who comes to the District emergency department and requests treatment or an examination for a medical condition. If the examination reveals an emergency medical condition, the District must also provide either necessary stabilizing treatment or an appropriate transfer to another medical facility.

HIPAA – Health Insurance Portability and Accountability Act

All District Employees and contracted professionals and medical staff will use and disclose protected health information (PHI) only in accordance with applicable laws. The definitions of use and disclosure are as follows:

Use

The sharing, employment, application, utilization, examination, or analysis of individually identifiable health information by any person working for or within the District.

Disclosure

For information that is PHI, disclosure means any release, transfer, provision of access to, or divulging in any other manner of individually identifiable health information to persons not employed by or working within the District.

Reasonable effort and care must be taken to protect the patients' health information by all District Employees and contracted professionals and medical staff.

Notice of Privacy Practices

All patients of the District will be offered a Notice of Privacy Practices (NPP) at the time of registration for any hospital services and, otherwise, upon check-in to the first visit of the calendar year. All patients will sign an acknowledgement that the NPP was offered at the time of offering. The purpose of the Notice of Privacy Practices is to provide patients and other interested persons an opportunity to receive adequate notice of the uses and disclosures of PHI that may be made by the District, the patient rights concerning PHI, and the District's legal duties pertaining to PHI.

If an employee sees a potential violation, they should report it to their supervisor. For more detailed information regarding the HIPAA Privacy Policies, please refer to the HIPAA policies and procedures.

Documentation Requirements for Services Provided

Complete, accurate, legible, and appropriate documentation assists all individuals involved in the care of patients. Services billed to Medicare/Medicaid must be substantiated by complete, legible documentation that clearly identifies the services being rendered and justifies medical necessity for the service. The contents of a patient's medical record should be clear, concise, and complete upon review by any external party. Providers must maintain complete documentation that is acceptable to Medicare/Medicaid, Peer Review Organizations, Third Party payors and the Judicial system.

Please see policy, procedure, and job aids, such as workflows, for additional information regarding required documentation in your department. Mandatory minimum documentation requirements for each billable encounter include the following:

- ♥ Complete, accurate, legible, and timely.
- ♥ All entries must be dated and authenticated.
- ♥ Documentation of each patient visit should include:
 - Date
 - Patient's diagnosis
 - Patient's legal name and address
 - Date of Birth
 - Sex
 - Age
- ♥ Each patient visit should include documentation that supports the patient diagnosis (sign/symptom), test ordered, complications, co morbidities, and any abnormal test results.
- ♥ When copying a page, copy the complete page including the date.

No portion of the medical record should be changed, altered, obscured, or otherwise 'updated' after it has been signed. Any update should be made with an addendum to the original document, so both the original and the addendum are retained in the record in their entirety.

Medical records should be accurate, credible, thorough, legible, and timely. Taking the time to document properly will expedite claim processing. Adequate, legible documentation is indispensable to those who are responsible for completion of various insurance forms and to ensure proper payment for services provided.

Charging, coding, and submission of charges

Every District department that submits charges for services provided will be required to implement the following policies and procedures:

- ♥ Charge and bill for services provided by an authorized medical professional in accordance with Federal and State regulations.
- ♥ Charge and bill for services after they are performed and documented unless otherwise providing a service that is self-pay and payment is due at time of service, such as DOT Physicals and Sports Physicals.
- ♥ Confirm the ICD-10, CPT, HCPCS codes and all modifiers used by the billing and/or coding staff accurately describes the service performed.
- ♥ Charge and bill for services using information submitted by qualified personnel; if required information is missing contact the appropriate personnel to obtain it prior to the submission of the bill.
- ♥ Ensure all information obtained from a physician or the physician's staff, is immediately documented, and maintained.
- ♥ Confirm the appropriate documentation supports the claim prior to billing and ensure it is readily available for audit and review.

District use of Outpatient and Inpatient Stays

All services ordered by, and treatments performed by, a provider must be supported by medical necessity and appropriate documentation by the provider.

If a presenting patient is expected to require medically necessary care spanning 2 or more midnights the admitting provider will document their reasonable expectations in the patient's record and will specify an inpatient admission order.

If a presenting patient does not require medically necessary care of more than 2 midnights, the provider will document the outpatient course treatment and write appropriate outpatient orders, until such time as the patient is either discharged or their medical status changes and an expected stay of more than 2 midnights is documented, resulting in an inpatient admission order.

District treatment decisions are based on the medical judgment of the providers and medical necessity criteria of the Centers for Medicare and Medicaid Services. If the provider determines the patient does not meet the more or less than Two-

Midnight Benchmark definitions, this does not prevent the provider from using their professional judgment and providing needed service(s).

Documentation and billing audits may be conducted of patients who were admitted as inpatients for less than 2 midnights and of patients who were outpatients for more than 2 midnights. Any issues identified will be corrected through education, changes in processes and/or policies, rebilling and/or any other methods that would be appropriate for the circumstances.

Drug waste of Single-Use Vial Drugs

The District will conduct education, and institute processes and policies, for nursing, pharmacy, billing and any other relevant departments regarding Medicare's policies for the documentation and billing of single-use vials and/or packaging and any wasted or discarded drugs from those vials and/or packages.

Regular audits will be conducted to determine if single-use vial/package drug waste is being documented appropriately and is being billed with the appropriate modifiers.

Education and Training

To comply with Federal and State regulation we require all District Employees and Contracted professionals and medical staff to acquire mandatory, specific training on a continual basis. Training includes the knowledge of Federal and State statutes/ regulations; documentation and billing guidelines; private payor policies, and corporate ethics. The training is intended to emphasize our commitment to Compliance both as a privilege and obligation.

The District will develop process tools to ensure there is an effective line of communication between Administration, the medical staff, the clinical department(s), and the admitting, coding and billing office staff to prevent fraud, abuse and lost charges from occurring.

Certain District functions (i.e., the coding of medical services) create a greater legal exposure for the District and therefore require specialized training. Any District Employee and contracted professional and medical staff member who feels that they have a need for specialized training regarding Federal and State regulation, should notify their supervisor. In addition to the risk areas previously identified, the District will seek to train appropriate District staff on high-risk topics applicable to their job duties.

The Chief Compliance Officer, in conjunction with the Compliance Committee, is responsible for the implementation, coordination, and evaluation of educational policies, procedures, and programs that are appropriate and relevant to maintain the District-wide Compliance Plan.

The Chief Compliance Officer, with the help of Human Resources and department managers, will ensure each new employee, existing employees, and contracted professionals and medical staff receive initial training regarding the District Compliance Plan. The training should occur within 60 days of the employee or contractor's hire date. It is the responsibility of the department manager to confirm the training is completed within the timeframe specified. Department managers are to make sure that new hires understand compliance training is mandatory. Initial training should include, but is not limited to the following:

- ♥ Provide a simple, clear explanation of the District's Compliance Plan.
- ♥ Identify the standards of business conduct all District Employees and contracted professionals and medical staff are required to follow.
- ♥ Specify, by function, the appropriate level of training regarding Federal and State statutes/regulations, and if applicable private payor policies.
- ♥ Communicate the consequences that will ensue from any violation of the Compliance Plan.

Documentation and billing training: District Employees and contracted professionals and medical staff responsible for documentation and billing are required to have additional training that will include, but is not limited to the following:

- ♥ Identify the principles and rules of proper documentation.
- ♥ Confirm the submission of accurate bills for services rendered to patients.
- ♥ Communicate applicable federal and state program reimbursement rules and regulations.
- ♥ Notify District Employees and contracted professionals and medical staff of legal sanctions for the submission of false or inaccurate information.

Continual training will be provided to all employees as the Chief Compliance Officer, Compliance Committee, and Department Manager deem necessary to ensure the best practices for carrying out our Compliance Plan initiatives. Training may be carried out through any of the following methods:

- ♥ Inservice or departmental training
- ♥ Seminars
- ♥ Computer-based training courses
- ♥ Internet training courses
- ♥ Resources including OIG Fraud Alerts, publications, books, newsletters, and/or periodicals.

District employees are expected to be aware of all procedures of the Compliance Plan, including the mandatory duty of all employees to report actual or possible violations of all billing and claims submission fraud and abuse laws and regulations.

Whistleblower Protection Against Retaliation

All District representatives have the right and obligation to report compliance issues without any fear of retaliation. The District maintains a definitive Whistleblower Protection Policy.

The District prohibits any employee from retaliating against or engaging in harassment of another employee who has reported suspected wrongdoing. Every Supervisor and Manager has the responsibility to create a work environment in which ethical and legal concerns can be raised and openly discussed without fear of retaliation or retribution. This includes avoiding any action that might constitute retaliation, retribution or harassment against an employee who has reported a concern. If you suspect that any District Employee and contracted professional and medical staff member is engaging in acts of retaliation, retribution, or harassment against another employee for suspected wrongdoing, notify the Chief Compliance Officer or a member of the Compliance Committee. Harassment, retaliation or seeking retribution against a reporting employee may lead to disciplinary action, up to and including termination of employment on the first offense.

Corrective Action Plans

Whenever a compliance issue has been identified, the Chief Compliance Officer with guidance and advice from the Compliance Committee will design a corrective action plan to ensure that the specific issues are addressed and that the same problem will not occur in the future. The following are the basic elements of any corrective action plan:

- ♥ A statement of the source, nature, and scope of the problem identified.
- ♥ Recommended resolutions and remedial actions, such as refunds, correction to insurance claims, and withdrawal of third-party billings.
- ♥ Proposed changes to coding and billing policies and procedures.
- ♥ Mandatory education and training in addition to other corrective measures to increase adherence to the Compliance Plan.
- ♥ Recommended and/or mandated disciplinary measures.
- ♥ Focused random reviews of records, staff performance, or billing system integrity for a defined period of time.
- ♥ Corrective actions or disclosures to regulatory agencies, carriers, and fiscal intermediaries, as appropriate.

Employee Sanctions

Violations of compliance policies may range from simple errors to deliberate fraud. District remedial and disciplinary mechanisms recognize this variability by providing Department Managers with the flexibility to impose appropriate remedies and sanctions when compliance problems occur. However, because federal and state laws govern District coding, billing, and compliance rules and policies, it is of critical importance that the District respond to instances of noncompliance fairly, firmly, and in proportion to the potential risk of harm to the District.

All supervisors and staff must recognize the importance of complying with District policies. Those who do not comply will be disciplined or possibly terminated in appropriate cases. When evaluating an employee found to be responsible for non-compliance with District policies, the Chief Compliance Officer and Department Manager will consider the following issues:

- ♥ Was the non-compliance the result of a mistake or purposeful fraud?
- ♥ How serious was the infraction and how often was it repeated?
- ♥ Has the employee received prior training on the issue in question and how effective was the training?

Special Note – Employees need to be aware that federal and state government regulators can impose civil money penalties for deliberate violations of federal and state rules and regulations.

Performance Evaluations

Compliance with District policies will be considered in every District Employee and contracted professional and medical staff member's annual performance evaluation. The following are the critical aspects of this Plan:

Understanding: District employees are to read and understand these compliance policies, particularly the requirements applicable to their job functions.

Compliance: Compliance with District policies and procedures is a condition of employment.

Disclosure: It is District policy to take disciplinary action up to and including revocation of privileges or termination for violations of these policies.

Supervision: Managers will be sanctioned for failure to adequately instruct their staff or for failing to detect non-compliance with District policies and legal requirements where reasonable diligence on the part of the manager would have led to the discovery of the problem or violation and given the District the opportunity to correct the problem. Managers who are non-

compliant, depending on the severity of the offense, may be removed from their supervisory position.

SECTION V— COMPLIANCE POLICIES

The District has many policies and procedures which support the Compliance Plan. These policies and procedures are related to approval and writing of policy and procedure, patient care, documentation, credentialing, reporting concerns and violations, employment matters, investigations, nondiscrimination, whistleblower protections, patient financial services, and much more. If you have questions or need assistance finding a policy or procedure, please contact your supervisor or a member of the Compliance Committee.



Acknowledgment of Receipt of the Southern Humboldt Community Healthcare District (SoHum Health) Compliance Plan

I, _____, am a/an:

- Employee
- Volunteer
- Contractor
- Other: _____

By my signature below, I acknowledge that I have reviewed the SoHum Health Compliance Plan, paying particular attention to Sections I – III. I further Acknowledge that I have been informed about where to locate or request a copy of the District Compliance Plan.

Signature: _____ Date: _____

Print Name: _____



Compliance Committee Charter

Published: [DATE]

Southern Humboldt Community Healthcare District (“SoHum Health” or “District”) has established a Compliance Committee to advise the Chief Compliance Officer (CCO) and assist in monitoring the Compliance Plan. The Compliance Committee provides perspectives from individuals with diverse knowledge and responsibilities within the District. SoHum Health is committed to developing a governance system which is informed by relevant best practices; fosters a culture of compliance; and emphasizes integrity, ethical conduct, and accountability. To facilitate the fulfillment of these commitments, the Governing Board (Board) has authorized the formation of a Compliance Committee (Committee), and it has approved the following charter to set forth the purposes, structure, authority, duties, and responsibilities of the Committee and its members.

Governance

The Board holds oversight authority with respect to SoHum Health’s governance practices; the operations and efficacy of its Compliance and Ethics Program (Compliance Program); and compliance with applicable federal and state laws, regulations, and administrative rules. The Board is responsible for assessing the effectiveness of the Compliance Program and overseeing the performance of the Chief Compliance Officer (CCO), the Committee, and the Quality and Compliance Department (Department). The Board is also responsible for championing their own and supporting employee orientation, education, and self-assessment. The Committee shall make reports to the Board on matters handled and discussed by the Committee. The CCO shall report to and regularly meet with the Board. Annually, the Board shall complete an evaluation of the CCO.

In consultation with SoHum Health’s Administrative Team, the CCO, and the Committee, the Board shall periodically consider Board education to determine whether additional expertise and skills would facilitate the Board’s work. This includes overseeing Board members’ development, including orientation and annual education. This education is facilitated through the Committee and or outside educational opportunities. The Board should develop a description of the responsibilities and expectations of a Board member, including statutory and fiduciary duties. Annually, the Board shall complete an evaluation of Board effectiveness, the Compliance Program, and the Committee.

Membership, Meetings, Minutes, and Committee Action

The Committee shall be chaired by the CCO. Annually, the CCO shall appoint a secretary and may appoint a co-chair, vice-chair, or other officers from committee members. Required membership shall include Chief Executive Officer, Chief Nursing Officer, Chief Financial Officer, Human Resources Director, Information Technology Director, Health Information Manager, Revenue Cycle Manager, and Medical Staff Coordinator. Required members are voting members of the Compliance Committee. Other voting members may be appointed by the CCO from service areas across the District. Quorum will be met for the Compliance Committee when five or more voting members are present. Other compliance stakeholders may be requested or may request to attend who are not voting members of the committee.

The Committee will meet at least quarterly. Minutes shall be taken at each Committee meeting by the secretary. The Committee will take or recommend action, which will be discussed with applicable management, then reported to the Board. Subcommittees may be formed to address specific compliance elements (e.g., policy and procedure or auditing and



monitoring). Additionally, the Committee will periodically assess the Department, including span of control and adequacy of staffing levels, expertise, and resources.

Responsibilities

In fulfilling its charge related to the Compliance Program, the Committee is responsible for the following activities and functions, among others.

Overseeing the structure, operation, and efficacy of the Compliance Program and, more specifically, the following:

- Promoting a systemwide organizational culture focused on compliance, ethical behavior, and nonretaliation;
- Oversight to ensure appropriate accountability for compliance with federal and state legal and regulatory requirements applicable to all facets of the District's mission and work;
- Ensuring the Code of Conduct and compliance-related policies and procedures are complete, periodically revised, and consistently enforced;
- Reviewing, on an annual basis, the Compliance Program risk assessment and associated work plan, including auditing and monitoring initiatives;
- Periodically reviewing management's responses to compliance-related inquiries and requests from federal and state legislators, regulators, and enforcement officials;
- Ensuring the Board is apprised of significant developments relating to compliance expectations of federal and state regulators and enforcement officials; and
- Receiving and reviewing periodic reports from the CCO on the development of the Department, the adequacy of its resources, and progress against the annual work plan, as well as key compliance initiatives undertaken by the organization.

Annual Compliance Program Review

The Committee may request that the Administration Team or the Board approve the commission of an external review of the Compliance Program by an independent third party. At least annually, the Committee will review its Charter and recommend any appropriate revisions to the Board. The Committee will perform other duties as assigned by the Board. The Committee will create an annual assessment report on the operation and effectiveness of the Compliance Program, which the CCO will present to the Board. This includes:

- Assessing existing and proposed compliance policies and associated documents for modification or possible incorporation into the Compliance Plan;
- Recommending and monitoring the development of internal systems and controls to carry out the standards and policies of this Compliance Plan;
- Reviewing and proposing strategies to promote compliance and detect potential violations;
- Assisting the CCO in developing and monitoring systems to solicit, evaluate, and respond to complaints and problems related to compliance; and
- Consulting with vendors of the District to promote adherence to this Compliance Plan as it applies to those vendors and promoting their development of formal Compliance Plans.



Compliance Reporting

As needed, the CCO will provide the Board a report summarizing the following:

- The receipt, investigation, tracking, and resolution of concerns reported through the Disclosure Program;
- Audits, reviews, and/or investigations by government agencies;
- Internal reviews and/or audits regarding compliance matters;
- Overpayments to federal healthcare programs; and
- Any employment or engagement of an individual or entity who is currently, or is likely to be, excluded, debarred, suspended, or otherwise declared ineligible to participate in federal healthcare programs or federal procurement or nonprocurement programs.

Outside Expertise

The Committee will engage outside experts, as needed, to fulfill its duties. When warranted, based on a potentially significant, adequately substantiated allegation against a member of senior management or a Board member, the Committee may directly supervise a compliance investigation through the engagement of outside legal counsel, as appropriate.

Training

The Committee shall review and create, on an annual basis, compliance-related training. This training shall include:

- Compliance training for onboarding;
- Annual compliance training for all current employees, contracted physicians, and other appropriate personnel; and
- Department-specific training, as appropriate.

Conflict of Interests

The Committee shall review and oversee compliance with SoHum Health's conflict-of-interests policies.

Conclusion

The tasks listed above are not intended to be exhaustive. The Compliance Committee may also address other compliance-related matters as determined by the Board, CCO, or its members.

Conflict of Interest Certification Form

Please initial the Attestations below indicating agreement as appropriate, and then complete the Disclosure of Interest section to disclose any actual or potential conflicts of interest you may have with the Hospital or that you are required to report by the Southern Humboldt Community Healthcare District ("SoHum Health" or "District") Code of Conduct and Conflict of Interest policy as outlined in the Compliance Plan:

Attestations:

I hereby attest that neither I nor any relative below has, nor since the date of employment or association with the District has had, any significant financial interest in any organization or enterprise with which the District has done or now does business, or any interest in any business transaction involving the District.

Initial _____

I hereby attest that I am not employed or in a consulting position outside The District that would potentially constitute a conflict of interest.

Initial _____

I hereby attest that I do not serve as an officer or member of the Board of Directors or Trustees in any professional, community, or charitable activities that would potentially constitute a conflict of interest.

Initial _____

Disclosure of Interest:

Please explain in detail the activity, relationship, interest, or financial interest being reported:

If your conflict of interest needs more room to accurately explain in detail, please attach a separate document and check the box below.

I have a separate document attached to explain in detail my conflict(s) of interest.

Certification:

I hereby certify that this accurately and completely describes, to the best of my knowledge and belief, all activities, relationship, interests, and financial interests, which present actual or potential conflicts of interest with The District or that are required to be reported under

the provisions of The District Code of Conduct and Conflict of Interest policy as outlined in the Compliance Plan. I hereby further certify that I agree to comply with the Conflict-of-Interest provisions in The District's Code of Conduct and Conflict of Interest policy as outlined in the Compliance Plan and to report any actual or potential conflicts of interest to The District's Chief Compliance Officer when they arise.

Your Signature: _____ Date: _____

Your Typed/Printed Name: _____

Your Relationship to the District (e.g., employee or Contractor): _____

Chief Compliance Officer Review

I have reviewed this certification form and determined that (check one):

- The activities, relationships, financial interests, or other interests were disclosed and pose no actual or potential conflicts of interest.
- The activities, relationships, financial interests, or other interests disclosed pose actual or potential conflicts of interest. Therefore, The District's Chief Executive Officer and/or legal counsel will be consulted, and a written plan will be developed to manage the actual or potential conflicts of interest.

Reviewed by: _____ Date: _____

Title: _____

Review of Written Determination and Management Plan by Employee, Volunteer, or Contractor:

I have reviewed and understand the attached written determination and/or plan to manage the actual or potential conflicts of interest identified. I further agree to comply with the plan to manage the actual or potential conflicts of interest identified, if any.

Your Signature: _____ Date: _____

Your Typed/Printed Name: _____