



# Code of Conduct and Compliance Program

Focus on Integrity and Ethics





Physicians Health Plan (PHP) has a long-standing tradition of performance excellence, which is personified in the honest and ethical conduct of PHP's Board Members, Leadership Team, Managers, Employees and independent contractors. Every PHP representative is expected to honor our individual and collective commitment to the highest standards of integrity.

The PHP Compliance Program, which includes this Code of Conduct, is designed to be user-friendly and provide guidance regarding PHP's Compliance Policies and expectations relative to compliance and ethics in the workplace.

We encourage you to review the Program, commit yourself to the principles and speak up without fear of retaliation whenever you see a potential problem or an opportunity to improve. A successful compliance process requires active participation by everyone within the organization to ensure PHP's ability to provide the best care to every patient, every time.

Thank you for your personal role in carrying out PHP's mission each and every day, and for earning the trust of all who rely upon us by your commitment to honesty, transparency and ethical behavior.

A handwritten signature in blue ink, appearing to read "Dennis Reese", is positioned above the printed name.

Dennis Reese  
President and CEO  
Physicians Health  
Plan

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# Overview

The PHP Compliance Program is made up of the following key elements:

- » PHP Code of Conduct
- » Policies and procedures
- » Raising concerns
- » Compliance Plan and resources

The PHP Code of Conduct (Code) and Compliance Program (Program) were developed to clearly outline PHP’s commitment to integrity and ethical behavior. The Code and Program apply to all PHP Entities and employees, including Board members, providers, agents, contractors, consultants, students, vendors, suppliers and volunteers (collectively “Workforce”).

The legal entity PHP Medicare is a Medicare Advantage Organization (MAO). This Code addresses the requirements of the Centers for Medicare & Medicaid Services (CMS) pertaining to an effective compliance program and fraud, waste and abuse prevention, detection and correction.

## What is Compliance?

Compliance is about following the rules. Compliance programs are particularly important for health care organizations that must follow numerous laws, regulations, and accreditation standards. Focusing on compliance helps us raise awareness of these rules and measure how well we are following them.

## ICARE about My Conduct

The PHP Code of Conduct provides guidance to employees and the workforce on how to carry out our business honestly and with integrity. By understanding and applying the PHP Code of Conduct, we treat members, business partners and other colleagues with dignity, honesty, and respect. Integrity is a personal commitment to conduct yourself and PHP’s business with the highest standard of ethical behavior.

Combining a focus on integrity along with Compliance creates a strong culture that protects our members and our community.

**Each of us play a role ensuring PHP’s ethical culture remains strong.**

## Policy and Procedure Manager (PPM)

PHP’s policies and guidelines are referenced throughout this Code of Conduct. To review them in more detail, please access them through the Policy and Procedure Manager (PPM) system. PPM can be accessed by employees through the [My Sparrow Applications](#) icon on your desktop.

Simply use the “search for” feature in PPM to locate policies related to your topic of interest.

## ICARE about My Behavior

To ensure that all employees are held accountable for providing quality, compassionate care to everyone, every time, the employees of PHP are expected to consistently demonstrate the highest level of professionalism to members, fellow employees and the community.

Employees and independent contractors at PHP are expected to model the following ICARE values and adhere to the Standards of Behavior in all their work behaviors, interpersonal interactions, contributions and decision making.

**Innovation** — finding new ways to improve the quality of health services by routinely exploring best practices, listening actively and openly to new ideas, demonstrating creativity in solving problems, communicating collaboratively with others, supporting change, and assisting in implementation.

**Compassion** — providing radical loving care for everyone by making eye contact, introducing yourself, explaining duration and delays, and using verbal and non-verbal communication that reflects caring, dignity and compassion.

**Accountability** — accepting responsibility for our actions by maintaining confidentiality, managing the use of resources effectively and efficiently, owning our actions and decisions, demonstrating truthfulness, openly and tactfully expressing our own ideas but actively supporting decisions, reporting evidence of discrimination and/or harassment based upon a legally protected status.

**Respect** — valuing diversity, inclusion and working well together by treating all people with dignity, respect and empathy, being open to feedback, discussing differences constructively, directly and tactfully, and showing appreciation for every role and department.

**Excellence** — achieving the best results in all we do by doing the work right the first time, continuously enhancing skills and expertise, demonstrating professionalism in appearance and action, and taking the initiative to promote cooperation in accomplishing mutual goals.

### What is our policy?

PHP, through the Sparrow Health System's Human Resources policies (located in PPM), has established expectations regarding Values, Behaviors and Work Rules.

Employees are responsible for reviewing and understanding these expectations and the consequences for not upholding the HR Policies on ICARE Values and Behaviors, and Employee Conduct and Work Rules.

- » Employees are expected to exhibit behaviors that are consistent with PHP's Values and Standards of Behavior.
- » Employees who witness or have knowledge of violations of policies, practices or work rules are required to immediately report it to their Manager or the Human Resources department.
- » Employees whose performance and/or behaviors are inconsistent with these Values and Behavior Standards may be subject to discipline up to and including termination.

### Where do I get more information?

The full policy can be located in PPM using search terms: [Human Resources Policies](#).

# ICARE about Ethical Business Relationships

PHP is committed to the highest standards of business ethics and integrity. To achieve this commitment, PHP's employees and workforce must accurately and honestly represent PHP and shall not engage in any activity that compromises our ethical culture.

PHP employees should not offer or solicit gifts, favors or other improper inducements when conducting business with physicians, vendors, or other third parties. This section of the Code of Conduct addresses:

- » Conflict of Interest
- » Vendor Interactions
- » Contracts/Kickbacks

## Conflict of Interest

### What is it?

A "conflict of interest" exists whenever personal, professional, commercial or financial interests outside of PHP have the possibility to influence the judgment of a PHP employee in regard to any of their work at PHP.

We are expected to act with honesty, integrity, and in the best interest of PHP when performing work on behalf of PHP. Therefore, employees must avoid situations in which their personal interest could conflict, or reasonably appear to conflict, with the interests of PHP. Some examples of potential conflicts include personal interest in:

- » An entity with which PHP conducts business (e.g., vendors we purchase from or customers we sell to)
- » An entity with which PHP is negotiating a business transaction or arrangement
- » An entity that provides services competitive with PHP

Employees should avoid outside employment or involvement in activities that could have a negative impact on their job performance, conflict with their obligation to PHP, or negatively impact PHP's reputation in the community.

### Frequently Asked Questions

**Q:** A member wants to give me a \$100 gift card to thank me for my service. Can I keep it?

**A:** The Conflict of Interest Policy section on gifts allows employees to accept gifts of esteem/gratitude valued at up to \$100, but NO cash or cash equivalents, such as gift cards, are allowed.

## What is our policy?

The purpose of PHP's Conflict of Interest Policy is to protect PHP's interest when entering a transaction that might benefit the private interest of an insider (such as a board member, executive, director, manager, or other related person with a financial interest in the contracting company).

PHP's policy requires disclosing and ethically resolving potential conflicts of interest. A conflict of interest can create an appearance of impropriety that can undermine confidence in the ability of that individual to act properly in his/her position. No matter how insignificant the conflict may appear, it must be acknowledged as a conflict. Conflicts may occur, so long as disclosure and review processes are followed.

## Where do I get more information?

The full policy can be located in PPM using search terms: [Board of Directors Conflict of Interest](#) or [Administrative Conflict of Interest Policy](#).

- » If you have questions, contact the Compliance department at **866.747.2667**.

# Vendor Interactions

## What is it?

Vendors play a large role in providing the goods and services that our members need every day. The Vendor Policy establishes standards for Vendors doing business at PHP Health Plan as well as provides guidelines for employees when interacting with current or potential vendors. Vendors will interact with employees and PHP's members in a manner that meets ethical standards, protects confidentiality and encourages the appropriate, efficient and cost-effective use, as well as comply with all Medicare rules.

## Gifts & Entertainment

Never give or take a gift that could be perceived as a bribe or an attempt to influence business decisions. Bribery is illegal and prohibited by policy.

The safest course of action is not to give or receive any gifts at all. However, circumstances may arise where that's not possible. If you must give or receive a gift, inexpensive or promotional items are appropriate if the item is widely available to others and if the exchange is legal. Even inexpensive gifts should not be given or accepted if they are intended as, or could be perceived to be, a bribe or an attempt to influence business decisions. Ask your Compliance department for help anytime you are unsure about giving or receiving a gift.

Generally, gifts valued at more than \$50.00 to or from one person are not appropriate. Group gifts – those meant for, or received on behalf of, multiple people, e.g., a unit, office, department, etc. — can exceed this limit, but must be reasonable in relation to the size of the group and purpose for the gift. Also, we cannot accept or give gifts of cash or cash equivalents, such as non-merchant-specific gift certificates or gift cards (e.g., VISA® or American Express®) regardless of the amount. If you are offered or receive an expensive or inappropriate gift, politely refuse by explaining PHP's policy on accepting gifts.

Any gifts given must be accurately and fully disclosed in the appropriate expense report with enough detail to reflect the true nature of the expense and the full names and business affiliations of those involved.

If you use a PHP supplier or contractor for personal purposes, you must pay full market value for the services and materials. You may not accept discounts or preferential treatment offered to you because of your position at PHP unless the same treatment is offered openly to all of our employees.

## What is our policy?

Key aspects of Vendor Interactions that PHP has developed guidelines around are:

- » Vendor Check-In process (Vendors must check-in and wear an ID badge)
- » Access to patients/patient units (no solicitation)
- » Vendor Supported Education at PHP (with approved CME programs—see policy)
- » Providing Refreshments (with CME program)
- » Vendor Supported Education off-site (with limitations—see policy)
- » Travel for Product and Equipment
- » Evaluation (not allowed – exceptions must be approved by an Executive)
- » Vendor donations for Health System Fundraising Events (allowed with approval)
- » Gifts from Vendors (as per Conflict of Interest Policy)
- » Displays/Promotional Materials (through Pharmacy)
- » Samples (through Pharmacy)

## Where do I get more information?

The full policy can be located in PPM using search terms: [Vendor Policy](#)

## Contracts/Kickbacks

### What is it?

Federal and State laws govern relationships between healthcare organizations and physicians or other individuals who are closely related to the organization.

### Anti-Kickback Statute

The Anti-Kickback Statute (AKS) is a criminal law that prohibits the knowing payment to induce or reward patient referrals or the generation of business (e.g., drugs, supplies, or healthcare services) for Medicare or Medicaid members. This includes anything of value and can take many forms besides cash, such as free rent, expensive hotel stays and meals, and excessive compensation for medical directorships or consultancies. In some industries, it is acceptable to reward those who refer business to you. However, in Federal healthcare programs, paying for referrals is not allowed.

## What is our policy?

- » **Business Transaction Authorization Policy** — including a Business Transaction Review Worksheet — outlines what transactions are subject to review and who must review various business transactions at PHP.
- » **Taxpayer Bill of Rights (TBOR) Policy** — outlines the definition of a disqualified person and the appropriate controls in contracts with them.

## Where do I get more information?

The full policy can be located in PPM using search terms: **Transaction Authorization Policy, or Taxpayer Bill of Rights (TBOR) Policy**

- » If you have questions on the Business Transaction Authorization policy contact Finance at **517.364.8315**.
- » If you have questions on the TBOR Policy contact the Compliance department at **866.747.2667**.



# ICARE about Ethical Decisions

Beyond the situations outlined in the preceding business policies, employees sometimes are faced with ethical situations and decisions that are not defined in one of PHP's policies. Because PHP is a community-based healthcare organization, addressing ethical decisions appropriately helps PHP uphold the public's trust. Healthcare ethics is about more than compliance; it is about fulfilling the role of a community-based healthcare organization, and balancing being an organization that is a health plan, an employer, and a citizen.

*Adapted from Business Ethics in Healthcare*

## What is it?

**Organizational Ethics:** Questions or conflicts that arise regarding healthcare business issues, particularly related to being a community-based entity and employer.

## Some examples of ethical conflicts in healthcare are:

- » Requests for providers of a certain race/sex
- » Fair hearings/appeals for denied care
- » Objection to participation in treatment options
- » Downsizing
- » Responsible advertising
- » Environmental responsibility
- » Mergers and acquisitions

*Adapted from Business Ethics in Healthcare*

## What Should I do if I have an Ethical Concern?

**Clinical Ethics:** PHP has developed a Clinical Ethics Committee to support employees, physicians, members, and families in an advisory capacity. Use the **Clinical Ethics Consultation Guide** if a consultation with the Committee is needed.

**Organizational Ethics:** Use the **Organizational Ethics Consultation Guide** if you have an organizational ethics question or concern.

## What is our policy?

PHP has the following policies and tools to assist employees in ethical situations:

- » Guidelines for Ethics Issues.
- » PHP Policy outlining resources related to clinical and organizational ethics issues.
- » Organizational Ethics Consultation Guide.
- » This Guide describes steps to follow, such as utilizing current policies, consulting with a leader, using an ethical decision-making model, or requesting assistance/consultation from Audit and Compliance Services and/or the Compliance and Ethics Committee.
- » Compliance and Ethics Committee Charter.
- » This Charter outlines the purpose and functions of the Compliance and Ethics Committee, one of which is to provide guidance on business ethics questions and/or ethical breaches that arise.

## Where do I get more information?

The above documents can be located in PPM using search terms: Ethics, Consultations

- » General questions and can be directed to the Compliance department at 866.747.2667.

# ICARE about Preventing Fraud, Waste and Abuse

PHP is committed to preventing and detecting fraud, waste and abuse. In addition, we are committed to the highest standards of business ethics and integrity. To achieve this commitment, PHP employees must accurately and honestly represent PHP, and shall not engage in any activity that compromises our ethical culture. PHP promotes an ethical culture of compliance with all Federal and State regulatory requirements and requires the reporting of all suspected fraud, waste or abuse.

PHP employees and workforce should be diligent to ensure that payers, including Medicare and Medicaid, are not billed for services that are not performed and/or not documented. This section of the Code of Conduct addresses:

- » False Claims
- » Documentation/EMR Use
- » Exclusions

## False Claims

### What is it?

Claims to Medicare and Medicaid for payment make up the majority of healthcare claims paid by the U.S. Government. Violating the Federal False Claims Act includes:

- » Knowingly presenting a false or fraudulent claim for payment or approval.
- » Knowingly making or using a false record to get a false or fraudulent claim paid.

Violations of the Federal False Claims Act can result in penalties of not less than \$5,000 and not more than \$10,000 per claim, plus three times the amount of damages that the government sustains.

PHP will make every reasonable effort to report accurate information, including but not limited to encounter data, financial statements, Medicare premium bids, and member status. If employees discover that they reported inaccurate information, they must contact their supervisor or the Compliance or Medicare Compliance departments for consultation about how to correct the inaccuracy. PHP does not knowingly make any false statements, verbal or written, to government agencies.

### What is our policy?

PHP has established policies to prevent fraud, waste, and abuse of the Medicaid and Medicare programs. This Code of Conduct and the Compliance Program help to ensure appropriate claims are made to government programs through:

- » Development of policies on appropriately documenting, coding, and billing for services
- » Education of these policies through the PHP Compliance Plan
- » Monitoring and auditing to prevent or detect errors in documentation, coding, or billing
- » Investigating all reported concerns and correcting errors that are discovered
- » Promoting the Compliance Hotline for reporting, including protection from retaliatory action when employees report genuine concerns

### Where do I get more information?

The full policy can be located in PPM using search terms: [False Claims Act Policy](#)

- » If you have questions, contact the Compliance department at **866.747.2667**.

## Exclusion List

### What is it?

Screening employees and subcontractors against the Office of Inspector General (OIG) and General Service Administration (GSA) exclusion lists must be conducted by PHP and contracted healthcare providers and business partners prior to hire/contract and at least monthly thereafter, and records of screening activities must be retained for ten years. An individual or entity appearing on either list must be promptly removed from supporting PHP business and this must be reported to PHP.

Reasons for exclusion include: Medicare or Medicaid fraud; patient abuse or neglect; felony convictions for other healthcare-related fraud, theft, or other financial misconduct; and felony convictions relating to unlawful manufacture, distribution, prescription, or dispensing of controlled substances.

The effect of an exclusion is that no payment will be made for anything that an excluded person furnishes, orders, or prescribes. This payment prohibition applies to the excluded person, anyone who employs or contracts with the excluded person, and any hospital or other provider for which the excluded person provides services. The exclusion applies regardless of who submits the claims and applies to administrative and management services furnished by the excluded person.

### What is our policy?

PHP will not employ, credential, enter into contracts with, or purchase from any individual or entity that is currently excluded by the OIG or other relevant Federal agencies. Verification is performed at various points when employees enter the System.

- » At employment by Human Resources
- » At credentialing by Medical Staff Services
- » At contracting with outside entities
- » At the point of setting up new vendors in purchasing.
- » Monthly verifications against current employees, physicians and vendors are performed by Audit and Compliance Services.

### Where do I get more information?

The full policy can be located in PPM using search terms: [Excluded Individuals and Entities Policy](#).

- » If you have questions, contact the Compliance department at **866.747.2667**.

# ICARE about Protecting our Members

PHP's mission is to improve the health of the people in our communities by providing quality, compassionate healthcare coverage. This section of the Code of Conduct addresses:

- » Member Rights and Responsibilities
- » Quality and Member Safety
- » Privacy of Patient Information

## Patient Rights and Responsibilities

### What Should You Know?

PHP is committed to treating all members with dignity, respect, and compassion. We recognize that all members have basic rights, and we are committed to honoring these rights. Members also have responsibilities. PHP has the right to expect reasonable and responsible behavior from members, their relatives, and friends.

Some examples of Patient Rights are:

- » Access and receive coverage regardless of age, race, sex, national origin, religious affiliation or disability.
- » For members who do not consider English as their preferred language, interpreter services are provided free of charge.

An example of Patient Responsibilities is:

- » Providing accurate and complete information when enrolling into the plan.

Members may exercise their rights personally, or through a guardian, patient advocate, or authorized representative when unable to do so personally.

### What is our policy?

PHP employees must know our Member Rights and Responsibilities Policy. Our interactions with members must include involving them in decisions. We must also inform patients and their representatives who to contact in the event they are not satisfied with PHP.

### What can I do?

- » You are responsible to know our member's rights and responsibilities and to abide by those rights.
- » You are responsible to inform members who to contact when they are not satisfied with PHP.
- » Please have them contact the Compliance Hotline at **866.747.2667**.

### Where do I get more information?

The full policy can be located in PPM using search terms: [Member Rights and Responsibilities Policy](#).

- » When in doubt, use the appropriate chain of command. Ask your Supervisor.

## Privacy of Patient Information

The Health Insurance Portability and Accountability Act (HIPAA), as amended by HITECH, is a law enacted by the Federal government with three parts that address the privacy, security and the use and disclosure of health information.

Privacy Rules apply to the protection of a patient's health information. The HIPAA privacy rules and stricter Michigan law dictate how and when protected health information (PHI) can be used or disclosed, whether written, verbal or electronic.

### Everyone's job, not everyone's business

#### What is it?

HIPAA Privacy is not a new concept for PHP. We have always been committed to keeping patient information confidential, as well as obeying State laws that address confidentiality. HIPAA privacy rules require restrictions on the use and disclosure of patient information and the reporting of inappropriate disclosures or breaches of PHI. HIPAA privacy and HITECH regulations also include both personal and business consequences, such as penalties and fines, for non-compliance.

It is the responsibility of every PHP employee, physician, volunteer, and contractor or vendor to adhere to regulations, policies/procedures, and patient rights for privacy including:

- » Right to confidential communication.
- » Right to receive a Notice of Privacy Practices to help understand how their PHI is used throughout the Health Plan.
- » Right to access or receive a copy of their medical records.
- » Right to request restrictions to how PHI is used.
- » Right to request changes (amendments to their records).
- » Right to receive a listing of who viewed their PHI (accounting of disclosures), if requested.

#### What can I do?

- » Understand the rules regarding personal information. If you are unsure how to appropriately handle personal information, ask.
- » Fulfill the obligations of your job. When accessing or using personal information in your job, take care of it!
- » Keep it private; keep it secure. Always ensure you are accessing, storing or disclosing personal information only as necessary for your job and only to the extent required for business purposes.

# ICARE about Protecting Data

PHP is committed to the protection of information from unauthorized disclosure and modification and to ensuring information is available to the appropriate individuals. Information Security has identified the following goals to protect information:

**Confidentiality** — limiting information access and disclosures to authorized individuals and preventing access to unauthorized individuals.

**Integrity** — protecting the trustworthiness of information and preventing data from being changed inappropriately.

**Availability** — ensuring information is available in a timely and reliable manner to appropriate individuals.

## Secure data is safe data

### What is it?

Information Security is the practice of protecting information from unauthorized access, use, disclosure, disruption, modification, perusal, inspection, recording or destruction. It is the responsibility of every PHP employee, physician, volunteer, and contractor to be aware of the HIPAA Security policies in use by PHP, and to have a strong understanding of the impact of these policies on our patient information and daily activities.

- » Create strong passwords and do not share.
- » Lock workstations when unattended.
- » Encrypt email messages and portable devices.
- » Use PHP approved portable devices and protect and secure those devices.
- » Exercise caution when using mobile devices.
- » Do not store PHI on third party sites or services.

All information must be protected during its creation, during use and storage, and upon disposal. Regardless of how information is sent or handled, you have a responsibility to protect that information by following appropriate policies and procedures.

### What is our policy?

PHP has established policies to safeguard the security of our protected information as required by regulatory guidelines. PHP employees, physicians and volunteers who violate these policies will be subject to disciplinary actions up to and including termination as directed by PHP Human Resources policies. In addition to any disciplinary action, any individual involved in illegal activity will be reported to the appropriate authorities for investigation and prosecution to the fullest extent of the law.

### Where do I get more information?

The full policy can be located in PPM using search terms: [Information Security Policies](#).

- » The Information Security department is available for employees to discuss questions or concerns at 517.332.7219.

# High-Risk Compliance Areas

Based on a risk analysis process, the appropriate Compliance Committees annually endorse the most significant risks that require focused compliance efforts at the department level.

## The current High-Risk Compliance Areas are:

- » **Medically Necessary:** approval or denial of services based on policies and procedures, including appropriate consideration of benefit coverage and medical necessity.
- » **Appeals and Grievances:** ensuring accurate classification and timely processing of appeals and grievances.
- » **Coding:** ensuring accurate coding on claims representing PHP Providers' inpatient, outpatient, and physician services.
- » **Clear, Accurate and Appropriate Marketing Information:** ensuring members and potential members are provided clear, accurate, and appropriate information about services and members' rights.
- » **HIPAA Privacy:** ensuring privacy of each patient's protected health information.
- » **Information Security:** ensuring safety of our information assets.



# Reporting Suspected or Detected Noncompliance

Suspected or detected violations of PHP's Code of Conduct and Compliance Program, or any related law or policy must be immediately reported to PHP through the reporting process.

## Reporting Process

- » Discuss questions or concerns with your supervisor.
- » If you are not comfortable talking with your supervisor, or you do not feel the response adequately addresses your concern, contact a higher-level manager, or the Chief Compliance Officer (CCO) at **517.364.8307** or Medicare Compliance Officer (MCO) at **517.364.8474**.
- » If you would like to report a concern confidentially or anonymously, use the Compliance Hotline, **866.747.2667 (toll free)**.

## Suspected or detected violations must be reported to PHP

### Frequently Asked Questions

**Q:** When should I call the Compliance Hotline?

**A:** Use the Compliance Hotline to report concerns or to raise questions about business ethics, billing, contracting, conflicts of interest, privacy, and other similar business/regulatory issues. It is not intended for reporting Human Resources concerns. Please contact your Human Resources Partner to report these issues.

## Non-Retaliation Policy

PHP shall, to the extent possible, protect the confidentiality of all persons filing reports through the Hotline and/or through other communication methods established under the Compliance Program.

- » **Non-Retaliation Policy** – the purpose of this policy is to protect employees, independent contractors and volunteers who, in good faith, report known or suspected instances of inappropriate conduct or activities. PHP prohibits anyone from taking retaliatory action against those who report compliance concerns in good faith. Any person who participates in retaliating against an individual because of his or her good faith reporting under the Compliance Program is subject to discipline. Concerns about possible retaliation or harassment should be reported immediately to the Compliance Officer.



## Compliance Officer

Responsibility for implementing and managing the Compliance Program has been assigned to the Chief Compliance Officer (CCO). The CCO reports to the President and Chief Executive Officer (CEO) of PHP on significant compliance issues, as well as the Chair of the Finance and Audit Committee as deemed appropriate. The CEO and the CCO are both responsible for communications with the Board of Directors of PHP directly or through an appropriate committee of the Board.

The CCO is supported in his/her efforts by the Compliance and Ethics Committee (CEC), Compliance Committee, the Compliance department staff, and internal/external legal counsel.

The Medicare Compliance Officer (MCO) has been assigned the responsibility for implementing and managing the Medicare Compliance Program. The MCO reports to the President and CEO of PHP on significant compliance issues. The CEO and MCO are both responsible for communications with the Board of Directors of PHP Medicare directly or through an appropriate committee of the Board.

The MCO is supported in his/her efforts by the Medicare Compliance Committee and subcommittees, and internal/external legal counsel.

### Chief Compliance Officer

Nick D'Isa

[nick.disa@phpmm.org](mailto:nick.disa@phpmm.org)

517.364.8307

### Medicare Compliance Officer

Michelle Coberly

[michelle.coberly@phpmm.org](mailto:michelle.coberly@phpmm.org)

517.364.8474

### Contact us

**The Compliance Hotline**

866.747.2667

Please see the Compliance Intranet page for current contact information for Audit and Compliance Services staff members.

## Compliance Staff

The CCO and MCO are supported in their efforts by the Compliance department. The CCO, MCO, and Compliance department, with the assistance of legal counsel where appropriate, perform the following activities:

- » Ensure that PHP has policies in place to guide activities related to appropriate handling of other regulatory matters;
- » Ensure that appropriate departments and subsidiaries have developed High Risk Compliance Plans, including detailed policies, and that the plans are continually updated for regulatory changes;
- » Ensure that comprehensive training regarding applicable rules and regulations is provided to all applicable employees;
- » Provide oversight related to compliance reviews conducted by both internal and external auditors/consultants;
- » Establish a uniform method for employees to raise questions and report areas of potential non-compliance;
- » Review any compliance inquiries or reports of non-compliance and develop an appropriate response or refer to the appropriate department for follow-up;
- » Develop appropriate process improvement plans to address any compliance issues;
- » Establish required records and reporting systems necessary to support the program;
- » Modify the program periodically in light of changes in the organization, laws or policies;
- » Ensure that independent contractors who furnish services to the hospital that fall within the scope of this plan are aware of the requirements of the Compliance Program.

### Contact us

#### The Compliance Hotline

866.747.2667

#### Audit and Compliance

Services Main Phone

Number 517.364.8307

Please see the Compliance Intranet page for current contact information for Audit and Compliance Services staff members.

# Compliance Committee

The purpose of the Compliance Committee (CC) is to provide oversight for PHP's Compliance Programs. This oversight is designed to ensure a multi-disciplinary and executive-level focus on compliance risk for PHP and ensure the integrity and reliability of information assets. The Compliance and Ethics Committee (CEC) provides guidance on business ethics questions and/or ethical breaches that arise. The CC is advisory to both the Compliance and Privacy Officers, and serves as the primary forum to advise on Compliance, Privacy, and Information Security at PHP.

- » The Compliance Committee is guided by the Compliance Committee Charter that outlines key responsibilities, including:
  - » Approval of the PHP Compliance Program.
  - » Approval of the identification of high risk areas and the Compliance Risk Grid methodology, with CCO and applicable Executive approval of the specific Risk Grids in each area.
  - » Annual approval of the PHP High Risk Compliance Focus Areas, as well as related High-Risk Metrics to be reported at each CC meeting.
  - » Approval of recommendations to mitigate the potential risks and vulnerabilities as defined in the Information Security Program.
  - » Approval of assignment of responsibility of the implementation of significant new or modified compliance regulations.
  - » Approval and enforcement of the mandatory education requirements of the PHP Compliance Program.
  - » Approval and enforcement of mandatory monitoring requirements of the PHP Compliance Program.
  - » Approval and enforcement of process improvement plans related to significant compliance issues, ethical breaches, and external audit findings.
  - » Approval of recommendations concerning repayment obligations for errors and omissions identified as part of the compliance program.
  - » Approval of recommendations to mitigate breaches requiring notification to department of Health and Human Services, and the Privacy access monitoring program.

## Compliance Committee

The Compliance Committee (CC) supports the Compliance and Privacy Officer, and the Compliance Committee in achieving the responsibilities outlined here. In particular, the Compliance Committee makes recommendations to the Compliance and Ethics Committee (CEC) for approval concerning the following:

- » Annual risk assessment process.
- » Significant new regulations.
- » Process improvement plans.
- » Mandatory education and monitoring requirements.

## Education and Training

PHP believes that the proper education of all employees and workforce members is a significant element of an effective compliance program. All employees, as identified by the Compliance and Privacy Officer or department Managers, are required to attend/complete training on hire and annually thereafter, and on an as needed basis.

The Compliance department periodically conducts general training on the Health Plan Code of Conduct and Compliance Program and general information on fraud, waste and abuse investigations and principles. The department also ensures that new employees are trained on the Health Plan Code of Conduct and Compliance Program as part of PHP's orientation process.

Individual departments and subsidiaries conduct periodic training on more specific policies, rules, laws, and regulations applicable to that department or subsidiary.

First tier, downstream or related entities (FDR) employees and contracted entities that perform administrative or healthcare service functions relating to PHP's Medicare Parts C and D contracts are required to complete general healthcare compliance and fraud, waste and abuse (FWA) training within 90 days of hire/contract and annually thereafter. The organization may create its own Medicare Compliance and FWA training materials, utilize training materials provided by CMS and/or PHP, or purchase appropriate training content for use in their training program. Documentation of all compliance and FWA training, which includes (at a minimum) participant names, topics, completion dates, and test scores (if applicable) must be retained for at least ten years, per CMS guidance, and provided to PHP or CMS upon request.

Failure to attend/complete required training sessions will result in disciplinary action, up to and including termination.



# Auditing and Monitoring

An important step to ensure an effective Compliance Program is active oversight of those resources. Managers are expected to regularly monitor their operations to ensure compliance with laws and regulations and policies and procedures. Any concerns identified during monitoring activities must be reported immediately to the Compliance department. The Compliance department supplements these activities with additional monitoring and auditing activities.

In addition to the Compliance department's audit process, the individual departments and Subsidiaries perform self-audits and self-monitoring.

FDRs are expected to:

- » Monitor for fraud, waste, and abuse within their organizations and downstream entities.
- » Comply with any monitoring or auditing requests from PHP.
- » Develop and implement monitoring and auditing work plans for any functions supporting PHP business, including those performed by downstream entities.

# Investigating Compliance Issues

Whenever the Compliance department receives a report of any activity that may be inconsistent with PHP's policies or legal requirements, the Chief Compliance Officer (CCO) (or designee) performs a preliminary evaluation of the facts received. The CCO then determines whether the issue should be subject to further investigation, what level of Management should be notified (Manager, Director, Executive and CEO), or any other appropriate responses to the complainant. The CCO discusses the issue with the Compliance and Ethics Committee (CEC) and/or the Finance and Audit Committee of the Board as he/she deems appropriate.

The Compliance staff, acting alone or with external investigative support, performs a timely investigation of all the facts and circumstances surrounding any issue the CCO has determined to be an area of genuine concern. A factual report is prepared and provided to the CEO, CEC, legal counsel, or the Finance and Audit Committee of the Board as deemed appropriate by the CCO. Instances of possible criminal conduct will not be ignored. Upon review by internal and external legal counsel, self-reporting to the appropriate government agency may be required and, if so, such reporting is done in a timely fashion.

The Compliance department periodically summarizes compliance issues and any investigations and their dispositions for the Compliance and Ethics Committee and the CEO in a manner that preserves confidentiality and the relevant privileges.

PHP employees and FDRs must cooperate fully with any investigations undertaken by the Compliance department.

**Audit** refers to a formal review of compliance with a set of internal (e.g., policies and procedures) and / or external (e.g., laws and regulations) standards used as base measures.

**Monitoring** refers to reviews that are repeated regularly during the normal course of operations. These activities may occur to confirm:

- » Ongoing compliance even in the absence of identified problems; or
- » Corrective actions are undertaken and effective.

**FDR** is a first tier, downstream or related entity of PHP that supports PHP's products and services. This is a contracted party that performs business functions PHP is otherwise responsible for performing.

**First Tier Entity** is any party that enters an acceptable written arrangement with a PHP entity to provide administrative or healthcare services to a Medicare individual under a PHP administered Medicare Advantage or Medicare Prescription Drug Benefit plan.

**Downstream Entity** is any party that enters into a written arrangement with persons or entities involved with a PHP-administered Medicare Advantage or Medicare Prescription Drug Benefit plan. This continues down to the level of the ultimate provider of a service or product.

**Related Entity** is any entity that is related to PHP by common ownership or control and meets one of the following criteria:

- » Performs some of PHP's management functions under contract or delegation; or
- » Furnishes services to members under an oral or written agreement; or
- » Leases real property or sells materials to PHP at a cost of more than \$2,500 during a contract period.

# Process Improvement Plans Following Investigations

The CEO and Board of Directors have given the Compliance department the authority to prepare and/or approve Process Improvement Plans (PIPs) for any instances of non-compliance that are identified. Process Improvement Plans are developed with the guidance of legal counsel as needed.

All employees, including Board Members and physicians on the medical staff, are subject to the conditions of a PIP if there is a non-compliance issue related to their duties as an employee of PHP.

Enforcement and imposition of disciplinary action will be consistent across the board, regardless of who is in violation. The Chief Compliance and Privacy Officer (CCO) may consult with the Human Resources department, the CEO, and others in the development of an appropriate PIP.

Process Improvement Plans are designed to ensure not only that the specific issue is addressed but also that similar problems do not exist in the future. PIPs may require that policies be developed, certain training and/or monitoring take place, restrictions be imposed on billing, that repayment be made, or that the matter be disclosed externally. Sanctions or discipline, in accordance with PHP policies, may also be recommended. If it appears that certain individuals have a demonstrated history of engaging in practices that raise compliance concerns, the PIP should identify actions that will be taken to prevent such individuals from exercising substantial discretion with regard to those areas.

The Compliance department periodically summarizes PIP disposition/ completion for the Compliance Committee, Compliance and Ethics Committee and CEO.

# Responding to a Government Investigation

If any employee of PHP receives notice that PHP is being investigated by the government (defined broadly as any agency or instrumentality of the Federal, State, or local government), this information should immediately be provided to the Chief Compliance and Privacy Officer (CCO), who will confer with legal counsel. The CCO intends to deal directly and forthrightly with the government in the event of any investigations.

Employees have the following responsibilities in responding to an investigation conducted by the government:

- » To cooperate with and assist the CCO in responding to the inquiry.
- » To respond in a timely fashion.
- » To be truthful when being interviewed by government investigators.
- » To cooperate with the CCO in making documents available for review, including ensuring prior review of documents which may be protected by privilege (e.g., attorney-client privilege or doctor-patient privilege), as determined by legal counsel.
- » To cooperate with the investigators.
- » To keep accurate records of all information provided to the investigators and to whom they were provided.

Employees must NOT do any of the following:

- » Destroy documents in anticipation of a government request for those documents.
- » Alter any documents.
- » Lie or make misleading statements to anyone.
- » Pressure anyone else to hide information from or provide false information to government investigators.

## Revisions to the Program

The Code of Conduct and Compliance Program are intended to be flexible and readily adaptable to changes in regulatory requirements in the healthcare industry. The Program is regularly reviewed to assess its effectiveness and modified as experience shows that a certain approach is not effective or suggests a better alternative. To facilitate appropriate revisions to the Program, the Chief Compliance Officer and Medicare Compliance Officer prepare an annual report that describes the general compliance efforts that have been undertaken during the preceding year and identifies changes that might be made to improve compliance. This report is circulated to the members of the Compliance Committee, Compliance and Ethics Committee, the President and CEO, legal counsel and others with an interest in compliance for their comments about possible revisions to the Program. Changes to this Program are approved by the Compliance Committee. Finance and Audit Committee approval is also necessary if the changes are deemed substantive or material by the Compliance Committee.

# Applicable Human Resources Policies

Following are current Human Resources policies and articles from Union agreements that include references to and/or support PHP's Compliance Program. They are incorporated into the PHP Compliance Program by reference.

- Policy 30** ICARE Values and Behaviors Program
- Policy 205** Verification of Licensure/Registration/Certification and Federal Healthcare Exclusion Status
- Policy 601** Employee Conduct and Work Rules
- Policy 630** Disciplinary Process



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**PHP Compliance Hotline**  
**866.747.2667**

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