

SUBJECT TITLE: *Corporate Compliance Program*

STANDARD/REF #: [Standard/Reference #]

APPROVED BY: *Corporate Compliance*

EFFECTIVE DATE: *10/28/2010*

REQUIRED REVIEWERS: *Compliance Operations*

REVIEWED DATE: *10/28/2010*

POLICY/PURPOSE:

Mercycare Service Corporation (MSC) is committed to carrying out its health care ministry in a manner consistent with a high standard of individual and organizational, ethical and legal business practices. In order to ensure that appropriate ethical and legal business standards and practices are maintained and enforced, it has established a Corporate Compliance Program (CCP) for the operation of all of its subsidiaries. This program focuses on business and professional standards of conduct, compliance with federal, state and local laws and regulations, compliance with standards of accrediting organizations, promotion of good corporate citizenship, prevention and early detection of misconduct and identification and education relating to areas of particular concern.

APPLICABILITY:

All members of MSC and affiliate boards of directors, employees, agents, volunteers, providers, vendors, contractors, and other business partners must comply with the legal and regulatory requirements contained in this Program or required by federal and/or state healthcare programs.

BACKGROUND:

Benefits of a Compliance Program per the Federal Register (Vol. 70, No. 19/January 31, 2005, p 4859):

1. Demonstrate the organization's commitment to honest and responsible corporate conduct.
2. Increase the likelihood of preventing, identifying, and correcting unlawful and unethical behavior at an early stage.
3. Encouraging employees to report potential problems to allow for appropriate internal inquiry and corrective action.
4. Through early detecting and reporting, minimizing any financial loss to government and taxpayers, as well as any corresponding financial loss to the organization.

The goals of this Compliance Program are to:

1. Foster an organization-wide understanding of and commitment to compliance.
2. Through expanded knowledge and commitment, detect and prevent illegal and improper behavior and thereby reduce the risk of sanction for noncompliance.
3. Assure that employees and agents know how and are encouraged to report suspected illegal or improper conduct.
4. Assure prompt investigation and response to reported illegal or improper conduct and prevent recurrence.

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5. Enhance the reputation of the system as an organization built on principles of ethical, legal behavior.

DEFINITIONS:

- 1.1. "Affiliate" means a subsidiary or affiliated entity in which MSC holds a 50% voting or control interest. MSC involvement with entities in which MSC or affiliate holds less than 50% interest is subject to this corporate compliance plan/compliance program.
- 1.2. "Agent" means an individual or organization including but not limited to any contractor, supplier or volunteer who is authorized to act on behalf of one of MSC's subsidiaries.
- 1.3. "Board members" are members of the board of trustees of MSC or members of the board of trustees or board of directors of any MSC subsidiary.
- 1.4. "Compliance objectives" are those departmental policies and procedures which reference business and professional standards of conduct, federal, state and local laws and regulations, standards of accrediting bodies and which provide guidance to employees, agents and contractors with regard to standards of conduct.
- 1.5. "Contractor" means an individual or entity that has contracted with one of MSC's subsidiaries to provide services for that entity.
- 1.6. "Corporate compliance committee" means the trustee committee appointed to assume responsibility for the oversight of the CCP.
- 1.7. "Compliance officer" or designee means a Vice President or General Counsel of MSC assigned responsibility for receiving, evaluating and reporting reports or complaints of violations or potential violations of the Mercy CCP as well as the investigation of issues discovered through the compliance program audit process. Responsible for all aspects of compliance oversight throughout MSC.
- 1.8. "Employees" mean individuals who are employed by MSC's subsidiaries.
- 1.9. "Focus areas" are those areas which MSC has determined to require review under the Mercy CCP and which provide the foundation for the development of Mercy CCP objectives.
- 1.10. MSC or "Mercy" means MercyCare Service Corporation – a nonprofit corporation

PROCEDURE:

2. SECTION II – COMPONENTS OF THE MERCY CCP

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- 2.1 MSC is herein adopting a policy of corporate compliance which requires board members, officers, employees, agents and contractors of its subsidiary corporations to comply with business and professional standards of conduct; federal, state and local laws and regulations; standards of the accrediting body and tenets of good corporate citizenship.
- 2.2 MSC is herein establishing a corporate compliance program with overall responsibility for the development, implementation, and operation of the same assigned to a corporate compliance officer as appointed by the chief executive officer and approved by the board of trustees of MSC.
- 2.3 The Corporate Compliance Program shall contain the following elements:
 - 2.3.1 A policy of compliance with business and professional standards of conduct, federal, state and local laws and regulations, standard of accrediting bodies and tenets of good corporate citizenship.
 - 2.3.2 A corporate compliance officer and the establishment of a corporate compliance committee and an internal compliance operations committee.
 - 2.3.3 An investigative process to address complaints and violations.
 - 2.3.4 Procedures for disclosure, reporting and corrective action.
 - 2.3.5 Communication and education processes including the posting and distribution of information concerning the Corporate Compliance Program to all employees, agents and contractors and providing training regarding the CCP to each trustee officer and employee of MSC's subsidiaries.
 - 2.3.6 Education program for all employees involved in preparing and submitting Medicare and Medicaid bills, which includes periodic training in billing standards and procedures and an overview of the consequences of failing to comply with such standards and procedures. (Conducted by Health Information Management and Patient Accounts)
 - 2.3.7 A system of monitoring, auditing, and a review of the CCP procedures and the information and statistics compiled through the compliance program, which will include an assessment of potential exposure to liability for various business and operational practices.
 - 2.3.8 Periodic reports regarding the Mercy CCP will be made to the board of trustees.
 - 2.3.9 Engagement of an independent consultant or auditor to perform periodic reviews of the Mercy CCP and the compliance of MSC's subsidiary corporations with the program and compliance objectives, which includes an audit of the billing policies, procedures and practices of those entities.

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- 2.3.10 MSC's subsidiaries shall not contract with an individual or entity that it determines through due diligence to be listed by federal agency as excluded, debarred, suspended or otherwise ineligible for participation in a federal program.

3. SECTION III – CORPORATE COMPLIANCE OFFICER

- 3.1. The Compliance Officer shall be a Vice President or General Counsel of MSC, who will be appointed by the chief executive officer of the entity.
- 3.2. The CCO must have a broad view of compliance issues affecting MSC and a demonstrated personal commitment to the goals of the Program.
- 3.3. The development, implementation and maintenance of the Mercy CCP with the assistance of the Director of Organizational Integrity, the Corporate Compliance Committee and the Operations Compliance Committee.
- 3.4. The Compliance Officer provides oversight to the compliance program and compliance activities within all of MSC.
- 3.5. The organization and maintenance of all documentation regarding the Mercy CCP.
- 3.6. The CCO should have a broad understanding of compliance issues facing Healthcare and an understanding of the various government/regulatory agencies.
- 3.7. Prepares and presents annual reports to the Board regarding compliance activity undertaken during the prior year and plan for future years including assessments of the effectiveness of the Compliance Program.

4. SECTION IV – DIRECTOR OF ORGANIZATIONAL INTEGRITY

- 4.1 The Director of Organizational Integrity shall be responsible for the following:
 - 4.1.1. Oversight and review of the periodic Mercy CCP compliance audits.
 - 4.1.2. The development of reports to the board of trustees, administration and other appropriate committees or individuals.
 - 4.1.3. The development of organization-wide educational programs that meet the requirements of the Mercy CCP.

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- 4.1.4. Oversight of the development of monitoring systems related to new laws, regulations and trends with regard to corporate compliance activities.
- 4.1.5. The completion of other duties as may be assigned by the board of trustees of MSC, the Chief Executive Officer of MSC or as required by the Mercy CCP.
- 4.1.6. The Director of Organization Integrity must have a broad view of compliance issues affecting MSC and a demonstrated personal commitment to the goals of the Program.
- 4.1.7. Chairs the Compliance Operations Committee and administers the Compliance Program.
- 4.1.8. Assures communication and implementation of compliance goals, standards and procedures throughout the organization.
- 4.1.9. Oversees compliance activities between and among all of MSC.
- 4.1.10. Investigates or oversees investigation of suspected cases of illegal or improper activity within the organization. Upon approval of, or upon report to the MSC and affected affiliate Board, ensures corrective action is taken.
- 4.1.11. Reviews MSC compliance policies for consistency with standards, procedures and goals of the Compliance Program.
- 4.1.12. Retains outside auditors and consultants, as necessary, for compliance reviews and audit activity in consultation with the applicable affiliate or the MSC Compliance Committee.

5. SECTION V - RECEIPT OF DISCLOSURES

- 5.1.1. The Director of Organizational Integrity shall monitor all disclosures and communications made to him or her through the Mercy Compliance Program Hotline procedures.
 - 5.1.2. He or she shall maintain a secure disclosure log for all communications received through the foregoing Hotline disclosure methods.
- 5.2. Investigation of Disclosures
- 5.2.1. The Director of Organizational Integrity shall review each disclosure or communication and determine whether the disclosure indicates a violation of a Mercy Compliance Program objective or other law, regulation, standard, or policy.

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- 5.2.2. The Director of Organizational Integrity (or a delegate) shall conduct a comprehensive investigation of all disclosures or communications to determine if there is a violation of the Mercy Compliance Program objectives or other policy, law, regulation, standard and/or substantiation of the allegation.
- 5.2.3. The results of such an investigation shall be documented in a file/report and a formal report prepared and submitted to the Integrity Review Committee.
- 5.2.4. All violations and potential violations shall be reported to the corporate compliance committee for review and resolution.
- 5.2.5. If the violation is determined to have violated Federal or State Law or another Regulation the Compliance Officer will work with Legal Counsel to properly disclose the item to the appropriate authority.

5.3. Integrity Review Committee

- 5.3.1. The integrity review committee is comprised of the CCO/General Counsel or Vice President, the VP of Mission Integration, and the SVP of Finance/CFO (ad hoc members may be added to ensure independence to the concern).
- 5.3.2. The Integrity Review Committee is responsible for review of the formal reports generated from the investigations/hotline reports to:
 - 5.3.2.1. Ensure a complete and thorough investigation
 - 5.3.2.2. Verify that the evidence provided supports the conclusions
 - 5.3.2.3. Determine appropriate action items to identified concerns and monitor their completion
 - 5.3.2.4. Formally close the investigative reports

6. SECTION VI – CORPORATE COMPLIANCE COMMITTEE

The Chairman of the Board of Trustees shall appoint the members of the corporate compliance committee from among the trustees of MSC or members of the board of trustees or board of directors of any MSC subsidiary and members of the MSC Compliance Program and Administration. The corporate compliance committee may delegate duties to other subcommittees, which may include officers or employees.

The Corporate Compliance Committee shall hold periodic meetings to provide guidance over, and fulfill its responsibilities to, the MSC Corporate Compliance Program as follows:

- 6.1. Assisting in the development and implementation of the Mercy CCP.

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- 6.2. Continuing guidance with regard to the operation of the Mercy CCP.
- 6.3. Evaluating the results of MSC's periodic Mercy CCP audit.
- 6.4. Determining focus areas for utilization of the Mercy CCP.
- 6.5. Reviewing reports of disclosures and other communications obtained by the Mercy CCP.
- 6.6. Identifying trends in corporate compliance and reporting at least annually to the MSC board of trustees and providing a summary report to the Mercy Medical Center, Cedar Rapids, Iowa board of trustees on a quarterly basis.
- 6.7. Review of new and revised Mercy CCP objectives and policies.
- 6.8. Review recommendations for corrective action.
- 6.9. Review of transactions involving people who are considered "disqualified persons" under the IRS Intermediate Sanction regulations to determine the reasonableness of the transaction based on appropriate data as to comparability, provided that the corporate compliance committee or subcommittee undertaking the review is composed entirely of individuals unrelated to and not subject to the control of the disqualified person(s) involved in the transaction.
- 6.10. Review of transactions involving people who, though not technically considered "disqualified persons" under the IRS Intermediate Sanction regulations, are members of the Mercy Medical Center, Cedar Rapids, Iowa medical staff or others who are subject to regulation under the anti-kickback statute or Stark law, to determine the reasonableness of the transaction based on appropriate data as to comparability, provided that the corporate compliance committee or subcommittee undertaking the review is composed entirely of individuals unrelated to and not subject to the control of the person(s) involved in the transaction.
- 6.11. Charges affiliates with compliance responsibility in their areas and with cooperating with the MSC Compliance Officer, Director of Organizational Integrity, the Compliance Committee and the Board and its agents on all compliance matters.
- 6.12. Holds senior MSC management responsible for their efforts and for results in implementing the Compliance Program.
- 6.13. Delegates appropriate responsibility and authority to the MSC Compliance Officer and the Director of Organizational Integrity
- 6.14. Receives and, as appropriate, acts on reports and regarding compliance issues.

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6.15. Exercises final authority on compliance matters.

7. SECTION VII - MSC PRESIDENT AND CEO

- 7.1. Assures that the MSC Compliance Program, the MSC Compliance Officer, the Director of Organizational Integrity, and the Compliance Committee have adequate resources to reasonably perform their responsibilities.
- 7.2. Holds senior management throughout MSC accountable for implementing the Compliance Program.
- 7.3. Assures that there are adequate evaluation and screening mechanisms in place to prevent entrusting compliance responsibility or operational decision making to individuals with a known propensity for illegal or improper conduct.
- 7.4. Assures that managers at all levels throughout MSC are evaluated in part based on their ability to communicate and apply Compliance Program standards, procedures and goals to their respective work forces.

8. SECTION VIII – COMPLIANCE OPERATIONS COMMITTEE

Committee members are responsible for attending and taking an active part in the committee meetings.

- 8.1. Review and analyze the healthcare industry environment, including the business and legal requirements, with which the organization must comply to ensure risks are identified & mitigated.
- 8.2. Conduct periodic risk assessments and review the results of internal audits.
- 8.3. Assist with developing and completing work plans to address potential compliance issues uncovered in the course of conducting risk assessments and audits.
- 8.4. Determine the appropriate approach/strategy to promote compliance with the Plan and to detect and address any potential violations.
- 8.5. Assess existing policies and procedures to determine if they address compliance requirements including regulatory and legal compliance areas.
- 8.6. Develop and monitor the standards of conduct, policies, and procedures, and periodically update as needed. Recommend and monitor departmental systems and internal controls to promote compliance.

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- 8.7. Ensure individual departments adhere to the standards of conduct and policies and procedures as well as assisting with the promotion of and adherence to the compliance program.
- 8.8. Develop and maintain a system to solicit, evaluate, and respond to complaints and problems.
- 8.9. Continually work to prevent fraud, waste, and abuse and to ensure consistent application of disciplinary actions in the event that issues are noted.
- 8.10. Conduct special projects as requested by the Compliance Officer.

9. SECTION IX – DEVELOPMENT OF COMPLIANCE OBJECTIVES

The following procedures shall be followed with regard to the compliance objectives:

- 9.1. Annual compliance objectives shall be developed for the focus areas designated in the Mercy Compliance Program and those highlighted by the OIG annual workplan.
- 9.2. Compliance objectives for such focus areas shall be developed by the Compliance Officer, the Director of Organizational Integrity, and the compliance operations committee.
- 9.3. The annual compliance workplan shall be approved and monitored by the corporate compliance committee.

10. SECTION X – EDUCATION PROGRAM

- 10.1. Compliance education and training will be on-going via periodic activities
- 10.2. Management throughout MSC is responsible for conducting department specific training programs and reporting results of such training to the Director of Organizational Integrity. (i.e. Patient Accounts and Medical Records provide training on Billing and Coding)
- 10.3. Management throughout MSC is responsible for cooperating with the Compliance Officer to design and conduct effective high-level compliance education and training programs for personnel (i.e. new employee orientation on compliance, hot topics in org-wide compliance, conflict of interest).
- 10.4. Training should include reinforcement of compliance policies and standards of conduct, disciplinary policies, detection of suspected violation and MSC's commitment to compliance.
- 10.5. Education and training records for all personnel will be maintained as part of the individual's personnel or educational file.

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- 10.6. The Compliance Operations Committee will evaluate the effectiveness of education and training programs on an ongoing basis.
- 10.7. MSC shall require education and training of all new and current employees and the members of the board of trustees of its subsidiaries with regard to the purpose and operation of the Mercy Compliance Program, compliance objectives, and the consequences which may result from a violation of such objectives.
- 10.8. All new employees shall receive Mercy Compliance Program training during orientation.
- 10.9. All current employees shall receive Mercy Compliance Program training on a schedule to be developed by the human resources department of the applicable MSC subsidiary corporation. (At least annually)
- 10.10. Agents and contractors shall be informed of the Mercy Compliance Program through contract provisions and written statements distributed at the time those persons or entities provide services to MSC's subsidiaries. **It is the responsibility of the person(s) arranging for the agent and/or contractor to ensure the contract and/or written statements reflect these conditions and that the individuals or entities are appropriately apprised of the details.**
- 10.11. Employees who are involved in preparing or submitting bills through MSC's subsidiaries shall receive comprehensive training regarding their areas of responsibility. Such program shall provide training in billing standards and procedures, an overview of the personal obligation of each employee for the accuracy of billing, examples of improper billing practices and the legal sanctions which could be imposed for improper billing practices. (This training shall be developed and administered by the applicable department head and logged to ensure accountability.)
- 10.12. The MSC manager responsible for a given area shall update the foregoing education program as necessary.

11. SECTION XI – DISCLOSURE PROCEDURES

MSC has developed a procedure by which employees and the agents and contractors of its subsidiaries can disclose information relating to the Mercy Compliance Program, including misconduct, and/or potential violations of policies, procedures and compliance objectives including instances of potential fraud, waste and abuse. These disclosure procedures include a reporting system by which any such employee, volunteer, physician, agent, board member, contractor, or business partner may seek guidance or disclosure information regarding potential violations without any threat of retaliation. This policy also provides employees and agents with a clear process and guidelines for reporting potential violations or issues through the Mercy Compliance Program.

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11.1. Disclosure in General

- 11.1.1. Each employee or agent and contractor of MSC's subsidiaries has the responsibility to report suspected violations or potential violations of the policies, procedures and compliance objectives of MSC or the Mercy Compliance Program.
- 11.1.2. Employees are encouraged to contact their supervisors with any questions or concerns regarding compliance with the policies, procedures, and compliance objectives of the Mercy Compliance Program. Employees may also contact the corporate compliance officer or the director of organizational integrity/compliance officer, directly.
- 11.1.3. Employees who have discussed their questions and concerns with their supervisors and who are not satisfied that their question or concern has been adequately addressed or answered should contact the compliance hotline @ 319-369-4586.
- 11.1.4. Agents and contractors of MSC's subsidiaries with compliance concerns should contact an individual in Management at the corporation with which they are involved who has associated duties to or for that entity. If such agents or contractors are unable to resolve their questions, they should contact the corporate compliance officer or the director of organizational integrity/compliance officer directly through the means described in this policy.
- 11.1.5. Employees or agents and contractors of MSC's subsidiaries with questions or concerns should provide as much information as possible and be specific in their questions and concerns.

11.2. Methods of Disclosure

Employees or agents and contractors of MSC's subsidiaries may contact the corporate compliance officer by one of the following methods:

- 11.2.1. Hotline. The corporate compliance hotline will be a phone line dedicated to questions, issues and concerns relating to the corporate compliance program and compliance with MSC's policies, procedures and compliance objectives. The telephone line is forwarded to voice mail 24 hours per day, the caller or calling telephone number are not identified.
- 11.2.2. In person meeting. Any employee, agent or contractor may request a confidential meeting with the corporate compliance officer or the director of organizational integrity for the purpose of communicating questions, issues and concerns.
- 11.2.3. Via interoffice mail or U.S. mail to:

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Director of Organizational Integrity
% Mercy Medical Center
701 10th St SE
Cedar Rapids, IA 52403-1292

11.3. Follow Up

- 11.3.1. Information/issues received through the hotline shall be recorded in a secure log.
- 11.3.2. Where the employee, agent or contractor making the disclosure has been identified, the MSC Director of Organizational Integrity will provide a closure letter when the investigative report is closed.
- 11.3.3. The Director of Organizational Integrity (or Designee) will monitor the associated action items until complete and appropriately update the file.

12. SECTION XII – CORRECTIVE ACTION UPON DETERMINATION OF VIOLATION

The applicable MSC Vice President shall respond to any violation or potential violation of the policies, procedures and protocols of its subsidiaries, federal, state or local laws or regulations, standards or guidelines of any accrediting body, and institute action(s) to correct the violation and prevent similar violations from recurring.

The following procedures shall be followed with regard to corrective action:

- 12.1. Employees who have violated any compliance objective of the MSC Integrity plan, or who have failed to detect a violation or potential violation under this policy related to their area of responsibility which they reasonably should have known about, shall be subject to discipline in accordance with the policy of the entity for which they work. Each such disciplinary action shall be documented in the confidential file/report.
- 12.2. Agents or contractors of MSC's subsidiaries who are determined to have violated any compliance objective of the Mercy Compliance Program shall be subject to corrective action in accordance with the parameters of such agent's or contractor's duties in relationship to those entities or in accordance with any contract provisions, up to and including severance of the business relationship.
- 12.3. After an offense or violation has been detected, the Compliance Officer or Director of Organizational Integrity will oversee that the applicable parties' implementation of processes to prevent the recurrence of the violation and, if necessary, make modifications to the compliance objectives of the Mercy Compliance Program.

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12.4. All disciplinary actions and corrective actions shall be reported to the corporate compliance committee.

12.5. A summary of all disciplinary actions and corrective action shall be included in the annual report of the Mercy Compliance Program.

13. SECTION XIII– SELF-REVIEW AND AUDIT

13.1. MSC has developed processes which, in the exercise of due diligence, is designed to detect illegal activity, both civil and criminal, and violations of standards and procedure. It further is to ensure that its subsidiaries and their employees and agents are in compliance with rules, regulations, requirements and policies outlined by the CCP, that those individuals are complying with and effectively utilizing the CCP and that the process is appropriate and operating as anticipated.

13.2. An audit focused on compliance with MSC's Compliance Program's policies, procedures and compliance objectives shall be conducted from time to time by an independent auditor. The audit shall provide a complete review of compliance with MSC's policies, procedures and compliance objectives as set forth and instituted under this policy in order to ensure that its subsidiaries and their employees and agents are in compliance with objectives and to detect illegal activity and violations of standards and procedures.

13.3. The audit report shall be forwarded to the Compliance Operations committee for review and response with the report then presented to MSC's chief executive officer, corporate compliance committee, and the board of trustees.

13.4. A self-review audit process and procedure shall be developed and reviewed by the corporate compliance committee. Such process and procedures shall include a survey of employees and agents with regard to the Mercy Compliance Program and an evaluation of current trends in the structure and operation of corporate compliance programs.

14. SECTION XIV – FEEDBACK PROCEDURES

14.1. MSC shall develop a comprehensive system to provide feedback regarding the Mercy Compliance Program to MSC's chief executive officer and board of trustees. This is designed to provide comprehensive feedback regarding the operation and efficacy of the compliance program and follow up in relating such feedback to the appropriate individual entity.

15. SECTION XV – DOCUMENT RETENTION

All documents, including contracts, medical records, financial information, computer tapes and electronics information, shall be included in the retention policy. The policy shall define that information which will be considered "records" and shall establish set schedules for the maintenance and destruction of documents.

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All records shall be maintained by the policy owners for the minimum retention periods required by applicable federal, state or local laws or regulations, standards of accrediting body or good record keeping practice.

If federal, state or local law does not mandate retention requirements, records shall be maintained for retention periods which will ensure the availability of the records when required or in accordance with the standards of an accrediting body.

16. SECTION XVI – RECORD KEEPING

Documentation of all CCP reports, investigations, and other activities will be maintained by MSC. All records relating to the operation of the Mercy Compliance Program will be retained for five years from the date of creation.

17. SECTION XVII – SELF REPORTING

Where the Compliance Officer, Compliance Committee, Director of Organizational Integrity, or a member of Senior Management discovers creditable evidence of misconduct from any source, after a reasonable inquiry, believes that the misconduct may violate criminal, civil, or administrative law, the hospital should promptly report the existence of misconduct to the appropriate Federal and State authorities within a reasonable period, but not more than 60 days, after determining that there is credible evidence of a violation (Federal Register, Vol. 70, #19, January 31, 2005).

RELATED DOCUMENTS:

REFERENCES: