



# **8 Elements of an Effective Compliance Program**

**CORPORATE ETHICS AND COMPLIANCE MANUAL**

**2018**

## TABLE OF CONTENTS

**Board Chair and Chief Executive Officer Letter  
Executive Summary**

- I. Ethics and Compliance Introduction**
- II. Eight Elements of Effective Compliance**
  - 1. Use of Written Policies & Procedures**
    - Code of Conduct
    - Conflict of Interest Disclosure Statement
    - Other Written Policies and Procedures
    - Annual Work Plan
  - 2. Designated Corporate Compliance Officer**
    - Accountability to CEO and Board of Directors
    - Board Compliance Committee/Internal Pines of Sarasota Compliance Committee
    - Not Management
    - Specific Duties and Functions
  - 3. Education of Staff & Board of Directors**
    - Corporate Compliance and Quality Assurance Committee
    - New Employee Training/Exit Interviews
    - Print/Electronic Newsletters/Webinars
    - Training by Your Supervisor/Corporate Compliance Officer
  - 4. Open Line of Communications to Corporate Compliance Officer**
    - Access to the Corporate Compliance Officer
    - 24-Hour Hotline/Confidential and Anonymous
    - Confidential Dedicated Email
  - 5. Evaluations/Corrective Policies/Mandatory Participation**
    - Staff Evaluations Include Compliance Engagement
  - 6. Ongoing Identification of Risk Areas – This Applies to Everyone**
    - Billing
    - Exclusion Lists
    - Medical Necessity and Quality of Care
    - Compliance Log
  - 7. Timely Corrective Actions when Risks Are Identified or Problems Occur**
  - 8. Non-Intimidation and Non-Retaliation Policies**
    - Good Faith Reporting
    - Exit Interviews

**Appendix A – Code of Conduct**

**Appendix B – Conflict of Interest Disclosure Statement**

**Appendix C – Sample Agenda – New Employee and Corporate Compliance Officer Meeting**

**Appendix D – Exit Interview Form**

**Corporate Compliance Manual Acknowledgement Form**



June 1, 2018

RE: Pines of Sarasota and its Board of Directors

Dear Pines of Sarasota Team:

Fraud, waste, and abuse are a detriment to patient-consumer care, the sound stewardship of resources, and the values and mission of Pines of Sarasota. At all times, staff and the Board of Directors must be vigilant in pursuing ethics and compliance.

The Board of Directors, Chief Executive Officer, and Pines of Sarasota's Corporate Compliance Officer share this manual to underscore the organization's commitment to identify risk areas, wisely use resources, obey state and federal laws, continually apply quality improvement measures, and implement corrective actions when appropriate.

This manual, and Pines of Sarasota's Corporate Compliance Program, are modeled after the eight elements identified by the Office of the Inspector General for an effective compliance program.

As a valued member of this organization you have an important role in effective, ongoing compliance. Together we will provide the highest care and services for people while being careful in the use of all resources. This document is a work in progress because identifying and applying best practices does not stop. It also is your guide as an individual professional and member of the Team.

Please refer to this manual regularly, offer suggestions, and talk with the Corporate Compliance Officer to help Pines of Sarasota fulfill its mission and live its values with integrity and excellence.

Sincerely,

Peter Abbott  
Chairman of the Board

Mike Ward  
Chief Executive Officer

## **Executive Summary**

### **Pines of Sarasota's Compliance Program is necessary because it:**

- Protects patient privacy,
- Nurtures an ethical culture,
- Prevents conflicts of interest,
- Ensures proper credentialing,
- Promotes Quality Assurance,
- Requires staff and Board participation,
- Furthers accurate billing and coding,
- Assists in obeying state and federal laws,
- Maintains and promotes high quality care,
- Defines, identifies, and prevents fraud, waste, and abuse, and
- Strives to promote the use of best practices in management and Board governance.

### **Pines of Sarasota's Compliance Program applies to:**

- Vendors
- Contractors
- Consultants
- Volunteers
- Supervisors
- Department heads
- Board of Directors
- *All staff*, no matter the title or position

### **What you *must* do:**

- Act fairly,
- Act ethically,
- Act honestly,
- Act as a team,
- Report any conflict of interest that you may have,
- Treat residents/patients and one another with respect at all times,
- Identify ways to do things better in your department and take action,
- Suggest ideas to your supervisor or the Corporate Compliance Officer to better use resources,
- Report problems immediately to your supervisor or directly to the Corporate Compliance Officer, and
- Remind your team at meetings it must do regular Risk Assessments.

## ***Compliance requires everyone to be involved. It is a team effort.***

### **I. Ethics and Compliance Introduction**

Pines of Sarasota Healthcare, LLC, d/b/a Pines of Sarasota is licensed to operate a skilled nursing facility that accepts Medicare and Medicaid funding from state- and federally funded programs. Accepting state and federal funding comes with much responsibility, which can be met, in part, by having an effective Corporate Compliance Program. The Program is reviewed and adopted by the Board of Directors of Pines of Sarasota Management Corporation, the single member of Pines of Sarasota Healthcare, LLC, on an annual basis.

Absence of an effective compliance strategy causes unnecessary abuses that can jeopardize resident care and privacy while wasting resources and potentially defrauding the government. Very stiff fines are assessed against organizations and healthcare providers found in violation of state and federal law. Penalties include criminal proceedings, significant fines, and potentially the loss by providers of their ability to bill for services under Medicare and Medicaid.

Several important state and federal laws include:

- Federal False Claims Act (31 USC §§ 3729-3733)
- Federal Anti-Kickback Statute (42 USC § 1320a-7b(b))
- Federal Physician Self-Referral Law (42 USC §1395nn)
- Federal Exclusion Statute (42 USC §1320a-7)
- Federal Deficit Reduction Act (42 USC §1396a(a)(68))
- Federal Patient Protection and Affordable Care Act (42 USC §18001)

State and federal laws also come with non-intimidation and non-retaliation (whistle blower) protections. This means you cannot be harassed for wanting to report a problem. Nor can you be fired after you report one.

Your suggestions for how to make Pines of Sarasota's Corporate Compliance Program better are encouraged, valued and valuable. Suggestions can be made by calling the confidential Corporate Compliance 24-hour Hotline at (941) 309-5611, or emailing directly the Corporate Compliance Officer at [BobGriffithsCorpComplianceOfficer@PinesofSarasota.org](mailto:BobGriffithsCorpComplianceOfficer@PinesofSarasota.org).

The Office of the Inspector General has outlined eight key elements for an effective compliance program. These elements complement those outlined by the federal government.

Pines of Sarasota strives to meet these elements and those under federal law. Independent of legal requirements, Pines of Sarasota fosters an ethical culture. There need not be a law or policy in place to do the right thing at all times. Hence, act with fairness and integrity.

# Eight Elements of an Effective Compliance Program

## 1. Use of Written Policies & Procedures

Pines of Sarasota regularly reviews its policies and expects department managers and supervisors to be proactive by identifying areas for compliance best practices.

As part of its over-all Compliance Program, Pines of Sarasota has adopted a Code of Conduct and Conflict of Interest Disclosure Statement. Pines of Sarasota also has specific, individual policies for an array of matters ranging from proper documentation of services to whistle blower protections.

All staff has access to policies and the manual. They are available in your department and online, on the employee intranet and the company website. Please review them on a regular basis.

### Code of Conduct

Pines of Sarasota has established a Code of Conduct that is the foundation of its Corporate Compliance Program. The Code provides detail about compliance issues that can arise. Because it is impossible to foresee every issue, anyone affiliated with Pines of Sarasota must act with a sense of ethics, doing what is fair and right, at all times. Pines of Sarasota attempts to foster an ethical culture by encouraging you to be proactive even if there is no clear rule about an unforeseen issue, putting patient care and safety first along with proper use of resources. (See Appendix A.)

### Conflict of Interest Disclosure Statement

The Statement attempts to identify any potential or actual conflicts before an individual begins his or her formal affiliation with Pines of Sarasota. Individuals also are required to disclose any actual, potential or perceived conflicts as they arise during their affiliation or employment with Pines of Sarasota. It is the responsibility of everyone to have a working knowledge of these policies and procedures and refer to them. If you find gaps in them, bring them to the attention of the Corporate Compliance Officer.

All new staff must complete a Disclosure Statement at the time they begin their employment. All Board Members and key staff members, identified by the Corporate Compliance Officer, must fill out a conflict of interest form annually. Any staff person, regardless of position, must be proactive and immediately report a potential conflict. (See Appendix B.)

### Other Written Policies and Procedures

Pines of Sarasota maintains many specific policies and procedures ranging from declining gifts to billing, coding, and documenting medical treatment, among other things. These policies are reviewed annually.

## Annual Work Plan

Every year, the Corporate Compliance Officer will prepare a Work Plan after reviewing state and federal priorities and receiving input from the Board Executive Committee and the Pines of Sarasota Internal Compliance Committee.

## **2. Designated Corporate Compliance Officer**

Bob Griffiths is Pines of Sarasota's Corporate Compliance Officer. Bob is responsible for overseeing day-to-day operations of the Corporate Compliance Program and making recommendations to Key Staff and the Board of Directors. Bob is the "point person" to share concerns for all vendors, employees, contractors, physicians, administrators, volunteers and members of the Board of Directors.

Internal Extension: 5611  
External Line: (941) 309-5611  
Email: BobGriffithsCorpComplianceOfficer@PinesofSarasota.org

## Accountability to CEO and Board of Directors

The Corporate Compliance Officer reports to the CEO and the Board of Directors. The Corporate Compliance Officer is empowered to go directly to the Board at any time if he or she believes the situation merits.

## Board Compliance Committee/Internal Pines of Sarasota Compliance Committee

Two committees exist to promote an effective compliance culture. Several members of Pines of Sarasota staff compose the internal committee, while Board members and the Corporate Compliance Officer make up the other. There is cross-pollination between the two Committees, with the Corporate Compliance Officer serving as a facilitator in each case.

## Not Management

The Corporate Compliance Officer is not considered management, though he or she may participate in management meetings and have staff. This stems from a desire to further an objective, detached approach by the Board Compliance Committee.

## Specific Duties and Functions

Duties and functions of the Corporate Compliance Officer shall include, but not be limited to:

- Maintain an Incident Log.
- Prepare an Annual Compliance Report.
- Maintain an anonymous 24-hour Hotline telephone number/voicemail.
- Coordinate periodic organization-wide Compliance Surveys.
- Train all new staff with Compliance fundamentals.
- Require Key Staff to fill out an Annual Conflict of Interest Survey.

- Periodically meet with Board and Internal Compliance Committees.
- Facilitate Board training with webinars and in-person presentations.
- Work with departments to require and facilitate the regular conducting of Audits/Risk Assessments.
- Maintain a confidential email account and monitor for reporting.
- Annually review, and revise, if needed, forms, Compliance policies, Compliance Manual, and Code of Conduct.
- Maintain a presence throughout the organization using posters and walking through the facilities to build personal relationships, as time permits.
- Annually certify that Pines of Sarasota has an effective Compliance Program as reflected in the eight elements outlined by the State.

### **3. Education of Staff & Board of Directors**

New employee and ongoing training will include, but not be limited to, webinars, workshops, conferences, e- and print newsletters, Board and staff presentations, and access to the latest compliance news. Staff will be required to do annual online compliance training which will be overseen by Human Resources. Supervisors must monitor and hold staff accountable who are not meeting online training requirements. One method for pre-tests and testing after training will be through Relias.

#### Corporate Compliance and Quality Assurance Committees

Education of staff will be coordinated, in part, through two separate internal committees, the Corporate Compliance and the Quality Assurance committees. Part of an effective program includes cross-pollination of activities to reach as many individuals as possible on an ongoing basis. An integral component of an effective compliance program includes excellence in resident care through ongoing Quality Assurance. It should be underscored, however, that although compliance and quality are complementary, they are treated by Pines of Sarasota as distinct functions.

#### New Employee Training/Exit Interviews

All new employees will meet for training with the Corporate Compliance Officer. This training will outline some key state and federal laws that drive the Compliance Program, the ethical culture Pines of Sarasota works to foster, and the role and responsibilities everyone has in actively promoting compliance, whether reporting concerns or helping their respective departments engage in Risk Assessments, developing action plans, and monitoring progress. (See Appendix C.)

Employees who move on in their careers will have the choice to meet with the Corporate Compliance Officer for an exit interview. This exit interview is an opportunity to share any concerns that arose during employment. This is distinct from an exit interview with Human Resources. (See Appendix D.)

Although the Corporate Compliance Officer plays an important role in training and education, he or she should not be the sole source for these components. In addition, it is the responsibility of department heads to engage in ongoing training with staff in the areas of laws, regulations, or new policies adopted by the Board of Directors and Key Staff.



### Print/Electronic Newsletters/Webinars

As one component of its educational initiatives, the Compliance Program will include an article in the quarterly employee newsletter, supplemented by electronic articles on the employee intranet on an as-needed basis.

### Training by Your Supervisor/Corporate Compliance Officer

Supervisors and department heads are expected to train their staffs on an ongoing basis regarding ethics and compliance issues specific to their respective areas of care and service.

## **4. Open Line of Communications to Corporate Compliance Officer**

### Access to the Corporate Compliance Officer

Each employee has the choice, if he or she chooses not to go to a supervisor, to contact the Corporate Compliance Officer directly about any issue or concern.

### 24-Hour Hotline/Confidential and Anonymous

Information will be kept confidential. Confidentiality may require *some* disclosure on the part of the individual who is reporting a concern, but his or her name need not be shared with anyone else.

Employees are required to report, anonymously or directly, to a supervisor or the Corporate Compliance Officer, any concerns about waste, fraud, or wrongdoing. If the employee elects to make a good faith anonymous report he or she can call:

Internal Extension: 5611

24-Hour Hotline: (941) 309-5611

Pines of Sarasota maintains a strict non-intimidation and non-retaliation policy to protect anyone who in good faith makes a report, anonymously or otherwise.

Members of the Board of Directors also have a duty to report concerns to the Corporate Compliance Officer and to the Board's Compliance (Executive) Committee.

During the course of their employment, employees are expected to be proactive in seeking ongoing training and to be responsive to training and training opportunities provided by the Corporate Compliance Officer during the year, which may include but not be limited to: reading the quarterly newsletter and any electronic articles on the employee intranet.

### Confidential Dedicated Email

Individuals may also report a concern confidentially by emailing the Corporate Compliance Officer at [BobGriffithsCorpComplianceOfficer@PinesofSarasota.org](mailto:BobGriffithsCorpComplianceOfficer@PinesofSarasota.org). This is a dedicated email inbox; only the Corporate Compliance Officer has access to these emails.

## 5. Evaluations/Corrective Policies/Mandatory Participation

Pines of Sarasota has an array of policies, and their effectiveness is based in part on enforcement. Corrective action may include: warnings, reprimands, probation, demotion, temporary suspension, termination, restitution of damages, and/or referral for criminal prosecution. These sanctions apply to employees, executives, Board Members, and persons associated with Pines of Sarasota including vendors and contractors. Retraining or greater education also is an option. All compliance incidences must be reported, logged, and investigated.

A Board Member may be removed, suspended, or censured for failing to disclose any personal or family conflict of interest during a Board or Committee discussion and before a vote. He or she can be removed, suspended or censured for misusing resources of the organization. The Board shall consider the seriousness of the conflict and how it was discovered when determining whether to impose a penalty of removal, suspension, or censure of the Board Member. Actions and discussion shall be reflected in Board minutes.

### Staff Evaluations Include Compliance Engagement

All members of staff regardless of position are mandated to support the compliance program. Annual Employee Evaluations overseen by Human Resources will reflect, in part, how an individual was engaged and participated in compliance. Depending on an employee's position, this may include, but not be limited to: performing Risk Assessments, fulfilling online training, participating in compliance competitions, and immediate reporting of ethical or compliance concerns that may have been observed.

## 6. Ongoing Identification of Risk Areas – This Applies to Everyone

Compliance through systematic, self-initiated Risk Assessments is the responsibility of every Pines of Sarasota department. *It is mandated by Pines of Sarasota's Board of Directors.*

Risk Assessments identify problems before they occur, or determine weaknesses in providing care, governance, or charging for services.

Department managers, supervisors, and the Board of Directors are all called to initiate Risk Assessments, develop and implement action plans, and measure progress.

Although risk areas include billing, credentialing, medical necessity, and quality of care, they also involve "other risk areas that are or should with due diligence be identified."

In conducting a Risk Assessment, ask several key questions. They include, but are not limited to:

- Does the department have a system to routinely identify compliance risk areas specific to its work?
- Does the department have a system for self-evaluation of the risk areas identified in the previous question, including internal audits and, as appropriate, external audits?

- Does the department have a system in place for evaluation of potential or actual non-compliance as a result of self-evaluations and audits?
- Does the department keep the Corporate Compliance Officer informed of the Risk Assessments planned, being conducted, and once they are concluded?

### Billing

Compliance issues that may result in fines or criminal investigation include, but are not limited to:

- Billing for services not done;
- Billing for unnecessary services;
- Duplicate billing (billing two or more times for the same service);
- Up coding – billing for a higher level of service than actually provided;
- Unbundling two or more services that must be billed together under applicable reimbursement rules;
- Billing for more than a single visit on the same day, to the extent prohibited by applicable reimbursement rules;
- Failure to refund credit balances that are due to clients;
- Failure to maintain sufficient documentation to demonstrate that services were performed and to support third party reimbursement;
- Billing for services provided by personnel not properly supervised, not recognized as qualified by the government, or lacking the level of licensure required by appropriate law;
- Absent, forged, or untimely physician certifications;
- Inadequate management and oversight of subcontracted services that result in improper billing;
- Duplication of services provided by physicians and other mental health providers; and
- Failure to return overpayments once Pines of Sarasota becomes aware of them.

Knowingly submitting false or fraudulent claims for payment to a government agency violates the Civil False Claims Act, 31 USC Sec. 3729(a).

A person acts “knowingly” under this law not only if they have actual knowledge of a false or fraudulent claim, but also if they act with deliberate ignorance or reckless disregard for the law. Civil damages are substantial, with the potential for criminal liability.

### Exclusion Lists

Pines of Sarasota will routinely monitor government exclusion lists for those affiliated with the organization to verify that they have not violated the public trust and become ineligible to participate in the Medicaid/Medicare program.

### Medical Necessity and Quality of Care

Assessments must be done on an ongoing basis and reported to the Corporate Compliance Officer. These departmental self-initiatives will have a direct impact on the excellence Pines of Sarasota strives to bring to patient’s and consumer’s care while being good stewards of all resources.

## Compliance Log

Pines of Sarasota shall document incidents and the progress and follow-up to address problems or system weaknesses. Issues arise regularly and it is important to track and monitor them to further quality improvement and best practices, and to be good stewards of resources.

### **7. Timely Corrective Actions when Risks Are Identified or Problems Occur**

Departments must show initiative and leadership by responding to compliance issues in a timely, committed manner, including working with the Corporate Compliance Officer. Independent of Risk Assessments and quality improvement initiatives, issues brought to the Corporate Compliance Officer's attention require they be logged and investigated and, depending on their seriousness, reported to the Board immediately, corrective action recommended, and the situation monitored for improvement and resolution. This process will include whether violations must be promptly reported to state and/or federal authorities.

### **8. Non-intimidation and Non-Retaliation Policies**

#### Good Faith Reporting

Staff, vendors, contractors, volunteers, and Board Members are obligated to report to the Corporate Compliance Officer any activity he or she believes to be inconsistent with Pines of Sarasota's policies or with state and federal laws. This can be done anonymously by using the 24-hour Compliance Hotline, (941) 309-5611, or by confidential email to [BobGriffithsCorpComplianceOfficer@PinesofSarasota.org](mailto:BobGriffithsCorpComplianceOfficer@PinesofSarasota.org). Policies are in place to protect those who come forward to report possible legal and ethical breaches. You cannot be fired or harassed for reporting a problem.

#### Exit Interviews

As a further reflection of Pines of Sarasota's efforts to nurture an ethical culture, exit interviews with the Corporate Compliance Officer are available to any employee or Board member leaving the organization. (See Appendix D.)