

Maimonides
Medical Center

Corporate Compliance
Compliance Program Guidelines

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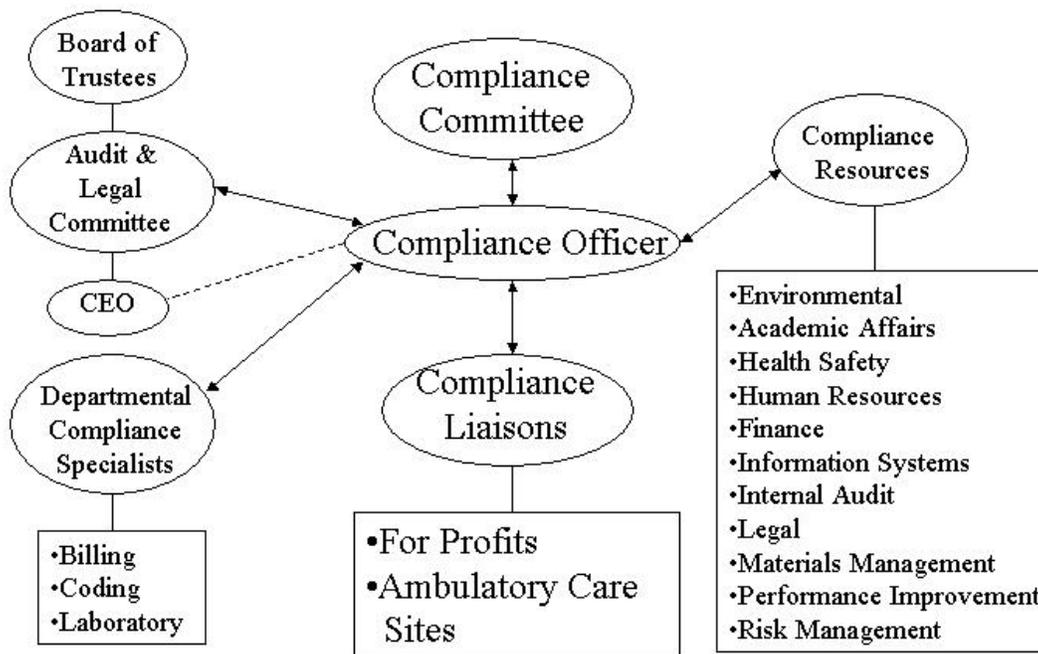
Maimonides Medical Center has a long and proud history of providing quality healthcare and conducting business in full compliance with the law and with the highest standards of business ethics. Our commitment to maintaining an environment of integrity and honesty is an integral part of that tradition and continues to set the standard of how we do business.

Our Board of Trustees has adopted the compliance program to help us live up to our commitment. These Guidelines describe the elements of the compliance program and the lines of communication.

Each one of us has a part to play in ensuring Maimonides' business is conducted legally and ethically. Employees are responsible for performing their duties in accordance with the Code of Conduct standards and for reporting suspected violations; managers are responsible for overseeing and providing guidance to the employees they supervise and for referring employees' concerns to the Compliance Officer; and the Board, through senior management, is responsible for setting the tone and ingraining into the corporate culture that compliance with the law and our policies is the standard for how we do business.

I. Program Structure

The chart below shows the lines of communication of the compliance program.



As the chart indicates, the Compliance Officer (the “CO”) is the key person responsible for implementing, administering and supervising the compliance program. The CO’s core duties include:

- Chairing the Compliance Committee
- Analyzing and trending Compliance Helpline calls and reports made to other sources
- Coordinating and trending reports of Compliance Specialists and departments
- Conducting and/or coordinating internal investigations
- Identifying high-risk areas and issues with compliance implications
- Conducting and supervising internal audits of issues that have regulatory or compliance implications
- Recommending corrective action
- Conducting and/or coordinating general training sessions
- Developing and implementing focused educational programs
- Disseminating newsletters and bulletins on compliance-related issues
- Overseeing background checks
- Ensuring that departments have appropriate written policies and procedures addressing compliance-related issues
- Coordinating review of contracts for compliance-related issues with the Office of General Counsel
- Consulting on disciplinary actions with Human Resources and other appropriate departments
- Monitoring federal and state statutory and regulatory developments in coordination with the General Counsel’s Office and departments
- Reporting to the CEO, the Audit & Legal Committee and the Board
- Advising the Board on compliance-related issues

The CO will be assisted by specialists from the billing, coding and laboratories departments and will liaison with representatives from the General Counsel’s Office; Finance; Human Resources; Internal Audit; Support Services; Purchasing; Academic Affairs; Information Systems; Safety; Performance Improvement; and Risk Management. (Job descriptions for current employees who serve as Compliance Specialists will be expanded to include their compliance-related duties.)

The Compliance Committee will serve as the coordinating body of the compliance program. Chaired by the CO, the Compliance Committee will be comprised of the Compliance Specialists, the Chief Financial Officer or his/her designee, the General Counsel or his/her designee, and representatives from the for-profit entities, the departments described above and medical and nursing leadership. It is contemplated that in the first year the Committee will meet monthly to review implementation and administration of the program and thereafter on a quarterly and ad-hoc basis. (The composition of the Committee and the frequency of its meetings may change as the program evolves.)

II. Components of the Compliance Program

A compliance program operates effectively when it successfully deters non-compliance with the law and ethical requirements; when it detects violations of the law and ethical standards when they occur; and when it assures the prompt and appropriate response to violations. To meet those goals, the Maimonides compliance program has seven key components:

- Adoption of a Code of Conduct which establishes standards of behavior and provides guidance on legal, regulatory and ethical requirements
- Training and education of employees on Code standards and the avenues available to report suspected violations
- Availability of established channels for reporting suspected violations
- Investigation of reported violations
- Discipline of employees who violate Code standards
- Corrective action to rectify problem areas and prevent future violations
- Monitoring and auditing of practices and procedures

A. *Code of Conduct*

The cornerstone of the compliance program is the Code of Conduct, which describes the standards of behavior each one of us is expected to follow when performing our jobs. The Code governs our relationships with patients, affiliated physicians, third-party payors, vendors, subcontractors, independent contractors, consultants and one another, and applies to all employees, trustees, and agents of Maimonides Medical Center, Maimonides Research and Development Foundation and MMC Holding of Brooklyn, Inc. and its subsidiaries. Policies tailored for specific departments provide additional guidelines. (For example, policies governing coding and billing functions and Medical Staff by-laws regulating Medical Staff members.)

The complete Code will be distributed to all managerial and supervisory employees, members of the Medical Staff and agents of Maimonides, who will be asked to sign an acknowledgment of receipt. A summary of the Code will be given to non-managerial employees. (The entire Code will be available to all employees upon request).

The Compliance Committee, under the direction of the Compliance Officer, is responsible for ensuring the Code and all policies and manuals are kept up-to-date. Department managers are encouraged to advise the Compliance Officer of statutory and regulatory developments in their areas which may require new policies or guidelines or revisions of existing ones.

B. *Training and Education*

- ***Initial Training***

All current employees and new hires will be required to attend training sessions describing the compliance program. Trainers will stress employees' obligations to comply with Code standards and to cooperate with internal investigations and will focus on: (1) key Code sections (e.g., patient confidentiality, sexual harassment, workplace safety and conflicts of interest); (2) the 24-hour, toll-free Compliance Helpline and other avenues to report suspected violations; (3) employees'

responsibility to seek guidance if they have questions; and (4) the prohibition against retaliation toward employees for good-faith reporting of compliance concerns.

Trainers will emphasize that the Compliance Helpline is not intended to replace existing channels for handling grievance issues or benefits questions (which should continue to go to Human Resources). Appropriate employee responses to contacts by government investigators in ways that protect the rights of the employee as well as Maimonides will also be reviewed. (For example, employees cannot be instructed to refuse to speak to government investigators but will be advised that they may decline to speak to the investigators without the presence of counsel and that they should refer the investigators to the General Counsel's Office. Such training simultaneously reinforces the employees' responsibility to comply with the law and provides a record that Maimonides has implemented and communicated to employees a system for reporting wrongdoing.)

Each employee will be required to sign a roster acknowledging attendance at the training session and receipt of the Code or the summary. Training sessions for new hires will be conducted within their first three months of hire and may be incorporated into the general orientation program. Refresher training sessions will be conducted periodically, as determined by the Compliance Committee.

- ***Focused Training***

The Compliance Officer will coordinate focused training sessions for departments involved in high-risk areas (such as billing, coding and laboratories) and any other compliance-related areas identified by the Compliance Officer and the Compliance Committee. The Human Resources Department, under the supervision of the CO, will keep attendance logs for all initial and focused training sessions.

- ***General Communications***

The Compliance Officer is responsible for issuing newsletters and bulletins on compliance-related issues. All communications will reiterate Maimonides' commitment to the compliance program and employee responsibility to comply with legal and ethical standards.

C. *Channels for Reporting Violations*

- ***Existing Channels***

The compliance program was designed to provide employees with several options to report suspected violations and to seek help if they have questions; it is not intended to replace or eliminate existing reporting channels. To maintain present reporting channels, employees are encouraged to raise concerns first with their supervisor or department head. If the employee is uncomfortable with that approach or thinks it inappropriate, he or she should call the Compliance Officer or the toll-free Compliance Helpline (discussed below). All training sessions and newsletters will emphasize the availability of the confidential Compliance Helpline.

- ***Manager's Responsibility***

Managers must respond to all compliance-related concerns raised by an employee. If the manager cannot answer the question, he/she should refer the employee to the Compliance Officer. It is the manager's responsibility to ensure that every compliance-related issue raised by an employee under the manager's supervision is addressed or referred to the appropriate parties. Managers, like all Maimonides personnel, are prohibited from retaliation against any employee who reports a compliance-related concern.

- ***Compliance Helpline***

Maimonides has established the 24-hour, toll free Compliance Helpline (1-800-585-7970) as a confidential way for employees to report violations. Staffed by an outside company, the Compliance Helpline specialists will take the caller's report and ask follow-up questions to gather further information if necessary. Callers will be assigned an identification number and a call-back date to check on the response to their concern. Callers are not required to give their name although they are encouraged to do so. No calls will be traced or recorded. If the caller's identity becomes known during an investigation, every effort will be made to keep the caller's identity confidential.

The Compliance Helpline personnel will log and submit a written report of each call to the Compliance Officer. Although the Compliance Helpline personnel may refer some calls directly to the appropriate department (e.g., questions relating to benefits will be referred to Human Resources), each call will be logged and reported to the CO.

D. *Investigatory Process*

The CO will review each report forwarded from the Compliance Helpline or other sources or made directly to the CO. The CO will either personally conduct the investigation (with the assistance of consultants, if necessary) or assign it to the appropriate department (e.g., Office of General Counsel, Finance, Human Resources). If the CO determines the report does not require further investigation, the CO will document the reason for his/her determination. If the CO believes the presence of an employee under investigation impedes the investigatory process, the employee will be reassigned until the investigation is completed.

The CO and/or the investigating department will maintain a complete file of all steps taken during the investigatory process, including written statements of interviews, with date and name of interviewee, interview notes and documents reviewed. (The CO is not required to duplicate the investigating department's file). Where investigations are conducted by other departments, the investigating department will advise the CO of the investigation's progress.

The CO is responsible for maintaining a log of all compliance-related reports; serving as the central clearinghouse and maintaining a control log for all investigations; taking appropriate steps to prevent the destruction of documents or other evidence relevant to the investigation; and documenting the resolution of each investigation in the file.

E. *Corrective Action*

Where an investigation substantiates a reported violation corrective action will be taken to correct the problem. Depending on the nature of the violation, corrective action may take the form of disciplining the offender, paying back an insurer or payor any overpayment amounts incorrectly billed to the insurer, or notifying appropriate government agencies of the error or wrongdoing. In cases which require reports to a government agency, the CO and General Counsel will, to the extent time permits, present their recommendation and suggested report to the CEO and Audit and Legal Committee for review.

If an investigation or internal audit uncovers a lax or improper practice or procedure that creates the potential for violations, the CO will work with the appropriate departments in recommending corrective action, such as instituting new procedures or modifying existing ones, terminating a relationship with a vendor and implementing or increasing focused training. The CO will advise the Board of all corrective actions which were instituted.

F. *Disciplinary Action*

Any employee who has been found to have violated a law or an ethical standard or any other Maimonides policy covered by the Code of Conduct, including Maimonides policies on patient privacy, will be appropriately disciplined. All disciplinary actions will be applied consistently and fairly. The appropriate discipline will be determined on a case-by-case basis by the Compliance Officer in consultation with the Human Resources Department and other relevant departments. Disciplinary action may take the form of:

- Verbal warnings
- Written warnings
- Retraining, reassignment or modification of job responsibilities
- Suspension without pay
- Restitution
- Termination (or revocation of Medical Staff privileges for Medical Staff members)

Compliance-related disciplinary actions will be documented in the employee's file and the investigation file maintained by the CO. The CO will also maintain a separate record of compliance-related disciplinary actions in order to ensure consistent application.

G. *Monitoring and Auditing*

• ***Generally***

An ongoing evaluation process is critical to a successful compliance program. The CO will work with the Compliance Committee in identifying and auditing compliance-related areas and practices to ensure continued adherence with applicable laws and ethical standards. Employees are encouraged to contact the CO with issues or practices they believe should be surveyed or reviewed.

Examples of areas which will be periodically reviewed include vendor relationships, billing and coding, claim development and submission, reimbursement and cost reporting, and subjects which are the focus of Medicare/Medicaid intermediaries or carriers and law enforcement agencies

(such as arrangements with physicians and physician-owned entities and subjects of OIG Special Fraud Alerts). Audits may be conducted internally or by outside consultants, and may take the form of focused reviews (for example, staff and management interviews; questionnaires; auditing claims for reimbursement and trending analyses) or random sampling.

- ***Background Checks***

As part of the ongoing monitoring and audit process, employees and candidates for positions will be checked against the Office of Inspector General's Cumulative Sanction Report and the General Services Administration's List of Parties Excluded from Federal Procurement and Non-Procurement Programs. Employment history, education and references for applicants will be also reviewed. (Background checks may be performed by the Human Resources Department under the supervision of the CO or by outside vendors.)

Healthcare providers applying for medical staff privileges and/or employment will undergo a more extensive background check, including review of the National Practitioner Data Bank and the Federation of State Medical Boards. Any healthcare provider under investigation will be removed from direct responsibility for or involvement in any healthcare benefit program pending resolution of any criminal charges or proposed debarment or exclusion. If the investigation results in conviction, debarment or exclusion, the provider will be dismissed and contractual arrangements with providers retained as independent contractors will be terminated.

- ***Vendor Checks***

Vendors will be checked against the General Services Administration's List of Parties Excluded from Federal Procurement and Non-Procurement Programs. Maimonides will not knowingly contract with or engage a vendor convicted of a criminal offense related to health care (unless the vendor has implemented a compliance program as part of an agreement with the federal government) or excluded from or otherwise ineligible to participate in government-funded healthcare programs.

- ***Exit Interviews***

Each employee leaving Maimonides will be interviewed by the Human Resources Department or asked to complete an exit interview questionnaire to determine whether the departing employee ever encountered or witnessed a Code violation. (More focused questions may be asked of employees involved in high-risk areas). Any reports of violations made by departing employees will be fully investigated.

- ***Review of Contracts***

All contracts, agreements and commitments with vendors and other third parties (including physicians and physician-owned entities) will be reviewed by the Office of General Counsel to ensure compliance with applicable laws, rules and regulations.

III. Role of Board of Trustees

The Board of Trustees is committed to allocating the proper resources to the CO, supporting compliance program initiatives and reinforcing a culture of compliance.

The Board has appointed the Audit and Legal Committee to oversee the effectiveness of the compliance program. The Committee is charged with advising the CEO and CO on disciplinary actions for senior management offenders, providing oversight of the conflict of interest disclosure process, recommending the appropriate allocation of finance and staff resources to ensure an effective compliance program, and guaranteeing appropriate independence and support for compliance matters

The Compliance Officer will report to the Audit and Legal Committee on an ongoing basis but at least at its regularly scheduled meetings. The CO will advise the Committee of pending investigations (subject to attorney-client privilege) and results of completed investigations, including disciplinary actions and recommendations for corrective actions.

The CO will report to the full Board on an annual basis the compliance effort undertaken during the prior year, including an analysis of problem areas, findings of internal audits and the results of corrective action undertaken.