

ST. MARY'S OF MICHIGAN

CORPORATE RESPONSIBILITY PROGRAM PLAN

Revised

9/01/01

8/31/06 (Audit Committee)

9/25/08 (Audit Committee)

TABLE OF CONTENTS

	<u>Page #</u>
I. Definitions.....	1
II. Overview of Plan.....	2
III. Governance and Management.....	3
IV. Corporate Responsibility Program Committee.....	5
V. Audit Work Group.....	5
VI. HIPAA Steering Committee.....	6
VII. CRP Risk Assessment.....	6
VIII. Training and Education Program.....	6
IX. Reporting Suspected Non-Compliance or Seeking Guidance.....	7
X. Procedures for Prompt Investigation.....	9
XI. Corrective Action Procedures.....	10
XII. Self Review and Auditing System.....	11
XIII. Data Monitoring Program.....	11

I. DEFINITIONS

As used in the CRP, the following terms have the following meanings:

- A. "SMM" means St. Mary's of Michigan and all of its divisions, and local affiliates.
- B. "Associate" means an employee of St. Mary's.
- C. "Audit Committee" means the Audit Committee of the SMM Board.
- D. "Audit Services" means Catholic Healthcare Audit Network or such other organization which is designated by Ascension Health or St. Mary's of Michigan to provide internal auditing services to Ascension Health and its local entities, including SMM.
- E. "Contractor" means an individual (i) who has an independent contractor agreement with SMM to provide goods or services to SMM or its patients, or (ii) who owns, is employed by, or otherwise works for an organization with such a contract, and who has direct contact with any Associate in the performance of the contract.
- F. "Corporate Responsibility Officer" or "CRO" means that individual assigned responsibility for overseeing the development, implementation and operation of the SMM CRP.
- G. "Corporate Responsibility Program" or "CRP" means the overall program developed and implemented by SMM to ensure corporate compliance throughout SMM.
- H. "Corporate Responsibility Program Committee" or "CRP Committee" means the committee appointed by the CRO to assist the CRO in the development, implementation, and ongoing operation of the CRP, and to perform the duties described in Section IV.B. below.
- I. "Corporate Responsibility Program Plan" or "CRP Plan" or "Plan" means the written plan governing the development, implementation, and operation of the CRP, including standards of conduct for associates and CRP policies and procedures.
- J. "Ascension Health" means the Ascension Health, a Missouri nonprofit corporation.
- K. "Ascension CRP" means the Ascension Health Corporate Responsibility Program.
- L. "Ascension Health CRO" means the Ascension Health Associate who has been designated as Ascension Health's Corporate Responsibility Officer by the Ascension Health Chief Executive Officer.
- M. "Internal Auditor" means the individual appointed by Audit Services to function as an on-site independent auditor at SMM.
- N. "Legal Counsel" means the attorney or law firm designated by the CRO to provide advice and assistance in the development, implementation, and maintenance of the CRP.

- O. "Participant" means an individual subject to the CRP. Participants shall include all associates; all directors and officers of SMM; Professional Staff Members; key Vendors and Contractors; and any other individuals whom the SMM Board determines should be subject to the CRP.
- P. "Professional Staff Member" means a physician or allied health practitioner who is a member of the SMM professional staff but who is not an Associate or Contractor.
- Q. "SMM Board" means the Board of Directors of St. Mary's Medical Center.
- R. "Standards of Conduct" means the principles of associate behavior that promote corporate responsibility. They are described in Ascension Health Policy 14, *Corporate Responsibility and Conflicts of Interest*.
- S. "Values Line" means the phone number and/or web address designated by Ascension Health and promoted by SMM as a way for Associates, Professional Staff Members, and other Participants to seek advice, ask a question, or report a concern related to the Corporate Responsibility Program.

II. OVERVIEW OF PLAN

A. **Corporate Responsibility Policy.**

SMM is committed to carrying out its health care ministry in a manner consistent with the mission of Ascension Health and the vision and values of SMM, including adherence to 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 throughout SMM, SMM has implemented a Corporate Responsibility Program. The CRP will focus on ethical, business and professional standards of conduct, compliance with federal, state and local laws, promotion of good corporate citizenship, prevention and early detection of misconduct, and identification and education of high risk sensitive areas.

B. **Key Principles.** The CRP is based on the following key principles:

1. Emphasis on proactive procedures and self-review: SMM is committed to being proactive in the area of corporate compliance. The CRP Plan will provide guidance through the development of standards of conduct and procedures to be followed in identified risk areas, and the CRP Plan will provide for self-review and audit to monitor compliance with these standards and procedures.
2. Cost effective good faith effort to comply with laws and regulations: SMM will comply with federal, state and local laws and regulations. By providing a focus and education on compliance with laws and regulations that impact the local health ministry in risk sensitive areas, the CRP Plan will help to demonstrate appropriate due diligence and a good faith effort to comply.
3. Commitment of high level personnel to CRP process: SMM will involve high level personnel in all aspects of the CRP and assign a high level staff member to serve as the Corporate Responsibility Officer. The CRO will be responsible for overseeing the implementation and operation of the CRP Plan, and be accountable to the SMM

President and the SMM Board for corporate compliance.

4. Heightened awareness and sensitivity to high risk areas through education and communication: Through an annual risk analysis, including recommendations by the Ascension Health CRO based on the System-wide environmental assessment/risk analysis, review of the Office of Inspector General Work Plan, review of risk areas identified during the previous calendar year CRP, and taking into consideration any new regulations, high risk areas will be identified and addressed in the CRP Work Plan and Audit Plan. The Audit and Work Plans may be modified throughout the year, with approval by the CRP Committee, as needed, to address new risk areas. The education and communication procedures in the CRP Plan will heighten the awareness of and sensitivity to these areas throughout the local health ministry which will help facilitate compliance.
5. Integration of existing policies, standards and guidelines into the CRP to avoid duplication and to ensure compliance: The CRP will be designed to complement, not duplicate, existing SMM policies and guidelines.
6. Ensure commitment to implement appropriate corrective action in response to identified compliance issues on a timely basis.
7. Comply with the Ascension Health Corporate Responsibility Program (Attachment).

III. GOVERNANCE and MANAGEMENT

A. The Board of Trustees shall approve the Corporate Responsibility Program and the Board of Trustees and/or the Audit Committee shall review periodic reports regarding the status of the CRP.

B. Appointment of the CRO

The Board of Directors, upon recommendation by the CEO, will assign the responsibility of overseeing the implementation and operation of the CRP to an associate who will be designated as the CRO. The CRO will have direct access to the CEO, Board of Trustees, Audit Committee, senior management and Legal Counsel. The CRO will report directly to the St. Mary's of Michigan Chief Executive Officer in this role, but shall have access to the Board of Directors as appropriate for compliance reporting.

C. Duties. The CRO shall be responsible for the following:

1. Overseeing the development, implementation and maintenance of the CRP, and coordinating with appropriate SMM leaders to ensure the ongoing effectiveness of the program.
2. Chairing the CRP Committee.
3. Overseeing the annual environmental assessment, the design and implementation of the Associate Education Program, and the development of the Work Plan and

Audit Plan.

4. Preparing and making regular reports to the CEO, Audit Committee, Board of Trustees and other management regarding development, implementation, and operation of the CRP and any significant compliance issues affecting St. Mary's of Michigan.
5. Participating in System-wide activities and meetings with Audit Services and/or Ascension Health, or as otherwise requested by the Ascension Health CRO, regarding the CRP and System-wide corporate responsibility plan.
6. Investigating or overseeing the investigation of potential problems discovered during routine auditing and monitoring, through the referral process, or as the result of an external audit.
7. Overseeing the implementation of preventive measures through documented action plans to limit the recurrence of problems disclosed or discovered through the CRP.
8. Acting as liaison with Audit Services and Ascension Health with regard to environmental assessments, audits, and the CRP.
9. Reviewing audits and reports prepared by Audit Services, the Internal Auditor, and SMM Legal Counsel, and overseeing any necessary corrective action or other follow-up.
10. Establishing systems for organizing and maintaining all documentation regarding the CRP in accordance with the organization's Retention Schedule.
11. Together with the CRP Committee, reviewing the CRP annually and making revisions as necessary to meet changes in SMM's needs and in the business and regulatory environment.
12. Appointing a designee to perform such activities as the CRO deems necessary to fulfill the obligation and responsibility of the CRP.
13. Overseeing the annual development of departmental compliance plans to support the overall goals of the CRP.
14. Chairing the Audit Work Group.
15. Chairing the HIPAA Steering Committee.
16. Maintaining appropriate documentation related to the CRP.
17. Preparing and making reports to the Ascension Health CRO, including the annual report on the achievement of requirements in the CRP effectiveness assessment and periodic reports on the status of significant compliance issues.

IV. CORPORATE RESPONSIBILITY PROGRAM COMMITTEE

A. Membership.

The membership of the CRP Committee will include the Corporate Responsibility Officer, Director of Audit Services, Director of Case Management, Director of Health Information Services, Director of Human Resources, Director of Revenue Cycle, Legal Counsel, Director of Educational Services Chief Medical Officer, Chief Operating Officer, Director of Laboratory, , Vice President of Ambulatory Services, Director of Materials Management, Director of Radiology, and the HIPAA Privacy and Security Officers.

B. Duties.

The Corporate Responsibility Committee, or individual members of the CRP Committee upon request from the CRO, shall be responsible for the following:

- A. Assisting the CRO in the development, implementation, and ongoing operation of the CRP.
- B. In conjunction with Audit Services and Legal Counsel, performing the annual CRP risk assessment, identifying focus areas, conducting any necessary audits and self-reviews, and developing the compliance objectives.
- C. Assessing existing policies and procedures in the identified focus areas for incorporation into the CRP Plan, and developing new policies and procedures as needed to implement the CRP and address other general compliance issues. Assuring that policies and procedures that pertain to general compliance issues are available to associates.
- D. Assisting the CRO in developing the Associate Standards of Business Conduct, new employee orientation and annual training and education plan.
- E. Assisting the CRO in investigating disclosures and reports made by Associates in accordance with the CRP, and in developing corrective action plans where appropriate.
- F. Assisting, together with General Counsel, in the monitoring of new laws, regulations and trends with regard to corporate compliance activities.
- G. Assisting the CRO in reviewing the CRP Work Plan and Audit Plan on an annual basis and making changes, as needed.
- H. Ensuring that the Ascension Health CRP Standards of Conduct are incorporated into the CRP for Associates and other Participants.

V. AUDIT WORK GROUP

In consideration of the business practices, risk areas and objectives of the organization, the Audit Work Group will plan for, review results of, assure appropriate action and/or follow-up and report to the Corporate Responsibility Committee pertinent departmental monitors, as

well as internal and external audits, action plans, and follow-up audit results to support the goals of the corporate responsibility program.

VI. HIPAA STEERING COMMITTEE

To ensure compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the HIPAA Steering Committee will plan for, develop policies and procedures, provide education, monitor and make recommendations for improvements related to SMM compliance with HIPAA, as well as other state and federal laws related to the confidentiality, integrity and availability of protected health information.

VII. CRP RISK ASSESSMENT

At least annually, SMM will perform an assessment based on the current healthcare business and regulatory environment to:

- A. Analyze the legal and business risk areas.
- B. Review the operations of SMM in these risk areas to determine those areas, if any, where exposure may exist. This review may include audits by Audit Services, the Internal Auditor, senior management, and General Counsel, as deemed necessary by the CRO.
- C. Consider whether areas identified in the OIG Work Plan contain areas of risk or opportunity.
- D. Determine whether existing policies, procedures, or practices should be amended to better ensure compliance in the identified risk areas.
- E. Determine whether any specific problems exist that must be corrected.
- F. Assess all issues identified for inclusion in the Ascension Health CRP risk assessment (i.e. CRP focus areas), unless it can be demonstrated that the issue is not applicable or significant.
- G. Develop an annual Work Plan addressing the compliance objectives identified during the risk assessment.

VIII. TRAINING AND EDUCATION PROGRAM

A. **Purpose.**

An effective education program ensures communication and understanding of the purpose of the CRP as well as the standards and procedures to be followed. The intent of such education program is to heighten awareness of the benefits and the operation of the CRP as well as to promote internalization of the responsibilities, processes and underlying policies. SMM will address the educational needs of the organization in their annual risk assessment and Work Plan. The CRP will include training and education programs for Participants.

B. Procedures.

1. SMMC will require annual education of all Associates with regard to the CRP. All new Associates will receive CRP training during whatever orientation process is applicable to them. Certain Associates and Participants will be required to participate in additional education and training sessions each year, as determined by the CRO and the CRP Committee. The type, degree, and frequency of these sessions will depend upon the nature of the Associate's title, position, responsibility, and role in the operation of SMM. Associates specifically involved in high risk areas will have more comprehensive education than Associates in low risk areas. However, every Associate will receive sufficient education to enable the Associate to appropriately access the CRP's Guidance and Reporting System. A mechanism for tracking the completion of required training will be maintained.
2. A copy of the Associate Standards of Business Conduct will be distributed to each Associate and to each new Associate upon hire or other affiliation with SMM, and Associates will be educated concerning their meaning and importance. Amendments to the Associate Standards of Business Conduct will be distributed to all Associates when made. All Associates will sign a statement acknowledging their awareness of the CRP, their responsibility to report illegal or questionable activity, and their agreement to abide by the Standards of Conduct. Documentation of the acknowledgment will be maintained by the Human Resources Department.
3. SMM will offer corporate responsibility training and education programs to Professional Staff Members.
4. Attendance sheets will be kept at all face-to-face education sessions.
5. SMM will publicize the CRP and changes in the CRP Plan through communication outlets which will reach Associates. Such outlets may include meetings, announcements, postings, newsletters, and E-mail.
6. Included in the Associate Handbook will be the Associate Commitment to Core Values and Corporate Responsibility Statement. This statement includes expected associate behavior as it relates to the Corporate Responsibility Plan.
7. The CRO will work with Materials Management, the Medical Staff and other pertinent parties to assure that non-associates receive written documentation about the CRP and the Associate Standards of Business Conduct.

IX. REPORTING SUSPECTED NON-COMPLIANCE or SEEKING GUIDANCE

- A. CRP issues can be identified by various reporting sources including direct reporting by Associates; auditing and monitoring activities; and external agency inquiries and investigations.

- B. The SMM reporting system includes a confidential process by which Associates should feel comfortable in seeking guidance and disclosing information about potential violations without feeling any threat of retribution.
- C. The Associate CRP reporting system will include the following:
- Direct access to the associate's supervisor, management staff, and Human Resource staff
 - Direct access to the CRO
 - An anonymous reporting system
- D. SMM will make available to its associates the Ascension Health CRP Values Line. The Ascension Health CRP Values Line provides a means by which Associates can report a potential corporate responsibility issue in an anonymous and confidential manner. The Values Line is provided by an outside vendor and has confidential phone and internet reporting available 24 hours a day and 7 days a week.
- E. The CRO will be responsible for overseeing investigations of all reports made through the CRP. The CRO may delegate specific investigative tasks to the Director of Audit Services, other senior management, or SMM Counsel, or seek assistance from other members of the CRP Committee.
- F. The CRO or the CRO's designee will provide periodic reports to the CRP and Audit Committee detailing all reports made through the CRP. The CRO will also provide periodic reports to the Ascension Health CRO on significant compliance issues as defined by the Ascension Health CRO.
- G. The procedure will outline steps to be taken to reasonably ensure the privacy of the individual making the report.
- H. The Ascension Values Line will be promoted three different times in three different ways throughout the calendar year to assure that all Associates are aware of the mechanism to make confidential communication of reports under the CRP. In addition to reports made to the Ascension Values Line, reports will also be encouraged through the Department Leadership or Corporate Responsibility Officer.
- I. SMM will make every effort to provide direct access to the CRO by all Associates.
- J. SMM will communicate the expectation and make reasonable efforts to ensure that no Associate will be subject to retribution or retaliation because the Associate made a report under the CRP.
- K. SMM will ensure that the options for requesting guidance, referring an issue or making a report are adequately communicated to Associates on a regular basis.

X. PROCEDURES FOR PROMPT INVESTIGATION

A. Purpose.

In order to respond appropriately to and correct potential compliance problems, an investigation of any report or questionable practice should be conducted promptly. In conducting an investigation, judgment should be exercised and consideration should be given to scope and materiality consistent with the nature of the concern.

B. Procedures.

1. The CRO will oversee the prompt and thorough investigation of any report made through the CRP. The CRO may delegate specific investigative tasks to the Internal Auditor, other senior management, or SMM Counsel. This delegation may be done generally or on a case-by-case basis, at the CRO's discretion.
2. Each investigation will include the gathering and preservation of relevant documents and identification and interviewing of those Associates, former Associates, and others who may be able to provide pertinent information.
3. Each investigation must be carefully documented in a systematic manner. Such documentation shall include a report describing the disclosures, the investigation process, the conclusions reached, and the recommended corrective action, where such action is necessary.
4. The CRO or his or her designee will respond to the reporting party, as appropriate and to the extent reasonably possible, regarding the status of the investigation and any corrective action taken.
5. When a potential violation of law is identified, the CRO and SMM Legal Counsel, as necessary, SMM Legal Counsel will attempt to determine whether SMM or any Associate involved committed a violation and will assist in determining the need for and the terms of any repayment, voluntary disclosure, or other appropriate corrective action.
6. Depending on the nature of the potential violation, SMM may seek legal guidance regarding the steps necessary to investigate and remedy, if necessary, the potential violation. In such cases, the CRO will coordinate with SMM Legal Counsel regarding the appropriate approach and steps to take in conducting the investigation. The attorney-client privilege is used when SMM Legal Counsel is conducting an investigation for the purpose of providing legal advice regarding the subject matter of the investigation. It may be appropriate to have SMM Legal Counsel engage any outside experts involved in the investigation so that reports issued to Legal Counsel can be protected by the attorney-client privilege. Refer to Ascension Health Procedure OL-8 *Attorney-Client Privilege/Work Product Doctrine*

for additional information. SMM Legal Counsel will recommend additional procedures for preserving the privilege.

7. The involvement of Ascension Health legal counsel may be necessary to protect the identity of the local entity by making inquiries on behalf of SMM on a client anonymous basis and handling any voluntary disclosure issues. The CRO will make this determination on a case-by-case basis with the assistance of SMM Counsel.

XI. CORRECTIVE ACTION PROCEDURES

A. Purpose.

In order for the CRP to effectively serve its purpose, reasonable steps must be taken to respond appropriately to any CRP issue detected or reported and to prevent future similar offenses or problems.

B. Procedures.

Appropriate corrective actions will be taken that address the specific CRP issue and that helps similar issues from occurring in the future. The CRO is responsible for assuring that a corrective action is completed. Corrective actions include:

1. Refunding inappropriately paid claims, taking other action as directed by the appropriate regulatory authorities or payors, or voluntarily reporting to the government contractor.
2. Taking reasonable steps to modify SMM's practices and procedures in order to reduce the likelihood of the problem recurring.
3. Enforcing standards consistently through appropriate mechanisms. Create and enforce a written policy of discipline for Associates to ensure consistent enforcement of standards, to prevent claims of unfair treatment, and to efficiently administer the CRP.
4. Reporting the results of the investigation to the President and CEO of SMM, the Audit Committee, SMM Board, and/or the Ascension Health Corporate Responsibility Officer. Also, provide appropriate feedback to any party reporting violations, in good faith, whenever possible, as determined by the CRO.
5. Thoroughly documenting all corrective actions taken so that an accurate record can be kept to permit appropriate follow-up and to demonstrate to governmental agencies, if necessary, that SMM is committed to compliance with all applicable laws and regulations.
 - a. The CRP Committee will review a summary of the cases as part of its annual review of the CRP Plan to determine if any revisions to the CRP Plan are necessary.
 - b. The CRO, the CRP Committee, or their designees will follow up on all corrective actions in a timely fashion to ensure compliance.

6. Following Ascension guidelines for a quarterly report to the Ascension tracking system, including a more timely report for more significant issues.

XII. SELF-REVIEW AND AUDITING SYSTEM

A. Purpose.

Auditing systems are designed to identify errors or inappropriate activity, as well as other violations of standards and procedure. SMM will adhere to the Audit Plan and perform regularly scheduled audits to support the CRP. Departmental compliance plans will further support the goal by identifying schedule audits to be conducted at the departmental level and reported to the Audit Work Group.

B. Procedures.

1. Auditing of SMM's CRP Plan shall be coordinated by Audit Services.
2. SMM shall perform periodic self-reviews utilizing existing review mechanisms, including the Ascension CRP Effectiveness Assessment. The CRP Committee will be responsible for completing the annual CRP Assessment. .
3. The Annual CRP Effectiveness Assessment will be submitted to the Audit Committee, along with any actions plans generated to address noted deficiencies. Any noted deficiencies must also be included in the Audit and/or Work Plan for the next calendar year.
4. The Audit Committee may provide additional recommendations to the CRP Committee regarding further investigation of non-compliance or changes to the CRP Plan or process.
5. The CRO will work the CRP Committee and Audit Committee to perform an annual survey of Associates to solicit comments and concerns regarding the CRP.
6. The Audit Committee will serve as a clearinghouse for investigation and follow-up regarding comments, suggestions and concerns with regard to the structure and operation of the CRP.

XIII. DATA MONITORING PROGRAM

A. Purpose.

Effective monitoring of data generated by SMM and its various divisions and departments is extremely important in identifying potential violations, areas which may be of concern to the government, and other significant issues which should be addressed by the CRP Plan. The Audit Work Group will develop a comprehensive data monitoring program which will identify those monitors and responsible departments that are deemed most likely to provide useful information to support an effective CRP. The results of such data monitoring activities will be incorporated into the CRP.

B. Procedures.

1. To support the goals of the CRP, Departmental leaders will perform computer analysis of data to identify trends, sudden changes or shifts in numbers, exceptions/aberrations related to billing or services provided which may indicate potential problems.
2. Scheduled monitors will be reported to the Audit Work Group.
3. Information obtained from external reviewers, including third party payer audits, PEPPER reports, JCAHO and licensure surveys, etc. should also be reviewed as part of the annual risk assessment or individually as they are obtained, depending on the magnitude of the findings.