

|                                                                                                                                                                                                                         |     |                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------------------------------------------------------------------------|
|  <b>Pioneers Medical Center</b><br>100 Pioneers Medical Center Dr.,<br>Meeker, CO 81641<br>Eastern Rio Blanco County<br>Health Service |     | PPC APPROVAL:                                                               |
| SUBJECT: <b>COMPLIANCE POLICY</b><br><b>CODE OF CONDUCT / ETHICS</b>                                                                                                                                                    |     | PAGE: 1                                                                     |
| Administrative Policy                                                                                                                                                                                                   |     | OF: 9                                                                       |
| DEPARTMENT: Human Resources                                                                                                                                                                                             |     | EFFECTIVE: 10/2004                                                          |
| APPROVED BY:                                                                                                                                                                                                            | CEO | REVISED: 04/2008<br>02/2009 11/2014<br>REVIEWED: 05/2011<br>12/2013 11/2015 |

## **PURPOSE:**

To detect and prevent accidental or intentional non-compliance with applicable State and Federal laws, regulations and guidelines throughout the facility and outline organizational conduct requirements that are intended to address pertinent compliance issues and the overall standard of conduct and ethical behavior.

## **POLICY:**

1. Personnel and appointed agents of Pioneers Medical Center are expected to comply with all applicable local, state, and federal laws and regulations as well as the policies and procedures of this facility. Expected standards of conduct and ethical behavior are included in the terms and conditions of employment as well as the yearly performance appraisals of each member of the organization.
2. **Reporting of Potential Compliance Issues:** Should staff, appointed agents, physicians or others question the business integrity of any individual or department of this organization, they are expected to report their concerns, anonymously if so desired, to their direct supervisor, the Compliance Officer, through the Compliance Hotline, which is **Extension 155**, by mailing their concerns to **PO Box 1522**, Meeker, CO., or by reporting through the compliance e-mail account **pmccompliance@yahoo.com** without fear of retribution. Employees wishing to have feedback on the investigation process but who wish to remain anonymous should use the e-mail address for reporting concerns. A review or investigation of the concerns reported will be conducted following the steps outlined in the Legal Compliance Policy *Legal Compliance Investigations*.

|                                                                                                                                                                                                                                       |     |                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------------------------------------------------------------------------|
|  <b>Pioneers Medical Center</b><br>100 Pioneers Medical Center Dr.,<br>Meeker, CO 81641<br><b>Eastern Rio Blanco County</b><br><b>Health Service</b> |     | PPC APPROVAL:                                                               |
| SUBJECT: <b>COMPLIANCE POLICY</b><br><b>CODE OF CONDUCT / ETHICS</b>                                                                                                                                                                  |     | PAGE: 2                                                                     |
| Administrative Policy                                                                                                                                                                                                                 |     | OF: 9                                                                       |
| DEPARTMENT: Human Resources                                                                                                                                                                                                           |     | EFFECTIVE: 10/2004                                                          |
| APPROVED BY:                                                                                                                                                                                                                          | CEO | REVISED: 04/2008<br>02/2009 11/2014<br>REVIEWED: 05/2011<br>12/2013 11/2015 |

**3. Fraud and Abuse:** Pioneers Medical Center employees or agents (via written or verbal contract and/or agreement, or otherwise viewed through consensual collaboration,) shall not knowingly and willfully make or cause to be made, any false statement or representation of material fact in any claim or application for benefits under any federal or state healthcare program or healthcare benefit program. Pioneers Medical Center personnel and agents shall not, with knowledge and fraudulent intent, retain federal or state healthcare program or healthcare benefit program funds, which have not been properly paid. Prohibited conduct includes, but may not be limited to:

- Billing for services not actually rendered;
- Misrepresenting services which were rendered;
- Making false statements to governmental agencies about the organization's compliance with any state or federal rules;
- Falsely certifying that services were medically necessary;
- "Upcoding" – utilizing a code to bill for a higher level of service or procedure than medically justified and documented, thus resulting in an increase in reimbursement rate;
- Failure to refund overpayments made by federal or state healthcare programs;
- Violating the terms of a participating physician agreement on a willful and consistent basis.

**4. Anti-kickback Regulations:** Pioneers Medical Center personnel and/or agents shall not knowingly and willfully solicit, offer to pay, actually pay or receive any remuneration either directly, indirectly, overtly, covertly, in cash and/or in return for:

|                                                                                                                                                                                                                         |     |                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------------------------------------------------------------------------|
|  <b>Pioneers Medical Center</b><br>100 Pioneers Medical Center Dr.,<br>Meeker, CO 81641<br>Eastern Rio Blanco County<br>Health Service |     | PPC APPROVAL:                                                               |
| SUBJECT: <b>COMPLIANCE POLICY</b><br><b>CODE OF CONDUCT / ETHICS</b>                                                                                                                                                    |     | PAGE: 3                                                                     |
| Administrative Policy                                                                                                                                                                                                   |     | OF: 9                                                                       |
| DEPARTMENT: Human Resources                                                                                                                                                                                             |     | EFFECTIVE: 10/2004                                                          |
| APPROVED BY:                                                                                                                                                                                                            | CEO | REVISED: 04/2008<br>02/2009 11/2014<br>REVIEWED: 05/2011<br>12/2013 11/2015 |

- Referring an individual to a person for the furnishing, or arranging for the furnishing, of any item or service for which payment may be made, in whole or in part, under any state or federal healthcare program;
- Purchasing, leasing, ordering, or arranging for, or recommending the purchasing, leasing or ordering of any good(s), facility, service, or item for which payment may be made in whole or in part, under any federal or state healthcare program;

Specific “safe harbors” are excluded from this prohibition. An example of a “safe harbor” agreement would be a volume purchasing and/or group purchasing discount agreement.

Remuneration may include, but is not limited to:

- Bribes
- Rebates
- Kickback Payments

Gifts in lieu of payments, given expressly for the reasons listed above.

## 5. Gratuities

Pioneers Medical Center employees are required to serve all patients and the public to the very best of their ability. Employees are not permitted to accept personal gratuities of any kind from patients, relatives, or friends of patients, vendors or salespersons. Gifts may be accepted on behalf of the Facility, e.g. cards, flowers, etc. Offers of cash or other donations in-kind must be brought to the attention of the CEO, who in turn will deposit the funds to the Facility as specified by the donor. A violation of this policy may result in disciplinary action up to and including termination.

## 6. Political Contributions

Personnel and/or agents of PMC may not use any assets of the facility, including employee’s work time, premises, supplies or equipment or make direct monetary

|                                                                                                                                                                                                                         |     |                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------------------------------------------------------------------------|
|  <b>Pioneers Medical Center</b><br>100 Pioneers Medical Center Dr.,<br>Meeker, CO 81641<br>Eastern Rio Blanco County<br>Health Service |     | PPC APPROVAL:                                                               |
| SUBJECT: <b>COMPLIANCE POLICY</b><br><b>CODE OF CONDUCT / ETHICS</b>                                                                                                                                                    |     | PAGE: 4                                                                     |
| Administrative Policy                                                                                                                                                                                                   |     | OF: 9                                                                       |
| DEPARTMENT: Human Resources                                                                                                                                                                                             |     | EFFECTIVE: 10/2004                                                          |
| APPROVED BY:                                                                                                                                                                                                            | CEO | REVISED: 04/2008<br>02/2009 11/2014<br>REVIEWED: 05/2011<br>12/2013 11/2015 |

payments to any political candidate, political action committees, party or ballot measure without the permission of the Compliance Officer. Employees may, of course, participate in any political activity of their choice on an individual basis with their own money and on their own time.

#### 7. **Protection and Proper Use of PMCs Assets and Funds**

Theft, carelessness and waste of PMCs assets have a direct impact on the facility's profitability. Therefore, employees are required to protect PMCs assets and ensure their efficient, proper and legal use. If you suspect an incident of improper use of facility assets you must immediately report the incident to management to assure that appropriate action will be taken concerning the suspected incident. Employees are personally accountable for any form of facility funds such as credit cards, tickets, cash and checks that employees use or are responsible for in the course of conducting PMC business. Additionally, if an employee has the authority to authorize the use of funds, the employee must ensure that the PMC has received proper value in return. PMC may be obligated to report to the appropriate civil authorities suspected improper or illegal use of funds.

PMC equipment, goods and services should not be used for non-facility business, though incidental personal use may be permitted. If you are unsure of what constitutes incidental use, please consult the Compliance Officer.

8. **Ethical Patient Referrals:** Pioneers Medical Center personnel or agents who have ownership or compensated relationship in non-excluded entities, shall not refer a patient in need of designated health services for which payment may be made under Medicare or Medicaid to such entities with which they have a financial relationship. Excluded entities are listed under the federal safe harbor provisions.

|                                                                                                                                                                                                                         |     |                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------------------------------------------------------------------------|
|  <b>Pioneers Medical Center</b><br>100 Pioneers Medical Center Dr.,<br>Meeker, CO 81641<br>Eastern Rio Blanco County<br>Health Service |     | PPC APPROVAL:                                                               |
| SUBJECT: <b>COMPLIANCE POLICY</b><br><b>CODE OF CONDUCT / ETHICS</b>                                                                                                                                                    |     | PAGE: 5                                                                     |
| Administrative Policy                                                                                                                                                                                                   |     | OF: 9                                                                       |
| DEPARTMENT: Human Resources                                                                                                                                                                                             |     | EFFECTIVE: 10/2004                                                          |
| APPROVED BY:                                                                                                                                                                                                            | CEO | REVISED: 04/2008<br>02/2009 11/2014<br>REVIEWED: 05/2011<br>12/2013 11/2015 |

**9. Civil Monetary Penalties:** Pioneers Medical Center personnel or agents shall not knowingly present a claim to any federal or state healthcare program or healthcare benefit program for an item or service the person knows or should know, was not provided, was fraudulent, or was not medically necessary. No claim for an item or service shall be submitted that is based on a code that the person knows, or should know, will result in greater payment than the code the person knows, or should know, is applicable to the item or service actually provided. Personnel or agents shall not give, or cause to be given, any information with respect to coverage of inpatient services which that person knows is false and could influence the decision regarding when to discharge an individual from any healthcare facility.

Pioneers Medical Center personnel or agents shall not offer to transfer, or actually transfer, any remuneration to a beneficiary under a federal or state healthcare program, that the person knows, or should know, is likely to influence the beneficiary to order or receive any item or service from a particular provider, practitioner, or supplier, for which payment may be made, in whole or in part, under a federal or state healthcare program. Remuneration includes the waiver of coinsurance and deductible amounts except as otherwise provided, and transfers of items or services for free or for less than fair market value.

**10. Healthcare Fraud:** Pioneers Medical Center personnel and agents shall not knowingly or willfully execute, or attempt to execute, a scheme or tactic to:

- Defraud any healthcare benefit program, or;
- Obtain by means of false or fraudulent pretense, representation or promise any of the money or property owned by or under the custody or control of any healthcare benefit program, in connection with the delivery of, or payment for, healthcare benefits, items or services.

|                                                                                                                                                                                                                                       |     |                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------------------------------------------------------------------------|
|  <b>Pioneers Medical Center</b><br>100 Pioneers Medical Center Dr.,<br>Meeker, CO 81641<br><b>Eastern Rio Blanco County</b><br><b>Health Service</b> |     | PPC APPROVAL:                                                               |
| SUBJECT: <b>COMPLIANCE POLICY</b><br><b>CODE OF CONDUCT / ETHICS</b>                                                                                                                                                                  |     | PAGE: 6                                                                     |
| Administrative Policy                                                                                                                                                                                                                 |     | OF: 9                                                                       |
| DEPARTMENT: Human Resources                                                                                                                                                                                                           |     | EFFECTIVE: 10/2004                                                          |
| APPROVED BY:                                                                                                                                                                                                                          | CEO | REVISED: 04/2008<br>02/2009 11/2014<br>REVIEWED: 05/2011<br>12/2013 11/2015 |

## 11. False Statements and False Claims:

**Criminal False Statements Related to Healthcare:** Pioneers Medical Center personnel or agents shall not knowingly and willfully make or use any false, fictitious or fraudulent statements, representations, writings or documents, regarding a material fact in connection with the delivery of, or payment for, healthcare benefits, items or services. Personnel or agents shall not knowingly and willfully falsify, conceal or cover up a material fact by deception, scheme or device.

**Civil False Claims:** Pioneers Medical Center personnel or agents shall not perform or conduct any of the following acts:

- Knowingly file a false or fraudulent claim for payments to a governmental agency or healthcare benefit program.
- Knowingly use a false record or statement to obtain payment on a false or fraudulent claim from a governmental agency or healthcare benefit program, and/or
- Conspire to defraud a governmental agency or healthcare benefit program by attempting to have a false or fraudulent claim paid.

Examples of false or fraudulent claims include, but are not limited to:

- Double Billing
- Upcoding
- Unbundling (inappropriate and/or unauthorized)
- Submitting or processing claims for items or services not provided.
- Submitting or processing claims for items or services not medically necessary.
- Billing for uncovered services (inappropriate and/or unauthorized)

|                                                                                                                                                                                                                         |     |                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------------------------------------------------------------------------|
|  <b>Pioneers Medical Center</b><br>100 Pioneers Medical Center Dr.,<br>Meeker, CO 81641<br>Eastern Rio Blanco County<br>Health Service |     | PPC APPROVAL:                                                               |
| SUBJECT: <b>COMPLIANCE POLICY</b><br><b>CODE OF CONDUCT / ETHICS</b>                                                                                                                                                    |     | PAGE: 7                                                                     |
| Administrative Policy                                                                                                                                                                                                   |     | OF: 9                                                                       |
| DEPARTMENT: Human Resources                                                                                                                                                                                             |     | EFFECTIVE: 10/2004                                                          |
| APPROVED BY:                                                                                                                                                                                                            | CEO | REVISED: 04/2008<br>02/2009 11/2014<br>REVIEWED: 05/2011<br>12/2013 11/2015 |

*Criminal False Statement:*

Pioneers Medical Center personnel or agents shall not knowingly and willfully falsify or make any fraudulent, false or fictitious statements against a governmental agency or healthcare benefit program.

**12. Theft or Embezzlement in Connection with Healthcare:** Pioneers Medical Center personnel or agents shall not embezzle, steal or otherwise, without authority, convert to the benefit of another person or intentionally misapply money, funds, securities, premiums, credits, property or other assets of a healthcare benefit program.

**13. Criminal Wire and Mail Fraud:** Pioneers Medical Center personnel or agents shall not devise a scheme to defraud a governmental agency or healthcare benefit program, which uses the United States Postal Service, private postal carriers or telephone lines to perpetrate the fraud.

### Obstruction of Criminal Investigations of Healthcare Offenses

**14. Conspiracy:**

*Criminal Conspiracy:* Pioneers Medical Center personnel or agents shall not conspire to defraud any governmental agency or healthcare benefit program in any manner or for any purpose.

*Money Laundering:* Pioneers Medical Center personnel or agents shall not use any income obtained from mail, wire or computer fraud to operate any enterprise. Personnel and agents shall not use the proceeds of wire, mail or computer fraud in financial transactions, which promote the underlying fraud.

**15. EMTALA Compliance:** Pioneers Medical Center personnel or agents shall comply with all Federal and State regulations and laws regarding the evaluation, admission and

|                                                                                                                                                                                                                         |     |                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------------------------------------------------------------------------|
|  <b>Pioneers Medical Center</b><br>100 Pioneers Medical Center Dr.,<br>Meeker, CO 81641<br>Eastern Rio Blanco County<br>Health Service |     | PPC APPROVAL:                                                               |
| SUBJECT: <b>COMPLIANCE POLICY</b><br><b>CODE OF CONDUCT / ETHICS</b>                                                                                                                                                    |     | PAGE: 8                                                                     |
| Administrative Policy                                                                                                                                                                                                   |     | OF: 9                                                                       |
| DEPARTMENT: Human Resources                                                                                                                                                                                             |     | EFFECTIVE: 10/2004                                                          |
| APPROVED BY:                                                                                                                                                                                                            | CEO | REVISED: 04/2008<br>02/2009 11/2014<br>REVIEWED: 05/2011<br>12/2013 11/2015 |

treatment of patients with emergency medical conditions and/or women in labor, regardless of the nature of the medical condition. Personnel and agents shall utilize and follow all policies regarding medical screening examinations and treatment of patients with emergency medical conditions, including women in labor, policies regarding transfers or referrals of patients to other facilities or physicians for appropriate treatment. Personnel and agents shall provide initial medical screening examinations to all potential patients presenting themselves to the facility for examination and/or treatment without regard as to financial or insurance status.

**16. Clinical Laboratory Compliance:** The Clinical Laboratory operated under the license of Pioneers Medical Center shall operate in accordance with the standards set forth under the Clinical Laboratory Improvement Act (CLIA) and all regulations established therewith. All personnel and agents under the auspices of the Clinical Laboratory shall follow all the elements of the organizational corporate compliance program and policies and procedures.

#### **PROCEDURE:**

#### **CORPORATE COMPLIANCE PROGRAM PLAN, POLICIES AND PROCEDURES:**

Pioneers Medical Center has established compliance standards and procedures to be followed by its employees and agents who are reasonably capable of reducing the prospect of criminal conduct. The corporate compliance program plan and related policies and procedures are specific to the mission and vision, organizational history, lines of business and corporate culture of Pioneers Medical Center.

If, at any time, any employee or professional staff member becomes aware of any apparent violation of PMC's policies, he or she must report it to his or her supervisor (in the case of an employee) or to the Compliance Officer. Employees will not be unlawfully retaliated against for making such reports or for being a "whistleblower." The Federal False Claims Act, 31 U.S.C.

|                                                                                                                                                                                                                         |     |                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------------------------------------------------------------------------|
|  <b>Pioneers Medical Center</b><br>100 Pioneers Medical Center Dr.,<br>Meeker, CO 81641<br>Eastern Rio Blanco County<br>Health Service |     | PPC APPROVAL:                                                               |
| SUBJECT: <b>COMPLIANCE POLICY</b><br><b>CODE OF CONDUCT / ETHICS</b>                                                                                                                                                    |     | PAGE: 9                                                                     |
| Administrative Policy                                                                                                                                                                                                   |     | OF: 9                                                                       |
| DEPARTMENT: Human Resources                                                                                                                                                                                             |     | EFFECTIVE: 10/2004                                                          |
| APPROVED BY:                                                                                                                                                                                                            | CEO | REVISED: 04/2008<br>02/2009 11/2014<br>REVIEWED: 05/2011<br>12/2013 11/2015 |

3729-3733 stipulates that those who knowingly submit, or cause another person or entity to submit, false claims for payment of government funds can be held liable for damages. The False Claims Act also contains *qui tam*, or whistleblower, provisions which allows citizens with evidence of fraud against government contracts and programs to be protected from retaliation when reporting fraudulent acts. If an employee or professional staff member does not report conduct violating PMC's policies, that employee or professional staff member may be subject to disciplinary action, up to and including termination of employment or revocation of privileges.

The Corporate Compliance program plan and related policies and procedures are developed in a collaborative fashion, incorporating all legal requirements with the business methodology embraced by Pioneers Medical Center. The plan and related policies and procedures are reviewed and approved by the administrative team and Board of Directors.

Copies of the corporate compliance plan, and policies and procedures are available in the organizational policy and procedure manual located in the administrative offices, in each department within the facility and on the PMC Internal Portal. Additionally, upon acceptance of a position at Pioneers Medical Center, newly hired personnel receive individual corporate compliance policies and procedures pertinent to PMC as a whole. Policies and Procedures will, at a minimum, address specific areas of fraud such as billing, marketing and claims processing, etc.

Any revisions in, or development and approval of, corporate policies and procedures shall be disseminated to all staff members at Pioneers Medical Center. Revisions in existing policies and procedures will be brought to the attention of each staff member by their direct supervisor within two weeks of revision approval. New policies and procedures will be distributed to each staff member through their payroll envelope.

|                                                                                                                                                                                                                         |     |                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------------------------------------------------------------------------|
|  <b>Pioneers Medical Center</b><br>100 Pioneers Medical Center Dr.,<br>Meeker, CO 81641<br>Eastern Rio Blanco County<br>Health Service |     | PPC APPROVAL:                                                               |
| SUBJECT: <b>COMPLIANCE POLICY</b><br><b>CODE OF CONDUCT / ETHICS</b>                                                                                                                                                    |     | PAGE: 10                                                                    |
| Administrative Policy                                                                                                                                                                                                   |     | OF: 9                                                                       |
| DEPARTMENT: Human Resources                                                                                                                                                                                             |     | EFFECTIVE: 10/2004                                                          |
| APPROVED BY:                                                                                                                                                                                                            | CEO | REVISED: 04/2008<br>02/2009 11/2014<br>REVIEWED: 05/2011<br>12/2013 11/2015 |

It is the responsibility of the staff member's supervisor to determine the level of understanding on behalf of the staff member of any corporate compliance program policy and procedure revision or newly approved policy and procedure.

Corporate Compliance Committee:

- Corporate Compliance Officer (Chair)
- Chief Executive Officer (CEO)
- Chief Nursing Officer (CNO)
- Chief Financial Officer (CFO)
- Director of Health Information Management
- Materials Management Representative
- Walbridge Wing Representative
- Meeker Family Health Center Representative
- Information Technology Director
- Home Care Services Representative
- Medical Staff Representative
- Board of Directors Representative
- Risk Manager
- Patient Financial Services Representative
- Director of Facilities Management

The corporate compliance program plan shall be implemented under the guidance and supervision of the Corporate Compliance Committee. The administrative team has the responsibility to coordinate compliance efforts and implement any and all compliance policies and procedures in accordance with the plan.

|                                                                                                                                                                                                                                       |     |                                                                             |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------------------------------------------------------------------------|--|
|  <b>Pioneers Medical Center</b><br>100 Pioneers Medical Center Dr.,<br>Meeker, CO 81641<br><b>Eastern Rio Blanco County</b><br><b>Health Service</b> |     | PPC APPROVAL:                                                               |  |
| SUBJECT: <b>COMPLIANCE POLICY</b><br><b>CODE OF CONDUCT / ETHICS</b>                                                                                                                                                                  |     | PAGE: 11                                                                    |  |
| Administrative Policy                                                                                                                                                                                                                 |     | OF: 9                                                                       |  |
| DEPARTMENT: Human Resources                                                                                                                                                                                                           |     | EFFECTIVE: 10/2004                                                          |  |
| APPROVED BY:                                                                                                                                                                                                                          | CEO | REVISED: 04/2008<br>02/2009 11/2014<br>REVIEWED: 05/2011<br>12/2013 11/2015 |  |

### Enforcement

Those who violate this Compliance Policy Code of Conduct / Ethics will be subject to disciplinary action, up to and including termination of employment. Pioneers Medical Center may be obligated to report to the appropriate civil authorities certain acts that are deemed to violate local, state or federal laws.

### References:

Pioneers Medical Center Legal Compliance Program

Federal False Claims Act, 31 U.S.C. 3729-3733

PMC Procedure for Setting Up an Anonymous Compliance Reporting E-mail Account