The purpose of Seattle Children's Enterprise Corporate Compliance Program is to prevent, detect and monitor the correction of illegal, improper and unethical conduct. This Corporate Compliance Program Policy is applicable to all Children's environments including the hospital, research, and foundation.

**POLICY:**

It is the policy of Seattle Children's to obey all laws that govern its business operations and to require all employees and persons associated with the organization to behave in an ethical manner. Children's has established and will maintain an effective Enterprise Corporate Compliance Program for the purpose stated below.

**PROCEDURE:**

**Background**

See Appendix I for the background and regulatory underpinnings of Seattle Children's Corporate Compliance Program.

**Goals**

To promote achieving the Compliance Program policy, Children's adopts the following goals:

A. To develop and distribute written standards of conduct, as well as written policies and procedures, that promote Children's commitment to compliance and address specific high-risk areas.

B. To designate a Chief Compliance Officer charged with the responsibility of operating and monitoring the compliance program who has direct access to the Chief Executive Officer (CEO) and the Board of Trustees. Reporting to the Chief Compliance Officer will be four Compliance Officers: the Chief Privacy Officer, the Seattle Children's Hospital Corporate Compliance Officer, the Research Integrity Officer and the Professional Billing Compliance Officer (who also serves as the Compliance Officer for Children's University Medical Group (CUMG)). Collectively, these four positions constitute the "Compliance Leadership Team".

C. To designate already existing Children's executive leadership groups who meet on a regular basis (specifically the Expanded Clinical Operations Leadership Team (ECOLT) and the Research Senior Leadership Team (RSLT)) as Seattle Children's Compliance Committees with key employees responsible to assist the Chief Compliance Officer in the ongoing oversight of the compliance program.

D. To develop and implement regular, effective education and training programs for all of Children's
employees.

E. To develop and maintain methods to receive complaints, concerns or issues and adopt procedures to protect the anonymity of complainants, as well as to protect all complainants from retaliation.

F. To develop a system to respond to allegations of improper or unethical activities and enforce appropriate disciplinary action against employees who have violated internal compliance policies, applicable statutes, regulations or federal health care program requirements.

G. To use regular audits and/or other evaluation techniques to monitor compliance and assist in reducing the number of identified problem areas.

H. To investigate and remedy identified systemic problems.

I. Not to employ or retain individuals and entities who are excluded from participating in Medicare or Medicaid or debarred from contracting with government programs.

Standards of Conduct

GOAL 1
To develop and distribute written standards of conduct, as well as written policies and procedures, that promote Children's commitment to compliance and address specific high-risk areas.

Code of Conduct: As the initial step in achieving this goal, Children's adopted a Code of Conduct (summary below) in alignment with our values of compassion, excellence, integrity, collaboration, equity and innovation central to our mission and vision:

- **Compassion**
  We act in accordance with Seattle Children's Community Standards of Accountability, Respect and Teamwork.

- **Excellence**
  We strive to deliver excellent quality care to our patients.

- **Integrity**
  Integrity, both personal and professional, is and always has been our most important asset. When confronted with a choice, we do the right thing. We expect ethical conduct in all our activities.

- **Collaboration**
  Our relationships with our patients, other professionals and vendors are essential to our business. They must be built upon credibility and mutual respect. When in doubt about the rules, we ask. We are committed to an environment that fosters communication and partnerships among patients, families and staff.

- **Equity**
  We strive for excellence in family-centered care, quality, responsible research, cultural competency and workplace engagement.

- **Innovation**
  We care not only for the end result, but also how we achieve that result. We strive for an environment that fosters innovative thinking

Everyone who is a part of the Seattle Children's workforce (including, but not limited to, employees, medical staff, volunteers, contractors, vendors and students) is expected to follow the Code of Conduct. The Code of Conduct shall be publicized and distributed throughout the organization and readily available on CHILD. The Code of Conduct supplements Children's mission statement and the leadership philosophy and values.

A. The standards set forth in the Code of Conduct are periodically reviewed and evaluated, and are revised when appropriate due to regulatory, program, policy and procedure changes. When significant changes are made to the Code of Conduct, the revised material will be distributed to all employees. The Compliance Code of Conduct can also be accessed on the Corporate Compliance website. The following material is provided to every employee of Children's, and to all new employees as a part of the new hire onboarding process:
1. The Compliance Code of Conduct
2. Compliance Acknowledgment Form
   a. The Compliance Acknowledgment Form serves to signify that each employee has received, read and understands the Employee Compliance Code of Conduct.
   b. Completed Compliance Acknowledgment Forms are kept on file in the employee’s Human Resources file.

**Compliance Policy and Procedure Development**

Compliance policies and procedures are developed to provide guidance and information to employees regarding Corporate Compliance activities and related functions. These policies are available to all employees in the Policy and Procedure tab on CHILD. Policies and procedures are established when there is a need for guidance and definition in the organization and are updated when clarification is required.

**Responsible Persons**

**GOAL 2**

To designate a Chief Compliance Officer and a Compliance Leadership Team, Compliance Committees (comprised of two existing executive leadership groups: the Expanded Clinical Operations Leadership Team (ECOLT) and the Research Senior Leadership Team (RSLT)), and others that are charged with the responsibility of operating and monitoring the compliance program and who have direct access to the Chief Executive Officer (CEO) and the governing body.

Everyone who works for or at Children's is expected to obey the law and behave ethically. In addition, the following five classes of individuals have specific responsibilities to oversee or promote compliance with Children's standards, policies and procedures: (A) the Board of Trustees; (B) the CEO; (C) the Governance, Audit and Compliance Committee of the Board of Trustees; (D) the Chief Compliance Officer and the Compliance Leadership Team; (E) the Compliance Committees and (F) Presidents, Sr. Vice Presidents (SVP), Vice Presidents (VP), Directors, Managers, Supervisors, and all senior management.

**A. The Board of Trustees**

1. The ultimate responsibility to oversee the activities of the organization rests with the Board of Trustees. The Board discharges that duty, in part, by assuring that information and reporting systems exist in the organization. Those systems must be reasonably designed to provide senior management and the Board with timely and accurate information that senior management and the Board can use to reach informed judgments. Those judgments are made not only with respect to business performance, but also with respect to the organization’s overall compliance with the law. The Corporate Compliance Program is one of the reporting systems upon which the Board relies to discharge its duties.

2. The Chief Compliance Officer is responsible to make periodic reports to the Board Governance, Audit and Compliance Committee regarding the Corporate Compliance Program's effectiveness in achieving its goal of promoting ethical behavior and deterring and detecting unlawful or unethical conduct. Reports to the Governance, Audit and Compliance Committee should occur at a minimum, annually, and more frequently, if warranted.

**B. The Chief Executive Officer**

The CEO shall be responsible to assure that the following is achieved:

1. **Communication**
   
   That Children's standards, policies and procedures are communicated to employees and members of the professional staff, including that arrangements are made for employee training.

2. **Enforcement**
   
   That Children's standards, policies and procedures are enforced consistently through appropriate
disciplinary actions and require that all supervisors and managers similarly and consistently enforce these standards, policies and procedures.

3. **Remedial Action**
   That reasonable steps are taken to respond to problems that are detected and to prevent those problems from recurring.

C. **The Governance, Audit and Compliance Committee** of Children's Board of Trustees oversees the effectiveness of the Corporate Compliance Program. The Governance, Audit and Compliance Committee (GACC) is established by the bylaws and has the duties and composition set forth there. The charter of the GACC shall guide its operations. The bylaws and the charter may be amended by the Board where deemed necessary.

D. **The Chief Compliance Officer** is responsible for operating and monitoring the Enterprise Corporate Compliance Program and is assisted by the Compliance Leadership Team. The Chief Compliance Officer shall be appointed by the SVP, Chief Legal Officer with approval of the CEO. Recognizing that staff in departments may have responsibility for compliance activities in their specialty areas or service lines, the title of Compliance Officer may be shared by more than one individual so long as the respective duties of the individuals are clearly defined. However, the title of Chief Compliance Officer shall be held by only one employee. The Chief Compliance Officer is ultimately responsible for successfully executing all stated goals of the Enterprise Corporate Compliance Program.

1. **Reporting structure**
   The Chief Compliance Officer shall report to the SVP, Chief Legal Officer regarding day-to-day issues of significant importance. In addition, the Chief Compliance Officer shall report to the GACC and has direct access to the CEO.

2. **General Duties**
   The Chief Compliance Officer shall do or assure that the following are done:
   
   a. Report to the GACC periodically and at least annually regarding Children's Enterprise Corporate Compliance Program effectiveness and propose recommendations to improve or modify that Program.
   
   b. Ongoing assessment and analysis of the legal requirements with which the health care industry must comply, identifying specific areas that pose a risk of noncompliance to Children's.
   
   c. Recommend appropriate process changes, systems and controls to respond to those legal requirements and regulatory changes.
   
   d. Assess and revise as appropriate existing policies, procedures, protocols, codes and/or standards of conduct or behavior (collectively, "Duties") in areas that pose a risk of noncompliance.
   
   e. Determine whether to incorporate existing Duties into the Corporate Compliance Program ("Compliance Duties").
   
   f. Determine the appropriate strategy/approach to promote compliance and to detect any potential violations using hotlines and other reporting mechanisms.
   
   g. Monitor the effectiveness of the system utilized to solicit, evaluate and respond to complaints and problems.
   
   h. Monitor the effectiveness of independent reporting paths for an employee to report fraud, waste or abuse to minimize the possibility that reports could be diverted by supervisors or other personnel.
   
   i. Monitor the effectiveness of decentralized compliance activities.
   
   j. Review employee suggestions and grievances that relate to Children's compliance duties and recommend appropriate action in response.
   
   k. Conduct investigations into incidents, actions or conduct that may represent a material
violation of Children's compliance duties and initiate corrective action when instances of non-
compliance are discovered. The Chief Compliance Officer and/or a member of the
Compliance Leadership Team shall report to the applicable executive leaders regarding those
investigations. Results of investigations with materiality or other significance shall be reported
to the GACC as appropriate.

I. Prompt Notice. The Chief Compliance Officer shall promptly report to the SVP and Chief
Legal Officer, the CEO and the GACC any threatened or pending prosecutions or
administrative actions commenced against Children's.

m. Maintain a confidential record of all Compliance Committee presentations and
recommendations and communicate the Committees' actions and recommendations to
appropriate corporate officers and/or employees.

n. Oversee the development of and implementation of regular, effective education and training
programs for all affected employees.

3. Job Description
The SVP and Chief Legal Officer and the CEO shall establish the job description which shall at all
times be fully consistent with this policy. The SVP and Chief Legal Officer or CEO shall notify the
GACC of any significant changes to the Chief Compliance Officer's job description.

4. Resources
Children's shall provide the Chief Compliance Officer with the resources necessary to fulfill their
responsibilities under the Enterprise Corporate Compliance Program. Recognizing the appropriate
role of reporting relationships and other responsibilities, Children's other personnel, accountants
and legal counsel shall be available to assist the Chief Compliance Officer.

E. Compliance Committees (the Expanded Clinical Operations Leadership Team (ECOLT) and the
Research Senior Leadership Team (RSLT)).

1. Purpose: Two existing executive leadership committees (ECOLT and RSLT) shall also serve as
Seattle Children's Compliance Committees to support enterprise wide compliance activities and
advise the participating compliance officials. The two Committees will assure that Children's fulfills
its commitments in the areas of corporate business internal controls, clinical research, regulatory
compliance, facility and professional fee billing compliance, and privacy.

2. Responsibilities of the Compliance Committees (ECOLT and RSLT):

a. Vet and discuss current known organizational or operational risks in each committee's
respective area of responsibility (clinical or research)

b. Discuss the industry environment and associated organizational risks

c. Assist the Chief Compliance Officer and the Compliance Leadership Team in determining
which risk areas to escalate and to whom

d. Present risks to senior executive leaders and request support as needed

e. Escalate risks to board committees as appropriate

f. Review and endorse operational policies with compliance aspects as requested by the Chief
Compliance Officer

g. Provide guidance on resolution of compliance issues within the organization

h. Consult with departments on standards, policies and procedures to promote compliance
within the enterprise

3. Membership in each Compliance Committee (ECOLT and RSLT) will consist of the current
members of each respective group as outlined in their respective charters.

4. The Chief Compliance Officer and applicable members of the Compliance Leadership Team will
present to each Compliance Committee (ECOLT and RSLT) a minimum of four times per year.
Presentations will include reports on Compliance Program activities, topics of concern, results of
investigations and the like. Compliance presentations will be part of the permanent records kept by each group (ECOLT and RSLT).

5. Escalation of Risks
   a. The Compliance Committees, under the guidance of the Chief Compliance Officer, shall escalate risks to the appropriate operational or executive leadership as needed up to and including the CEO, the GACC and the Board of Trustees.

F. All Executive and Senior Leadership Including Presidents, Sr. Vice Presidents, Vice Presidents and all other Directors, Managers, and Supervisors shall have the following responsibilities:

1. Make Expectations Clear
   Children’s shall advise each of its directors, managers, supervisors, financial and claims staff, department heads and professional staff of their responsibilities under the Corporate Compliance Program through in-service training and by disseminating its standards, policies and procedures. The training shall include identification of circumstances that require notification to, or consultation with, the Chief Compliance Officer and / or the Compliance Leadership Team. If an individual is uncertain whether specified conduct is prohibited, they must contact the individual's supervisor, departmental employee with compliance responsibility, the Chief Compliance Officer or a member of the Compliance Leadership Team for guidance prior to engaging in such conduct.

2. Disciplinary Action
   A director, supervisor or manager who: (i) directs or approves improper actions by an employee; (ii) is aware of conduct that violates Children's standards, policies or procedures and does not act appropriately to correct the problem; or (iii) fails to exercise appropriate supervision and oversight with regard to their unit's compliance with Children's standards, policies or procedures, shall be subject to appropriate disciplinary action. That action may include termination.

3. Decentralized Approach
   Achieving the goals of the Enterprise Corporate Compliance Program will depend largely upon decentralized actions taken by the supervisors, managers, department employees with compliance responsibilities and department directors throughout the organization who are charged with developing policies and procedures. The Chief Compliance Officer and the Compliance Leadership Team will develop overall policy goals.
   a. Employees with compliance responsibilities, supervisors, managers and directors will generally be expected to develop the written procedures that implement and achieve those goals.
   b. Employees with compliance responsibilities shall provide periodic reports to the Chief Compliance Officer or a designated member of the Compliance Leadership Team on compliance activities within the decentralized areas. These reports shall be at a minimum annually.
   c. The Chief Compliance Officer and the Compliance Leadership Team shall serve as a resource to assist in resolving issues with respect to the appropriate course of action that should be followed under a particular compliance duty.
   d. Employees with compliance responsibilities, directors, managers and supervisors of specific departments or groups shall assist in identifying areas that require training, in the development of the training, and in carrying out such training.

Education and Training

GOAL 3
To develop and implement regular, effective education and training programs for all affected employees and others in leadership positions.

The proper education and training of corporate officers, managers, employees, physicians and other health care professionals, and the continual retraining of current personnel at all levels, are significant
elements of an effective compliance program. This goal is achieved through implementing the following:

A. **Distribute Code**
   Each employee and member of the medical staff of Children's shall be given a copy of Children's Corporate Compliance Code of Conduct. When significant changes are made to the Code of Conduct, the revised material will be distributed to all employees and medical staff members. The Code of Conduct is also available on CHILD.

B. **Initial Orientation**
   Information about the Corporate Compliance Program will be provided as part of the initial orientation of new employees. All members of the Board of Trustees will also receive education on the Corporate Compliance Program.

C. **In-Service Education**
   Periodically (but not less often than annually), Children's will make available in-service education on the Compliance Program and selected Compliance Duties. All employees are required to complete annual compliance training.

D. **Bill Accurately**
   Children's shall develop a written policy regarding its commitment to bill accurately for all services that it provides. This policy shall be made available to all Children's employees and professional staff members who provide, document, or bill for services on Children's behalf. This policy, titled "Patient Accounts and Reimbursement," can be accessed on CHILD in the policy and procedure tab.

E. **Educating Persons Who Submit Claims**
   Children's shall conduct an orientation program for all persons involved in processing or submitting claims for reimbursement, including financial personnel, billing clerks, medical record personnel and providers (in cooperation with CUMG). In addition to a review of proper procedures, the orientation shall include a discussion of the civil and criminal penalties that may arise from improper billing and inadequate record keeping. In response to changes in policies or procedures by payers (but not less often than annually), Children's shall review with affected employees the rules on billing and reiterate its commitment to complying with all laws that relate to the billing process.

F. **Training About Governmental Programs**
   Periodically, personnel involved in providing and documenting the delivery of services shall be trained regarding covered governmental program benefits and the requirements of the programs concerning documenting the provision of covered services. If changes occur to those requirements, they shall be disseminated promptly.

G. **Periodic Training**
   Personnel are required to attend specific training on a periodic basis, including appropriate training in federal and state statutes, regulations and guidelines, the policies of private payers, and training in corporate ethics, which emphasizes Children's commitment to compliance with these legal requirements and policies.

H. **Training Topics**
   Training programs shall include sessions highlighting Children's Corporate Compliance Program, summarizing fraud and abuse laws, privacy regulations, coding requirements, claim development and submission processes and marketing practices that reflect current legal and program standards.

I. **Communicating Effectively**
   Children's shall take steps to communicate effectively its standards and procedures to all affected persons (e.g., by requiring or encouraging participation in training programs and disseminating publications that explain in a practical manner specific requirements).

J. **Documentation**
   Accurate coding depends upon the quality and completeness of the provider's documentation. Active staff physician, Advanced Registered Nurse Practitioner (NP), and Physician Assistant (PA) participation in educational programs focusing on coding and documentation is mandatory.

K. **Some Training is Mandatory**
Attendance and participation in training programs is a condition of continued employment. Failing to comply with training requirements will result in disciplinary action, including possible termination.

L. Record Keeping
Children's will retain records of its training of employees, including attendance logs and material distributed at training sessions.

Soliciting and Receiving Information

GOAL 4.
To develop and maintain methods, such as a hotline, to receive complaints, concerns or issues and adopt procedures to protect the anonymity of complainants from retaliation.

To achieve this goal, Children's shall do the following:

A. Hotline
Children's hotline called the "Helpline" has been established for report of complaints, comments and "tips" regarding compliance matters, as well as matters relating to accounting, internal accounting controls and auditing. If an employee or other person who contacts the hotline requests anonymity, then, to the extent possible or prudent, Children's shall keep inquiries anonymous and confidential. Persons are advised, however, that there may be a point where the individual's identity may become known or may have to be revealed if governmental authorities become involved. Complaints, comments and "tips" regarding compliance matters can also be submitted online via EthicsPoint (link available on CHILD under "Compliance Reporting"). EthicsPoint is an online application provided by an external entity to gather information related to compliance and other potentially confidential concerns (such as Human Resources matters). Anonymous reporting is available via EthicsPoint.

B. Investigate
Matters reported through the hotline or other communication sources that suggest substantial violations of compliance policies, regulations or statutes shall be documented and investigated promptly to determine their validity. Any matter involving internal accounting controls or auditing shall be referred to the Internal Audit department for investigation.

C. Records
The Chief Compliance Officer shall maintain (or oversee the maintenance of) a written log that records reported concerns, complaints and other allegations of misconduct, including the nature of any investigation and its results. Such information may be included in reports to the CEO, applicable executive leadership, the Compliance Committees and, if appropriate, to the GACC.

D. Exit Interviews
The Chief Compliance Officer and the Compliance Leadership Team, in consultation and cooperation with the Human Resource Department, shall consider whether, and to what extent, it is appropriate to conduct exit interviews with departing employees. If interviews are conducted, the interviewer shall inquire regarding the employee's reasons for leaving Children's and solicit the departing employee's observations regarding conditions of employment at Children's and other regulatory and compliance issues. To enable the employee to share their observations regarding Children's freely, the employee's supervisor shall not participate in the exit interview.

E. Clarification
Personnel may seek clarification from the Chief Compliance Officer or the Compliance Leadership Team if there is any confusion or question with regard to a compliance policy or procedure.

Disciplinary Actions

GOAL 5
To develop a system to respond to allegations of improper or unethical activities and enforce appropriate disciplinary action against employees who have violated internal compliance policies, applicable statutes, regulations or federal health care program requirements.
A. **Disciplinary Action**
   Failing to comply with Children's Compliance Duties will lead to disciplinary action and may result in termination.

B. **No Retaliation**
   Children's shall not retaliate against anyone who brings to the attention of management a problem or perceived problem. See policy titled "Reports of Noncompliance: Non-Retaliation."

C. **Evaluating Performance**
   The following factors shall be considered in evaluating the performance of supervisors and management:
   1. Whether the person encouraged the disclosure of problems or perceived problems; and
   2. How successful the person was in preventing or detecting unlawful or unethical conduct.

**Ongoing Monitoring**

**GOAL 6**
To use audits and/or other evaluation techniques to monitor compliance and assist in the reduction of identified problem areas.

Children's goal is achieved through implementing the following procedures:

A. **Develop Controls**
   The Chief Compliance Officer with the assistance of the Compliance Leadership Team shall oversee or coordinate the development and application of controls to identify improper billing and billing procedures.

B. **Develop Auditing Tools**
   The Chief Compliance Officer with the assistance of the Compliance Leadership Team shall oversee or coordinate the development of data collection tools for auditing patient/client records to determine whether services have been appropriately documented.

C. **Provide Reports**
   The Chief Compliance Officer with the assistance of the Compliance Leadership Team shall generate and maintain written reports that are available to the Compliance Committees and the GACC.

D. **Monitor Credit Balances**
   No less often than annually, the Chief Compliance Officer shall assure a review of any reserves the hospital has established for payments that it may owe to Medicare, Medicaid, TRICARE or other federal health care programs has been completed. Any reserves discovered that include funds that should have been paid to Medicare or another government program should be paid promptly, regardless of whether demand has been made for such payment.

E. **Consider Techniques**
   In designing or overseeing monitoring activities, the Chief Compliance Officer and the Compliance Leadership Team shall consider techniques such as:
   1. on-site visits;
   2. interviews with personnel involved in management, operations, coding, claim development and submission, patient care, and other related activities;
   3. questionnaires developed to solicit impressions of a broad cross-section of the employees and staff;
   4. reviews of medical and financial records and other source documents that support claims for reimbursement and Medicare cost reports;
   5. reviews of written materials and documentation prepared by the different divisions of a hospital; and
6. trend analyses, or longitudinal studies, that seek deviations, positive or negative, in specific areas over a given period.

F. **Document Efforts**
   Children's shall document its efforts to comply with applicable statutes, regulations and federal health care program requirements. For example, if Children's requests advice from a government agency (including a Medicare Administrative Contractor) charged with administering a federal health care program, the person soliciting the advice should document and retain a record of the request and any written or oral response.

G. **Resolve Problems**
   The system for responding to potential problems is discussed further in connection with the following Goal 7.

## Fixing Problems

**GOAL 7**
Investigate and remedy identified systemic problems.

Children's goal is achieved through the following procedures:

A. **Informal Inquiries**
   1. **Initial Review**
      Upon receipt of information that alleges or appears to indicate noncompliance with Children's Corporate Compliance Code of Conduct, standards, policies or procedures on the part of any employee or professional staff member, the Chief Compliance Officer and/or a member of the Compliance Leadership Team shall conduct an initial inquiry. The purpose of the initial inquiry is to determine (i) the accuracy of the information received, (ii) the identity of the individuals involved and (iii) the potential scope of the problem.

   2. **Involving Counsel**
      The results of an attorney-directed investigation may be privileged from discovery under either attorney client privilege or the work product doctrine. If it appears, from the first report of information to the Chief Compliance Officer or to a member of the Compliance Leadership Team, that a statutory or regulatory violation may have occurred, the Chief Compliance Officer shall consult with the SVP and Chief Legal Officer to determine whether the matter is appropriate for an attorney-directed investigation.

   3. **Reports**
      Depending upon the severity of the allegation, the Chief Compliance Officer may report their findings to the GACC, together with their recommendations. The Chief Compliance Officer may recommend further investigation or sanctions or may propose a corrective action plan. In the alternative, the finding of the Chief Compliance Officer may be that the information regarding possible violation is without basis and that no further action is warranted.

B. **Formal Inquiries**
   1. **Initiation**
      The GACC may initiate a formal inquiry on its own accord, in response to a problem it has identified, or it may accept a recommendation from the Chief Compliance Officer that a formal inquiry be conducted.

   2. **Overseeing Formal Inquiries**
      The Chief Compliance Officer shall be responsible for overseeing the conduct of any formal inquiry. Children's shall make available to the Chief Compliance Officer all resources necessary to conduct the inquiry expeditiously.

   3. **Findings and Recommendations**
      Findings and recommendations from the formal inquiry shall be presented to the GACC, which shall review the findings and forward its recommendations to the CEO or, if appropriate, the Board.
4. **Determining the Appropriate Response**
   If the GACC’s recommendations include sanctions against an employee or member of the professional staff, that recommendation shall be forwarded to the CEO for their review. The CEO may consult with legal counsel to confirm that the recommended action complies with the terms of employment, contractual provisions, or other statute or regulation governing the relationship between Children’s and the individual who may be sanctioned.

C. **Corrective Action**

1. **Revised Policies and Procedures**
   If an initial or formal investigation discloses that illegal or unethical activity has occurred, then the Chief Compliance Officer shall review Children’s Compliance Duties to determine whether modifications are appropriate. If modifications are appropriate, then the Chief Compliance Officer shall recommend modifications to the applicable executive member. If approved by the executive team, then the Chief Compliance Officer shall oversee and confirm that the affected department(s) develop policies and procedures going forward that fix the problem and reduce the likelihood of it recurring.

2. **Voluntary Disclosure**
   If illegal or unethical activity is discovered, then the GACC (in consultation with the Board, if appropriate) shall determine the appropriate corrective action. That corrective action may include a voluntary disclosure of wrongdoing to federal and/or state authorities, as well as a voluntary repayment of any funds improperly paid.

**Employing Sanctioned Persons**

**GOAL 8**
Not to employ or retain individuals or entities who are excluded from participating in Medicare or Medicaid or debarred from contracting with government programs.

Children’s goal is achieved through the following procedures:

A. **Consideration in Hiring and Promotion**
   The ability of an applicant for employment or promotion to comply with the standards, policies and procedures defined in this Compliance Program will be considered in all hiring and promotion decisions.

B. **Discretionary Authority**
   No person who has a propensity to engage in illegal activities shall be delegated substantial discretionary authority to monitor, supervise or implement Children’s standards, policies and procedures.

C. **Checking the Exclusion Data Banks**

1. **Employees or contracted individuals**
   Before any person is hired by Children’s, the Human Resources Department shall do the following: first, consult the data base maintained by the Office of the Inspector General of the U.S. Department of Health and Human Services to confirm that the candidate has not been excluded from participating in the Medicare or Medicaid programs; and second, consult the data base maintained by the General Services Administration to confirm that the candidate has not been debarred from contracting with the federal government. If a person currently employed by Children’s becomes excluded or debarred, then Children’s shall take appropriate action, which includes termination of employment.

2. **Non-employees including credentialed and referring providers**
   Children’s will also assure non-employees are not on the exclusions lists.

3. **Vendors**
   Children’s will assure vendors are not on the exclusions lists.
APPENDIX:

Appendix I: Background

Since its founding in 1907, Children's has aspired to the highest ethical behavior. Children’s has always demanded (and received) ethical conduct from its employees, medical staff, and business associates. That ethical conduct requires, at a minimum, compliance with the laws and rules that govern its business operations. Children’s commitment to ethical behavior is embedded within its Mission Statement as adopted by the Board of Trustees and implemented by the CEO.

Achieving ethical conduct requires constant vigilance, ongoing evaluation, and occasional fine-tuning. Children’s resolved to restate and renew its commitment to complying with the laws that apply to its business operations by implementing a Corporate Compliance Program (the “Program”) per a Board resolution in 1999. The initial focus of the Program was on demonstrating that Children’s understands and follows the rules that apply to submitting claims to governmental payers. Other areas of emphasis will be on complying with the antitrust laws and the laws that govern the activities of tax-exempt organizations.

Children’s has in place strong policies and procedures that govern business activity. Under its Corporate Compliance Program, Children’s will, however, develop new policies and procedures to respond to the new laws and regulatory initiatives. What remains constant is the organization’s basic philosophy to “do the right thing” with respect to its patients and its employees.

The Program is designed to encourage and enhance the efforts of everyone to function at the highest possible level of integrity. Ethical behavior will help shield Children’s and its employees from potential liability under the complex laws and regulations that govern the activities of health care providers. Employees must resolve any doubt regarding the interpretation of the Program in favor of ethical behavior.

The Deficit Reduction Act of 2005 mandated to entities that receive $5,000,000 or more in Medicaid funds establish written policies for employees with detailed information on prevention of fraud, waste, or abuse in federal health care programs. See the policy titled “Prevention of Fraud, Waste and Abuse.”

The Affordable Care Act, signed into law on March 23, 2010 and upheld by the Supreme Court on June 28, 2012 mandated for the first time that as a condition of enrollment in Medicare, Medicaid or the Children’s Health Insurance Program (CHIP) enrollees must establish compliance programs.

The Office of Inspector General (OIG) publishes compliance guidance for a variety of industries including hospitals. Children’s Compliance Program is modeled after the elements of an effective program as outlined in the OIG guidance for hospitals.

Attachments

No Attachments

Approval Signatures

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<td>Dale Landis: Director, Accreditation &amp; Regulatory Compliance</td>
<td>3/7/2023</td>
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