



INTEGRITY & COMPLIANCE PLAN

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I. SCOPE

This Plan applies to St. Joseph's Hospital Health Center, St. Joseph's Hospital Health Center Foundation, Inc., St. Joseph's College of Nursing at St. Joseph's Hospital Health Center, St. Joseph's Health Center Properties, Inc., St. Joseph's Physician Health P.C., St. Joseph's Medical P.C, Franciscan Associates, Inc., and any controlled subsidiaries of any of those entities ("St. Joseph's").

II. INTRODUCTION

St. Joseph's is committed to conducting business in accordance with its mission, vision and values, in compliance with the established Code of Conduct and to exercise high ethical standards in business decision making. In addition, as a non-profit tax exempt entity, St. Joseph's is committed to serving and promoting the health of the community who are the stakeholders. As a result, the Leadership of St. Joseph's is dedicated to being accountable.

St. Joseph's is committed to detecting and preventing healthcare fraud, waste and abuse. The Board, therefore, has directed that St. Joseph's undertake an integrity program to continue its commitment to high standards of conduct, honesty and reliability in its business practices. This integrity program is called an Integrity & Compliance Program (the "Plan" or the "Program"). The Program helps ensure that service is delivered to patients and business is conducted with third party payors, employees, independent contractors, and other individuals who are representing St. Joseph's using honest and ethical behavior. The Program provides an infrastructure supporting transparency in patient care and business dealings as well as accountability on the part of its workforce. The Program is based on guidelines established by the Federal Sentencing Guidelines, the Office of the Inspector General, the New York State Office of the Medicaid Inspector General and the New York State Social Services Law, as well as continuing guidance received from these respective agencies and changing or evolving laws and regulations.

The Program develops appropriate processes, policies and procedures that help ensure regular compliance with federal and state laws and regulations. This creates a framework to prevent and detect violations of the law by its employees, medical staff, resident physicians, students, clinical affiliates, volunteers and other individuals who are representing St. Joseph's ("Workforce"), as well as Board Members and Officers of St. Joseph's. In addition, the Program through education and training promotes the understanding of and adherence to applicable federal and state laws and regulations, and makes a sincere effort to create a System-wide awareness of the importance of preventing, detecting, and correcting any fraud, waste or abuse at St. Joseph's in connection with state and federally funded health care programs and private health plans.

This Plan is intended to provide a framework for individual or service specific compliance efforts and to apply generally to all personnel and functions. Detailed plans, codes of conduct, or manuals covering compliance in specific areas, such as billing for services, will be separately developed and will fit within this framework.

III. STRUCTURE - COMPLIANCE OFFICER AND COMPLIANCE COMMITTEE

Appointment: The President of St. Joseph's has appointed a Chief Integrity & Compliance Officer. The Chief Integrity & Compliance Officer is a part of Senior Leadership. Senior Leadership at St. Joseph's encompasses the President, Vice Presidents, General Counsel and Directors. The Chief Financial Officer of Finance shall not supervise the Chief Integrity & Compliance Officer.

This Plan provides for the existence of a Chief Integrity & Compliance Officer who has ultimate responsibility and accountability for creating and facilitating a comprehensive strategy to ensure that St. Joseph's is consistently complying with the federal and state regulations, and ethical business standards. Other Integrity & Compliance Officers, who report to the Chief Integrity & Compliance Officer, may be appointed to support the Program on a day to day basis. In addition, **each member of the Workforce remains responsible and accountable for his or her own compliance with applicable laws.**

Duties: The Chief Integrity & Compliance Officer is responsible for the day to day operations, planning and activities of the Integrity & Compliance Program. The Chief Integrity & Compliance Officer oversees all on-going activities related to the development, implementation, maintenance and adherence to the organization's policies and procedures covering Corporate Compliance and HIPAA Privacy Compliance. The Chief Integrity & Compliance Officer works closely with Senior Leadership to implement internal controls and plans of correction when appropriate. In addition, the Chief Integrity & Compliance Officer develops and implements policies and procedures as required by the HIPAA privacy regulation, and for compliance with other applicable federal and state patient privacy regulations.

Authority: The Chief Integrity & Compliance Officer reports to the President(s) of St. Joseph's and, as required, to the Board of Trustees. The Chief Integrity & Compliance Officer has access to all documents and information relevant to compliance activities including but not limited to patient records, billing records, marketing records, contracts and written arrangements or agreements with others. The Chief Integrity & Compliance Officer may seek advice of legal counsel and may retain necessary consultants or experts. The Chief Integrity & Compliance Officer may appoint such staff as deemed necessary to assist in the performance of the responsibilities. Any member of the Integrity & Compliance Officer's staff will be treated as the Chief Integrity & Compliance Officer for purposes of cooperation with his/her efforts to perform his/her duties.

Reporting:

Chief Integrity & Compliance Officer: The Chief Integrity & Compliance Officer reports directly to the President and CEO and works closely with General Counsel. The Chief Integrity & Compliance Officer shall report directly to the St. Joseph's Hospital Board of Trustees at least twice a year on the status of the Program, and will report to the St. Joseph's Physician Health PC, St. Joseph's Medical PC and Franciscan Management Services, Inc. at least annually. The Chief Integrity & Compliance Officer participates in an Executive Session of the Board at minimum annually and at the Board's discretion. With respect to entities that do not have employees or receive federal or state healthcare dollars, the Chief Integrity & Compliance Officer will meet with the associated Board of Trustees upon request by the Board. Such reports may be written or oral. The Chief Integrity & Compliance Officer has the authority to engage the services of outside counsel for internal audits and investigations.

Integrity & Compliance Officer: Integrity & Compliance Officers for St. Joseph's report to the Chief Integrity & Compliance Officer. The Integrity & Compliance Officers have access to the President(s) of St. Joseph's as well as the Board of Trustees.

Committees:

Finance Committee: The Chief Integrity & Compliance Officer shall report to the appropriate Finance (or Audit Committee, as the case may be) at least once a year on matters involving the whistleblower policy.

St. Joseph's Hospital Health Center:

Corporate Compliance Committee: The Corporate Compliance Committee is a Committee of the Board of Trustees. The Committee is charged with the responsibility of operating and monitoring the Program and initiating any actions to correct problems encountered. The Committee shall consist of at least five members and shall include key Senior Leaders and members selected by the Chairperson of the Board of Trustees after consultation with the President, including both members of the Board of Trustees and non-members of the Board of Trustees. The meeting minutes are submitted to the Board of Trustees on a regular basis. Note: This Committee has also been designated by the St. Joseph's Physician Health PC and St. Joseph's Medical PC to provide oversight for P.C. related integrity & compliance activities.

Duties. The duties of the Corporate Compliance Committee include but are not limited to:

1. Advising the Chief Integrity & Compliance Officer and assisting in the implementation and maintenance of the Compliance Program;
2. Recommending and monitoring, in conjunction with the relevant service areas, the development of internal systems and controls to carry out the Hospital's standards, policies and procedures;
3. Determining the appropriate strategy and/or approach to promote adherence to the Integrity & Compliance Program and the detection of potential violations;
4. Recommending and monitoring a system to solicit, evaluate and respond to complaints and problems;
5. Monitoring results of external and internal audits;
6. Keeping apprised of the requirements that St. Joseph's Hospital is responsible for adhering to.

Network Compliance Committee: The Network Compliance Committee supports the Chief Integrity & Compliance Officer and the Corporate Compliance Committee. The Committee functions as the "working" committee. The Committee conducts a formal risk assessment on an annual basis and will assist with validating current areas of concern, identification of new areas of concerns, and drive and prioritize areas of focus for the remainder of the calendar year as it relates to the internal audit work plan.

St. Joseph's Physician Health PC, St. Joseph's Medical PC:

Corporate Compliance Committee: The Corporate Compliance Committee is a Committee of leaders representing the Physician Health PC and the Medical PC.

Duties. The duties of the Corporate Compliance Committee include but are not limited to:

1. Provide support to the Integrity & Compliance Program;
2. Assist and advise the Chief Integrity & Compliance Officer and/or Integrity & Compliance Officer with the Integrity & Compliance Program implementation and planning;
3. Offer the Chief Integrity & Compliance Officer and Integrity & Compliance Officer assessments in their areas of expertise;
4. Assist the Chief Integrity & Compliance Officer and Integrity & Compliance Officer in identifying areas of risk;
5. Analyze the organization's regulatory environment, the legal requirements with which it must comply;
6. Review and advise on internal and external audits as appropriate;
7. Provide direction and supervision related to policy and standard development.

Franciscan Companies:

Corporate Compliance Committee: The Corporate Compliance Committee is a Committee of leaders representing Franciscan Companies.

Duties. The duties of the Corporate Compliance Committee include but are not limited to:

1. Provide support to the Integrity & Compliance Program;
2. Assist and advise the Chief Integrity & Compliance Officer and/or Integrity & Compliance Officer with the Integrity & Compliance Program implementation and planning;
3. Offer the Chief Integrity & Compliance Officer and Integrity & Compliance Officer assessments in their areas of expertise;
4. Assist the Chief Integrity & Compliance Officer and Integrity & Compliance Officer in identifying areas of risk;
5. Analyze the organization's regulatory environment, the legal requirements with which it must comply;
6. Review and advise on internal and external audits as appropriate;
7. Provide direction and supervision related to policy and standard development.

IV. WRITTEN STANDARDS OF CONDUCT

St. Joseph's presents compliance expectations and standards in the *Business Conduct and Code of Ethics*. All of St. Joseph's business affairs must be conducted in accordance with federal, state, and local laws, professional standards, applicable state and federally funded health care program laws and regulations, and with honesty, fairness and integrity. It is expected that the workforce will perform their duties in good faith, in a manner that he or she reasonably believes to be in the best interest of St. Joseph's and its patients, and with the same care that a reasonably prudent person in the same position would use under similar circumstances. To further these overall goals, a number of policies or standards of conduct have been adopted by St. Joseph's.

The Standards of Conduct

- describe compliance expectations,
- provide guidance to the Workforce, Board Members, Officers and others on dealing with potential compliance issues,
- identify how to communicate compliance issues to appropriate compliance personnel, and
- describe how potential compliance problems are investigated and resolved.

These standards include a policy of non-intimidation and non-retaliation for good faith participation in the Program. The Chief Integrity & Compliance Officer is responsible for administering the Non-Intimidation/Non-Retaliation and Whistleblower Protection Policy.

The Standards are not intended to cover every situation which may be encountered, and individuals should comply with all applicable laws and regulations whether or not they are specifically addressed in the Standards. Questions about the existence, interpretation or application of any law, regulation, policy or standard should be directed, without hesitation, to an employee's supervisor, manager/director, Integrity & Compliance Office or other appropriate administrator within St. Joseph's. Laws, regulations and policies are constantly evolving therefore; the Standards of Conduct are revised and updated as needed. Revisions are communicated in a timely manner through administrative notification and changes are posted online.

V. ACCOUNTABILITY

- Corporate Accountability begins at the Board level. The members of the Board have a fiduciary duty to do what is best for the organization.
- While the Workforce has a duty to ensure that the integrity and accountability of St. Joseph's is preserved higher expectations are placed on those leading the organization. Some of the key areas are:
 - **Board of Trustees** – Maintain the ultimate responsibility and accountability for St. Joseph's through due diligence.
 - **Administration** – Also known as the Administrative Leadership Team. President/Chief Executive Officer and Vice Presidents are responsible for supporting the Board of Trustees in its role and ultimate authority. The Administration will ensure that financial and other operational transactions will be open for review and fully transparent and that they will take place under the responsibility of full disclosure. The Administration along with the Chief Integrity & Compliance Officer will ensure that best practices are put into place and monitor for compliance to ensure that they continually confront the issues of fraud, waste and abuse.

CONFLICT OF INTEREST FOR LEADERSHIP

- Nonprofit Entities: A Conflict of Interest Policy that applies to the Board of Trustees, Corporate Officers, Secretary/Treasurer and President/Chief Executive Officer is set out in the applicable St. Joseph's By-Laws and is reviewed and signed on an annual basis.
 - The purpose of the Conflict of Interest Policy is to protect St. Joseph's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an "Interested Person". The policy is intended to supplement but not replace any applicable state laws or regulations governing conflicts of interest.

VI. EDUCATION AND TRAINING

The Integrity & Compliance Education Plan sets forth the structure of compliance education and training at St. Joseph's. It is imperative that business conducted by St. Joseph's, which includes coding and billing of state and federal health care claims, be truthful and accurate and within appropriate guidelines. Not only are severe penalties available to the government but honesty and integrity in St. Joseph's operations are essential under St. Joseph's Business Conduct & Code of Ethics. Sometimes conduct undertaken without wrongful intent but with inadequate knowledge may violate applicable laws and regulations. Proper and continuing training and education of the workforce at all levels is, therefore, a significant element of an effective compliance program.

Mandatory new employee orientation, and when applicable the Employee Handbook, provide an overview of fraud and abuse laws with examples that give the new employee the ability to identify circumstances of fraud, waste and abuse, an explanation of the elements of the Integrity & Compliance Program, including the complaint or reporting process and highlight St. Joseph's commitment to integrity in its business operations and compliance with applicable laws and regulations. Every new member of the Workforce receives a copy of the Business Conduct & Code of Ethics. New employees participate in an educational session conducted by the Integrity & Compliance Office during their formal orientation. Board of Trustees receive a copy of the Business Conduct & Code of Ethics and receive educational sessions, as appropriate, conducted by the Chief Integrity & Compliance Officer.

Periodically, as necessary, identified members of the Workforce will be retrained in (i) St. Joseph's Integrity & Compliance Program; (ii) the fraud and abuse laws as they relate to the claim development and submission process and the business relationships; (iii) relevant Medicare, Medicaid, and other federal and state requirements; and/or (iv) the consequences both to St. Joseph's and individuals for failing to comply with applicable laws and regulations. Such training emphasizes the importance of the Program and St. Joseph's commitment to honesty and integrity in its business dealings.

Each service area director or manager shall periodically identify and advise the Integrity & Compliance Office of training and education needed for all or any employees of his or her service area. The Integrity & Compliance Office and the director or manager shall promptly arrange for such training and education. The workforce is encouraged to contact the Integrity & Compliance Office directly when they feel they need further training or have specific questions.

The Workforce, Board Members and Officers, need not have the identical amount of training and education, nor will the focus of training and educational efforts be the same for all individuals. Targeted training and education will be provided to individuals whose actions may affect the accuracy of claims submitted to the payors. The actual amount of training should reflect necessity, an analysis of risk areas or areas of concern identified by St. Joseph's, the Office of the Inspector General, the NYS Office of Medicaid Inspector General, St. Joseph's compliance experience and/or the results of periodic audits or monitoring.

St. Joseph's makes available to physicians on its medical staff and to such physician's office personnel, training and education in the claim development and submission process. This includes ordering services, medical necessity, coding, DRG's documentation, and such other information as might be reasonable or useful to enable St. Joseph's to comply with applicable laws and regulations and to assist physicians in complying with such laws and regulations.

VII. MEASURING, MONITORING AND AUDITING

Periodic audits are undertaken to identify deficiencies in systems and processes, including the claim development and submission process. St. Joseph's devotes such resources as are reasonably necessary to ensure that audits are adequately performed by persons with appropriate knowledge and experience.

The Integrity & Compliance Office, with input from Senior Leadership, develops annual work plans, also known as an internal audit plan, which outlines the areas of focus for the year. The work plan specifies the time for audits, the service areas, and functions to be audited. The appropriate Corporate Compliance Committee reviews and approves the annual work plan, makes suggested changes, and is kept apprised of any changes made to the plan by the Integrity & Compliance Office. In addition, the results of the work plan are shared with the appropriate Corporate Compliance Committee and their feedback obtained on outcomes and recommended solutions as problems are identified.

The Network Compliance Committee for St. Joseph's Hospital completes at minimum an annual risk assessment and evaluates potential or actual non-compliance as a part of its risk evaluation process. St. Joseph's identifies compliance risks to minimize risk exposure, address weaknesses in the Program and corrects errors or omissions through the internal auditing and risk assessment processes.

St. Joseph's, under the direction of the Chief Integrity & Compliance Officer, conducts periodic tests of claims submitted to Medicare, Medicaid, and other federal health care plans, and audit the claims development and submission process. The audit may include reviewing the work of coders, billers, admitting and registration customer service representatives, patient care providers (including physicians where reasonably possible), ancillary departments such as laboratory and diagnostic imaging, and risk areas identified by the OIG, OMIG, or Medicare Administrative Contractors. Audits also cover St. Joseph's relationship with third party contractors, including physicians on its medical staff, and compliance with laws governing kickback arrangements. The Integrity & Compliance Office may request that the director or manager of each affected service area prepare and submit testing, audit and monitoring plans for his or her service.

Auditors and reviewers shall have access to all necessary documents including those related to claim development and submission, patient records, e-mail and the contents of computers. Auditors and reviews shall at all times bear in mind confidentiality requirements.

The Integrity & Compliance Office will be notified of the results of all audits. Further action, if any, by the Integrity & Compliance Office with respect to any deviation or discrepancy revealed by an audit will be taken under the provisions of Section VI and VIII.

VIII. REPORTING CONCERNS AND COMPLAINTS; NON-RETALIATION/NON-INTIMIDATION & WHISTLEBLOWER PROTECTION POLICY

St. Joseph's encourages and maintains open communications between its workforce and the Integrity & Compliance Office or Corporate Compliance Committee. Without help from the workforce it may be difficult to learn of possible compliance problems and to make necessary corrections.

At any time any individual may seek clarification or advice from the Chief Integrity & Compliance Officer or an Integrity & Compliance Officer in the event of any confusion or question with regard to this Program, or any element of this Program, or any St. Joseph's policy

or procedure related to this Program. Questions and responses are documented and, if appropriate, shared for informational and educational purposes. When this occurs the information is de-identified.

All members of the Workforce, Board Members, and Officers have the responsibility to comply with applicable laws and regulations and required to report any acts of non-compliance. Any individual found to have known of such acts but who failed to report them will be subject to discipline or corrective action.

St. Joseph's Integrity & Compliance Office maintains Integrity & Compliance Lines ("Hotlines") which allows callers to report concerns anonymously and without the fear or retaliation. Individuals are encouraged to call the Hotline if they have any question about whether their concern should be reported. A written record of every report received will be kept for a period of seven years. Every effort will be made to preserve the confidentiality of reports of non-compliance (although calls made anonymously will almost always preserve the autonomy of the caller). Individuals must understand, however, that circumstances may arise in which it is necessary or appropriate to disclose information. In such cases disclosures will be on a "need to know" basis only and the Integrity & Compliance Office will work with the individual(s) in these cases if his or her identity is known.

No member of the workforce shall in any way intimidate or retaliate against another individual for reporting, in good faith an act of non-compliance. Acts of intimidation or retaliation should be reported to the Integrity & Compliance Office and will be investigated by the Chief Integrity & Compliance Officer or his/her designee. Any confirmed act of intimidation or retaliation shall result in discipline and will be reported to the appropriate Finance Committee (or Audit Committee, as may be the case).

IX. RESPONDING TO CONCERNS AND COMPLAINTS ; INVESTIGATION AND CORRECTION OF IDENTIFIED PROBLEMS

Reports or reasonable indications of fraud, waste or abuse, violations of this Integrity & Compliance Program, violations of the Standards of Conduct, violations of St. Joseph's policy or procedure, or violations of applicable law or regulation are promptly investigated. The purpose of the investigation shall be to identify those situations involving fraud, waste, abuse, relevant violations and unacceptable conduct; also to identify individuals who may have knowingly or inadvertently caused or participated in such situations. The results of an investigation may identify the need for further training and education; to facilitate corrective action; and to implement procedures necessary to ensure future compliance.

The Chief Integrity & Compliance Officer, or his or her designee, is responsible for directing the investigation of the alleged situation or problem. In undertaking investigations, the Chief Integrity & Compliance Officer may utilize other St. Joseph's employees (consistent with appropriate confidentiality), outside attorneys, outside accountants and auditors or other consultants or experts for assistance or advice.

Because of the many situations or problems which are possible, the process and method of investigation is left to the judgment and discretion of the Chief Integrity & Compliance Officer. However, the Chief Integrity & Compliance Officer or his or her designee, may conduct interviews with any individual necessary and may review any St. Joseph's documents including but not limited to those related to the claim development and submission process, patient records, e-mail and the contents of computers.

The Chief Integrity & Compliance Officer reports the results of each investigation considered significant in his/her sound judgment to the Integrity & Compliance Office Leadership, appropriate Corporate Compliance Committee, General Counsel, St. Josephs President(s), Board of Trustees and Senior Leadership as appropriate. He/she will recommend a course of discipline and/or other corrective action. Sanctions for non-compliance may be imposed. Corrective action recommended by the Chief Integrity & Compliance Officer will be reviewed with the Vice President for the service area and Human Resources as appropriate.

Self-Disclosure Protocol: St. Joseph's complies with all relevant federal and state statutes, rules and regulations to self-assess and to self-identify any matters that in St. Joseph's reasonable assessment are potentially in violation of Federal or State criminal, civil or administrative laws and/or indicate internal billing patterns or operational issues that might affect St. Joseph's right to Medicaid or Medicare reimbursement. Upon identification St. Joseph's will report and refund any overpayments to Medicare and Medicaid within the statutory required mandates.

X. ENFORCEMENT AND DISCIPLINE

St. Joseph's may impose sanctions on any member of the Workforce, Board Members, or Officers who intentionally or unintentionally violates established policies or procedures. This means that every confirmed act of non-compliance may result in corrective action or discipline. Sanctions, which are penalties imposed, can result in not only disciplinary action, but the removal of privileges, discharge of employment, contract penalties and in some cases civil and/or criminal prosecution. This is not intended as an exhaustive list, and other sanctions may be recommended by the Corporate Compliance Committee.

Individuals may also be subject to disciplinary action for:

1. Failure to perform any obligation or duty required of employees relating to compliance with this Program or applicable laws or regulations.
2. Failure of supervisory or management personnel to detect non-compliance with applicable policies and legal requirements of this Program where reasonable diligence on the part of the manager or supervisor would have led to the discovery of any violations or problems.
3. Failure to report knowledge of suspected fraud, waste or abuse.

Possible disciplinary action will follow St. Joseph's existing disciplinary policies and procedures. Depending on the severity of the event, progressive discipline is not required.

REFERENCES

1. Laws of the State of New York, 2006 Chapter 442 amending:
 - Public Health Law
 - Executive Law
 - Social Services Law
 - Insurance Law
 - Penal Law
 - Criminal Procedure Law
 - Labor Law
2. Deficit Reduction Act of 2005 42 USC §1396a(a)(68); Section 6032
3. Federal False Claims Act 31 USC §§3729-2733
4. New York State False Claims Act, as amended June 27,2010 (State Finance Law §§187-194)
5. New York State Social Services Law §363-d and regulation 18 NYCRR 521
6. Patient Protection and Affordable Care Act Pub.L.111-148, March 23, 2010
7. U. S. Sentencing Guidelines for Compliance Programs, April 14, 2010
8. Not-For-Profit Revitalization Act of 2013