Sharp HealthCare’s 2018 Compliance Education

Compliance and Ethics Module 1
Learning Objectives

In this module you will learn about the following:

• Sharp HealthCare’s Compliance and Ethics Program
• The Center for Medicare and Medicaid Services (CMS) Compliance Program Requirements
• Sharp HealthCare’s Code of Conduct
• Reporting Compliance and Ethics Violations
Objective of a Compliance and Ethics Program

• Sharp assures that its employees, affiliated physicians, volunteers and contractors have knowledge of Federal and California health care regulations.
A critical component of Sharp’s Compliance and Ethics Program is the basis and foundation of solid ethical decision making.
What is Ethics?

• “Ethics refers to principles that define behavior as right, good and proper”.
• “These principles do not always dictate a single “moral” course of action, but provide a means of evaluating and deciding among competing options”.
• “Ethics is also about how we meet the challenge of doing the right thing when that will cost more than we want to pay”.

(Source: Making Ethical Decisions by Michael Josephson; Josephson Institute).
Putting Ethics into Practice

- Ethics entails action. It is not just a topic to think about or debate.
- Ethics requires a framework of principles that are reliable, consistent (such as the Sharp Behavior Standards) and a process for applying them to problems and decision making.
We translate values into principles so they can guide and motivate our ethical conduct.

Ethical principles are the rules of conduct that derive from ethical values.

(Source: Making Ethical Decisions by Michael Josephson; Josephson Institute).
From Values to Principles

• For example, honesty is a value that governs behavior in the form of principles such as:
  – tell the truth
  – don’t deceive
  – be candid
  – don’t cheat

• In this way, values give rise to principles in the form of specific “dos” and “don’ts.”

(Source: Making Ethical Decisions by Michael Josephson; Josephson Institute).
Building a Culture of Ethics


• Sharp continues to incorporate ethical principles into its Compliance and Ethics Program, and also into the culture of our organization.
• Our goal is to create a sustainable ethical culture that generates trust, credibility and integrity.
“At Sharp HealthCare, ethical behavior is a top priority because doing what’s right always serves the best interest of our employees, patients, their families and our community.”

– Mike Murphy, President and CEO Sharp HealthCare
Sharp’s Compliance and Ethics Program

The foundation of Sharp HealthCare’s Compliance and Ethics Program incorporates the Office of Inspector General’s core elements of a compliance program and the mandated CMS compliance program requirements.

The following lesson presents the CMS compliance program requirements.
How does this pertain to you?

As a person or organization who provides health or administrative services to CMS beneficiaries (patients), you play a vital role in our continued commitment to legal and ethical behavior and conduct.

Sponsors – A CMS Contractor (Example: Sharp Health Plan).

First-tier, downstream, or related entity (FDR):

1. **First-tier entity** – Examples: Hospital or health care facility, provider group, doctor office, clinical laboratory, Pharmacy Benefit Management (PBM), customer service provider, claims processing, adjudication company, a company that handles enrollment, disenrollment, and membership functions, and contracted sales agent).

2. **Downstream entity** – (Examples: pharmacies, doctor office, firms providing agent/broker services, marketing firms, and call centers).

3. **Related entity** – (Examples: Entity with common ownership or control of a Sponsor, health promotion provider).
CMS requires Sponsors to implement and maintain an effective compliance program for its Medicare Parts C (Medicare Managed Care) and D (Medicare Prescription Drug Benefit) plans.

An effective compliance program should:
• Articulate and demonstrate an organization’s commitment to legal and ethical conduct;
• Provide guidance on how to handle compliance questions and concerns; and
• Provide guidance on how to identify and report compliance violations.
What is an Effective Compliance Program?

An effective compliance program fosters a culture of compliance within an organization and, at a minimum:

- Prevents, detects, and corrects non-compliance;
- Is fully implemented and is tailored to an organization’s unique operations and circumstances;
- Has adequate resources;
- Promotes the organization’s Standards of Conduct; and
- Establishes clear lines of communication for reporting non-compliance.

An effective compliance program is essential to prevent, detect, and correct Medicare non-compliance as well as Fraud, Waste, and Abuse (FWA). It must, at a minimum, include the seven core compliance program requirements.

For more information, refer to:

- 42 Code of Federal Regulations (CFR) Section 422.503(b)(4)(vi) on the Internet;
- 42 CFR Section 423.504(b)(4)(vi) on the Internet;
- “Medicare Managed Care Manual,” Chapter 21 on the CMS website; and
Seven Core Compliance Program Requirements

CMS requires that an effective compliance program must include seven core elements.

1. **Written Policies, Procedures, and Standards of Conduct**
   These articulate the Sponsor’s commitment to comply with all applicable Federal and State standards and describe compliance expectations according to the Standards of Conduct.

2. **Compliance Officer, Compliance Committee, and High-Level Oversight**
   The Sponsor must designate a compliance officer and a compliance committee that will be accountable and responsible for the activities and status of the compliance program, including issues identified, investigated, and resolved by the compliance program.
   The Sponsor’s senior management and governing body must be engaged and exercise reasonable oversight of the Sponsor’s compliance program.

3. **Effective Training and Education**
   This covers the elements of the compliance plan as well as prevention, detection, and reporting of FWA. This training and education should be tailored to the different responsibilities and job functions of employees.
4. **Effective Lines of Communication**
Effective lines of communication must be accessible to all, ensure confidentiality, and provide methods for anonymous and good-faith reporting of compliance issues at Sponsor and First-Tier, Downstream, or Related Entity (FDR) levels.

5. **Well-Publicized Disciplinary Standards**
Sponsor must enforce standards through well-publicized disciplinary guidelines.

6. **Effective System for Routine Monitoring, Auditing, and Identifying Compliance Risks**
Conduct routine monitoring and auditing of Sponsor’s and FDR’s operations to evaluate compliance with CMS requirements as well as the overall effectiveness of the compliance program.

**NOTE:**
Sponsors must ensure that FDRs performing delegated administrative or health care service functions concerning the Sponsor’s Medicare Parts C and D program comply with Medicare Program requirements.

7. **Procedures and System for Prompt Response to Compliance Issues**
The Sponsor must use effective measures to respond promptly to non-compliance and undertake appropriate corrective action.
Compliance Training—Sponsors and their FDRs

CMS expects that all Sponsors will apply their training requirements and “effective lines of communication” to their FDRs. Having “effective lines of communication” means that employees of the Sponsor and the Sponsor’s FDRs have several avenues to report compliance concerns.
Ethics - Do the Right Thing

As part of the Medicare Program, you must conduct yourself in an ethical and legal manner. It’s about doing the right thing!

• Act fairly and honestly;
• Adhere to high ethical standards in all you do;
• Comply with all applicable laws, regulations, and CMS requirements; and
• Report suspected violations.
How Do You Know What Is Expected of You?

Beyond following the general ethical guidelines on the previous page, how do you know what is expected of you in a specific situation? Standards of Conduct (or Code of Conduct) state compliance expectations and the principles and values by which an organization operates. Contents will vary as Standards of Conduct should be tailored to each individual organization’s culture and business operations. If you are not aware of your organization’s standards of conduct, ask your management where they can be located.

Everyone has a responsibility to report violations of Standards of Conduct and suspected non-compliance.

An organization’s Standards of Conduct and Policies and Procedures should identify this obligation and tell you how to report suspected non-compliance.
Sharp HealthCare’s Code of Conduct:

- Is the cornerstone of SHC’s Compliance and Ethics program.
- Outlines Sharp’s fundamental ethical principles.
- Promotes commitment to ethics and “doing the right thing.”
- Reiterates Sharp’s Mission, Vision and Values.
Sharp HealthCare’s Code of Conduct

Sharp’s Fundamental Commitments

TO OUR PATIENTS AND THEIR FAMILIES: We are committed to providing quality care that is convenient, cost-effective and accessible. We treat everyone we serve with compassion and dignity.

TO OUR SHARP COLLEAGUES: We are committed to a culture that treats all colleagues with fairness, dignity and respect. We strive to provide them with an opportunity to grow and develop professionally. We also welcome opportunities to work in a team environment in which all ideas are considered.

TO OUR AFFILIATED PHYSICIANS: We are committed to providing a work environment that has excellent facilities, modern equipment and outstanding professional teamwork.

TO OUR THIRD-PARTY PAYERS: We are committed to working with our third-party payers in a way that honors contractual obligations and reflects our shared concern for safe, efficient and effective-quality health care. We encourage each of our third-party clients to adopt their own set of comparable ethical principles. Their principles should explicitly recognize their obligations to patients as well as the need for fairness in dealing with providers.

TO OUR REGULATORS: We are committed to a fair and just environment. One in which compliance with rules, regulations and sound business practices are woven into our corporate culture. We accept the responsibility to aggressively self-govern and monitor compliance in alignment with the requirements of law and our Code of Conduct.

TO THE COMMUNITY WE SERVE: We are committed to providing San Diegans with safe, quality, cost-effective health care. We realize as an organization that we have a responsibility to help those in need. We proudly support charitable contributions and events in an effort to promote the health and well-being of the community.

TO OUR SUPPLIERS AND CONTRACTORS: We are committed to fair competition among prospective suppliers. In addition to abiding by our Code of Conduct, we encourage our suppliers to adopt their own set of comparable ethical principles.

TO OUR VOLUNTEERS: We value individuals who provide voluntary assistance to help meet the needs of patients and their families, as well as to support our Sharp colleagues. We are committed to ensuring that our volunteers feel a sense of pride in their volunteer work and are recognized for their generous efforts and accomplishments.

• Serves as a valuable resource for resolving ethical dilemmas and answering questions about Sharp’s standards of excellence and integrity.

• Offers guidance to employees, affiliated physicians, volunteers and contractors’ ethical and legal responsibilities, and

• Provides contact information for further direction.
What Is Non-Compliance?

Non-compliance is conduct that does not conform to the law, Federal health care program requirements, or an organization’s ethical and business policies. CMS has identified the following Medicare Parts C and D high risk areas:

- Agent/broker misrepresentation;
- Appeals and grievance review (for example, coverage and organization determinations);
- Beneficiary notices;
- Conflicts of interest;
- Claims processing;
- Credentialing and provider networks;
- Documentation and Timeliness requirements;
- Ethics;
- FDR oversight and monitoring;
- Health Insurance Portability and Accountability Act (HIPAA);
- Marketing and enrollment;
- Pharmacy, formulary, and benefit administration; and Quality of care.

Know the Consequences of Non-Compliance

Failure to follow Medicare Program requirements and CMS guidance can lead to serious consequences including:

- Contract termination;
- Criminal penalties;
- Exclusion from participation in all Federal health care programs; or
- Civil monetary penalties.

Additionally, your organization must have disciplinary standards for non-compliant behavior. Those who engage in non-compliant behavior may be subject to any of the following:

- Mandatory training or re-training;
- Disciplinary action; or
- Termination.

For more information, refer to the Compliance Program Guidelines in the “Medicare Prescription Drug Benefit Manual” and “Medicare Managed Care Manual” on the CMS website.

HYPERLINK URL


LINKED TEXT/IMAGE

Medicare Prescription Drug Benefit Manual” and “Medicare Managed Care Manual”
NON-COMPLIANCE AFFECTS EVERYBODY

Without programs to prevent, detect, and correct non-compliance, we all risk:

Harm to beneficiaries, such as:
- Delayed services
- Denial of benefits
- Difficulty in using providers of choice
- Other hurdles to care

Less money for everyone, due to:
- High insurance copayments
- Higher premiums
- Lower benefits for individuals and employers
- Lower Star ratings
- Lower profits
Your Responsibilities

All Sharp HealthCare employees, affiliated physicians, volunteers and contractors have a responsibility to report any actual or suspected violations of Sharp’s Code of Conduct, policies and procedures, and/or Federal and California laws.
Your Responsibilities

Reporting suspected violations is not an act of disloyalty. It shows responsibility and fairness to patients, team members, and payors, and protects Sharp’s reputation and assets.

It’s never too late to report a problem. Even if a mistake has already occurred and it seems unlikely to happen again.
Reporting Ethics and Compliance Violations

To report a confirmed or suspected violation, you may do any of the following:

• Contact your manager to discuss questionable issues
• Contact senior management or the compliance liaison from your facility (refer to the Compliance Department Organization Chart tab on SharpNET for Liaisons) [http://sharpnet.sharp.com/compliance/organizational-chart.cfm](http://sharpnet.sharp.com/compliance/organizational-chart.cfm)
• Contact the Sharp HealthCare Compliance Department or Legal Affairs Department
• To report anonymously, call the Sharp HealthCare Confidential Hotline at (800) 350-5022 or file a report online at [www.mycompliancereport.com](http://www.mycompliancereport.com)
How to Report Potential Non-Compliance

**Employees of a Sponsor**
- Call the Medicare Compliance Officer;
- Make a report through your organization’s website; or
- Call the Compliance Hotline.

**First-Tier, Downstream, or Related Entity (FDR) Employees**
- Talk to a Manager or Supervisor;
- Call your Ethics/Compliance Help Line; or
- Report to the Sponsor.

**Beneficiaries**
- Call the Sponsor’s Compliance Hotline or Customer Service;
- Make a report through the Sponsor’s website; or
- Call 1-800-Medicare

Don’t Hesitate to Report Non-Compliance
There can be no retaliation against you for reporting suspected non-compliance in good faith.
Each Sponsor must offer reporting methods that are:
- Anonymous;
- Confidential; and
- Non-retaliatory.
After non-compliance is detected, it must be investigated immediately and promptly corrected. However, internal monitoring should continue to ensure:

- There is no recurrence of the same non-compliance;
- Ongoing compliance with CMS requirements;
- Efficient and effective internal controls; and
- Enrollees are protected.
What Are Internal Monitoring and Audits?

Internal monitoring activities are regular reviews that confirm ongoing compliance and ensure that corrective actions are undertaken and effective.

Internal auditing is a formal review of compliance with a particular set of standards (for example, policies and procedures, laws, and regulations) used as base measures.
Lesson Summary

Organizations must create and maintain compliance programs that, at a minimum, meet the seven core requirements. An effective compliance program fosters a culture of compliance.

To help ensure compliance, behave ethically and follow your organization’s Standards of Conduct. Watch for common instances of non-compliance, and report suspected non-compliance.

Know the consequences of non-compliance, and help correct any non-compliance with a corrective action plan that includes ongoing monitoring and auditing.

Compliance Is Everyone’s Responsibility!

Prevent: Operate within your organization’s ethical expectations to prevent non-compliance!
Detect & Report: If you detect potential non-compliance, report it!
Correct: Correct non-compliance to protect beneficiaries and save money!
Exit Instructions:

We hope this course has been informative and helpful.

Click on the “X” (close button) in the upper right hand corner of the screen when you are ready to complete the requirements for this course.