

# Corporate Compliance Program



## **I. COMPLIANCE POLICY STATEMENT**

The Arkansas Foundation for Medical Care (AFMC) is dedicated to maintaining excellence and integrity in all aspects of our operations and our professional and business conduct. Accordingly, AFMC is committed to abiding by high ethical standards and compliance with all governing laws and regulations in all of our business relationships. It is the personal responsibility of all who are associated with AFMC to honor this commitment in accordance with the terms of this policy and all related policies, procedures and standards developed by AFMC in connection with the Corporate Compliance Program.

## **II. PURPOSE OF COMPLIANCE PROGRAM**

The AFMC Corporate Compliance Program (CCP) is intended to provide reasonable assurance that AFMC:

1. Complies with all federal, state and local laws and regulations that are applicable to its operations;
2. Satisfies the conditions of participation in all programs funded by the state and federal government and the terms of its other contractual arrangements;
3. Detects and deters criminal conduct or other forms of misconduct by officers, board members, employees, and contractors that might expose AFMC to significant liability;
4. Promotes self-auditing and provides for, in appropriate circumstances, voluntary disclosure of violations of laws and regulations;
5. Establishes, monitors, and enforces high professional and ethical standards.

## **III. SCOPE OF COMPLIANCE PROGRAM**

The provisions of the program apply to all business activities performed by AFMC officers, board members, employees and contractors. The expectations for all individuals regarding compliance are as follows:

1. Comply with the AFMC mission statement and the AFMC Code of Conduct contained in Section V of this document;
2. Become familiar with the purpose of the program;
3. Perform jobs in a manner which demonstrates commitment to compliance with all applicable laws and regulations;
4. Report known or suspected compliance issues to the Corporate Compliance Officer (CCO) and investigate or participate in investigations to the point of resolution of an alleged violation;

## **IV. AFMC COMPLIANCE PROGRAM ELEMENTS**

The AFMC Board of Directors directed the development and implementation of an effective compliance program which includes the following elements:

- Oversight
- Policies and Procedures
- Education and Training
- Enforcement and Discipline
- Auditing and Monitoring
- Investigations
- Prevention

## V. CODE OF CONDUCT

The AFMC Code of Conduct provides the guiding standards for our decisions and actions as representatives of AFMC. Although the Code of Conduct can neither cover every situation in the daily conduct of AFMC's many varied activities nor substitute for common sense, individual judgment or personal integrity, it is the duty of each representative of AFMC to adhere, without exception, to the principles set forth herein.

- **Comply With All Applicable Laws.**  
It is the duty of AFMC to uphold all applicable laws and regulations. All employees and representatives of AFMC must be aware of the legal requirements and restrictions applicable to their respective positions and duties. AFMC shall implement programs necessary to further such awareness and to monitor and promote compliance with such laws and regulations. Questions about the legality or propriety of any actions undertaken by or on behalf of AFMC should be referred immediately to the AFMC Compliance Officer
- **Conduct Business in Accordance With the Highest Ethical Standards.**  
Employees and other representatives of AFMC shall conduct all activities in accordance with the highest ethical standards for their respective professions at all times and in a manner which shall uphold AFMC's reputation and standing. No representative of AFMC shall make false or misleading statements to any person or entity doing business with AFMC.
- **Avoid Conflicts of Interest.**  
AFMC is a non-profit organization dedicated to promoting excellence in health care through evaluation and education. All employees and representatives of AFMC must faithfully conduct their duties, in their assigned roles and tasks, for the purpose, benefit and interest of AFMC and those whom it serves. All AFMC employees and representatives have a duty to avoid conflicts of interest (or appearance of) and may not use their positions and affiliations with AFMC for personal benefit.
- **Strive to Attain the Highest Standards**  
All employees and representatives of AFMC must support the AFMC mission and provide services of the highest quality that respond to the needs of our customers.
- **Provide Equal Opportunity**  
AFMC is committed to providing employment for all persons, without regard to race, color, nationality or ethnic origin, religion, gender, sexual orientation, disability or veteran's status.

AFMC is committed to maintaining an environment that respects the dignity of each individual. Therefore, prohibited discrimination in any form or context will not be tolerated.

- **Maintain Appropriate Levels of Confidentiality**

Employees and representatives of AFMC have access to a variety of sensitive and proprietary information, the confidentiality of which must be protected. Each individual must adhere to the appropriate laws, regulations, policies and procedures to ensure that confidential information is properly maintained and inappropriate or unauthorized release is prevented. AFMC shall create and keep records and documentation that conform to legal, professional and ethical standards.

- **Conduct All Business With Honesty and Integrity**

All business practices of AFMC must be conducted with honesty and integrity and in a manner that promotes AFMC's reputation.

- **Have a Proper Regard for Safety**

AFMC shall provide a workplace that conforms to regulations regarding occupational health and safety.

It is the duty of each employee and representative of AFMC to uphold the standards set forth in the Code of Conduct and to report violations by following the reporting procedures established by the CCP.

Disciplinary action for violations of the Code of Conduct and other AFMC policies and procedures shall be enforced through the disciplinary policies and procedures of AFMC and may include dismissal from employment. AFMC will cooperate with law enforcement authorities in connection with the investigation and prosecution of any employee or representative of AFMC who violates a law governing the activities of AFMC.

## **VI. CORPORATE COMPLIANCE OFFICER**

The Corporate Compliance Officer (CCO) reports to the Chief Executive Officer. Responsibilities of this position include maintaining and expanding visibility for the Corporate Compliance Program at all levels within the company, training and development, recommending and implementing compliance initiatives which match the health care regulatory environment, and evaluating processes for compliance impact.

## **VII. COMPLIANCE COMMITTEES**

AFMC has established two compliance committees to assist with the compliance program.

The Compliance Committee is comprised of the Executive Committee of the Board of Directors and shall have various backgrounds, experience levels and expertise in operations, monitoring quality, service delivery and legal/regulatory compliance. This Compliance Committee shall advise the CEO and CCO and assist in the development, implementation and monitoring of the AFMC Compliance Program.

A staff-level Internal Compliance Advisory Committee has been established to help identify high-risk areas and provide guidance and information to the CCO regarding everyday internal business issues. This committee meets on a bi-monthly basis and is comprised of department representatives

designated by the CCO, including, but not limited to, Human Resources, Information Services and Accounting. The committee chair will be the CCO. This committee will not be involved in confidential employee-specific compliance issues or complaints, such as reports received through the compliance hotline.

## **VIII. TRAINING**

1. All employees will be introduced to and trained on the AFMC Code of Conduct and compliance policies and procedures. Such training will reinforce the need for strict compliance with the law and will advise employees that any failure to comply will be documented on the employees' performance evaluation and may result in disciplinary action.
2. AFMC will provide mandatory in-service training annually to employees, contractors and members of the Board of Directors. Attendance at all training programs will be monitored and properly documented.

## **IX. AFMC COMPLIANCE COMMUNICATION**

### **1. Direct Access to the Corporate Compliance Officer**

AFMC recognizes that an open line of communication between the CCO and AFMC personnel is critical to the success of the program. Consistent with its principle of providing a workplace conducive to open discussions of business practices, AFMC is fully committed to complying with all applicable laws that protect employees against unlawful discrimination or retaliation as a result of their disclosure or reporting of questionable or illegal acts by employees or representatives of AFMC. Employees and representatives of AFMC are strongly encouraged to report, in writing, identifying themselves, incidents of potential fraud, any activity that he/she considers to be illegal or dishonest, or to seek clarification regarding legal or ethical concerns directly from the Corporate Compliance Officer. On October 1, 2007, AFMC implemented a compliance hotline as a way for employees to anonymously report ethical or compliance related issues. The hotline can be accessed via telephone 1-877-874-8416 or the Internet at [www.silentwhistle.com](http://www.silentwhistle.com).

Employees who, in good faith, report possible compliance violations will not be subjected to retaliation or harassment as a result of their reports. AFMC will not discharge, demote, suspend, threaten, harass, or in any other manner discriminate, retaliate, or tolerate any discrimination or retaliation by any other person or group, against any associate of AFMC who makes such a report. Retribution related to reporting of compliance concerns is prohibited and anyone who engages in such prohibited activity will be subject to disciplinary action. Concerns about possible retaliation or harassment should be reported to the compliance officer. All such communications will be kept as confidential as possible but there may be times when the reporting individual's identity may become known or may have to be revealed if governmental authorities become involved or if it is necessary to conduct a thorough investigation. AFMC shall not tolerate any effort made by any other person or group to ascertain the identity of any person who makes a report and requests anonymity. If a person makes a report in good faith and any facts alleged are not confirmed by subsequent investigation, no action will be taken against the reporting person.

After consulting with the CEO, the Corporate Compliance Officer may seek advice and guidance directly from legal counsel to assist in the investigation of fraud and abuse reports concerning employees of AFMC who may have participated in illegal conduct or other questionable activity.

### **2. Communications with Government Agencies**

AFMC shall document and retain records of all requests for information regarding payment policy from a government agency and all written or oral responses received. Such records are critical if AFMC or member organizations intend to rely on such responses to guide them in future decisions, actions or claim reimbursement requests or appeals, while further underscoring AFMC's commitment to compliance with the law.

### **3. Record Retention**

AFMC is committed to complying with the record and documentation requirements under federal or state law and to the maintenance and retention of records and documentation necessary to confirm the effectiveness of AFMC's Corporate Compliance Program. Such documentation

includes but is not limited to, minutes of Board of Director meetings, handouts and attendance sheets of training sessions and documentation of ongoing auditing and monitoring efforts. AFMC shall retain, for a period of seven years, all records relating to (a) any accounting or legal allegation or report of a retaliatory act and (b) the investigation of any such report.

## **X. INVESTIGATIONS**

- The CCO has the authority to investigate any potential compliance issues, and to direct others to do so and shall report the results to the CEO and the Compliance Committee.
- The CCO will promptly initiate an investigation of a potential compliance issue to make a case-by-case determination as to whether a violation has occurred. The CCO may request assistance in the investigation from the person or persons who filed a complaint, other personnel or external sources, as appropriate;
- After consultation with the CEO, the CCO may request legal counsel to participate in the investigation and provide legal advice in any such matter, as appropriate. In any investigation involving legal counsel, the fact gathering is to be conducted under counsel's direction and control. All employees of AFMC are obligated to cooperate and to communicate with counsel in confidence.
- A report will be prepared of each investigation which will include documentation of the issue and, as appropriate, a description of the investigative process, copies of interview notes and key documents, a log of the witnesses interviewed and the documents reviewed, the results of the investigation, any disciplinary action and the corrective action implemented to prevent recurrence. Reports of each investigation and the status of the corrective action will be presented to the CEO and the Compliance Committee on a quarterly basis, or as necessary.
- Violations of criminal, civil or administrative law will be reported to the appropriate federal and/or state authority within a reasonable time period after determining that there is credible evidence of such violation.

## **XI. MONITORING**

One of the principle responsibilities of the CCO is to oversee and monitor the AFMC Compliance Program. Progress reports of the ongoing monitoring activities, including identification of suspected noncompliance, will be maintained by the CCO and shared with the CEO immediately and at least quarterly with the Compliance Committee. Monitoring techniques will include compliance audits, staff interviews and surveys.

## **XII. CORRECTIVE ACTION**

When a compliance issue that has been identified requires remedial action, CCO will develop a corrective action plan which specifies the tasks to be completed, completion dates and responsible parties. In developing such a plan, CCO will obtain advice and guidance from the CEO, legal counsel, the Compliance Committee and other appropriate personnel, as necessary. The CCO has the obligation to report directly to the CEO and the Compliance Committee on 1) all compliance issues noted for which

corrective actions have not been implemented; 2) corrective action plans that have not met his/her approval from an adequacy or timing standpoint ; or 3) corrective action plans that are not subsequently implemented in accordance with the approved plan in terms of substance or timing.

A corrective action plan should ensure that the specific issue is addressed and that similar problems will not occur in other areas or departments, to the extent possible. Corrective action plans may require that compliance issues be handled in a designated way, that relevant training take place, that restrictions be imposed on particular employees, or that the matter be disclosed externally. Every effort shall be made to address issues internally initially with the CEO and Compliance Committee. Discipline, in accordance with the standard disciplinary policies and procedures of AFMC may also be recommended. If it appears that certain individuals have exhibited a propensity to engage in practices that raise compliance or competence concerns, the corrective action plan should identify actions that will be taken to prevent such individuals from exercising substantial discretion in that area.

### **XIII. SUMMARY**

AFMC believes that employees and representatives of AFMC are responsible for complying with the AFMC Corporate Compliance Program, Code of Conduct and related policies and procedures. Corrective action for noncompliance will be initiated by the appropriate management personnel, who must notify the Corporate Compliance Officer. Disciplinary action will be determined on a case-by-case basis and will be taken appropriately, equitably and consistently, given the underlying circumstances and the degree of negligence or reckless conduct.