

NORTHCARE NETWORK

POLICY TITLE: Compliance Policy

REVIEWED/REVISED:

POLICY EFFECTIVE DATE: August 5, 2004

June 7, 2004

BOARD ADOPTED: August 4, 2004

September 14, 2005

BOARD ADOPTED REVISIONS: November 2, 2005

PURPOSE

To ensure that NorthCare and all covered parties demonstrate compliance with applicable federal and state laws, accreditation standards, and NorthCare policies.

APPLICATION

This policy applies to all employees, agents, volunteers, and independent contractors of NorthCare Network, herein, referred to as “covered parties.”

POLICY

It is the policy of NorthCare Network to develop, implement, and maintain a sound Compliance Program. The purpose of this compliance program is to be aware of and fully committed to the need to prevent and detect fraud, waste, abuse, fiscal mismanagement and misappropriation of funds. Further, the program will inform employees, affiliates, agents, volunteers, and independent contractors of their obligations under the law and to document our commitment to stakeholders and the community in which we work. The compliance program will help NorthCare to maintain the highest ethical standards. NorthCare is committed to compliance with applicable state and federal laws, rules, statutes, contracts, and regulations, including, but not limited to, the Federal False Claims Act (31 USC, 3729-3733), Balanced Budget Act of 1997(BBA), Subtitle H, Medicaid Managed Care provisions, applicable regulations governing participation in the Medicare and Medicaid Programs, requirements necessary to maintain this organizations’ exemption from federal, state, and local taxes, the Stark Law (42 USC, 1395nn), Anti-Kickback Laws (42 USC 1320a-7b), and applicable civil rights laws. To support this commitment, NorthCare developed a code of conduct for the organization to provide guidance regarding covered party and organizational responsibilities. The code of conduct is not intended to be an exhaustive list of behavioral expectations. Rather, it sets the tone for expected behavior.

PROCEDURES

I. GENERAL

- 1) The main functions of the Compliance Program are to:
 - a) Communicate the organization’s policy for compliance regarding applicable rules and regulations, to covered parties.
 - b) Promote an atmosphere of trust whereby stakeholders and covered parties can openly communicate any concerns.
 - c) Investigate any suspected non-compliance.
 - d) Monitor for timely resolution of substantiated non-compliance.
 - e) Conduct or ensure regular random reviews of billing and organizational practices relative to compliance.

II. SPECIFIC PROCEDURES

- 1) NorthCare's CEO shall appoint a Compliance Officer who will report directly to the CEO and will be allowed direct access to the Board of Directors and legal counsel as he/she believes is necessary.

- 2) The Compliance Officer shall chair a Compliance Committee made up of the Compliance Officer from each CMHSP.
- 3) The Compliance Program must include the following seven core elements:
 - a) Establishment of standards of conduct that are applicable to all covered parties and that are reasonably capable of reducing non-compliant, fraudulent, abusive or wasteful conduct;
 - b) Appointment of an administrative level individual to be responsible for implementation and oversight of the compliance program;
 - c) Ensure due care not to delegate authority and responsibility to those who might engage in illegal conduct;
 - d) Development and implementation of training programs on compliance and in high risk areas of NorthCare's work to ensure covered parties understand how to be compliant with regulation and law as it affects their work;
 - e) Development of monitoring and auditing systems that aid in detection of noncompliance and wrong doing and that give covered parties the ability to report questionable conduct directly to those charged with compliance oversight;
 - f) Development and enforcement of the code of conduct through disciplinary measures which are consistently and fairly applied;
 - g) Prompt and appropriate response to identified problems, the detection of noncompliance and development of corrective actions; and, when necessary, self-reporting to payers.
- 4) The Compliance Committee shall make every effort to keep current regarding major issues identified by oversight agencies (e.g., Office of Inspector General (OIG), Centers for Medicare and Medicaid Services (CMS), and the Michigan Department of Community Health (MDCH)).