

	Agenda Item	Time Allotted	Action/ Recommendation	Requestor/ Presenter
9.	Motion to go into open session			
10.	Open Session			
11.	Report from Chairperson on any action taken in Closed Session (Authority: Government Code, Section 54957.1).	1 min.		
12.	Committee Communications	5 min.		All
13.	Date of Next Meeting June 16, 2016	1 min.		Chair
14.	Adjournment			Chair
15.	Total Time Budgeted for Meeting	1.5 hours		

Note: Any writings or documents provided to a majority of the members of Tri-City Healthcare District regarding any item on this Agenda will be made available for public inspection in the Administration Department located at 4002 Vista Way, Oceanside, CA 92056 during normal business hours.

Note: If you have a disability, please notify us at 760-940-3347 at least 48 hours prior to the meeting so that we may provide reasonable accommodations

Tri-City Medical Center
Audit, Compliance & Ethics Committee
April 21, 2016
Assembly Room 1
8:30 a.m-10:30 a. m.

Members Present: Director Ramona Finnila (Chair); Director Larry W. Schallock; Director Laura Mitchell; Jack Cumming, Community Member; Kathryn Fitzwilliam, Community Member; Leslie Schwartz, Community Member

Non-Voting Members: Steve Dietlin (CEO); Kapua Conley, COO; Cheryle Bernard-Shaw, CCO; Ray Rivas, Acting CFO

Others Present: Diane Racicot, General Counsel; Teri Donnellan, Executive Assistant; Colleen Thompson, Director of Medical Records, HIM and Privacy Officer

Absent: Barton Sharp, Community Member

	Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
1. Call to Order	The meeting was called to order at 8:30 a.m. in Assembly Room 1 at Tri-City Medical Center by Chairperson Finnila. Chairperson Finnila introduced newly appointed CEO Mr. Steve Dietlin. Mr. Dietlin stated he feels fortunate to have the opportunity to work with a great group of people and looks forward to moving the organization forward. Chairperson Finnila introduced and welcomed Acting Chief Financial Officer, Mr. Ray Rivas. Mr. Rivas provided a brief summary of his background and experience, noting he has been with Tri-City for four years mainly involved in the revenue cycle area.		
2. Approval of Agenda	It was moved by Mr. Leslie Schwartz and seconded by Ms. Kathryn Fitzwilliam to approve the agenda as presented. The motion passed unanimously.	Agenda approved.	Ms. Donnellan
3. Comments by members of the public and committee members on any item of interest to the public before Committee's	There were no public comments.		

consideration of the item	Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
4. Ratification of minutes – February 18, 2016	It was moved by Director Schallock and seconded by Ms. Kathryn Fitzwilliam to approve the minutes as presented. The motion passed unanimously.	Minutes ratified.	Ms. Donnellan
5. New Business			
A) Review and Discussion of Policies & Procedures: 1. 8610-210 – Review of Tri-City Medical Center Information by Board Members	Chairperson Finnilla explained the purpose of Policy 8610-210 – Review of Tri-City Medical Center Information by Board Members is to protect patient and employee confidential information when requested by a Board member. Minor revisions were suggested for clarity. Discussion was held regarding the term C-Suite. Ms. Bernard-Shaw explained the C-Suite refers to all members of the executive team with a title of “chief”. It was moved by Mr. Cumming and seconded by Director Mitchell to recommend approval of Policy 8610-210 – Review of Tri-City Medical Center Information by Board Members as presented and amended. The motion passed unanimously.	Recommendation to be sent to the Board of Directors to approve Board Policy 8610-210 – Review of Tri-City Medical Center Information by Board Members; item to appear on next Board agenda and included in Board Agenda packet.	Ms. Donnellan
2. 8750-558 – Responding to Compliance Issues – Introduction; General Policies (DELETE)	Ms. Bernard-Shaw explained Policy 8750-558 – Responding to Compliance Issues – Introduction; General Policies was deleted and incorporated into Policy 8750-559 – Responding to Compliance Issues Introduction; Reports of Suspected Misconduct; Confidentiality to avoid redundancy.		
3. 8750-559 – Responding to Compliance Issues Introduction; Reports of Suspected Misconduct; Confidentiality	Ms. Bernard-Shaw, CCO stated Policy 8750-559 – Responding to Compliance Issues Introduction; Reports of Suspected Misconduct; Confidentiality describes the internal processes of the Compliance Department. Several formatting changes were suggested to Policy. It was moved by Mr. Cumming and seconded by Ms. Kathryn Fitzwilliam to recommend deletion of approval of Policy 8750-559 – Responding to Compliance Issues Introduction; Reports of Suspected Misconduct; Confidentiality and approval of Policy 8750-559 – Responding to Compliance Issues Introduction; Reports of Suspected Misconduct; Confidentiality. The motion	Recommendation to be sent to the Board of Directors to delete Policy 8750-558 – Responding to Compliance Issues – Introduction; General Policies and approve Policy	Ms. Donnellan

Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
<p>passed unanimously.</p>	<p>8750-559 – Responding to Compliance Issues Introduction; Reports of Suspected Misconduct; Confidentiality as presented and amended; item to appear on next Board agenda and included in agenda packet.</p>	
<p>B) Review and discussion of non-clinical contracts</p> <p>An updated Non-Clinical Contract Evaluation Spreadsheet was distributed to committee members. Ms. Bernard-Shaw reported at last month's meeting she introduced the process for review of the non-clinical contracts and the committee recommended any issues rated "3" and above be reviewed.</p> <p>With regard to Geonetric, Inc. Ms. Bernard-Shaw noted the reviewer did not observe any glaring omissions in terms of the contract, however there were issues with customer service and the review indicated poor and expensive service. She clarified that although there were no patient concerns the contract did not meet expectations of staff who evaluated the contract. As a result, management has made the decision not to renew the contract.</p> <p>Discussion was held regarding the Committee and the Board's role in reviewing the contracts. Ms. Racicot explained the committee's role is to determine if management has resolved the matter, not to approve the resolution of the matter. In general, the regulatory authorities want to ensure the committee and the Board has oversight of the contracts.</p> <p>The second contract, also with a "3" rating was Landgraphics Enterprises, Inc. Ms. Bernard-Shaw stated the former CEO had issues with the contract due to cost and quality concerns. Director Mitchell stated the contract was sent out to bid and reconfigured to save \$100,000. Director Mitchell stated the new Landgraphics Enterprises, Inc. contract was brought forward to the Finance, Operations &</p>		

Person(s) Responsible	Action Recommendations/ Conclusions	Discussion	
Ms. Donnellan	<p>Recommendation to be sent to the Board of Directors to approve the list of Non-Clinical Contracts as presented; item to be placed on Board agenda and included in Board agenda packet.</p> <p>Values Line Summary Report to be placed on the May agenda.</p>	<p>Planning Committee this week for recommendation to the Board. Mr. Conley, COO stated the prior issues have been resolved.</p> <p>The final contract reviewed, also with a "3" rating was Mascari Warner Architects. Ms. Bernard-Shaw noted the reviewed found issues with design and construction and those issues have been resolved.</p> <p>Ms. Bernard-Shaw stated the Kingsbridge Healthcare Finance equipment lease has not yet been reviewed by the responsible party and therefore has not been given a rating. She noted Kingsbridge Healthcare Finance will be brought back to the May meeting.</p> <p>Ms. Bernard-Shaw explained it was necessary to review all contracts in the database, including those that have expired.</p> <p>Committee members concurred the process has been followed and management has taken the appropriate steps in review of the contracts and recommended they move forward to the Board for approval. The committee voted yes unanimously.</p> <p>Ms. Bernard-Shaw stated going forward she will include the evaluation summary for all contracts that receive a rating of "4" or higher.</p>	
Ms. Donnellan		<p>Ms. Bernard-Shaw gave a brief report on the Organizational Compliance Committee which was initiated in September and comprised of various Directors and Managers. She explained the Committee was formed to meet OIG standards and is required to meet at a minimum quarterly. Ms. Bernard-Shaw stated the committee has met virtually once a month since September and have done a variety of</p>	C) Organizational Compliance Committee Report

	Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
	<p>things including developing a Charter, reviewing security and values line reports and review of the OIG Work Plan. Chairperson Finnilla clarified the Organizational Compliance Committee is a separate committee from the Board Audit, Compliance & Ethics Committee.</p> <p>Ms. Diane Racicot commented that she provided Stark and Anti-Kickback training to the Organizational Compliance Committee.</p> <p>It was suggested a Values Line Report summary be brought forward to this committee on a quarterly basis.</p>	<p>Information only</p>	
<p>D) Executive Compliance Committee Report</p>	<p>Ms. Bernard-Shaw gave a brief report on the Executive Compliance Committee which is comprised of Executive Management. Again, the Executive Compliance Committee was formed to meet OIG standards and is required to meet quarterly at a minimum. Ms. Bernard-Shaw explained the Executive Compliance Committee reviews the work of the Organizational Compliance Committee and have discussed expectations of the management team related to compliance. Ms. Bernard-Shaw commented briefly on a one-hour video that this committee may find informative. Ms. Bernard-Shaw stated the physicians are required to have their own compliance program which should be in sync with the hospital's compliance plan.</p>	<p>Information only</p>	
<p>E) Compliance Program Plan Update</p>	<p>Ms. Bernard-Shaw provided an update on the Compliance Plan Program and the status of key tasks. The main topics of the program plan include the following:</p> <ul style="list-style-type: none"> ➤ Structure of Program ➤ Contracts Compliance ➤ Auditing & Monitoring ➤ Compliance Program Oversight ➤ OIG Self-Disclosure follow-up ➤ Maintain Compliance Program Elements ➤ Compliance Program Effectiveness Review ➤ OIG Work Plan 	<p>Information only</p>	

Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
<p>➤ Critical Projects</p> <p>With regard to staffing, Ms. Bernard-Shaw stated she has hired a Legal Assistant and has two temp to hire Paralegals supporting the contracts function. The Director of Auditing, Monitoring & Investigations Job Description has been vetted and will be ready for posting shortly. She noted the Director of Compliance Analytics Training & Policy Job Description is still under review.</p> <p>Ms. Bernard-Shaw stated the OIG self disclosure process is complete and we are in the process of aligning systems and processes to prevent future violations.</p> <p>Extensive discussion was held on the screening process of employees and vendors to ensure they aren't on the OIG exclusion list. Ms. Bernard-Shaw stated this screening process will be done on a more frequent basis to ensure compliance as fines can be enormous.</p> <p>With regard to Compliance Training, Ms. Bernard-Shaw stated employee orientation modules have been updated and current employee training is in process. Ms. Racicot stated she has provided targeted HIPAA training for the Foundation that was well received. Ms. Bernard-Shaw also commented Ms. Racicot has provided training to Business Development staff.</p> <p>Ms. Bernard-Shaw provided information on the District's Gift Policy. She stated staff is discouraged from accepting gifts from vendors due to conflicts of interest. She noted there are exceptions to the policy such as gifts by patients of minimal value such as cookies.</p> <p>With regard to the Medical Staff, Ms. Bernard-Shaw reported the Medical Staff is an independent entity and controls their own compliance program. Additionally, outside counsel is leading the review of the Medical Staff Bylaws. It was suggested compliance training for physicians</p>		

	Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
	<p>be a priority due to the recent issues with the OIG and the need for physicians to have a better understanding of their contracts and what is allowable.</p> <p>Ms. Bernard-Shaw noted the importance of looking closely at the physician recruitment process.</p> <p>Mr. Cumming requested an update on ICD 10 implementation. Mr. Ray Rivas, Acting Chief Financial Officer stated Ms. Colleen Thompson and her staff were well prepared for the transition and the impact has been minimal. Mr. Dietlin stated A/R increased slightly as predicted but is trending downward.</p> <p>Ms. Bernard-Shaw stated a review of the Compliance Program Effectiveness will be initiated after the first full year of the CCO's tenure.</p>		
<p>6. Old Business</p> <p>A) Policy and Procedure Grid</p>	<p>The Policy and Procedure Grid was included in today's meeting packet for informational purposes. It was noted dates were added to the grid as requested by the committee previously.</p>	<p>Information only</p>	
<p>7. Oral Announcement of Items to be Discussed during Closed Session (Government Code Section 54957.7)</p>	<p>Chairperson Finnila made an oral announcement of the item listed on the agenda to be discussed during closed session which included approval of closed session minutes.</p>		
<p>8. Motion to go into closed session</p>	<p>It was moved by Mr. Cumming and seconded by Ms. Kathryn Fitzwilliam to go into closed session at 10:08 a.m. The motion passed unanimously.</p>		
<p>9. Open Session</p>	<p>The committee returned to open session at 10:09 a.m. with attendance as previously noted.</p>		
<p>10. Report from Chairperson on any action taken in Closed Session (Authority: Government Code, Section 54957.1)</p>	<p>Chairperson Finnila reported no action was taken in closed session.</p>		

	Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
11. Comments from Committee Members	Chairperson Finnila stated she will be meeting with our Auditor, John Blakely as a matter of routine business.	Information Only	
12. Date of Next Meeting	Chairperson Finnila stated the Committee's next meeting will be held on May 19, 2016.	The committee's next meeting is scheduled for May 19, 2016.	
13. Adjournment	Chairperson Finnila adjourned the meeting at 10:09 a.m.		

Administrative Policy Manual

ISSUE DATE: 5/03

SUBJECT: USE AND DISCLOSURE OF
INFORMATION REGARDING
MEDIA OF PHI FOR MARKETING

REVISION DATE: 1/06; 7/06; 3/09

POLICY NUMBER: 8610-523

Department Approval Date:	03/16
Administrative Policies & Procedures Committee Approval:	03/0904/16
Operations Team Committee Approval:	03/09
Audit, Compliance and Ethics Committee	
Board of Directors Approval:	04/09

A. **PURPOSE:**

1. The purpose of this Policy is to provide guidance to staff for on the Use and Disclosure of Protected Health Information (PHI) for purposes of marketing including the requirement to obtain patient Authorizations for such marketing is required for use or disclosure of any PHI.

B. **DEFINITIONS:**

1. **Authorization:** the written form that complies with HIPAA in order to Use and Disclose PHI for Marketing.
2. **Disclosure:** the release, transfer, provision of, access to or divulging of PHI outside TCHD.
3. **Financial Remuneration:** direct or indirect payment to TCHD from or on behalf of a third party whose product or service is being described. Direct or indirect payment does not include payment for the treatment of a patient.
4. **Individual:** as used in this Policy is the person who is the focus of the PHI.
5. **Marketing:** ~~Marketing is~~ any communication about a product or service that encourages the purchase or use of the product or service. ~~As a general rule, providers may not use patient information for marketing without written authorization. Marketing does not include those activities that are expressly excepted as provided in this Policy.~~
6. **Personal Health Information (PHI):** individually identifiable health transmitted or maintained in paper or electronic ~~other~~ form that is created or received by TCHD AND
 - a. Relates to the past, present, or future physical or mental health or condition of an individual; OR
 - b. Relates to the provision of health care to an individual; OR
 - c. Relates to the past, present, or future payment, AND
 - a-d. Identifies the individual OR with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
- 2-7. **Use:** the sharing, application, utilization, examination or analysis of PHI within TCHD.

C. **POLICIES:**

1. Valid Authorizations are required for the Use or Disclosure of a patient's PHI for Marketing unless this Policy expressly permits Marketing without an Authorization or the activity is not included in the definition of Marketing.
2. If the Marketing activity involves Financial Remuneration to TCHD from a third party, an Authorization must be obtained and the Authorization must also state that Financial Remuneration is involved.

D. **PROCEDURES:**

1. **Marketing: Uses and Disclosures Requiring Authorizations**
 - a. TCHD employees shall obtain a valid Authorization for the Use or Disclosure of a

patient's PHI for Marketing unless this Policy expressly permits Marketing without an Authorization or the activity is not included in the definition of Marketing as discussed below.

- b. If no exception applies, and the Marketing involves direct or indirect Financial Remuneration or economic benefit to TCHD from a third party, TCHD must obtain an Authorization and the Authorization form:
 - i. Must meet the requirements for a valid Authorization
 - ii. Must contain the name or the other specific identification of the persons, or class or persons, to whom TCHD may make the authorized Use of Disclosure. A blanket authorization for Marketing is not permitted.
 - iii. Must state that Financial Remuneration is involved.
 - iv. Must be reviewed and approved in advance by the Chief Marketing Officer and the Chief Compliance Officer, with the assistance of legal counsel, as necessary and appropriate.
- c. PHI includes demographic information, without any accompanying diagnosis or treatment information, so if no exception applies an Authorization must be obtained from the patient even to use the patient's address or phone number for Marketing.

2. Marketing: Uses and Disclosures Permitted Without an Authorization

D.a. The following communications are permitted under this Policy without a patient Authorization:

1. ~~The use of patient information for Marketing purposes will be limited to information that the patient is made aware of through the Notice of Privacy Practices and these allowable activities as outlined below:~~
 - a.i. ~~Tri-City Medical Center (TCMC) TCHD~~ may make a face-to-face marketing communication, as long as ~~we TCHD~~ does not receive any Financial Remuneration or economic benefit, direct or indirect, from a third party for making the communication.
 - i. ~~TCMCHD may provide communications in the form of~~ ~~is not required to obtain patient authorization for marketing communications made to an individual in the following circumstances:~~
 - ii. ~~In face to face communication with an individual:~~
 - 4) ~~When the marketing communication involves a "promotional gift" of nominal value as long as TCHD does not receive Financial Remuneration from a third party for the communication. Such "promotional gifts" must be limited to items of nominal value (i.e. less than \$10) such as pens, refrigerator magnets, memo pads and/or key chains containing TCHD's name. Promotional gifts may not include cash or cash equivalents (e.g. gift cards). Any other proposed "promotional gifts" or those that exceed nominal value must be reviewed and approved in advance by the Chief Marketing Officer and the Chief Compliance Officer, with assistance of legal counsel, as necessary and appropriate.~~

~~Marketing may give promotional gifts of nominal value that are provided by the covered entity, again as long as we do not receive any remuneration or economic benefit, direct or indirect, from a third party.~~

~~2) Example: Distribution of pens, refrigerator magnets, memo pads, or key chains containing the TCMC name.~~

3. Marketing: Communications that are not Considered Marketing and Do Not Require an Authorization

2. ~~TCMC may make communications that describe a health-related product or service of TCMC as long as either:~~
 - a. ~~TCMC does not receive any remuneration or economic benefit, direct or indirect, from a third party for making the communication; or~~
 - b. ~~If TCMC does receive remuneration or economic benefit from a third party, the communication is tailored to the circumstances of the patient to educate or advise the patient about treatment options and to maintain the patient's adherence to a~~

~~prescribed course of care for chronic and seriously debilitating or life threatening condition. TCMC must notify the patient in at least 14 point type that TCMC is being remunerated, and must name the source of the remuneration and give the patient a toll-free number to opt out of receiving further communications. If an individual requests to opt out, no further communications may be made after 30 days from the request.~~

- e.a. Marketing activities that do not use PHI are not subject to HIPAA. Example: a third-party purchased consumer list used to send information about a healthcare provider to a certain segment of the general population (For example, all men under 50, living in the 60606 zip code) would not fall under HIPAA.
- 3.b. ~~Tri-City Medical Center~~ **TCHD** is not required to obtain patient ~~u~~Authorization for the following activities **when TCHD does not receive Financial Remuneration or economic benefit from a third party:**
- i. ~~Health-related~~ **Communications that may be part of TCMC's treatment of an individual and health care operations, including case management, care coordination or our health care operations, even if sale or use of a product or service is promoted.**
 - ii. **Communications that may be part of TCHD's treatment of an Individual including to direct or recommend alternative treatment, therapies, referrals to other providers, care settings for an Individual.**
 - a.iii. Communications describing the availability of more cost effective pharmaceuticals.
 - i. Example: recommending a specific over-the-counter cough medication to a patient with high blood pressure ~~is not marketing.~~
 - b.iv. ~~Communication as part of the treatment of an individual or of recommending alternative treatment to an individual. Referrals to other healthcare providers are not marketing or sending a lung cancer patient information about cutting-edge treatment, educational resources, or support groups for lung cancer is not marketing or recommending that a smoker try a hypnosis program or acupuncture for smoking cessation is not marketing.~~ **Communications for case management or care coordination activities and related functions to the extent they do not fall under treatment.**
- c. TCMGHD may make the following communications to enrollees of health plans (i.e. HMO's) **when TCHD does not receive Financial Remuneration or economic benefit from a third party:**
- i. Communications made solely for the purpose of describing its participation in a provider network of the licensed health plan to which the enrollees already subscribe; or
 - ii. Communications made solely for the purpose of describing if, and the extent to which, it provides a product or service included in a plan of benefits of a licensed health plan to which the enrollees already subscribe.

~~ii. a. PHI includes demographic information, without any accompanying diagnosis or treatment information, so if no exception applies an authorization must be obtained from the patient even to use the patient's address or phone number for marketing.~~

~~iii. b. If no exception applies, and the marketing involves direct or indirect remuneration to the covered entity from a third party, the authorization form that the individual signs must state this:~~

~~i. The requirements for a valid authorization are discussed above and must include, among other things, the name, or the other specific identification of the persons, or class or persons, to whom the covered entity may make the authorized use of disclosure. A blanket authorization for marketing is not permitted.~~

4. Marketing Representations

2. TCMGHD marketing communications and materials will be reviewed to ensure that they are free from exaggeration and do not use fear tactics as a means of persuasion and that they are a factual representation of **TCHD's** services.

B.E. RELATED POLICIES:

1. **APTCHD Administrative Policy # 518** Notice of Privacy Practices
2. **AP#-TCHD Administrative Policy # 525** Use and Disclosure of PHI for Fundraising

G.F. REFERENCES:

1. ~~Federal HIPAA Regulations,~~ **45 CFR Section 164.501**
2. **45 CFR Section 164.508(a)(3)**
- 1.3. **Cal. Civil Code Section 56.10(d)**

 **Tri-City Medical Center**
Oceanside, California

Administrative Policy Manual
Compliance

ISSUE DATE: May 31, 2012 **SUBJECT:** Monitoring
Compliance/Auditing and
Reporting; Exit Interviews

REVISION DATE: **POLICY NUMBER:** 8750-554

Department Approval Date(s): 01/16
Administrative Policies and Procedures Approval Date(s): 01/16
Medical Executive Committee Approval Date(s): 02/16
Organizational Compliance Committee Approval Date(s) 05/16
Audit, Compliance and Ethics Committee Approval Date(s):
Board of Directors Approval Date(s): 05/12

A. **PURPOSE:**

1. ~~Policy 8750-554~~To provides (1)-a statement of Tri-City Healthcare District's (TCHD's) policy with respect to conducting compliance-related exit interviews of departing employees, and (2)-to ensure that the District's practices are consistent with the stated policy.

B. **GENERAL POLICY:**

1. Employees
 - a. To further ~~the District's~~TCHD's compliance review and monitoring efforts, the Chief Compliance Officer (or his or her designee) shall seek information about compliance concerns from departing employees. These questions may be asked as part of an exit interview survey utilized by ~~the District's~~TCHD's Human Resources Department. As part of this interview or survey, the departing employee shall be:
 - i. Asked whether he or she is aware of any past or ongoing potential or actual violations of laws and regulations, or ~~the District's~~TCHD's Compliance Program Policies and Procedures or Code of Conduct and, if so, to provide detail.
 - ii. Required to return to ~~the District~~TCHD the originals and any copies of any ~~District~~-TCHD documents in the employee's possession.
 - iii. Given an opportunity to convey any observations, suggestions, or complaints regarding ~~the District's~~TCHD's operations, practices, Compliance Program and/or compliance initiatives generally.

C. **COVERED CONTRACTORS**

1. At his/her discretion, the Chief Compliance Officer (or his or her designee) shall seek information about compliance concerns from Covered Contractors (as defined in **Administrative Policy 8750-537 – Hiring and Employment; Definitions**) whose contracts with ~~the District~~-TCHD have expired. As part of this interview or survey, each departing Covered Contractor shall be:
 - a. Asked whether he or she is aware of any past or ongoing potential or actual violations of laws and regulations or the ~~District's~~TCHD's Compliance Program Policies or Code of Conduct and, if so, to provide detail.

- b. Invited to convey any observations, suggestions, or complaints regarding the ~~Districts-TCHD's~~ operations, practices, Compliance Program and/or compliance initiatives generally.
- c. Required to return to the ~~District~~**TCHD** the originals and any copies of any ~~District-TCHD~~ Documents in the Covered Contractor's possession.

D. **DOCUMENTATION**

1. The information obtained during exit interviews shall be documented in the Compliance Program files consistent with the ~~District's-TCHD's~~ document retention policies. As appropriate and possible, The ~~District-TCHD~~ should obtain signed and dated statements from the interviewee.
2. ~~District-TCHD~~ shall document compliance with Policy 8750-554 in the departing employee's/Covered Contractor's file consistent with the ~~District's-TCHD's~~ document retention policies.

E. **RELATED DOCUMENTS:**

1. **Administrative Policy 8750-537, Hiring and Employment; Definitions**

Administrative Policy Manual
Compliance

ISSUE DATE: 05/12

SUBJECT: Referral Source Policies; General Policy Regarding Arrangements with Physicians/Other Referral Sources Contractual Arrangements with Physicians and Other Referral Sources

REVISION DATE(S):

POLICY NUMBER: 8750-569

Department Approval Date(s):	01/16
Administrative Policies and Procedures Approval Date(s):	01/16
Medical Executive Committee Approval Date(s):	02/16
Organizational Compliance Committee Approval Date(s)	05/16
Audit, and Compliance and Ethics Committee Approval Date(s):	
Board of Directors Approval Date(s):	05/12

A. PURPOSE:

1. This policy sets forth (1) ~~To provide a statement of Tri-City Healthcare District's (TCHD's) policy regarding the District's TCHD's contractual arrangements with physicians, physician groups and other potential referral sources, as defined below, and to~~ (2) ensures TCHD's practices are consistent with its stated policies regarding such contractual arrangements. **To provide guidance on requirements for Tri-City Healthcare District's ("TCHD's") contractual arrangements with physicians, physician groups and other referral sources (as defined below) to ensure compliance with applicable Self-Referral and Anti-Kickback Laws.**

B. DEFINITIONS:

1. **Financial Relationship.** For purposes of the Referral Source Policies, a "Financial Relationship" means either a compensation arrangement in which remuneration is exchanged between District TCHD and a Referral Source (e.g., payment for on call service, rent for use of space) or an ownership or investment interest pursuant to which a Referral Source holds an equity interest in the entity (e.g., shareholder or partner in a joint venture). A compensation arrangement and an ownership/investment interest can be direct or indirect.
2. **Immediate Family Member.** For purposes of the Referral Source Policies, an "immediate family member" is a spouse or civil union partner; natural or adoptive parent, child, or sibling; stepparent, stepchild, stepbrother or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and the spouse of a grandparent or grandchild.
3. **Referral Source.** A "Referral Source" means a physician, physician group or any other person or entity that is in a position to refer patients to or otherwise generate revenue for TCHD. For purposes of TCHD's Referral Source Policies (and per certain laws and regulations), the term "Referral Source" includes the Referral Sources' Immediate Family Members.
4. **Remuneration.** The term "remuneration" means anything of value, including a salary, stipend or fee, a free or discounted item, **forgiveness of debt, i.e.e.g., as in a recruitment loan, a loan** and the like. For example, when X buys Y a cup of coffee, X has given remuneration (something of value) to Y.
5. **Referral Source Polices: Policies that provide guidance to TCHD's staff on how to manage arrangements when the other party is a referral source include but are not limited to:**

- a. **Administrative Policy Manual #8750-571, Loans & Guarantees to Physicians.**
 - b. **Administrative Policy Manual #8750-572, Medical Directorships.**
 - c. **Administrative Policy Manual #8750-573, Business Courtesies to Physicians and Immediate Family Members.**
 - d. **Administrative Policy Manual #8750-574, Tracking Remuneration and Use of Items and Services to and from Referral Source.**
 - e. **Administrative Policy Manual #8750-575, Sale of Items or Services to Physicians and Other Potential Referral Sources.**
 - f. **Administrative Policy Manual #8750-576, Controls and Monitoring of Payments to Physicians or Other Referral Sources.**
 - g. **Administrative Policy Manual #8750-580, Physician and Allied Health Professional Service Contracts.**
6. **Self-Referral and Anti-Kickback Laws.** Certain state and federal laws and regulations describing prohibited Financial Relationships with referral sources like physicians, physician groups and other referral sources and the criteria that must be met to comply with them.

C. **APPLICATION:**

1. Except as set forth immediately below, the Referral Source Policies apply to all Financial Relationships by and between TCHD and a Referral Source.
2. This Policy, however, applies to exchanges of remuneration that occur under or pursuant to one or more contracts. It does not apply to non-contractual exchanges such as medical staff benefits, gifts and other non-monetary compensation. Such other, non-contractual remuneration will be covered by other, more specific Referral Source Policies.
3. Contractual Financial Relationships include, but are not limited to:
 - a. Physician recruitment agreements;
 - b. ~~Physician loans;~~
 - c. ~~Guarantees of physician loans;~~
 - d. Management service agreements;
 - e. Professional services agreements (e.g., on call), ~~directorships;~~
 - f. Employment agreements;
 - g. Physician expense reimbursement agreements;
 - h. Other agreements for the provision of services or supplies (whether medically related or not);
 - i. Asset purchase and disposition agreements;
 - j. Medical office building, other space, and equipment leases;
 - k. Joint ventures; and
 - l. Certain co-marketing arrangements.
 - m. **Administrative Services Agreements (e.g., Medical Director Agreements)**
 - n. **Physician Consultant Agreements**
 - o. **Medical Staffing Agreements**
 - p. **Co-Marketing Agreements**

D. **GENERAL POLICY PROCEDURES**

1. ~~In General.~~ Various federal and state laws and regulations **Self-Referral and Anti-Kickback Laws** prohibit healthcare providers (such as hospitals) from offering and/or giving remuneration to physicians, physician groups or other Referral Sources for the purpose of inducing patient referrals or otherwise generating business. Some of these laws and regulations also prohibit patient referrals and billing for services furnished to such improperly referred patients when the referring physician has a Financial Relationship with the healthcare provider (e.g., a hospital) and no exception applies. These laws and regulations are complicated and will be addressed in this general policy as well as a number of the District's TCHD's policies related to specific arrangements between and among District TCHD and physicians or physician groups (and other Related Sources) such as, by way of example, service arrangements (medical director

- agreements, on call agreements, and the like) and lease arrangements. ~~Collectively, the various policies dealing with arrangements with Referral Sources – both general and specific – shall be referred to as “Referral Source Policies.”~~ Compliance with the Referral Source Policies is mandatory unless an exception has been granted by the ~~Legal-Compliance~~ **Legal-Compliance** Department in writing and in advance.
2. Contract Requirements. All of ~~District's~~ **TCHD's** contractual arrangements with Referral Sources must:
 - a. Be set forth in a current written agreement; one that has not expired or been terminated, which sets forth the parties' respective duties and obligations in sufficient detail and is signed and dated by all of the parties;
 - b. Specify the timeframe for, or term of, the arrangement;
 - c. Specify the remuneration (e.g., rent, purchase price, compensation) to be exchanged, which remuneration must be:
 - i. consistent with fair market value for services or items actually provided;
 - ii. determined in a manner that does not take into account the value or volume of referrals or other revenue-generated; and
 - d. Be intended to obtain or provide an item or service that is reasonable and necessary for a legitimate business purpose.
 3. ~~Other Applicable Policies.~~ **Additional legal requirements: In order to comply with the Stark Law, Anti-kKickback Statute and other laws and regulations, TCHD may have to meet other legal requirements in addition to those set forth above with respect to specific contractual arrangements. (For example, in order to meet the Stark Law exception for Physician Recruitment Agreements, the contractual arrangement must meet specific criteria.-) Accordingly, TCHD and employees must ensure that other contract/arrangement-specific policies are being reviewed and that they are using appropriate contractual documents or templates that have been reviewed and approved by the Chief Compliance Officer, Legal Counsel and the TCHD Board.** ~~may apply to specific contractual arrangements. Accordingly, it is important to review any applicable, arrangement specific Policies before entering into an agreement with a Referral Source.~~
 4. Informal Documents; Amendments; Renewals. Informal documents, such as "letters of intent," "letter agreements," or "memoranda of understanding" are subject to the Referral Source Policies, as are arrangements with physician- owned entities. TCHD must not enter into side agreements or arrangements (written or oral) with physicians. The Referral Source Policies apply to all amendments and extensions/renewals of agreements with physicians as well. If at any time it appears that there have been discussions or memoranda indicating intent to obtain or reward referrals by way of an agreement, such agreement ~~shall~~ **will** not be approved.
 5. Required Approvals. All contractual arrangements with Referral Sources must be reviewed and approved in advance and in writing by the Chief Executive Officer (or his/her designee), and the ~~Legal-Compliance~~ **Legal-Compliance** Department **and/or Legal Counsel**. The review and approvals must be obtained even if the agreement complies in all respects with the Referral Source Policies. The review and approvals also must be obtained for amendments to existing agreements that revise the payment terms and/or the effective dates of the existing agreement. It is not acceptable to obtain the appropriate approvals after making payments in accordance with the agreement. Further, **TCHD employees may not , do not make it is prohibited to make** -commitments to physicians until written approvals have been obtained. ~~from the Legal Department.~~
 6. Execution Timing. Both ~~the District~~ **TCHD** and the Referral Source must sign and date the relevant written agreement(s) before any items or a service are provided, and before any payment is made. Any items or services provided before both ~~the District~~ **TCHD** and the Referral Source sign the agreement cannot be compensated by ~~District~~ **TCHD**, at the time of service or at any time in the future, unless approved in advance by the Legal Department
 7. Compliance with Contract Terms. In all contractual arrangements with Referral Sources, payments must be consistent with the terms of the agreement and performance of all of the terms of the agreements is required. For example, monies owed by a physician under a lease agreement or ~~loan document~~ must be paid in accordance with the terms of the documents.

(Similarly, a contractual arrangement that requires time sheets as a condition of payment must be performed and enforced according to its terms. In other words, the obligation to submit complete time sheets cannot be ignored or waived.) Accurate and complete records of all physician receivable collection activity should be maintained by TCHD. The ~~Legal~~ **Compliance** Department should be contacted in the event of a default so that remedies may be pursued in a prompt and business-like fashion.

8. ~~Contract Control Log~~ **Data-base**.

- a. A centralized and computerized Referral Source ~~Control Log~~ **Contract Database** documenting all contractual relationships with each Referral Source must be maintained. The Referral Source ~~Control Log~~ **Database** should include all current agreements, ~~leases or~~ financial arrangements between TCHD and any Referral Sources, including Professional Service Agreements, Income Guarantees (Recruitment Agreements), Medical Directorships, Leases (including those maintained by an independent property manager), Employment Agreements and generally, any Referral Source relationship.
- b. The ~~Legal~~ **Contract** Department shall be responsible for custody and maintenance of the Referral Source ~~Control Log~~ **Database** and must keep records current and provide timely updates to the ~~District's~~ **TCHD's** accounts payable management personnel. The ~~Legal~~ **Contract** Department must ensure that a copy of each fully executed agreement is maintained in a central repository with copies of all supporting documents, including fair market value verification, ~~Legal-Compliance~~ Department approval, and time records.

E. **RELATED DOCUMENTS:**

1. **Administrative Policy Manual #8750-571, Loans & Guarantees to Physicians**
2. **Administrative Policy Manual #8750-572, Medical Directorships**
3. **Administrative Policy Manual #8750-573, Business Courtesies to Physicians and Immediate Family Members**
4. **Administrative Policy Manual #8750-574, Tracking Remuneration and Use of Items and Services to and from Referral Source**
5. **Administrative Policy Manual #8750-575, Sale of Items or Services to Physicians and Other Potential Referral Sources**
6. **Administrative Policy Manual #8750-576, Controls and Monitoring of Payments to Physicians or Other Referral Sources**
7. **Administrative Policy Manual #8750-580, Physician and Allied Health Professional Service Contracts**

F. **REFERENCES:**

1. **42 U.S.C. Sections 139nn (Physician Self-Referral Law or Stark Law)**
2. **42 U.S.C. Section 1320a-7b (Federal Anti-Kickback Law)**
3. **42 CFR Sections 411.350 et. seq.**
4. **42 CFR Sections 1001.952.**

TRI-CITY HEALTH CARE DISTRICT
NON-CLINICAL CONTRACT EVALUATIONS

- 1. No
- 2. Minor issues/resolvable
- 3. Intermediate issues/resolvable; 4. Major issues/resolvable
- 5. Major issues/unresolvable/terminate

Vendor Name	Contract Number	Contract Type	Responsible Party, Primary	Responsible Department	Expiration Date	Reviewed/Completed	PHI REQ	PHI RCD	Status: 1 - 5	ACE Review	Board Review
RES-Q Healthcare Systems, Inc	1007.1356C	Software License and Service Agreement	Martinez, Daniel	Information Systems	12/31/2015	12/4/15	Y	Y	1		
RL Solutions	1021.469C	Software License and Service Agreement	Cavanaugh, Marc	Information Systems	Evergreen	12/4/15	Y	Y	1		
San Diego Regional Health Information Exchange, DBA San Diego Health Connect	1007.3139C	Participation Agreement	Moran, Tim	Administration	12/31/2015	12/4/15	Y	Y	1		
Security Signal Devices, Inc	1006.506C	Services Agreement	Bennett, David	Wellness Center	02/26/2016	12/2/15	N	N	1		
Sentry Data Systems, Inc	1007.363C	Services Agreement	Hong, Tori	Pharmacy	06/27/2016	12/4/15	Y	Y	1		
Sfeir Architecture	1007.3343C	Professional Service Agreement	Miechowski, Chris	Building Engineering	10/11/2017	12/4/15	N	N	1		
Sfeir Architecture	1007.3344C	Professional Service Agreement	Miechowski, Chris	Building Engineering	10/11/2017	12/4/15	N	N	1		
Siemens Healthcare Diagnostics Inc	1007.2671C	Equipment, Support and Service Agreement	Szentesi, Charles	Laboratory	12/20/2015	12/16/15	N	N	1		
Siemens Medical Solutions USA, Inc.	1007.2880C	Service Repair Agreement	Young, Steve	Radiology	07/15/2016	12/3/15	Y	Y	1		
Simplex Grinnell	1007.2438C	Services Agreement	Miechowski, Chris	Building Engineering	12/31/2015	12/4/15	N	N	3		
SNR Denton	1007.2175C	Professional Service Agreement	Bernard-Shaw, Ch	Legal and Compliance	10/13/2016	12/3/15	Y	Y	1		
Solomon Page Group LLC	1007.3264C	Professional Service Agreement	Abler, Quinn	Human Resources	04/13/2016	12/2/15	N	N	1		
Squire, Sanders, and Dempsey, LLP	1007.2039C	Representation Letter	Bernard-Shaw, Ch	Legal and Compliance	12/31/2016	12/3/15	N	N	1		
St. Jude Medical S.C., Inc.	1007.3039C	Purchase (One-Time)	Young, Steve	Cardiology	05/20/2016	12/4/15	N	N	1		
StayWell Company	1007.891C	License Agreement	Johnson, Jamie	Public Affairs - Marketing	03/31/2016	12/7/15	N	N	1		
Stephenson, Acquistio, & Colman	1021.1998C	Representation Letter	Moran, Tim	Legal and Compliance	03/01/2017	12/16/15	N	N	1		
Stericycle Communication Solutions, Inc.	1007.2216C	Services Agreement	Bennett, David	Public Affairs - Marketing	01/18/2018	12/2/15	N	N	1		
Stericycle Inc.	1007.2573C	Professional Service Agreement	McQueen, Kevin	Environmental Svcs	08/15/2017	12/4/15	N	N	1		
Stericycle Inc.	1007.2574C	Professional Service Agreement	McQueen, Kevin	Environmental Svcs	08/15/2017	12/4/15	N	N	1		
Storm Brain Designs	1007.3277C	Professional Service Agreement	Johnson, Jamie	Public Affairs - Marketing	06/03/2016	12/4/15	N	N	1		
Stryker Finance	1007.376C	Equipment, Lease	Moore, Thomas	Finance	11/05/2016	12/4/15	N	N	1		
Stryker Flex Financial	1007.3090C	Equipment, Purchase Agreement	Diamond, Mary	Surgery	05/11/2017	12/8/15	N	N	1		
Stryker Instruments	1007.2661C	Equipment, Support and Service Agreement	Diamond, Mary	Surgery	09/17/2016	12/16/15	N	N	1		
Synergistic Systems, LLC	1007.3296C	Professional Service Agreement	Dietlin, Steve	Administration	06/30/2016	12/4/15	Y	Y	1		
Talbot Group, LLC	1021.760C	Services Agreement	Dietlin, Steve	Finance	12/13/2015	12/4/15	Y	Y	1		

TRI-CITY HEALTH CARE DISTRICT
NON-CLINICAL CONTRACT EVALUATIONS

- 1. No issues/resolvable
- 2. Minor issues/resolvable
- 3. Intermediate issues/resolvable; 4. Major issues/resolvable
- 5. Major issues/unresolvable/terminate

Contract ID	Contract Name	Contract Type	Contract Manager	Start Date	End Date	Renewal	Termination	Notes
1007.3212C	Talyst, Inc.	Equipment Purchase Agreement	Hong, Tori	11/30/2019	12/3/15	N	N	1
1007.2728C	Talyst, Inc.	Services Agreement	Hong, Tori	02/28/2016	12/17/15	N	N	1
1007.3211C	The Greeley Company, Inc.	Professional Service Agreement	Beverly, Esther	01/07/2017	12/2/15	N	N	1
1007.2579C	The Work Institute, LLC	Services Agreement	Abler, Quinn	Evergreen	12/2/15	N	N	1
1007.740C	TractManager, Inc	Services Agreement	Bernard-Shaw, Chris	12/31/2017	12/3/15	N	N	1
1007.2674C	Trane U.S. Inc.	Services Agreement	Miechowski, Chris	12/16/2016	12/4/15	N	N	1
1007.2917C	TRI-AD Actuaries, Inc.	Services Agreement	Abler, Quinn	12/31/2015	12/2/15	N	N	1
1007.2716C	Tri-City Hospital Foundation	Services Agreement	Newhart, Glen	01/01/2018	12/4/15	N	N	1
1007.3102C	Truven Health Analytics Inc.	License Agreement	Topp, Kathy	04/06/2016	12/4/15	N	N	1
1007.3283C	TSIG Consulting, Inc.	Professional Service Agreement	Conley, Kapua	12/31/2015	12/16/15	N	N	1
1021.2365C	United Healthcare Services, inc.	Services Agreement	Beverly, Esther	Evergreen	12/2/15	N	N	1
1007.2628C	Valued Relationships Inc.	Health Services Agreement	Martinez, Daniel	11/11/2016	12/4/15	Y	Y	1
1007.382C	Vedant Incorporated	License Agreement	Martinez, Daniel	10/17/2016	12/16/15	Y	Y	1
1007.2572C	Veolia ES Technical Solutions, L.L.C.	Services Agreement	McQueen, Kevin	06/30/2016	12/4/15	N	N	2
1007.805C	Vereco, Inc	Services Agreement	Dietlin, Steve	04/28/2016	12/2/15	Y	Y	1
1007.2963C	VHA Inc.	Group Purchasing	Moore, Thomas	10/31/2016	12/4/15	N	N	1
1007.3178C	VHA Inc.	Services Agreement	Pearson, Jami	09/10/2016	12/2/15	Y	Y	1
1007.3206C	Vivify Health, Inc.	Services Agreement	Livingstone, Scott	06/30/2017	12/14/15	Y	Y	1
1007.2476C	Waste Management of California, Inc.	Services Agreement	Miechowski, Chris	06/30/2016	12/4/15	N	N	1
1007.2394C	Western Litigation, Inc.	Professional Service Agreement	Cavanaugh, Marcel	06/30/2016	12/4/15	Y	Y	1
1007.2907C	Working Advantage, LLC	Services Agreement	Beverly, Esther	08/19/2016	12/2/15	N	N	1
1007.2994C	Zimmer US, Inc.	Equipment Purchase Agreement	Diamond, Mary	01/09/2017	12/2/15	N	N	1
1020.2186C	4000 Vista Way LLC	Real Estate Purchase	Knight, Wayne	12/31/2069	12/16/15	N	N	1
1007.2665C	Advanced BioHealing, Inc	Business Associate Agreements	Bennett, David	Evergreen	12/3/15	Y	Y	1
1007.2998C	American College of Surgeons	Business Associate Agreements	Schultz, Sharon	01/15/2019	12/16/15	Y	Y	1
1022.1106C	Anthem Blue Cross	Managed Care Services Agreement	Knight, Wayne	12/31/2015	12/16/15	N	N	contract being canceled
1007.3092C	Arcoina, Trish	Business Associate Agreements	Thompson, Colleen	Evergreen	12/16/15	Y	Y	

Contract ID	Contract Description	Contract Type	Contract Manager	Contract Start Date	Contract End Date	Contract Status	Contract Value	Contract Risk	Contract Renewal	Contract Termination
1007.3284C	Asereth Medical Services, Inc.	Professional Service Agreement	Beverly, Esther	06/18/2016	12/2/15	N	N	1		
1007.2503C	Bank of the West	Commercial Card	Ray Rivas	06/20/2016	12/3/15	N	N	1		
1007.2254C	Bennett, David	Employment Agreement	Dietlin, Steve	Evergreen	12/16/15	N	N	x		
1007.3271C	Bernard-Shaw, Cheryl	Employment Agreement	Beverly, Esther	07/01/2018	12/16/15	N	N	x		
1007.2968C	Beverly, Esther	Employment Agreement	Dietlin, Steve	Evergreen	12/16/15	N	N	x		
1007.2872C	Blue Cross and Blue Shield Association	Managed Care Services Agreement	Benton, Andrea	Evergreen	12/2/15	N	N	1		
1007.2680C	Blue Cross and Blue Shield Association	Managed Care Services Agreement	Knight, Wayne	Evergreen	12/16/15	N	N	N/A severance agmt-HR		
1007.2510C	Brooks, Meredith	Settlement Agreement	Beverly, Esther	07/07/2022	12/16/15	N	N			
1021.1141C	C/Net Solutions, Public Health Institute	Business Associate Agreements	Moore, Thomas	Evergreen	12/16/15	N	N			
1007.2943C	California Department of Industrial Relations	Certificate: Miscellaneous	Gastelum, Rudy	Evergreen	12/16/15	N	N	1		
1007.3136C	California Hospital Patient Safety Organization "CHPSO"	Business Associate Agreements	Cavanaugh, Marc	Evergreen	12/4/15	Y	Y	1		
1007.1922C	Care Point Financial Services LLC	Confidentiality Agreement	Dietlin, Steve	05/27/2016	12/16/15	N	N	1		
1007.1155C	Care1st Health Plan	Managed Care Services Agreement	Knight, Wayne	11/01/2017	12/16/15	N	N			
1007.2283C	Cerner Corporation	Business Associate Agreements	Martinez, Daniel	Evergreen	12/4/15	Y	Y	1		
1007.1014C	Chicago Title Insurance Company	Grant Deed	Raimo, Jeremy	04/17/2016	12/16/15	N	N	1		
1007.2896C	Choice Hospital Systems, Inc.	Business Associate Agreements	Martinez, Daniel	Evergreen	12/4/15	Y	Y	1		
1007.3335C	Codeman & Shurtleff, Inc	Business Associate Agreements	Stuiver, Ingrid	09/23/2016	12/16/15	Y	Y	3		
1006.3341C	Colliers International C.A, Inc.	Real Estate Lease: Hospital as Landlord	Knight, Wayne	01/31/2016	12/4/15	N	N			
1007.3340C	Colliers International C.A, Inc.	Real Estate Lease: Hospital as Landlord	Knight, Wayne	01/31/2016	12/16/15	N	N			
1007.3272C	Conley, Kirkpatrick	Employment Agreement	Beverly, Esther	04/01/2018	12/16/15	N	N	x		
1007.2858C	Connected Care Solutions, LLC	Business Associate Agreements	Martinez, Daniel	Evergreen	12/4/15	Y	Y	1		
1021.1649C	Connecticut General Life Insurance Company	Managed Care Services Agreement	Knight, Wayne	06/30/2016	12/2/15	Y	Y			
1021.1715C	Coventry Health Care National Network, Inc	Managed Care Services Agreement	Knight, Wayne	10/31/2016	12/16/15	N	N			
1021.1717C	CPR Technologies, Inc	Business Associate Agreements	Moore, Thomas	06/03/2016	12/16/15	N	N			
1007.973C	CPU Medical Management Systems	Business Associate Agreements	Martinez, Daniel	Evergreen	12/16/15	Y	Y	1		