

# **ERLANGER HEALTH**

## **CORPORATE COMPLIANCE PROGRAM**

Originally adopted in 1998; revised in November 2004; second revision January 2011. Third Review August 2020. Fourth review August 2022. Fifth review October 2023, Sixth review July 2024, Seventh review July 2025.

Revisions adopted by the Quality and Compliance Committee of the Board of Directors July 20, 2026.



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## INTRODUCTION TO ERLANGER HEALTH COMPLIANCE PROGRAM

The Erlanger Health and its wholly and majority owned subsidiaries and affiliates (“EH”, “Erlanger”, or “Company”) is dedicated to maintaining excellence, integrity and transparency in all aspects of its operations and its professional and business conduct. The EH Corporate Compliance Program (“The Program”) is designed to facilitate EH’s compliance with applicable federal, state and local laws, regulations, and other written directives, EH policies and the EH Code of Conduct. This document serves as the foundation of the Program and explains the fundamental principles and framework for the operation of the Program.

EH has also designed and adopted a Code of Conduct that outlines Erlanger’s expectations with respect to conduct standards to protect and promote organization-wide integrity and EH’s mission. This Program document is designed to work in conjunction with the Code of Conduct and both source documents apply to: (1) all EH employees (including officers, administrators, managers and supervisors); (2) members of the Board of Directors of Erlanger Health.; (3) medical staff members; (4) other individuals providing services to or on behalf of Erlanger; and (5) students, residents and volunteers; (collectively, EH “Colleagues”). EH Colleagues are responsible for reading and understanding the Code of Conduct and otherwise being familiar with the key elements of the Compliance Program.

Together, this Program document and the Code of Conduct are designed to assist EH Colleagues in carrying out daily activities on behalf of Erlanger in a manner consistent with the appropriate legal and ethical standards. To demonstrate Erlanger’s commitment to compliant and ethical conduct, EH not only sets forth guidelines for conduct designed to prevent and detect violations of law, but also supports the Program by providing support, training and educational resources. Any questions regarding the Program, the Plan Document or the Code of Conduct should be directed to the Chief Compliance and Privacy Officer (“CCPO”) or the Office of Compliance and Privacy Services.

Your Role: Since Compliance is everyone’s responsibility, EH Colleagues are expected to:

1. Comply with the Code of Conduct;
2. Read the Plan Document and become familiar with the Compliance Program;
3. Perform responsibilities in a way that demonstrates commitment to compliance with all applicable laws and regulations;
4. Report known or suspected compliance issues and questions to an appropriate supervisor, the CCPO, or either directly or anonymously through the Erlanger Integrity line;
5. Participate in compliance investigations to the point of resolution of an alleged infraction, when appropriate;
6. Complete compliance training as directed by senior leadership, the CCPO and Office of Compliance and Privacy Services; and
7. Seek guidance from the CCPO or Office of Compliance and Privacy Services in situations raising concerns about potential legal or ethical concerns or violations.

## OVERVIEW OF THE ERLANGER COMPLIANCE PLAN

- I. **Purpose.** The Program provides a solid framework for structuring a comprehensive range of compliance activities that are designed to avoid legal and compliance problems in the first instance, address compliance allegations as they arise, and to remedy the effects of noncompliance. This Program is periodically assessed and revised to address industry developments and enhanced EH practices.
- II. **Compliance Governance.** Erlanger recognizes that the importance of the Compliance Program is established by the senior executives of the organization. Accordingly, the Compliance Program is designed to provide the Board, the Quality and Compliance Committee and senior executive leaders with information about the content and operation of the Compliance Program so that the Board can ultimately exercise reasonable oversight with respect to the implementation and effectiveness of the Compliance Program. The Board plays a meaningful role in overseeing the Compliance Program. This oversight role includes ensuring that Erlanger has mechanisms in place that will bring to the Board's attention a compliance matter of which the Board should be aware and allow the Board to monitor the status of that matter until the matter is effectively resolved. Erlanger training sessions and other Compliance Program initiatives are further designed to equip Board members with the information they need to stay informed and understand the compliance challenges faced by Erlanger and other similarly situated health care delivery systems.
- III. **Foundation.** Erlanger's Compliance Program has been developed in accordance with applicable law<sup>1</sup>, with guidance from federal and state authorities, including the *United States Federal Sentencing Guidelines*<sup>2</sup>, adapted to providers of health care services by the Department of Health and Human Services' ("HHS") Office of Inspector General ("OIG") in its various *Compliance Program Guidance* documents<sup>3</sup>, the U.S. Department of Justice Criminal Division ("DOJ") Evaluation of Corporate Compliance Programs Guidance Document Updated September 2024<sup>4</sup> and the HHS OIG General Compliance Program Guidance.<sup>5</sup> The Compliance Program, however, is not intended to summarize all laws and regulations applicable to Erlanger, and it is not intended to set forth all the substantive programs and practices of Erlanger that are designed to achieve compliance. Rather, this Compliance Program is a living document that will be updated periodically to assure that Erlanger's compliance

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<sup>1</sup> Patient Protection and Affordable Care Act ("PPACA"), Pub. L. 111-148 § 6401(a)(7), 124 Stat 751 (2010).

<sup>2</sup> The Federal Sentencing Guidelines, including the amendments to the Guidelines which became effective on November 1, 2018, are available at <https://www.uscourts.gov/guidelines/2018-guidelines-manual-annotated>

<sup>3</sup> See 63 FR 8987 (Feb. 23, 1998) for the compliance program guidance for hospitals; and 70 FR 4858 for the supplemental compliance program guidance for hospitals (Jan. 31, 2005). These documents, along with the other OIG compliance program guidance documents, are available at <http://www.hhs.gov/oig/>.

<sup>4</sup> U.S. Department of Justice Criminal Division, Evaluation of Corporate Compliance Programs, updated September 2024. ([justice.gov](https://www.justice.gov))

<sup>5</sup> General Compliance Program Guidance, November 6, 2023, [HHS-OIG General Compliance Program Guidance | November 2023](https://www.hhs.gov/oig/asset-detail/hhs-oig-general-compliance-program-guidance-november-2023)

program reflects the most current authority and recommended best practices for the structure and content of healthcare industry corporate compliance programs.

**IV. *Key Elements of Erlanger's Compliance Plan.*** The Compliance Program reflects Erlanger's good faith commitment to identify and reduce risk, improve internal controls, and establish standards to which the entire organization shall adhere. Erlanger's Compliance Program consists of the following key elements:

- A. Compliance Program Oversight.** Engaging a Chief Compliance and Privacy Officer ("CCPO"), Office of Compliance and Privacy Service, Executive Compliance Committee ("ECC"), and Operational Compliance Committee ("OCC") charged with the responsibility of operating and monitoring the Compliance Program. The CCPO provides management and oversight for the ongoing development and operation of the Compliance Program. To maintain the CCPO's independent authority, the CCPO reports the Erlanger Board of Directors through the Quality and Compliance Committee of the Board and works administratively with the EH Chief Administrative and Human Resources Officer ("CAO").
- B. Written Standards.** Developing and distributing Erlanger's written standards, including EH policies and procedures, promote Erlanger's commitment to compliance, provide general and specific operational guidance, and identify specific areas of risk.
- C. Education & Training.** Communicating compliance standards by developing and implementing regular, effective education and training programs for all Erlanger Colleagues.
- D. Employment Practices.** Developing effective hiring practices to ensure that EH employees have not engaged in illegal activities and are eligible to participate in Federal and State Health Care Programs (as defined in the attached glossary); developing appropriate disciplinary standards to respond to allegations of improper or illegal activities; and carrying out the equitable enforcement of these standards for individuals who have violated laws, regulations, other Federal and State Health Care Program requirements or the Compliance Program standards, policies and procedures.
- E. Compliance Auditing & Monitoring.** Maintaining an effective system-wide compliance auditing and monitoring program that includes systems and protocols to test and confirm Erlanger's compliance with laws, regulations, other Federal and State Health Care Program requirements and the Compliance Program standards; to assist in the prevention of Compliance Program violations; and to maintain the efficacy of the Compliance Program.
- F. Disclosure.** Maintaining an effective and well-publicized disclosure program to provide guidance and receive complaints about potential Compliance Program violations without fear of retaliation.

- G.**     Investigation & Remediation. Investigating, responding to and preventing identified compliance problems, including establishing appropriate and coordinated corrective action measures. When appropriate, such corrective action may involve restitution, self-reporting, and cooperation with relevant authorities.
- H.**     Effectiveness. Assessing the Compliance Program periodically to review progress and achievements and pursuing modifications as necessary to promote the effectiveness of the program.
- I.**     Confidentiality. Promoting confidential and professional practices so that EH Colleagues are motivated to participate in the Compliance Program.
- J.**     Quality and Medical Review. Recognizing that the Compliance Program frequently addresses issues that warrant the candid evaluation of the quality of healthcare services provided by EH and EH Colleagues and promoting best practices to confront such issues.

## COMPLIANCE PROGRAM ELEMENTS

### **I. *Compliance Program Oversight.***

Erlanger's CCPO provides management and oversight for the ongoing development and operation of the Compliance Program. Erlanger has also established a compliance committees (referred to as the Executive Compliance Committee or "ECC" and the Operational Compliance Committee or "OCC" to advise and provide support to the CCPO in the maintenance of the Compliance Program. The Erlanger Health Board of Directors is ultimately responsible for oversight of the Compliance Program.

#### **A. Chief Compliance and Privacy Officer.**

1. Purpose. The CCPO is the focal point of the Compliance Program and the CCPO is accountable for day-to-day operational oversight of all compliance activities at Erlanger.
2. CCPO Responsibilities.
  - Making at least quarterly reports on activities of the Office of Compliance and Privacy Services and other compliance issues and developments to the Board of Directors Quality and Compliance Committee.
  - Making at least annual reports on activities of the Office of Compliance and Privacy Services and other compliance issues and developments to the Board. The CCPO may make additional reports to the CAO and the Quality and Compliance Committee of the Board at any time, as determined by the CCPO.
  - Recommend convening an Executive Session of the Quality and Compliance Committee from time to time, as the need arises, as a part of the agenda of Quality and Compliance Committee closed meetings. Attendance at these Executive Sessions will be at the sole discretion chair of the Quality and Compliance Committee.
  - Periodically assessing Erlanger's compliance risk exposure and developing action plans to promote Erlanger's effective response to identified risk areas.
  - Periodically revising and distributing the Code of Conduct.

- Overseeing the establishment, distribution and maintenance of the policies and procedures necessary to support the Compliance Program.
- Ensuring that effective systems are established to prevent employment of individuals or contracting with individuals or organizations that have a history of illegal activity; have been excluded from any Federal and State Health Care Programs or otherwise sanctioned in a manner inconsistent with Erlanger's hiring practices.
- Ensuring that compliance education and training programs are effective to communicate the components of the Compliance Program, the Code of Conduct, other compliance policies, and industry developments.
- Updating and refreshing education and training information through mandatory periodic training that addresses compliance issues related to specific departments, groups of individuals, and medical staff.
- Maintaining a well-publicized disclosure program for reporting of potential Compliance Program violations without fear of retaliation and promoting effective lines of communication for EH Colleagues to pose informal compliance questions.
- Maintaining a record of compliance-related complaints and allegations and the disposition of each case, including any associated disciplinary actions and remedial action pursued by EH.
- Conducting investigations, or authorizing external investigations, in consultation with the Chief Legal Officer ("CLO"), of potential violations of laws, regulations, other Federal Health Care Program requirements, Compliance Program standards or instances of inappropriate conduct, which could jeopardize Erlanger.
- Supporting the creation of appropriate corrective action by evaluating and helping ensure operational business units' implementation of appropriate remedial action to address an incident of noncompliance, once detected, and develop and implement strategies for identifying and preventing future incidents.

- Reporting to the appropriate government entity or other organization, in consultation with the CLO, any compliance matter warranting external reporting or disclosure.
  - Staff and support the Chair of the Executive Compliance Committee
  - Serving as Chairperson of the Operational Compliance Committee.
  - Maintaining a good working relationship with key operational areas relevant to the effective implementation of the Compliance Program, including EH quality, medical, and peer committees.
  - Protecting the confidentiality and physical security of the paper and electronic records, information, and communications made to or by the CCPO, the Office of Compliance and Privacy Services, the Executive Compliance Committee, Operational Compliance Committee, and other compliance-related subcommittees and task forces, to the maximum extent allowed by law.
  - Providing guidance and interpretation to the Board, Quality and Compliance Committee, CEO, and other officers, on matters related to the Compliance Program.
  - Periodically preparing a Compliance Program report describing the compliance activities and actions undertaken and establishing future compliance priorities.
  - Periodically reviewing and updating the Compliance Program as required by certain events, such as changes in the law, or discovered opportunities to enhance the Program.
3. CCPO Authority. In order to promote (a) the appropriate Board oversight of the Compliance Program; (b) that there is comprehensive compliance with applicable regulatory requirements; and (c) that there are appropriate checks and balances in the system, the CCPO shall not be subordinate to the Chief Financial Officer (“CFO”) or the CLO and the CCPO has the complete and independent authority to:
- Delegate authority and responsibility for compliance activities to an appropriate delegate in the Office of Compliance and Privacy Services, or as the CCPO otherwise determines, in a

manner consistent with the structure and provisions of the Compliance Program, unless otherwise specified;

- Review all documents or other information related to compliance activities, including, but not limited to:
  - (1) Patient records
  - (2) Billing records
  - (3) Financial records
  - (4) Strategic planning information
  - (5) Marketing information
  - (6) Records concerning Erlanger's arrangements with EH Colleagues and external individuals and entities
  - (7) Contracts and obligations that may implicate applicable laws, such as anti-kickback, physician self-referral or other statutory or regulatory requirements;
  - (8) Quality data and other information related to medical and peer review activity; and
  - (9) Human Resources related information.
- Establish compliance sub-committees, task forces, or working groups as deemed necessary by the CCPO to audit, investigate, or monitor identified risk areas;
- Engage professional advisors to provide legal, financial, billing, clinical, and other assistance as needed, in consultation with the CLO. External legal counsel will be engaged by the CLO in consultation with the CCPO and in accordance with the EH policy on the engagement of legal counsel.

4. CCPO Reporting. To maintain the accountability and the independence of the Compliance Program, the CCPO reports to the Board of Directors through the Quality and Compliance Committee and works administratively with the CAHRO. The CCPO maintains constant and complete access to the Quality and Compliance Committee and the Chair of the Board for any issue warranting immediate notice to or feedback from the Board.

**B. Executive Compliance Committee.**

1. Purpose. The Executive Compliance Committee is critically important to establishing accountability, credibility, and the structure of the Compliance Program. The purpose of the Executive Compliance Committee is to allow Erlanger and the CCPO to benefit from the combined perspectives of individuals with diverse responsibilities and experiences.
2. Composition. In addition to the Health System CEO, who will chair the Committee, and the CLO (or his/her designee), who will regularly attend meetings, the Executive Compliance Committee will be comprised of the CCPO and other senior executives of EH.
3. Scope of Responsibilities. The Executive Compliance Committee will be responsible for providing support to the CCPO in the ongoing oversight and operation of the Compliance Program. The Executive Compliance Committee will support the CCPO in furthering the objectives of the Compliance Program by:
  - Developing a corporate structure to promote compliance of organizational functions.
  - Analyzing the legal requirements, as guided by the CLO (or his/her designee), with which EH must comply, and the specific risk areas.
  - Working with the CCPO to periodically update and revise the Code of Conduct.
  - Working with the CCPO to develop effective training programs.
  - Ensuring, in consultation with the relevant departments and facilities, the development of internal systems and controls to achieve the standards set forth in the Code of Conduct and EH policies and procedures.
  - Determining the appropriate strategy to promote adherence to the Compliance Program standards.
  - Promoting a system to solicit, evaluate and respond to complaints and problems.
  - Encouraging effective methods for the proactive identification of potential compliance concerns throughout EH.
  - Ensuring routine assessments of the effectiveness of the Compliance Program.

- Furnishing recommendations to the CCPO regarding reports to be furnished to the ECC and the Quality and Compliance Committee, the Board, or external third parties.
  - Reviewing and providing comments on the annual Compliance Work Plan.
4. Authority. In consultation with the CCPO, the Executive Compliance Committee may:
- Invite other Erlanger Colleagues to meetings to draw from other relevant expertise related to the matter under discussion;
  - Create *ad hoc* committees and task forces as necessary to perform specialized functions, such as conducting an investigation into alleged noncompliance, in an efficient and effective manner; and
  - Address other compliance functions as the Compliance Program develops.
5. Committee Members. The Executive Compliance Committee members shall include:
- Erlanger Health Chief Executive Officer and Chair;
  - Executive Vice President and CFO;
  - Erlanger Health Chief Administrative and Human Resources Officer;
  - Executive Vice President and COO;
  - Executive Vice President and CNO;
  - Erlanger Market Chief Executive Officers;
  - Chief Legal Officer (or designee) as an ex officio member; and
  - Chief Compliance and Privacy Officer.
6. Quality and Medical Review Meetings. EH recognizes that quality-related issues are frequently encountered and addressed by or in conjunction with the Compliance Program. Specifically, the Executive Compliance Committee, certain subcommittees thereof, the Office of Compliance and Privacy Services, and CCPO periodically evaluate certain conduct to assess the quality of care provided, utilization of resources, and other cost-related questions. While quality and medical

review issues routinely arise before the Executive Compliance Committee, the CCPO maintains the discretion to set aside time for the Committee to devote its attention exclusively to such issues as the need arises. The CCPO may further request representatives of the following committees, among others, to participate in such meetings:

- Quality Oversight Committee;
- Credentialing Committee;
- Peer Review Committee; and
- Other Peer and Quality Review Committees.

**C. Operational Compliance Committee.**

1. Purpose. The Operational Compliance Committee (“OCC”) is critically important to establishing accountability, credibility, and the structure of the Compliance Program. The purpose of the OCC is to allow Erlanger and the CCPO to benefit from the combined perspectives of individuals with diverse responsibilities and experiences.
2. Composition. In addition to the CCPO, who will chair the OCC, and the CLO (or his/her designee), who will regularly attend meetings, the OCC will be comprised of the representatives from appropriate clinical and administrative areas. The Committee members will have diverse backgrounds and experience levels and expertise in EH operations, quality, service delivery, and legal/regulatory compliance.
3. Scope of Responsibilities. The OCC will be responsible for providing support to the CCPO in the ongoing operations and assessment of the Compliance Program. The OCC will support the CCPO in furthering the objectives of the Compliance Program by:
  - Supporting a corporate structure to promote compliance in organizational functions.
  - Working with the CCPO to periodically update and revise the Compliance Program documents.
  - Working with the CCPO to develop effective training programs.
  - Helping ensure EH Colleagues complete all mandatory compliance training within applicable timeframes

- Supporting the development of internal systems and controls to achieve the standards set forth in the Code of Conduct and EH policies and procedures.
  - Supporting the appropriate strategy to promote adherence to the Compliance Program standards.
  - Supporting the system to solicit, evaluate and respond to complaints and problems.
  - Employing effective methods for the proactive identification of potential compliance concerns throughout EH.
  - Providing input on the annual Compliance Work Plan.
4. Authority. In consultation with the CCPO, the Operational Compliance Committee may:
- Invite other Erlanger Colleagues to meetings to draw from other relevant expertise related to the matter under discussion;
  - Create *ad hoc* committees and task forces as necessary to perform specialized functions, such as conducting an investigation into alleged noncompliance, in an efficient and effective manner; and
  - Address other compliance functions as the Compliance Program develops.

## **II. *Written Standards.***

A core principle of this Compliance Program is the development, distribution and implementation of written standards that address principal risk areas and reflect Erlanger's commitment to promote compliance with applicable legal duties and to foster and assure ethical conduct. These written standards will consist of the Code of Conduct and policies and procedures that reflect Erlanger's values and expectations regarding the behavior of EH Colleagues, explain the operation of the Compliance Program, clarify and establish internal standards for compliance with laws and regulations, and help EH Colleagues understand the consequences of noncompliance to both Erlanger and the individual.

### **A. *Code of Conduct and Ethics.***

1. Purpose. Erlanger has adopted a Code of Conduct designed to assist EH Colleagues carry out daily activities in a manner consistent with the appropriate ethical and legal standards. The Code of Conduct governs the conduct of EH Colleagues by setting forth standards and principals to which EH Colleagues must adhere in order to protect and promote organization-wide integrity and to enhance Erlanger's ability to achieve its organizational mission. However, the Code of Conduct is not a substitute for each EH Colleague's internal sense of fairness, honesty, and integrity. Each EH Colleague should continue to utilize his or her own good judgment, along with the principles articulated in the Code of Conduct, to maintain Erlanger's value of integrity.
2. Scope. The Code of Conduct is intended to be easily understood. In some instances, the Code of Conduct deals fully with the subject-matter covered. In many cases, however, the subject discussed is sufficiently complex that additional guidance is necessary to provide adequate direction. Consequently, the Code of Conduct is designed to be supplemented by this Compliance Program and a comprehensive set of policies and procedures that may be accessed through Erlanger's Intranet. Those policies will expand upon and supplement many of the principles articulated in the Code of Conduct.
3. Principles. The Code of Conduct explains how Erlanger operates internally and conducts business with respect to the following:
  - Commitment to patients and customers;
  - Commitment to legal and regulatory compliance endeavors;
  - Expectation that EH Colleagues remain free of conflicts of interest in the performance of their responsibilities and services to Erlanger;

- Commitment to satisfy the documentation and payment conditions required by the payers with which Erlanger transacts business, including Federal and State Health Care Programs;
- Commitment to monitor and structure its relationships with physicians and other providers in ways that satisfy the community; and
- Commitment to ensure that health information is used and safeguarded effectively and appropriately.

**B. Policies and Procedures.**

1. Purpose. This Compliance Program demands the establishment, distribution and maintenance of sound policies and procedures that not only govern the operation of the Compliance Program, but that also address Erlanger's principal compliance and legal risk areas. Policies and procedures are accessible to EH Colleagues and are revised on a regular basis.
  - Compliance Plan Operation. Policies directly relating to the operation of the Compliance Program address critical issues related to the function and management of the Compliance Program.
2. Risk Areas. There are certain areas of heightened risk that are continuously identified throughout the healthcare industry, including the OIG Compliance Program Guidance and other industry specific information published by the OIG and other regulatory authorities. To ensure that the Compliance Program remains effective, it is important that Erlanger's written compliance related operational policies and procedures adequately address these risk areas. The compliance related operational policies and procedures are not separate from the operational policies and procedures of the departments or business units to which they apply. Instead, they are part of the compliant operational policies and procedures of those departments and business units.

### **III. *Education and Training.***

**A. Overview.** Erlanger is committed to conducting education and training programs to promote compliance with applicable legal requirements and assure satisfaction of the standards set forth in this Compliance Program. The CCPO, or his or her designee, working with the Erlanger Organizational Development Staff, and Erlanger management, is responsible for the coordination and supervision of Erlanger's education and training programs involving corporate compliance. EH education and training sessions may be conducted electronically or in person. Regardless of the mode of delivery, such sessions will be conducted by qualified personnel, which may include the CCPO, the CLO, or other trained EH personnel. Education sessions may also be conducted by external professional advisors competent to provide educational programs. Attendance and completion of certain education and training programs are mandatory and will be considered during each employee's performance evaluation. Certain EH Colleagues will be required to sign certifications at the end of certain training sessions, these records and any other relevant records from the training sessions will be maintained by either the Office of Organizational Development or the Office of Compliance and Privacy Services. Failure to complete mandatory compliance training sessions will be grounds for disciplinary action, up to and including termination of employment.

#### **B. Types of Education and Training.**

1. General Compliance Training. General compliance training focuses on Erlanger's Compliance Program, which includes discussions of Erlanger's Code of Conduct and key compliance related policies and procedures. Attendance and completion of general education and training is mandatory for all employees (including officers), Board members, and certain members of the medical staff. New employees, Board Directors, and certain medical staff members will, at minimum, complete general compliance training as outlined in Erlanger's Training and Education Policy. EH will also make general education and training content available to the entire EH medical staff and will encourage participation. Failure to complete mandatory compliance training within the schedule timeframe will result in the employee being subject to progressive discipline up to and including termination. Individuals in the employee's supervisory chain-of-command may also be subject to progressive discipline up to and including termination, for failing to ensure those that report to them have completed their mandatory training.
2. Specific Compliance Training. Attendance and completion of specific education and training is mandatory for select individuals, as

determined by the CCPO. For instance, select individuals may be required by the CCPO to complete training in the following areas:

- *Arrangements.* Individuals involved with the development, approval, management, or review of Erlanger's "arrangements," as that term is defined under Erlanger's education policy, will participate periodically in specialized training. Such arrangements training includes in-depth discussion of the federal Stark Law, and Anti-Kickback Statute, as well as Erlanger's Arrangements Database and relevant policies and procedures.
- *Claims Submission.* Employees, medical staff members, and other EH Colleagues involved in the delivery of patient care items or services and/or in the preparation or submission of claims for reimbursement from any Federal and State Health Care Program will periodically receive training specific to reimbursement and claims submission. Claims submission training will involve in-depth discussion of relevant billing and coding issues, policies and procedures for proper medical record documentation, and ensuring accuracy of claims.
- *Board Member.* Board members will also regularly attend training sessions tailored to facilitate their understanding of their oversight role, the status of the EH Compliance Program and important regulatory, enforcement and other important developments.
- *Other.* The CCPO has the authority to identify and require additional areas of specific training as compliance needs arise. In addition, the CCPO may require that certain EH Colleagues attend publicly available seminars covering relevant areas of law. Erlanger will cover the attendance costs of any such required education.

**IV. *Employment Practices.*** Compliance with Compliance Program standards and all applicable laws and regulations is a condition of employment or association with EH, and Erlanger will pursue appropriate disciplinary action to enforce compliance.

**A. *Hiring Criteria.***

1. Purpose. No individual who has engaged in illegal or unethical behavior or has been convicted of health care-related crimes shall occupy positions within Erlanger that involve the exercise of discretionary authority. Erlanger shall not knowingly employ or contract with Excluded Individuals and Entities.
2. Procedures.
  - Any applicant for an employment position with Erlanger, and any other EH Colleague seeking to provide services to or for Erlanger, will be required to disclose whether the individual, or entity, has ever been convicted of a crime, including crimes related to the health care industry or has ever been sanctioned by any Federal or State Health Care Program.
  - Erlanger will reasonably inquire into the status of such prospective employee or EH Colleague by, at a minimum, pursuing the following steps:
    - (1) Conducting background checks of employees and agents with discretionary authority in the delivery of health care services or items, or billing functions to ensure that no history of engaging in illegal or unethical behavior exists;
    - (2) Reviewing the General Services Administration's (GSA) System of Awards Management (SAM) to identify individuals and entities excluded from Federal Programs available at <https://www.sam.gov/SAM/>, the Department of Health and Human Services Office of Inspector General's (OIG) List of Excluded Individuals and Entities (LEIE) at <https://exclusions.oig.hhs.gov/>; and the Department of Treasury Office of Foreign Assets Control's (OFAC) Specially Designated nationals List (SDN List) at [https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/fuzzy\\_logic.aspx](https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/fuzzy_logic.aspx); and
    - (3) Reviewing the National Practitioner Data Bank for physicians and other health care practitioners.
  - Erlanger will conduct routine but not less than monthly reviews the GSA's SAM, the OIG's LEIE, and OFAC's SDN databases.

Erlanger will periodically review the National Practitioner Data Bank for physicians and other health care practitioners.

- Erlanger will also follow its procedures to terminate employees, or its relationship with other EH Colleagues, who have been convicted or excluded from participation in Federal and/or State Health Care Programs. In no instance will Erlanger allow a clinician, physician, or billing representative to perform in those capacities if such person or entity has been excluded from participation in any Federal or State Health Care Program.
3. Equal Opportunity Employer. In carrying out these functions, Erlanger supports the principles of the Equal Employment Opportunity Commission and will not discriminate with respect to race, color, religion, sex, national origin, age, sexual orientation, disability, or any other basis prohibited by federal, state, or local laws in any aspect of its employment or hiring practices. In addition, Erlanger is committed to providing employees with assistance when a violation of these non-discrimination practices is suspected. Erlanger will not tolerate harassment of its employees or agents by other employees or other EH Colleagues. Examples of harassment that are explicitly prohibited include words or actions that are sexual in nature, as well as words or actions based on, race, color, religion, national origin, age, sexual orientation, presence of a disability or other basis protected by federal, state, and local laws.

**B. Disciplinary Standards.**

1. Purpose. Erlanger actively maintains accountability and discipline mechanisms for individuals who violate any law or regulation, or any of the Compliance Program standards, in the course of their employment or association with Erlanger. Examples of actions or omissions that will subject EH Colleagues to disciplinary action include, but are not limited to:
- A violation of law or any of the EH Compliance Program standards or policies and procedures;
  - Failure to report a suspected or actual violation of law or Compliance Program standards or policies and procedures
  - Failure to cooperate fully in an internal investigation of alleged noncompliance;

- Lack of attention or diligence on the part of supervisory personnel that directly or indirectly leads to a violation of law or Compliance Program standards or policies and procedures;
- Direct or indirect retaliation against an employee who reports through any means a violation or possible violation of law or Compliance Program standards or policies and procedures; or
- Deliberately making a false report of a violation of law or any Compliance Program standards or policies and procedures.

2. Standards.

- Disciplinary action will be pursued on a fair and equitable basis, and employees at all levels of Erlanger shall be subject to the comparable disciplinary action for the commission of similar offenses, including officers.
- The Human Resources Department will serve as the appropriate body, in consultation as needed with the Office of Legal Counsel and the Office of Compliance and Privacy Services, to ensure that the imposed discipline is proportionate and administered fairly and consistently in compliance with Erlanger policies and procedures, including EH's non-retaliation policy.
- Disciplinary standards shall be well-publicized and will be disseminated and available to all levels of Erlanger employees, medical staff, and agents, where applicable.
- Enforcement of disciplinary standards will require an effective working relationship between the CCPO, the Office of Compliance and Privacy Services, Human Resources Department, and other EH divisions maintaining responsibility for administering discipline.

3. Disciplinary Actions. Depending on the degree of severity of noncompliance, possible corrective action may include, but shall not be limited to, counseling or one of the following disciplinary actions: warning, suspension, or termination of employment. Additional corrective action may include demotion, reduction in pay, revocation of privileges, termination or failure to renew agreements.

**V. *Compliance Auditing and Monitoring.***

**A. Overview.** Erlanger is committed to assessing the Compliance Program, through a variety of approaches, to pursue modifications that may be necessary to maintain the effectiveness of the Compliance Program. Erlanger will utilize the auditing and monitoring functions to measure the Compliance Program's effectiveness with regard to the functions instrumental to its operation, such as the education and training programs, employee screening, claims accuracy, financial arrangements, and the appropriateness of disciplinary actions. Specifically, audits will target diverse levels of Erlanger operations, including external relationships with third-party contractors, specifically those with substantive exposure to government enforcement actions, potential kickback arrangements, physician self-referrals, billing, coding, claim development and submission, cost reporting, clinical research, and marketing endeavors. Further, and as warranted, audits will be repeated on a periodic basis to measure Erlanger's current level of compliance.

**B. Risk Assessments.** In addition to heightened risk areas generally applicable to the healthcare industry, EH is committed to identifying areas of risk specific to Erlanger. To identify these specific areas of risk, Erlanger periodically engages in intensive risk assessments that may be conducted with the assistance of external professional advisors.

**C. Compliance Auditing Activities.**

1. The Compliance Work Plan. A Compliance Work Plan will be developed and reviewed by the Operational Compliance Committee, the Executive Compliance Committee, and reviewed with the Quality and Compliance Committee of the Board. The Office of Compliance and Privacy Services will carry out the annual Work Plan. The Compliance Work Plan will be re-evaluated periodically to ensure that it addresses the current risk environment, which may be based on prior audit findings, risk areas identified as part of periodic risk assessments or specific areas of heightened risk identified by CMS, the DHHS OIG, and other regulatory authorities.<sup>6</sup>
2. Persons Conducting Audits and Risk Assessments. Individuals who conduct compliance audits will be independent from the area audited. Persons conducting compliance audits will have a general awareness of applicable federal and state health care laws, as well as Federal and State Health Care Program requirements, and will confer with the CCPO if there are questions, or if there is a specific need for legal guidance, the CCPO will direct those questions to the CLO. As necessary, under the CCPO's authority, EH may rely on external professional advisors to ensure adequate assessment and implementation of any modifications. External legal counsel will be

engaged by the CLO in consultation with the CCPO and in accordance with the EH policy on the engagement of legal counsel, as needed.

- D. Monitoring Activities.** Monitoring activities should provide Erlanger with the opportunity to reasonably address and mitigate noncompliance issues before it creates significant risk to Erlanger. Erlanger's compliance monitoring activities may be carried out by the Office of Compliance and Privacy Services or individual departments or service lines. The CCPO will communicate to each department and service line the level of monitoring activities necessary to detect and prevent violations of Compliance Program requirements. Monitoring activities may also be initiated by departments and product lines when no specific problems have been identified to confirm and document ongoing compliance.
- E. Compliance Reports.** Compliance reports created by an auditing or ongoing monitoring process, including reports of noncompliance, should be reported to, and maintained by the CCPO and shared with the Operational Compliance Committee, the Executive Compliance Committee, and as necessary, the Quality and Compliance Committee. The CCPO will report significant compliance matters to the Quality & Compliance Committee at least on a quarterly basis and as the CCPO determines is necessary.

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<sup>6</sup> The annual OIG Work Plan and other OIG issuances can be found at <https://oig.hhs.gov/>.

## **VI. *Disclosure Program.***

**A. Purpose.** The successful implementation of the Compliance Program requires an open line of communication between the Office of Compliance and Privacy Services and EH Colleagues. Erlanger encourages all EH Colleagues to communicate their compliance concerns, as applicable, to their direct supervisors, the CCPO, the CLO, or through the Erlanger Integrity Line which may be accessed 24 hours a day, 7 days a week, by dialing 1-877-849-8338 or online at <https://secure.ethicspoint.com/domain/media/en/gui/46029/index.html>. By reporting suspected compliance issues and questions, EH can better detect potential Compliance Program violations early in the process, more immediately initiate investigations, determine the extent and materiality of possible violations, and, if necessary, implement the appropriate response, including corrective action.

### **B. Reporting a Suspected Compliance Issue.**

#### **1. Reporting.**

- EH Colleagues are encouraged to report a suspected compliance issue directly and may do so orally or in writing. When a suspected compliance issue is reported to a supervisor, the supervisor has an obligation to report the suspected compliance issue immediately to the CCPO or the Office of Compliance and Privacy Services. Accordingly, a supervisor is not authorized to take any steps to investigate or respond to the report without the CCPO's authorization.
- Any EH Colleague may also report a suspected compliance issue anonymously through the Erlanger Integrity Line, which may be accessed 24 hours a day, 7 days a week, by dialing 1-877-849-8338 or online at <https://secure.ethicspoint.com/domain/media/en/gui/46029/index.html>.

#### **2. Information To Include in The Report.**

- To facilitate the Office of Compliance and Privacy Services' review of reported compliance issues and questions, it is helpful if such compliance reports briefly describe the conduct, persons involved, date and time of significant occurrences, and any other details that may be relevant to the compliance issue.

#### **3. Disclosure Process.**

- After a suspected compliance issue is reported, any new information or development should also be reported. If the report was not made anonymously, the CCPO, or Office of Compliance and Privacy Services may make contact to learn additional details or to seek relevant documentation. If the report is made anonymously, the CCPO, or Office of Compliance and Privacy Services will make efforts to follow-up through the reporting line with the reporter. Further, to the extent practicable, the CCPO will update participants in the disclosure process on the outcome of the investigation and resolution of the reported compliance issues.
- The CCPO is responsible tracking, documenting and general oversight of reported compliance issues. This includes:
  - (1) maintaining a log of the calls received on the Erlanger Integrity Line,
  - (2) ensuring that any reported compliance issues are fully and promptly investigated and addressed;
  - (3) regularly informing the CAHRO, CLO, the Quality & Compliance Committee of the Board, and relevant senior management of compliance issues identified in investigations that result from reports of noncompliance; and
  - (4) working with the CEO, the CLO, the Quality and Compliance Committee, the Board, and relevant senior management to take corrective action, such as developing or updating relevant policies and procedures and training content.

#### 4. Anonymity of Reports.

- Although EH strives to maintain the confidentiality of a complainant's identity, regardless of the manner in which the report is communicated, the complainant should be made aware that his or her identity may have to be revealed in certain circumstances, such as scenarios involving governmental enforcement authorities, or when it is necessary to advance the internal investigation. Nevertheless, no complainant will be retaliated against for a good faith report of non-compliance. The complainant may be disciplined if she or he is responsible for the noncompliance.

**VII. *Investigation and Response.*** Detected but uncorrected violations of law or the Compliance Program standards can seriously endanger the mission, reputation and legal status of Erlanger. Consequently, Erlanger maintains mechanisms to promptly respond to situations where conduct inconsistent with legal requirements or Compliance Program standards is reported, suspected or confirmed.

- A. *Identify.*** EH identifies potential issues for further inquiry through a variety of means including: reports or questions communicated to the Office of Compliance and Privacy Services directly or through the EH Integrity Line; compliance questions, and other issues raised with supervisors, the Legal Department, or other EH representatives; EH Risk Assessments; compliance auditing and monitoring activity; and communications from external enforcement agencies, payors, government contractors, and other third parties.
- B. *Investigate.*** When an instance of potential noncompliance is reported, suspected or confirmed, the CCPO will consult with the CLO as appropriate, and coordinate with representatives from the relevant functional areas relevant to the issue raised. Subsequent steps may include:
  - 1. Promptly halting any underlying activity and mitigating where possible, any ongoing harm caused by the suspected noncompliance.
  - 2. Fairly and expediently investigating, according to EH policy and procedure, to determine the existence, scope and seriousness of the noncompliance, and to identify the conduct or process that caused the noncompliance.
- C. *Correct.*** The CCPO and the respective compliance committees will coordinate and approve appropriate action to correct confirmed noncompliance issues. Corrective action will include implementation of appropriate preventative measures to avoid similar instances of noncompliance in the future. Such action may include updating or creating policies and procedures relevant to the issue of noncompliance; requiring additional training and education on the issue of noncompliance; updating system functionalities, and, as applicable, making appropriate claims corrections and repayments to applicable payers, including Federal and State Health Care Programs

If reported noncompliance or, after an initial inquiry, the CCPO has reason to believe the noncompliance may violate any criminal, statute or regulation, the matter will be promptly reported to the CLO for advice regarding further steps by the Office of Compliance and Privacy Services and Erlanger's disclosure responsibilities. After consulting with the CLO, the CCPO may report such matters to the Quality and Compliance Committee, and as appropriate, the Board. The CCPO and CLO will maintain appropriate protocol to ensure that steps are pursued to secure or prevent the destruction of documents or other evidence relevant to the investigation. The CCPO, in consultation with the CLO, will be responsible for reviewing, approving, and monitoring appropriate

corrective action to help ensure it has been implemented by the applicable department or business unit.

- D. Evaluate.** Perform periodic follow-up reviews of the identified problem areas to ensure that the implemented corrective actions have effectively eliminated the cause of the noncompliance.

## **VIII. Confidentiality.**

- A.** Erlanger is committed to protecting the confidentiality of the paper and electronic information, records, and communications made, created, generated, or received within the scope of the Compliance Program, to the extent allowed by law.
- B.** Confidentiality is essential to the success of the Compliance Program for many reasons. Among other things, a person is more likely to report suspected violations of law knowing his or her identity and the report itself will be held in confidence unless disclosure is required by law. Additionally, participants in the Compliance Program will be more likely to engage in candid, conscientious, and objective discussions of sensitive matters knowing their statements, opinions, audits, findings, and other issues will be held in confidence unless disclosure is required by law.
- C.** Confidentiality is also essential to protect EH trade secrets (e.g. information or business methods that give EH competitive advantage) and to establish the legal privileges available to EH under state and federal law, including the attorney-client privilege, the work-product doctrine, the peer review privilege, the deliberative process privilege, and others.
- D.** Accordingly, the CCPO, his or her staff, the members of the Operational Compliance Committee, Executive Compliance Committee, and all other participants in the Compliance Program shall protect the confidentiality of the information, records, and communications made, created, generated, or received within the scope of the Compliance Program.
- E.** The CCPO will maintain and disseminate to the appropriate recipients a Confidentiality Policy addressing, at a minimum, the following measures:
  - 1. Controlled Access - compliance records, information, and communications will be distributed only on a need to know basis, that is, only as necessary to carry out the objectives of the Compliance Program.
  - 2. Physical Security - compliance records, information, and communications will be segregated from other materials and stored in a secure location with limited access, whether in a locked cabinet, in a protected space on a server, or in other similar locations.
  - 3. Labels - to the extent practicable, compliance records, information, and communications, and their storage locations, will be labeled or otherwise designated "Confidential."

## APPENDIX A

### *Glossary of Terms*

These terms will have the following meanings throughout the Erlanger Corporate Compliance Program:

“**Affiliates**” or “**affiliates**” with respect to Erlanger will mean the Erlanger Baroness Campus, Erlanger East, Erlanger North, Erlanger Bledsoe Hospital, Erlanger Children’s Hospital, Murphy Medical Center, the clinical locations associated with Chattanooga Hamilton County Hospital Authority d/b/a Federally Qualified Health Centers, ContinuCare, E-Kids Learning Centers, any wholly owned Erlanger physician practice, and any other wholly owned or majority-owned Erlanger subsidiary or joint venture, and any Erlanger-controlled corporate affiliate (as defined by state law).

“**Audit**” or “**audit**” will mean a formal review of compliance with internal (e.g., policies and procedures) and external (e.g., laws and regulations) standards.

“**Board**” will mean the Board of Directors of Erlanger Health.

“**CAHRO**” will mean Erlanger’s Chief Administrative and Human Resources Officer

“**CCPO**” will mean Erlanger’s Chief Compliance and Privacy Officer.

“**CEO**” will mean Erlanger’s Chief Executive Officer.

“**CLO**” will mean Erlanger’s Chief Legal Officer.

“**Director**” or “**Directors**” will mean the members of the Board of Directors of Erlanger Health.

“**EH Colleagues**” will mean Erlanger employees; Board Directors; any other individual providing services to or on behalf of Erlanger or any Erlanger wholly owned subsidiaries or affiliates (as defined above); students; residents; trainees; and volunteers.

“**Complainant**” or “**complainant**” will mean a person who reports suspect conduct that is alleged to be inconsistent with the requirements of the Compliance Program.

“**Erlanger**” will mean Erlanger Health, Inc.

“**Employees**” or “**employees**” will mean those persons employed by Erlanger or any of Erlanger’s wholly owned subsidiaries or affiliates (as defined above), including, but not limited to, officers, administrators, managers, supervisors, employed medical staff, and other health care professionals.

“**Excluded Individuals and Entities**” refers to an individual or entity who: (a) is currently excluded, debarred, suspended, or otherwise ineligible to participate in any Federal or State Health Care Programs or in Federal procurement or non-procurement programs; or (b) has been convicted of a criminal offense

that falls within the ambit of 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible.

**“Exclusion Lists”** refers to the electronic lists of excluded individuals or entities maintained by the OIG, GSA, and OFAC.

**“Executive Compliance Committee”** will mean those employees responsible for providing direct support to the CCPO in the creation, implementation and operation of the Compliance Program.

**“Federal and State Health Care Programs”** will mean any plan or program that provides health care benefits to any individual, whether directly, through insurance, or otherwise, that is funded directly, in whole or in part, by a United States Government or state health care program, including, but not limited to, Medicare, Medicaid, TennCare, the Civilian Health and Medical Program for the Uniformed Services (“CHAMPUS”, also referred to as “TRICARE”), and programs of the Department of Veterans Affairs (“VA”), Federal Bureau of Prisons, and Indian Health Services, but excluding the Federal Employees Health Benefit Program (“FEHBP”).

**“Medical Staff”, “medical staff”, or “medical staff member”** will mean those physicians and other health professionals who have been granted membership or clinical privileges to admit, treat or practice medicine within the facilities owned or operated by Erlanger, and according to the terms of the Bylaws of the Medical Staff.

**“Monitoring” or “monitoring”** refers to reviews that are repeated on a regular basis during the normal course of Erlanger’s operations.

**“Officers” or “officers”** will mean Erlanger employees who hold an office of trust, authority, or command.

**“OIG”** is the Office of Inspector General of the United States Department of Health and Human Services.