

**THE CHATTANOOGA-HAMILTON COUNTY HOSPITAL
AUTHORITY
d/b/a
ERLANGER HEALTH SYSTEM**

CORPORATE COMPLIANCE PROGRAM

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INTRODUCTION TO ERLANGER HEALTH SYSTEM COMPLIANCE PROGRAM

The Erlanger Health System and its wholly and majority owned subsidiaries and affiliates (“EHS”, “Erlanger”, or “Company”) is dedicated to maintaining excellence, integrity and transparency in all aspects of its operations and its professional and business conduct. The EHS Corporate Compliance Program (“The Program”) is designed to facilitate EHS’s compliance with applicable federal, state and local laws, regulations, and other written directives, EHS policies and the EHS 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.

EHS 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 EHS’s mission. This Program document is designed to work in conjunction with the Code of Conduct and both source documents apply to: (1) all EHS employees (including officers, administrators, managers and supervisors); (2) members of the Board of Trustees of the Chattanooga-Hamilton County Hospital Authority (“Board” or “Trustees”); (3) medical staff members; (4) other individuals providing services to or on behalf of Erlanger; and (5) students, residents and volunteers (collectively, EHS “Colleagues”). EHS 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 EHS 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, EHS 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 Officer (“CCO”) or the Compliance Department.

Your Role: Since Compliance is everyone’s responsibility, EHS 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 CCO, 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 the CCO and Compliance Department; and
7. Seek guidance from the CCO or Compliance Department 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 EHS practices.
- II. **Compliance Governance.** Erlanger recognizes that the importance of the Compliance Program is established by the senior leaders of the organization. Accordingly, the Compliance Program is designed to provide the Board, the Audit & Compliance Committee and senior management 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 law¹, with guidance from federal and state authorities, including the *United States Federal Sentencing Guidelines*², 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* documents³ and the U.S. Department of Justice Criminal Division ("DOJ") Evaluation of Corporate Compliance Programs Guidance Document Updated June 1, 2020⁴. 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

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

² 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>

³ 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/>.

⁴ <https://www.justice.gov/criminal-fraud/page/file/937501/download>

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 Officer ("CCO"), Compliance Department and Executive Compliance Committee ("ECC") charged with the responsibility of operating and monitoring the Compliance Program. The CCO provides management and oversight for the ongoing development and operation of the Compliance Program. To maintain the CCO's independent authority, the CCO reports functionally through the Audit Committee of the Board and administratively, through EHS' Chief Administrative Officer ("CAO").
- B. Written Standards.** Developing and distributing Erlanger's written standards, including EHS 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 EHS 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 EHS 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 EHS and EHS Colleagues and promoting best practices to confront such issues.

COMPLIANCE PROGRAM ELEMENTS

I. *Compliance Program Oversight.*

Erlanger's CCO provides management and oversight for the ongoing development and operation of the Compliance Program. Erlanger has also established a compliance committee (referred to as the Executive Compliance Committee or "ECC") to advise and provide support to the CCO in the maintenance of the Compliance Program.

A. **Chief Compliance Officer.**

1. Purpose. The CCO is the focal point of the Compliance Program and the CCO is accountable for all compliance responsibilities at Erlanger.
2. CCO Responsibilities.
 - Making at least quarterly reports on CCO activities and other compliance issues and developments to the CAO the Audit & Compliance Committee and the Board. The CCO may make additional reports to the CAO and the Audit & Compliance Committee of the Board at any time, as determined by the CCO.
 - Convening an Executive Session of the Audit & Compliance Committee from time to time, as the need arises, as a part of the agenda of Audit & Compliance Committee closed meetings. Attendance at these Executive Sessions will be at the sole discretion of the CCO.
 - 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 or 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 EHS 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 EHS.
- 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.
- Evaluating, determining and implementing the 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.
- Serving as Chairperson of the Executive Compliance Committee.
- Maintaining a good working relationship with key operational areas relevant to the effective implementation of the Compliance Program, including EHS 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 CCO, the Compliance Department, the Executive Compliance Committee, and other compliance-related

subcommittees and task forces, to the maximum extent allowed by law.

- Providing guidance and interpretation to the Board, Audit & 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. CCO 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 CCO shall not be subordinate to the Chief Financial Officer (“CFO”) or the CLO and the CCO has the complete and independent authority to:

- Delegate authority and responsibility for compliance activities to an appropriate delegate in the Compliance Department, or as the CCO 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 EHS 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 CCO 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 CCO and in accordance with the EHS policy on the engagement of legal counsel.

4. CCO Reports. To maintain the accountability and the independence of the Compliance Program, the CCO reports functionally through the Audit Committee and administratively through the CAO. The CCO maintains constant and complete access to the Audit & Compliance Committee 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 CCO to benefit from the combined perspectives of individuals with diverse responsibilities and experiences.
2. Composition. In addition to the CCO, 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 representatives from appropriate clinical and administrative areas. The Committee members have diverse backgrounds and experience levels and expertise in EHS operations, quality, service delivery and legal/regulatory compliance.
3. Scope of Responsibilities. The Executive Compliance Committee will be responsible for providing support to the CCO in the creation, implementation and operation of the Compliance Program. The Executive Compliance Committee will support the CCO 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 EHS must comply, and the specific risk areas.
 - Working with the CCO to periodically update and revise the Code of Conduct.
 - Working with the CCO to develop effective training programs.
 - Recommending and supervising, 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 EHS policies and procedures.
 - Determining the appropriate strategy to promote adherence to the Compliance Program standards.
 - Developing a system to solicit, evaluate and respond to complaints and problems.
 - Creating and implementing effective methods for the proactive identification of potential compliance programs throughout EHS.
 - Assessing the effectiveness of the Compliance Program.
 - Furnishing recommendations to the CCO regarding reports to be furnished to the CEO, the Audit & Compliance Committee, the Board, or external third parties.
 - Reviewing and providing comments on the annual Compliance Audit Plan.
4. Authority. In consultation with the CCO, 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. Executive Session Meetings. From time to time as the need arises, the CCO may convene an Executive Session of the Executive Compliance Committee to address matters of extraordinary sensitivity. The Executive Session shall include the CLO (or his/her designee) and may include, in the discretion of the CCO, the following participants or their representatives:

- Outside Counsel or other professional advisors;
- Executive Vice President and CFO;
- Senior Vice President and CNO;
- Senior Vice President, Human Resources;
- Executive Vice President;
- CAO; and
- CEO

6. Quality and Medical Review Meetings. EHS 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 Compliance Department and CCO 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 CCO maintains the discretion to set aside time for the Committee to devote its attention exclusively to such issues as the need arises. The CCO 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.

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 EHS Colleagues, explain the operation of the Compliance Program, clarify and establish internal standards for compliance with laws and regulations, and help EHS 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 EHS Colleagues carry out daily activities in a manner consistent with the appropriate ethical and legal standards. The Code of Conduct governs the conduct of EHS Colleagues by setting forth standards and principals to which EHS 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 EHS Colleague's internal sense of fairness, honesty, and integrity. Each EHS 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 certain EHS Colleagues remain free of conflicts of interest in the performance of their responsibilities and services to Erlanger;

- Commitment to satisfy the 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 EHS 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 CCO, 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. EHS 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 CCO, the CLO, or other trained EHS 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 EHS Colleagues will be required to sign certifications at the end of certain training sessions, and the CCO will maintain these certifications and any other relevant records from the training sessions. Failure to attend and complete mandatory compliance training sessions will be grounds for disciplinary action, which may include 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), Trustees and certain members of the medical staff. New employees, Trustees, and certain medical staff members will, at minimum, complete general compliance training as outlined in Erlanger's Training and Education Policy. EHS will also make general education and training content available to the entire EHS medical staff and will encourage participation.
2. Specific Compliance Training. Attendance and completion of specific education and training is mandatory for select individuals, as determined by the CCO. For instance, select individuals may be required by the CCO 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 EHS 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 EHS Compliance Program and important regulatory, enforcement and other important developments.
- *Other.* The CCO has the authority to identify and require additional areas of specific training as compliance needs arise. In addition, the CCO may require that certain EHS 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 EHS, 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 EHS 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 EHS 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; and
 - (3) Reviewing the National Practitioner Data Bank for physicians and other health care practitioners.
 - Erlanger will conduct 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 EHS 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 EHS 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 EHS Colleagues to disciplinary action include, but are not limited to:
- A violation of law or any of the EHS Compliance Program standards;
 - Failure to report a suspected or actual violation of law or Compliance Program standards, or 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;

- Direct or indirect retaliation against an employee who reports through any means a violation or possible violation of law or Compliance Program standards; or
- Deliberately making a false report of a violation of law or any Compliance Program standards.

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 same disciplinary action for the commission of similar offenses, including officers.
- The Human Resources Department will serve as the appropriate body to ensure that the imposed discipline is proportionate and administered fairly and consistently in compliance with Erlanger policies and procedures, including EHS'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 CCO, Compliance Department, Human Resources Department and other EHS divisions maintaining responsibility for administering discipline.

3. Disciplinary Actions. Possible disciplinary action may include, but shall not be limited to, counseling, warning, suspension, demotion, reduction in pay, revocation of privileges, termination of employment, and termination or failure to renew agreements, depending on the degree of severity of noncompliance.

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, EHS 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 Audit Plan.** A Compliance Audit Plan will be developed and reviewed by the Executive Compliance Committee, reviewed with the Audit & Compliance Committee of the Board and conducted by the Compliance Department. The Compliance Audit 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 and the OIG and other regulatory authorities.⁵
 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 CCO if there are questions, or if there is a specific need for legal guidance, the CCO will direct those questions to the CLO. As necessary, under the CCO's authority, EHS 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

⁵ The annual OIG Work Plan and other OIG issuances can be found at <https://oig.hhs.gov/>.

the CCO and in accordance with the EHS 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 will be carried out by and within each department or product line. The CCO will communicate to each department and product 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 CCO and shared with the Executive Compliance Committee, and as necessary, with the CEO, and the Audit & Compliance Committee. The CCO will report significant compliance matters to the Audit & Compliance Committee at least on a quarterly basis and as the CCO determines is necessary.

VI. *Disclosure Program.*

A. Purpose. The successful implementation of the Compliance Program requires an open line of communication between the Compliance Department and EHS Colleagues. Erlanger encourages all EHS Colleagues to communicate their compliance concerns, as applicable, to their direct supervisors, the CCO or the CLO. By reporting suspected compliance issues and questions, EHS 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.

- EHS 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 CCO or the Compliance Department. Accordingly, a supervisor is not authorized to take any steps to investigate or respond to the report without the CCO's authorization.
- Any EHS 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 Compliance Department's 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 CCO, or Compliance Department may make contact to learn additional details or to seek relevant documentation. Further, to the extent practicable,

the CCO will update participants in the disclosure process on the outcome of the investigation and resolution of the reported compliance issues.

- The CCO 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 CAO, CLO, the Audit & 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 Audit & 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 EHS 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 unless the complainant 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.

EHS identifies potential issues for further inquiry through a variety of means including: reports or questions communicated to the Compliance Department directly or through the EHS Integrity Line; compliance questions and other issues raised with supervisors, the Legal Department, or other EHS representatives; EHS Risk Assessments; and communications from external enforcement agencies, payors and government contractors.

B. Investigate. When an instance of potential noncompliance is reported, suspected or confirmed, the CCO 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 EHS 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 CCO and the Executive Compliance Committee will respond with 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 and requiring additional training and education on the issue of noncompliance.

If an investigation uncovers credible evidence of noncompliance, and, after a reasonable inquiry, the CCO has reason to believe that the noncompliance may violate any criminal, statute or regulation, the matter will be promptly reported to the CLO for advice regarding Erlanger's disclosure responsibilities. After consulting with the CLO, the CCO will report such matters to the CAO, the Audit & Compliance Committee, and as appropriate, the Board. The CCO 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 CCO will be responsible for directing appropriate corrective action to be taken, which may include re-billing for services improperly billed

and disclosure to applicable payers, including Federal and State Health Care Programs.

- D. Evaluate.** Perform periodic follow-up reviews of the identified problem areas to ensure that the implemented preventative measures 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 EHS trade secrets (e.g. information or business methods that give EHS competitive advantage) and to establish the legal privileges available to EHS 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 CCO, his or her staff, the members of the 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 CCO 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, the Southside and Dodson Avenue Community Health Centers, ContinuCare, Erlanger Pharmacies, Inc., E-Kids Learning Centers, any wholly owned Erlanger physician practice, and any 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 Trustees of Chattanooga-Hamilton County Hospital Authority.

“**CAO**” will mean Erlanger’s Chief Administrative Officer

“**CCO**” will mean Erlanger’s Chief Compliance Officer.

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

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

“**EHS Colleagues**” will mean Erlanger employees; Trustees; 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 the Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger Health System, its subsidiaries and other affiliates (as defined above).

“**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 CCO 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.

“Trustees” or “trustees” will mean the members of the Board of Trustees of the Chattanooga-Hamilton County Hospital Authority.