

**KING’S DAUGHTERS MEDICAL CENTER**

**ADMINISTRATIVE POLICY**

**POLICY AND PROCEDURE**

**EFFECTIVE DATE:  
SEPTEMBER 1, 2016**

**SUPERSEDES POLICY DATED:  
APRIL 1, 2016**

**FILE: SECTION A (14)**

**SUBJECT: PAYMENTS TO  
PROVIDERS**

**POLICY:** The Medical Center has committed to ongoing compliance with the terms of the Corporate Integrity Agreement between the Office of the Inspector General of the Department of Health and Human Services and King’s Daughters Medical Center dated May 24, 2014, as amended December 4, 2014 (collectively “CIA”). This policy provides guidance to the Medical Center on the maintenance and operation of the CIA required Focus Arrangements Tracking System, including location of all the required information.

There are various types of payments, reimbursement and/or compensation the Medical Center may issue to and/or on behalf of a provider. In addition, there are instances in which the Medical Center may receive payment, reimbursement and/or compensation from a physician. The purpose of this policy is to ensure, through the implementation of prudent and reasonable controls, that payments made to and/or received by a provider comply with applicable laws and regulations, including the federal Anti-Kickback Statute and the Stark law.

**PROCEDURES:**

1. Tracking Information and Data. The Medical Center maintains information regarding Focus Arrangements and payments to providers as follows:
  - \* A. Focus Arrangements Tracking System. The focus arrangements tracking system contains (i) contracts, (ii) information associated with the terms and conditions, and (iii) attachments (e.g., fair market value, contract request form, VerifyComply screening, etc.). The focus arrangements tracking system is not designed, nor capable, to track and/or report payments made to providers.
  - B. Payment Systems. Payments to and/or from providers are maintained as follows:
    1. Payroll-Lawson. This system (Payroll) contains data pertaining to the payroll transaction.
    2. Accounts Payable-Lawson. This system (AP) contains data pertaining to the payment transaction.

3. Image Now. ImageNow contains the PDF and/or scanned documentation such as the appropriate payment request form, timesheets, and other documents supporting payment.

\* 2. Processing Payment and/or Reimbursement to Providers.

- A. Payments to providers will be processed via the completed Provider Payment Request and Validation Form (PPRF) unless otherwise indicated.
- B. Accounting will indicate the focus arrangement tracking system number in the Accounts Payable system for payments processed via the Provider Payment Request and Validation Form.
- C. The Lease Payment Request and Validation Form will be used for lease rental payments as detailed in the Lease Arrangements with a Potential Referral Source Policy.

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President/CEO

**\* ATTACHMENT A**

<b>Expense Account</b>	<b>Payment Type</b>	<b>Process Method</b>	<b>Document Repository</b>
19000	Asset Purchase Agreement/Acquisition	PPRF > PPO <sup>1</sup> > Accounting	Accounts Payable
74615	Cell Phone <sup>2</sup>	PPRF > PSA > Accounting	Accounts Payable
85400	CME Reimbursement (books, dues, membership, airfare, travel, seminar registration/fees)	PPRF > PSA <sup>3</sup> > PPO > Accounting	Accounts Payable
Payroll	Compensation-Employment Payroll	Human Resources TMSF <sup>4</sup>	Payroll/Human Resources
Payroll	Compensation-Call (employment and call via KDMC)	PPRF > PPO > Accounting	Payroll
71500	Compensation-Call (employment KDMC and call other KDHS entity)	PPRF > PPO > Accounting	Accounts Payable
71500	Compensation-Honorarium <sup>5</sup>	PPRF > PSA > Accounting	Accounts Payable
71500	Compensation-Independent Contractor/Locum	PPRF > PPO > Accounting	Accounts Payable
71500	Compensation-Leadership	PPRF > PSA > PPO > Accounting	Accounts Payable
Payroll	Compensation-Medical Director (employment and directorship via KDMC)	PPRF > PSA > PPO > Accounting	Payroll
71500	Compensation-Medical Director (employment KDMC and directorship other KDHS entity)	PPRF > PSA > PPO > Accounting	Accounts Payable
71500	Compensation-Medical Director (non-employed)	PPRF > PSA > PPO > Accounting	Accounts Payable
See footnote	Compensation-Production Incentive <sup>6</sup>	Internal Audit - VPPP <sup>7</sup> > Accounting	Internal Audit
See footnote	Compensation-Quality Incentive <sup>8</sup>	Internal Audit - VPPP > Accounting	Internal Audit
83265	Immigration Expenses	PPRF > PSA > PPO > Accounting	Accounts Payable
	Insurance Malpractice	PPRF > Insurance Manager - VPGC <sup>9</sup> > Accounting	Accounts Payable
NA	Lease-Accounts Payable (non-owned KDMC property)	LPRF <sup>10</sup> > CPM <sup>11</sup> > PPO > Accounting	Accounts Payable

<sup>1</sup> Physician Payment Officer

<sup>2</sup> Paid pursuant to Policy

<sup>3</sup> PSA, Physician Specialist Assistant

<sup>4</sup> TMSF, Team Member Status Form

<sup>5</sup> Governed by Medical Staff and Administrative Policy, I(7), Medical Staff and Administrative Committees. This payment is not governed by a contract.

<sup>6</sup> Compensation-Productive Incentive for non-employed = 71500; Compensation-Productive Incentive for employed = Payroll

<sup>7</sup> VPPP, Vice President Physician Practice

<sup>8</sup> Compensation-Quality Incentive for non-employed = 71500; Compensation-Quality Incentive for employed = Payroll

<sup>9</sup> VPGC, Vice President/General Counsel

<sup>10</sup> LPRF, Lease Payment Request and Validation Form

<sup>11</sup> CPM, Compliance Property Manager

**ATTACHMENT A (page 2)**

<b>Expense Account</b>	<b>Payment Type</b>	<b>Process Method</b>	<b>Document Repository</b>
NA	Lease-Accounts Receivable (KDMC owned property)	Payment > CPM > Accounting	Accounting
88050	Licensure	PPRF > PSA > Accounting	Accounts Payable
	Mileage (not associated with CME)	PPRF > PSA > Accounting	Accounts Payable
83260	Recruitment Assistance (non-compensation)	PPRF > PPO > Accounting	Accounts Payable
83260	Relocation Expenses	PPRF > PPO > Accounting	Accounts Payable
Payroll	Retention Bonus (employed)	PPRF > PPO > Accounting	Payroll
71500	Retention Bonus (non-employed)	PPRF > PPO > Accounting	Accounts Payable
Payroll	Signing Bonus (employed)	PPRF > PPO > Accounting	Payroll
71500	Signing Bonus (non-employed)	PPRF > PPO > Accounting	Accounts Payable
71500	Stipend	PPRF > PPO > Accounting	Accounts Payable
83260	Student Loan (direct to physician or institution)	PPRF > PSA > PPO > Accounting	Accounts Payable

## PROVIDER PAYMENT REQUEST AND VALIDATION FORM (PPRF)

<b>Contract Number</b>		<b>Contract Page Number(s) Supporting PPRF</b>		<b>Contract Paragraph Number(s) Supporting PPRF</b>	
<b>Team Member Submitting Request:</b>					
<b>KDHS Contracted Entity</b>	<input type="checkbox"/> KDMC <input type="checkbox"/> KDMS <input type="checkbox"/> KDOH <input type="checkbox"/> KBL <input type="checkbox"/> KDMT				
<b>Payee/Address</b> <i>[If Payee not the contracted Provider, identify Provider Name]</i>					
<b>Contract Term</b> <i>(Beginning and Ending Dates)</i>					
<b>Amount Requested for Payment</b>					
<b>Description of Payment</b>  Cost Ctr # _____  Sub Acct # _____	Call Pay	71500			
	Cell Phone	74615			
	CME	85400			
	Dues/Licenses	88050			
	Directorship	71500			
	Locum	71500			
	Mileage/Travel	88000			
	Rent/Lease	84050			
<b>If payment is not made pursuant to a contract, identify the policy name/number/effective date supporting the payment or describe nature of payment</b>					
<b>If Medical Director, verified hours appropriate and in alignment with Contract?</b>		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA			
<b>Does Contract have a stated maximum amount per year or contract term to be paid for services rendered?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<b>If Yes, identify the maximum amount per year or contract term</b>			
<b>Instructions: Before finalizing the PPRF, make sure all fields are completed and the required documentation is attached. The only required documentation to be attached to the PPRF are timesheets and/or other payment support. Process the PPRF as set forth in the Policy.</b>					
<b>Team Member Submitting Request Approval:</b>  I certify as follows: (a) the requested payment is pursuant to a written active contract signed by all parties on or before the start of the service period and/or policy; (b) the written active contract is maintained in the focus arrangements tracking system housed by Legal Services; (c) the relevant paragraph number(s) and page(s) numbers from the contract is identified as applicable, and (d) the requested payment is made in accordance with the terms of the contract and/or policy.  Signature: _____  Date: _____		<b>Physician Specialist Assistant Approval:</b>  Signature: _____  Date: _____  Notes: _____		<b>Physician Payment Officer Approval:</b>  Signature: _____  Date: _____  Notes: _____	