



# King's Daughters Health System Corporate Compliance Handbook

Ashland Hospital Corporation d/b/a King's Daughters Health System ("Health System") conducts itself in accord with the highest levels of business ethics and in compliance with applicable laws. This goal can be achieved and maintained only through the integrity and high ethical standards of our officers and team members. This Corporate Compliance Handbook ("Handbook") is intended as a guide for your conduct, so that the Health System fulfills its obligations to observe the laws and to deal fairly and ethically with its patients, providers, the community and its team members.

This Handbook is a document which is continually evolving. It will be updated and revised periodically to keep team members abreast of the most current information available on these topics and to reflect changes in the law and new regulatory guidelines as they become available. Team member suggestions for improvements in this Handbook are always welcome.

The standards of conduct described in this Handbook cannot, nor were they intended to, cover every situation which a team member encounters. When the best course of action is unclear, or if a team member observes a violation of these standards, team members are required to seek guidance of or report the violations to a supervisor, the Vice President/Chief Compliance Officer at 606-408-4496, Compliance Officer at 606-408-0161, email [corporatecompliance@kdmc.kdhs.us](mailto:corporatecompliance@kdmc.kdhs.us), or via written correspondence to 2201 Lexington Avenue, Ashland, KY 41101; Attn: Compliance and Integrity Department.

For those who wish to remain anonymous, the report may be submitted through the Compliance Hotline @ 606-408-4145 or 877-327-4145, the on-line Compliance Concern Form available at <https://complianceconcerns.kdmc.net/>, or the Lighthouse Services Hotline (an externally maintained anonymous reporting tool) @ 844-940-0003. If anonymity is requested, it will be protected within the limits of conducting a full and fair investigation. There will be no negative consequences or retaliation for good faith reporting of possible misconduct.



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## I. COMPLIANCE POLICY STATEMENT

The Health System is dedicated to providing quality, cost-effective health care while complying with all applicable state and federal laws. To evidence this dedication, the Health System's Board of Directors has adopted, developed and implemented this Corporate Compliance Plan. This Plan was developed using guidance from: the U.S. Department of Health and Human Services Office of Inspector General ("OIG") Compliance Program Guidance for Hospitals; the CMS 2016 Medicare and Medicaid Programs: Reform Requirements for Long-Term Care Facilities; the 2016 United States Sentencing Guidelines; the U.S. Department of Justice Evaluation of Corporate Compliance Programs; and the 2017 OIG guide Measuring Compliance Program Effectiveness: A Resource Guide.

The Corporate Compliance Plan is intended to be a part of the fabric of the Health System's routine operations. The Health System endeavors to communicate to all team members its intent to comply with applicable law through the Corporate Compliance Plan. Through the Compliance Plan, the Health System will:

- Routinely assess the Health System's business activities and consequent legal risks;
- Educate and train team members regarding compliance requirements and to enable them to conduct their job activities in compliance with state and federal law;
- Implement monitoring and reporting functions; and
- Include enforcement and discipline components that ensure that all team members take their compliance responsibilities seriously.

Overall responsibility for operation and oversight of the Corporate Compliance Plan belongs to the Board; however, the day-to-day responsibility for operations and oversight of the Plan rests with the Compliance & Integrity Department.



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Due to the extreme importance the Health System places on understanding and abiding by all applicable laws and acting in accordance with its standards and procedures, the Compliance & Integrity Department will provide access to the Corporate Compliance Plan to all of the following persons: directors, officers, employees (team members), members of the medical staff, volunteers, contractors, vendors and suppliers.

All these persons receiving the Corporate Compliance Plan will be required to submit to the Compliance & Integrity Department a written certification form which (i) acknowledges access to the Plan; (ii) confirms that the person receiving access to the Plan has read and understood its contents; and (iii) agrees to be bound by and to comply with the Corporate Compliance Plan.

No one associated with the Health System has authority to act contrary to any provision of the Corporate Compliance Plan or to condone any such violation by others. Any Health System Representative with knowledge of information concerning a suspected violation of law or violation of a provision of the Corporate Compliance Plan is required to report promptly such violation in accordance with the Corporate Compliance Plan's Reporting Policy.

Violations of the Corporate Compliance Plan will be subject to disciplinary measures. However, the Health System desires to avoid violations through constant vigilance in preventing, detecting and eliminating concerns before they become violations of the law.

## II. ELEMENTS OF THE CORPORATE COMPLIANCE PLAN

The Health System's Corporate Compliance Plan contains several elements. All elements are designed to prevent, detect and respond to business conduct that does not conform to applicable laws, regulations or policies of the Health System. These elements include:



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- **Code of Conduct** – The Corporate Compliance Plan includes development and distribution of the Code of Conduct and related reporting procedures, as well as the development of new or revised written policies and procedures that further promote the Health System's commitment to compliance. Such policies are an integral part of the Corporate Compliance Plan.
- **Compliance Office** – Day-to-day oversight of the Corporate Compliance Plan rests with Compliance & Integrity Department, including the Chief Compliance Officer, and Compliance Officers.
- **Education and Training Program Development and Implementation** – Compliance & Integrity Department works with the Learning and Development Department to provide general compliance education to all team members, as well as focused technical compliance training as needed for specific job functions.
- **Hotline Process Maintenance** – Compliance & Integrity Department maintains both internal and external anonymous hotlines and an intranet Compliance Concern Form to receive complaints or concerns confidentially and provides protection from retaliation to all team members who report in good faith.
- **Enforcement** – The Corporate Compliance Plan provides for the enforcement of appropriate sanctions or disciplinary actions against team members, medical staff or on-site agents or contractors who violate compliance policies, applicable laws or regulations or federal health program requirements.
- **Monitoring** – The Compliance & Integrity Department performs audits and risk assessments to prevent and detect problems and conducts ongoing compliance monitoring of identified areas.



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The Health System intends that its Corporate Compliance Plan will significantly reduce the risk of unlawful conduct in operations. This Plan demonstrates the Health System's good faith effort to comply with applicable statutes, regulations and other Federal or state health care program requirements, and it will be revised or supplemented as necessary to reflect updates or additions to those statutes, regulations or requirements.

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## CODE OF CONDUCT

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**INTRODUCTION.** This Code of Conduct sets out basic principles which all of the Health System, its subsidiary corporations, directors, officers, and employees (“team members”) must follow. This Code of Conduct applies to all business operations and all team members. Non-team members, such as contracted healthcare providers, sales agents or external advisors and consultants, will be required to conduct themselves in a manner consistent with the Code of Conduct while acting on behalf of the Health System.

This Code of Conduct is part of the Health System’s Corporate Compliance Plan. Policies and Procedures that support the Code of Conduct can be accessed on the Health System’s intranet.

**LEGAL AND REGULATORY COMPLIANCE.** The Health System will comply with all federal, state and local laws and regulations, as well as all provisions of the Health System’s Corporate Compliance Program.

- **Adherence to Health and Safety Laws** – the Health System’s team members as well as contracted providers will comply with laws designed to improve workplace safety, such as properly controlling and monitoring dangerous materials, maintaining safe equipment, ensuring fire prevention and responding appropriately to accidents and emergencies.
  
- **Environmental Protection** – Team members and contracted providers will dispose of all materials and store all chemicals and substances in accordance with applicable laws and regulations. It is important to file all necessary environmental reports accurately, honestly and promptly, and to cooperate fully with all governmental authorities in the event of an environmental incident or investigation.



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- **Prohibition of Discrimination, Harassment and Violence** - the Health System does not discriminate with regard to race, color, religion, gender, sexual orientation, pregnancy, marital status, age, nationality, ethnicity, ancestry, disability or status as a disabled or Vietnam era veteran. The Health System has zero tolerance for harassment of any kind by or against team members or contracted providers. Health System does not tolerate any aggression or violence on Health System premises or by anyone working with or on behalf of Health System. Any actual or threatened violence, including someone being disruptive or aggressive, must be reported to a manager and/or the Safety and Security Department. These events should also be reported using the reporting system in place at each location. Health System reserves the right to search team members' and contract providers' belongings while on Health System premises, to ensure a violence-free workplace.
- **Regulation of Controlled Substances** – Prescription drugs, controlled substances and other medical supplies are governed and overseen by regulatory organizations and are to be administered only by provider order. These items must be handled properly and only by team members or contracted providers authorized to do so, in order to minimize risks to the Health System and to patients. Health System prohibits the unauthorized manufacture, possession, use, sale and distribution of drugs in the workplace. Health System also prohibits team members or contracted providers from being under the influence of alcohol, any illegal drug, or any non-prescribed controlled substance while at work or conducting business on behalf of Health System. The Health System reserves the right to search employees' and contract providers' belongings while on Health System premises, to ensure the safety and protection of team members, contracted providers, patients and visitors.
- **Screening of Excluded Individuals** – the Health System will not knowingly employ or contract with individuals or entities that have been listed as debarred, excluded or otherwise ineligible for participation in federal health care programs. Employees, medical staff, board of director members, and



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contracted providers and/or parties must notify the Health System's Compliance & Integrity Department immediately if they are or, to the best of their knowledge, will become debarred, suspended, or excluded from participating in federal healthcare programs or in federal procurement or non-procurement programs.

- **Not-for-Profit Tax-Exempt Status** – the Health System is a tax-exempt entity because of its charitable mission. The Health System provides healthcare services, including health screenings, education, research and community outreach services to the communities it serves. To maintain its not-for-profit tax-exempt status, the Health System will continue to use its resources in a manner that furthers the public good rather than the private or personal interests of any individual, group or entity.

**BUSINESS ETHICS.** The Health System is committed to the highest standards of business ethics and integrity, and requires honesty of its team members and contracted providers. The Health System is committed to ensuring that its billing and reimbursement practices fully comply with applicable federal, state and local laws, regulations, guidelines and policies, and that all billing is accurate and thoroughly recorded.

- **Accurate Books and Accounts** - Transactions involving the Health System, including payments by or to the Health System, must be properly authorized by management or the Board of Directors, and are to be accurately and completely recorded in accordance with generally accepted accounting principles ("GAAP"), consistently applied, and established corporate policies. The Health System's high standards for accuracy and documentation are necessary for tax and financial reporting requirements, and to ensure that all payments and other transactions are properly administered. In addition, team members and contracted providers must report all internal dealings at the Health System accurately, truthfully and thoroughly. All work-time and expense records must be accurate, honest and supported by time sheets, receipts, or other appropriate documentation.





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- **Anti-Kickback/Bribes** – the Health System prohibits its team members and contracted providers from offering, paying, requesting or accepting any money or other benefit in exchange for patient referrals, purchases, leases or orders. All agreements with individuals or entities having the ability to refer patients to the Health System, or to influence the referral of patients to the Health System, must be reflected in a written agreement that complies with applicable laws and the Health System's policies and procedures.
- **Antitrust** – the Health System engages in activities that are governed by state and federal antitrust laws. These laws generally prohibit competitors from entering into agreements to fix prices or to reduce price competition. Health System team members and contracted providers may not provide information about the Health System's business or operations to a competitor, or engage in any unfair practices that might restrict competition.
- **Billing** – Health System billing will comply with all applicable laws, rules and policies. Team members or contracted providers who handle patient charges, claims and records must accurately document and report services and supplies. Health System prohibits its team members and contracted providers from knowingly presenting, or causing to be presented, claims for payment or approval which are fraudulent, fictitious or false.
- **Elder Justice Act** – the Health System, its team members and contracted entities will comply with all requirements of the Elder Justice Act as applicable to Health System services.
- **Fraud, Waste and Abuse** – Federal and state laws, as well as Health System policies and procedures, prohibit fraudulent claims activity. The Federal False Claims Act, the Patient Protection and Affordable Care Act, and state fraud and abuse prevention laws prohibit conduct such as knowingly submitting a false or fraudulent claim, or using or making a false statement to get a false or fraudulent claim paid. Laws governing Medicaid program integrity also target fraud and waste reduction. The Health System, its team



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members and its contracted providers can be criminally prosecuted for filing inaccurate claims for reimbursement, and can also be subject to civil fines and penalties.

The Health System expects team members and contracted providers to report any known or suspected fraudulent activity to the Compliance & Integrity Department. Team members or contracted providers who report such activity in good faith to the Health System, or assist in the investigation of such activity, are protected from retaliation to the furthest extent possible under applicable law. Health System conducts routine audits, reviews and monitoring, and has internal controls in place, to prevent and detect fraud, waste and abuse.

- **Gifts and Gratuities** – Team members and contracted employees are prohibited from soliciting tips, personal gratuities or gifts from patients or vendors. Team members may accept unsolicited business courtesies from vendors, excluding cash, up to a value of fifty dollars (\$50.00). Any business courtesy from a vendor in excess of fifty dollars (\$50.00) in value must be approved by the Compliance & Integrity Department in advance. Team members and contracted providers may accept an unsolicited gift from a patient or a patient's family member of nominal value (i.e., having a value of less than one hundred dollars (\$100.00)).
- **Intellectual Property** – the Health System is committed to adhering to all applicable intellectual property laws, including those applicable to books, trade journals, magazines and other resources. All software used for Health System business and operations must be properly licensed and used in strict accordance with that license.
- **Marketing and Advertising** – Marketing and advertising activities undertaken by the Health System may be utilized to educate the public, to provide information to the communities served by Health System, to increase awareness of services offered by Health System and to recruit team



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members. Marketing material and media announcements will be presented in a truthful, fully informative and non-deceptive manner.

- **Research** – the Health System is committed to following ethical standards in full compliance with federal and state laws and regulations related to any research, investigations, and clinical trials conducted by it. Health System will disseminate only appropriate, valid scientific results in accordance with applicable regulations, guidelines and contract provisions. Health System will protect the rights of research participants, and submit accurate and complete costs related to research grants or sponsored trials or research.
- **Travel and Entertainment** – Travel and entertainment expenses of team members or contracted providers traveling at the request of Health System must be consistent with the individual's job responsibilities and the needs and resources of Health System. Reimbursement of costs related to such travel and entertainment will be made only if requests comply with applicable policies.

**CONFLICTS OF INTEREST.** Team members and other service providers owe a duty of complete loyalty to Health System and may not use their positions to profit personally at the expense of the Health System, financially or otherwise. All actual or potential conflicts of interest are to be directed to the Compliance & Integrity Department or Legal Services Department for evaluation and resolution.

- **Family and Work** – Employment of relatives is permitted only if they will not be working directly for or supervising a relative and will not occupy a position in the same line of authority of the relative within the organization. This applies to any relative, higher or lower in the organization, who has decision making authority. For these purposes, relatives are defined to include spouse or significant other, parents, children, brothers, sisters, sons/daughters-in-law, brothers/sisters-in-law, fathers/mothers-in-law, grandparents, grandchildren, stepparents, stepbrothers, stepsisters, stepchildren, step grandchildren, or anyone else related by blood or



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marriage or whose relationship with the Team Member is similar to that of persons who are related by blood or marriage.

- **Outside Activities and Employment** – the Health System team members and other service providers should not, directly or indirectly, perform duties, incur obligations, or engage in business or professional relationships in which there could be, or appear to be, a conflict of interest with the business or operations of Health System. No outside activity may interfere with job performance.
- **Political Activity** – Health System does not participate in or intervene in any political campaign on behalf of or in opposition to any candidate for political office. Team members and contracted providers are not permitted to use positions in the organization or property or assets of the Health System to seek to influence the personal decisions of others to contribute, or to otherwise support political parties or candidates. Health System may support specific issues impacting its business or operations with the express approval of its General Counsel.

**APPROPRIATE USE OF RESOURCES.** Health System team members and contracted providers, as well as any other individuals affiliated with Health System, have a duty to preserve and protect the assets of the Health System and ensure their efficient use. Theft, carelessness and waste directly impact Health System's financial position. Health System prohibits personal use of its property. Team member and contracted employees may not use equipment, supplies, materials or services for non-work-related purposes or activities. Team members and contracted employees have no expectation of personal privacy in connection with personal or work-related use of Health System's electronic resources.

**CONFIDENTIALITY.** Team members, contracted providers, and others affiliated with Health System are obligated to maintain the confidentiality of patients, personnel, business and operational information of the Health System, and information gained from business or professional relationships with third parties.



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While the Health System maintains a full Privacy Manual and Program in compliance with HIPAA (Health Insurance Portability and Accountability Act), the requirements for confidentiality referenced here exceed PHI (Protected Health Information) and include confidential and proprietary business operations information. All such information remains the property of the Health System, patients or third parties, as appropriate, and may not be disclosed or used by team members or contracted providers other than in providing services for Health System consistent with their job duties. Sharing such confidential information with other employees or others outside the Health System is strictly forbidden, unless the individual requesting the information has a demonstrated need to know to provide patient care, to further the business and operations of Health System, and the disclosing team member or contracted provider has the authority to release the information. Any requests from reporters or the general public for information related to the Health System or patients should be referred to the Marketing and Public Relations Department.

**PROFESSIONAL CONDUCT.** In addition to this Code of Conduct, Health System has established codes of conduct specific to the responsibility of healthcare providers to patients and to each other.

**RESPONSIBILITY.** Any violation of the responsibilities outlined in this Code of Conduct or Health System policies and procedures may lead to disciplinary action, up to and including termination of employment or termination of a business relationship. Conduct that violates the law may also result in civil and criminal penalties ranging from fines to imprisonment.

**REPORTING.** Team members and contracted providers have a responsibility to report any suspected or actual violation of the Code of Conduct or policy of the Health System to a supervisor, the Vice President/Chief Compliance Officer at 606-408-4496, Compliance Officer at 606-408-0161, email [corporatecompliance@kdmc.kdhs.us](mailto:corporatecompliance@kdmc.kdhs.us), or via written correspondence to 2201 Lexington Avenue, Ashland, KY 41101; Attn: Compliance and Integrity Department.



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