

**COMPLIANCE PLAN
2016**

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I. Introduction and Purpose

Centra Wellness Network (CWN), serving the counties of Benzie and Manistee is committed to consumers, employees, contractual providers, and the community to ensure business is conducted with integrity, in compliance with the requirements of applicable laws and sound business practices, and with the highest standards of excellence. As such, CWN has established the Compliance Procedure requiring a Compliance Plan and Standards of Conduct. This plan is based on the Compliance Plan issued by Northern Michigan Regional Entity (NMRE) the PIHP of CWN.

The Compliance Plan is prepared as a good-faith effort to summarize our rules, policies and procedures. To the extent that the Plan conflicts with, or misstates any applicable law, the law takes precedence.

The purpose of the Compliance Plan is to provide the framework for CWN to comply with applicable laws, regulations and program requirements. The overall key intentions of the Compliance Plan are to:

- Minimize organizational risk and improve compliance with billing requirements of Medicare, Medicaid, and all other applicable federal health programs.
- Maintain adequate internal controls (paying special attention to identified areas of risk).
- Reduce the possibility of misconduct and violations through early detection.
- Reduce exposure to civil and criminal sanctions.
- Encourage the highest level of ethical and legal behavior from all employees, contractual providers, and board members.
- Educate employees, contractual providers, board members and stakeholders of their responsibilities and obligations to comply with applicable local, state, and federal laws and regulations including licensure requirements, as well as accreditation standards.
- Promote a clear commitment to compliance by taking actions to uphold such laws, regulations, and standards.

II. Standards of Conduct

CWN is committed to conducting the delivery of services and business operations in an honest and lawful manner and consistent with its Vision, Mission, and Values. As such, CWN minimally establishes the following Standards of Conduct:

- Provide high quality services consistent with CWN Vision, Mission, and Values;
- Exercise honesty and integrity in the workplace;
- Prevent fraud, abuse and waste;
- Refrain from knowingly participating in illegal activities;
- Report any actual or suspected violation of the Compliance Plan, Standards of Conduct, agency policies or procedures, or other conduct that is known or suspected to be illegal;
- Provide accurate information to federal, state, and local authorities and regulatory agencies when applicable;
- Promote confidentiality and safeguard all confidential information according to policy;
- Practice ethical behavior regarding relationships with consumers, payers, and other health care providers;
- Protect the integrity of clinical decision-making, basing care on identified medical necessity;

- Seek to continually maintain and improve work-related knowledge, skills, and competence; and
- Actively support a safe work environment, free from harassment of any kind.

In addition, CWN further establishes Standards of Conduct through its Board of Director's By-Laws, and policies and procedures addressing the following, including but not limited to: Confidentiality and Privileged Communication, Dignity and Respect, Drug/Alcohol Free Workplace, Recipient Abuse and Neglect, and Sexual Harassment. Standards of conduct may also be articulated in the CWN Employee Handbook and Job Descriptions.

These Standards of Conduct provide guidance for Board members, employees, and contractual providers in performing all activities within appropriate ethical and legal standards and establish a workplace culture that promotes prevention, detection, and resolution of instances of conduct that do not conform with applicable laws and regulations. While the above standards are expected to be a framework for compliance, the issues addressed are not exhaustive. Therefore, Board Members, employees and contractual providers are responsible for conducting themselves ethically in all aspects of business avoiding even the appearance of impropriety.

Board members and employees will be required to review and acknowledge receipt of the Compliance Plan and Standards of Conduct at orientation. A copy of the acknowledgement must be signed and placed in the Board/Personnel File. Please see Attachment B as a sample of an acknowledgement form.

Contractual providers will be required to comply with the CWN Compliance Plan or provide evidence of a sufficient Compliance Plan of their own. If complying with the CWN Compliance Plan, contractual providers will receive a copy of the Plan and applicable Standards of Conduct at the time of the initial contract and will be required to sign the Compliance Program Acknowledgement form for inclusion in the contractor file. Contractual providers having developed their own compliance program will be required to provide evidence of such for inclusion in the contractor file along with a signed copy of the Compliance Program Acknowledgement form. Contractual providers will further be responsible for monitoring and staying informed of regulatory developments independent of CWN efforts.

Any violation of a provision of the Standards of Conduct, as established in this Plan or related policies, will be subject to disciplinary action, up to and including dismissal from employment or contract termination.

III. Areas of Risk

CWN has identified the following areas of risk:

A. Regulatory Compliance

It is the policy of CWN to ensure compliance with all state and federal regulatory agency standards and applicable laws and regulations including, but not limited to, the following:

State Laws and Rules

- Michigan Mental Health Code and Administrative Rules
- Other Statutes Related to Municipal Organizations and Operations
- Other requirements as identified in the DCH contract
- Technical Assistance Advisories, as required

State – Federal Intersection

- Medicaid State Plan
- Waiver Applications
- Approval Terms and Conditions
- Medical Services Administration (MSA) Policy Bulletins
- Michigan Whistleblowers Act, Act 469 of 1980

Federal Medicaid Law, Regulations and Related Items

- Social Security Act, Title XIX (Medicaid)
 - Balanced Budget Act of 1997
 - Deficit Reduction Act/Medicaid Integrity Program of 2005
- Code of Federal Regulations
- State Operations Manual
- Letters to State Medicaid Directors
- Technical Assistance Tools
 - Quality Improvement Systems for Managed Care (QISMC)
 - Guide to Encounter Data Systems
- Office of Management and Budget (OMB) Circulars
- Government Accounting Standards Board (GASB)

Other Relevant Legislation

- Health Insurance Portability and Accountability Act of 1996 (HIPAA)
- False Claim Act
- Provisions from Public Act 368 of 1978 – revised – Article 6 Substance Abuse
- State Legislation vis-à-vis section 298 – future threat to the PIHP funding system and potential instability of NMRE

B. Environmental Compliance

It is the policy of CWN to maintain a hazard-free environment in compliance with all environmental laws and regulations. CWN will operate with the necessary security systems, permits, approvals and controls. Maintenance of a safe environment is the responsibility of all employees and contractual providers. In order to maintain a safe environment, CWN will enforce policies and procedures designed to protect consumers, employees, providers, visitors, the environment, and the community. Said policies and procedures are included within the organization's Safety Program.

C. Workplace Conduct

In order to safeguard the ethical and legal standards of conduct, CWN will enforce policies and procedures that address behaviors and activities within the work setting, including but not limited to the following:

1. *Confidentiality*: CWN is committed to protect the privacy of its consumers. Board members, employees, and contractual providers are to comply with the Michigan Mental Health Code, Section, 330.1748 and all other privacy laws as specified under the Confidentiality section of this document.
2. *Substance Abuse*: CWN is committed to an alcohol and drug free environment.
3. *Harassment*: CWN is committed to an environment free of harassment for Board members, employees, and contractual providers. CWN will not tolerate harassment based on sex, race, color, religion, national origin,

- citizenship, chronological age, sexual orientation, union activity, or any other condition, which adversely affects their work environment.
4. *Research*: CWN will follow ethical standards for any research undertaken or for any aspect of a research grant.
 5. *Conflict of Interest*: CWN Board members, employees, and contractual providers will avoid any action that conflicts with the interest of the organization. All Board members, employees, and contractual providers must disclose any potential conflict of interest situations that may arise or exist. CWN will maintain standards establishing a clear separation of any supplemental employment in terms of private practice and outside employment from activities performed for CWN.
 6. *Reporting suspected fraud*: CWN Board, staff and contractual providers must report any suspected or actual “fraud, abuse or waste” of any funds, including Medicaid funds, to the organization.
 7. *Receiving gifts*: CWN Board members, staff and providers will not solicit gifts, gratuities or favors. CWN Board members, staff and providers will not accept gifts, gratuities or favors of any kind from any individual, consumer, or organization doing business or seeking to do business with CWN or its affiliates if the gift has more than a nominal value or where acceptance of the gifts/favors could create a real or perceived conflict of interest or be construed as resulting in preferential treatment.
 8. *Workplace violence*: CWN is committed to maintaining a work environment that is safe and promotes the treatment of all people with dignity and respect. CWN will not tolerate behavior that is disrespectful, intimidating, or threatening.
 9. *Political contributions*: CWN will not use agency funds or resources to contribute to political campaigns or activities of any political party.

D. Contractual Relationships

It is the policy of CWN to ensure that all contractual arrangements with providers are structured in accordance with federal and state laws and regulations and are in the best interest of the organization and the consumers we serve. In order to ethically and legally meet all standards, CWN will strictly adhere to the following:

1. CWN does not pay for referrals. Consumer referrals and intakes will be accepted based on the consumer’s needs, eligibility, and our ability to provide the services needed.
2. CWN does not accept payment for referrals of consumers to other providers. No employee, contractual provider, or any other person acting on behalf of the organization is permitted to solicit or receive anything of value, directly or indirectly, in exchange for the referral of consumers. Similarly, when making consumer referrals to another healthcare provider, CWN does not take into account the volume or value of referrals that the provider has made (or may make) to CWN.
3. CWN does not enter into financial arrangements with physicians that are designed to provide inappropriate remuneration to the organization in return for the physician’s ability to provide services to federal health care program beneficiaries at CWN.
4. CWN does not enter into contractual relationships with individuals or agents/agencies that have been convicted of a criminal offense related to health care or that are listed by a federal agency as debarred, excluded, or otherwise ineligible for participation in federal health care programs. Reasonable and prudent background investigations will be completed prior to

entering into contractual relationships with all individuals and agents/agencies.

E. Purchasing and Supplies

It is the policy of CWN to ensure that all rental, lease, and purchasing agreements are structured in accordance with applicable federal and state self-referral and anti-kickback regulations as well as federal guidelines regarding tax-exempt organizations. All agreements must be commensurate with the fair market value for equipment or space.

All subcontractor and supplier arrangements will be managed in a fair and reasonable manner, consistent with all applicable laws and good business practices. Subcontractors, suppliers, and vendors will be selected based on objective criteria including quality, technical excellence, price, delivery, and adherence to schedules, services and maintenance of adequate sources of supply. Purchasing decisions will be made on the supplier's ability to meet needs and not on personal relationships or friendships. CWN will always employ the highest ethical standards in business practices in source selection, negotiation, determination of contract awards, and the administration of purchasing activities.

F. Marketing

Marketing and advertising practices are defined as those activities used by CWN to educate the public, provide information to the community, increase awareness of services, and recruit employees or contractual providers. CWN will present only truthful, fully informative and non-deceptive information in any materials or announcements.

The federal Anti-kickback Statute (section 1128B[b] of the Social Security Act) makes it a felony, punishable by criminal penalties, to offer, pay, solicit, or receive "remuneration" as an inducement to generate business compensated by Medicare or Medicaid programs. Therefore, all direct-to-consumer marketing activities require advance review by the Compliance Committee or designee if the activity involves giving anything of value directly to a consumer.

G. Financial Systems Reliability and Integrity

CWN shall ensure integrity of all financial transactions. Transactions shall be executed in accordance with established policies and procedures and with federal and state law and recorded in conformity with generally accepted accounting principles or any other applicable criteria.

CWN shall develop internal controls and obtain an annual independent audit of financial records; shall ensure that reimbursement for services billed is accurate, appropriate, and based on complete documentation; and shall maintain accountability of assets.

In accord with the 42 USC 139a(a); Section 1902(a) of the Social Security Act (AKA as the Deficit Reduction Act of 2005) CWN's internal process shall monitor for actions by providers of Medicaid services to prevent fraud, abuse, and waste, or are likely to result in unintended expenditures.

- detailed training on federal and state False Claims acts and all whistleblower provisions.
- 2 CWN and Affiliates will include material about relevant federal and state regulations in their employee handbook if such exists.
 - 3 All CWN's Board members, employees and contractual providers are required to report any suspected occurrences of fraud, abuse and waste. The Compliance Officer must investigate. The CWN Compliance Officer will be responsible for investigating any Agency level reports of suspected fraud, abuse or waste.
 - 4 Annually a summary report of any substantiated Agency compliance violations will be reported to the CWN Leadership, and the CWN Board of Directors.

H. Information Systems Reliability

CWN shall ensure the reliability of its information system. The Information Systems team will be responsible for monitoring the reliability and integrity of the electronic information system including, but not limited to, the following:

- Maintaining security, assuring integrity, and protecting consumer confidentiality.
- Controlling access to computerized data.
- Training staff to use the system based on job function.
- Assuring reliability, validity and accuracy of data.
- Following procedures that will assure confidentiality of electronic information pursuant to HIPAA, the Michigan Mental Health Code and other applicable laws and regulations.

I. Confidentiality and Privacy

CWN is committed to protecting the privacy of its consumers and shall strictly govern the disclosure of any information to anyone other than those authorized in the current published Privacy Notice. Any Board member, employee, or contractual provider who engages in unauthorized disclosure of consumer information is subject to disciplinary action which may result in removal from the Board, termination of employment, or termination of a contract.

To ensure that all consumer information remains confidential, employees and contractual providers are required to comply with all confidentiality policies and procedures in effect, specifically to include the HIPAA Privacy regulations outlined below:

- Privacy Notice - CWN will have a notice of privacy practices to be posted at each site and given to each consumer at intake.
- Consent - Prior to treatment, CWN will obtain a signed consent for permission for CWN to treat, bill for and carry out health care operations described in the Privacy Notice.
- Authorization - If information is shared, outside of those described in the Privacy Notice, a signed authorization will be obtained from the consumer.
- Business Associate Agreement - CWN will obtain assurances with all business associates that protected health care information, shared with them, will be protected and appropriately safeguarded.
- CWN shall investigate any reports of suspected violations and respond to findings of the investigations in compliance with the HIPAA privacy and security regulations.

- CWN will perform any necessary risk analyses or assessments to ensure compliance.

IV. Compliance Administrator/Officers

CWN Compliance Administrator, will be given sufficient authority and control to oversee and monitor the Compliance Plan, including but not limited to the following:

- Recommending revisions/updates to the Compliance Plan, policies, and procedures to reflect organizational, regulatory, and statutory changes.
- Reporting on a regular basis the status of implementation of the Compliance Plan and related compliance activities.
- Coordinating training and education efforts with PIHP and Affiliates.
- Ensure coordinating efforts with human resources or other relevant departments regarding employee certifications/licensures, background checks, and privileging and credentialing.
- Coordinating internal audits and monitoring activities outlined in the compliance plan.
- Developing and modifying policy and programs that encourage the reporting of suspected fraud and other potential problems without fear of retaliation.
- Independently investigating and acting on matters related to compliance.

The authority given the Compliance Administrator will include the ability to review all documents and other information relevant to compliance activities, including, but not limited to, consumer records, billing records, employee records and contracts and obligations of CWN.

V. Compliance Committee

The CWN Compliance Committee will consist of the Directors' Team. The committee will meet at regular intervals and shall be responsible for the following:

- Advising the Compliance Officer and assisting with the development, implementation, operation, and distribution of the Compliance Plan and supporting CWN policies and procedures.
- Reviewing and recommending changes/revisions to the Compliance Plan and related policies and procedures.
- Evaluating the effectiveness of the Compliance Plan.
- Determining the appropriate strategy/approach to promote compliance with the Compliance Plan and detect potential violations and areas of risk.
- Recommending and monitoring the development of internal systems and controls to carry out the Compliance Plan and supporting policies as part of daily operations.
- Reviewing audit results and corrective action plans.
- Approving the training and education program and monitoring attendance.
- Developing a system to solicit, evaluate, and respond to complaints and problems.

VI. Training and Education

All Board members and employees will receive training on the CWN Compliance Plan and Standards of Conduct at orientation and will sign the CWN Compliance Program

Acknowledgement form (Attachment A). Additional training may be required for employees involved in specific areas of risk or as new regulations are issued. Informational updates will be provided through newsletters, emails, and in-services. Records will be maintained on all formal training and educational activities. Training is considered a condition of employment and failure to comply will result in disciplinary action up to and including termination.

Training and educational opportunities related to Compliance may be made available to contractual providers, as well as consumers and others as appropriate.

VII. Open Lines of Communication

Open lines of communication between the Compliance Officer and employees of CWN are essential to the successful implementation of the Compliance Plan and the reduction of any potential for fraud or abuse. Methods for maintaining open lines of communication may include, but not be limited to the following:

- There shall be access to the CWN Compliance Officer for employees seeking clarification on specific standards, policies, procedures, or other compliance related questions that may arise on a day-to-day basis. Questions and responses will be documented, dated, and may be shared with all employees, as appropriate, to increase awareness/understanding.
- Information will be shared with employees regarding the results of internal and external audits, reviews, and site visits, utilization data, performance and quality data, and other information that may facilitate understanding of regulations, and the importance of compliance.
- Information may be communicated to employees through a variety of methods such as formal trainings, impromptu information calls or "help desk" calls, e-mails, newsletters, intranet resource pages, or other methods identified that facilitate access to compliance related information as a preventative means to reduce the potential for fraud and abuse.

VIII. Reporting of Suspected Violations or Misconduct

Employees, contractual providers, consumers, and others are to report suspected violations or misconduct to their CWN Compliance Officer as outlined below and further detailed in the CWN Compliance Investigation, Resolution and Documentation Process (Attachment C).

- Suspected violations or misconduct may be reported to the Compliance Officer by phone/voicemail, email, in person, in writing, or to one of the Affiliate CMH Compliance Officers.
- Employees with firsthand knowledge of activities or omissions that may violate applicable laws and regulations are required to report such wrongdoing to the Compliance Officer.
- Reports of suspected violations or misconduct might be made on a confidential basis.
- No employee, consumer, or contractual provider making such a report in good faith shall be retaliated against by CWN, its employees or agents.
- All employees will be asked to report any known or suspected violations as part of the Exit Interview process.

IX. Investigation

All reports of suspected wrongdoing, however received, shall be investigated and documented as outlined in the CWN Compliance Investigation, Resolution and Documentation Process (Attachment C). No one involved in the process of receiving and investigating reports shall communicate any information about a report or investigation, including the fact that a report has been received or an investigation is ongoing, to anyone within CWN who is not involved in the investigation process or to anyone outside of CWN without the prior approval of the CWN Compliance Officer. All employees and agents are expected to cooperate fully with investigation efforts. Investigations will be conducted by the Compliance Officer. If the allegation that needs to be investigated includes the CEO of the CWN then the investigation will be handled by the PIHP Compliance Administrator. If the allegation needing to be investigated involves the CEO of the PIHP then the investigation will be handled by the Compliance Administrator of another PIHP.

X. Corrective Actions

Where an internal investigation substantiates a reported violation, corrective action will be initiated including, as appropriate, making prompt restitution of any overpayment amounts, notifying the appropriate governmental agency, instituting whatever disciplinary action is necessary, and implementing system changes to prevent a similar violation from recurring in the future. For further information see CWN Compliance Procedure (Attachment D) and CWN Compliance Investigation, Resolution and Documentation Process (Attachment C).

XI. Disciplinary Action

CWN will follow established disciplinary guidelines for all employees who have failed to comply with the Standards of Conduct, policies, and procedures, federal and state law, or otherwise engage in wrongdoing. The guidelines will be consistently enforced at all levels of the organization.

For the collective bargaining agreement: If any provision of a collective bargaining agreement between a CWN and its employees conflicts with any provision of the compliance plan, the collective bargaining agreement shall take precedence *unless* the compliance plan is citing a law, the application of which cannot be modified through collective bargaining.

XII. Grievance Process

CWN strives to promote fairness and equity among employees and to treat everyone with dignity and respect at all times. Any disciplinary action taken in response to violations of the Compliance Plan is subject to appeal through the formal grievance processes established at CWN.

XIII. Monitoring and Auditing

Monitoring and auditing of CWN's operations are keys to ensuring compliance and adherence to policies and procedures. Monitoring and auditing can also identify areas of potential risk and those areas where additional education is required.

The following monitoring and auditing activities will occur at CWN:

Financial and Billing Integrity

- An independent audit of financial records each year

- Contract providers have signed contracts and adhere to the contract requirements
- Medicaid claims verification

Information Systems Reliability and Integrity

- IS staff will monitor the reliability and integrity of the information system and data
- Staff will be trained on use of information systems and provided access based on role and job function.

Clinical/Quality of Care

- Performance indicators are monitored and reviewed in an effort to continually improve services
- Staff are evaluated in writing on their performance and are provided with detailed job descriptions and individualized development plans.
- New staff are hired through a detailed pre-employment screening and hiring process and complete a comprehensive orientation program.
- Clinical supervision is provided and documented to ensure competency.

Consumer Rights and Protections

- Rights complaints and issues are reviewed and investigations are completed as required.
- A Rights Advisory Committee has been established and meets regularly for the purpose of supporting/protecting the office of recipient rights and serving in an advisory capacity.
- Incident reports and trends are reviewed and there is follow up action as needed.
- A root cause analysis is completed on each sentinel event.

Environmental Risks

- The CWN Safety Committee meets regularly to assure the safety of facilities and consumers.
- Comprehensive maintenance reviews of facilities, equipment, and vehicles are completed as required but not less than annually.
- Emergency drills are conducted and evaluated on a regular basis.
- Initial and ongoing education on health, safety, and emergency issues are routinely provided.

Quality and Utilization Reviews

- CWN has an established Quality Assurance and Improvement Program, which addresses clinical record reviews, utilization management, privileging and credentialing and other quality improvement initiatives.

Additional Internal Monitoring and Auditing Activities

- CWN reviews of Delegated Functions
- Assessment of staff knowledge and competence
- Mystery Shoppers and Surveys (to evaluate marketing and access practices)
- Needs Assessments (to assess adequacy of services)
- Special Focus Groups

Additional External Monitoring and Auditing Activities:

- External Quality Reviews
- CMS Site Visits
- DCH Site Visits
- DCH Rights Reviews
- Independent Financial Audits
- Accreditation Surveys

The CWN Compliance Officer and Compliance Committee will review monitoring and auditing efforts for effectiveness, identification of additional areas of risk, and follow up and response for potential compliance issues on an ongoing basis. The CWN Compliance Committee will review the aforementioned efforts as they affect the PIHP.

Implementation and effectiveness of the Compliance Plan will be monitored and evaluated by the CWN Compliance Committee at least annually.

XIV. Internal reporting

The Compliance Officer will make a report to the internal Directors' Team on an annual basis.

CWN

COMPLIANCE PROGRAM ACKNOWLEDGEMENT

1. I have received, read, and understand the CWN Compliance Plan, Standards of Conduct, and related policies and procedures.
2. I pledge to act in compliance with and abide by the Standards of Conduct and the Compliance Plan during the entire term of my employment and/or contract.
3. I acknowledge that I have a duty to report to the Compliance Officer any alleged or suspected violation of the Standards of Conduct, agency policy, or applicable laws and regulations.
4. I will seek advice from my supervisor or the Compliance Officer concerning appropriate actions that I may need to take in order to comply with Standards of Conduct or the Compliance Plan.
5. I understand that failure to comply with this certification or failure to report any alleged or suspected violation of the Standards of Conduct or Compliance Plan may result in disciplinary action up to and including termination of employment or contract.
6. I agree to participate in any future compliance trainings as required and acknowledge my attendance at such trainings as a condition of my continued employment/contract.
7. I agree to disclose the existence and nature of any actual or potential conflict of interest to the Compliance Officer. Further, I certify that I am not aware of any conflicts of interest.

Please check the appropriate box and return this page with your signed contract:

- I certify that I have received a copy of the Compliance Plan, have reviewed the information, and will comply with all requirements as set forth in the Plan.

Board/Employee/Provider/Contractor Signature

Date

Acknowledgment of Contractual Provider Compliance Program:

- I certify that as a contractual provider I have elected to not participate in the CWN Compliance Plan and hereby certify that I have an independently developed and implemented Compliance Program in which to ensure compliance with all applicable laws and regulations. A copy of said Compliance Program is attached.

Contractual Provider Signature

Date