

Policy Name: Business Ethics and Compliance Program	
Policy Owner: Texas Health Chief Compliance Officer	Effective Date: 03/02/2017
Approved By: System Performance Council	Last Reviewed Date: 03/02/2017
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1.0 Scope:

1.1 Applicable Entities:

This policy applies to Texas Health Resources and its member entities and excludes the Texas Health joint venture entities.

2.0 Purpose:

2.1 To communicate the structure and components of the Texas Health Resources' (Texas Health) Business Ethics and Compliance Program that is designed to foster an environment of corporate responsibility through guidance and support which preserves the trust and confidence of our stakeholders.

3.0 Policy Statement(s):

3.1 It is the policy of Texas Health to adhere to legal and ethical standards that govern Texas Health healthcare operations. The Texas Health Board of Trustees has established the system-wide Business Ethics and Compliance Program (the Program) consistent with, but not limited to, guidance issued by the Office of Inspector General and the U.S. Federal Sentencing Guidelines. The Program focuses on the detection and prevention of violations of federal, state and local laws and encourages employees and others affiliated with Texas Health to ask questions and/or report concerns about behaviors or business practices that may violate laws, regulations or Texas Health policies.

4.0 Policy Guidance:

4.1 Program Components

4.1.1 Written Policies and Procedures – The program will include a written Code of Business Ethics and policies tailored to Texas Health's needs which promote compliance and ethical business practices. Compliance policies are included as Texas Health System Policies on the Texas Health Intranet.

4.1.2 Designation of a Chief Compliance Officer – The Texas Health Board of Trustees will designate a member of executive management to serve as the Texas Health Chief Compliance Officer and have direct administrative responsibility over and accountability for the Program.

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- 4.1.3 Training and Education – Training and education will be provided to effectively communicate the standards, procedures and other aspects of the Program to all employees and others.
 - 4.1.4 Open Lines of Communication and Reporting – Texas Health will maintain an open-door environment including the operation of a toll-free Compliance Hotline whereby employees and others are encouraged to seek guidance, ask questions or report suspected or actual misconduct, and do so anonymously, confidentially, and without fear of retaliation or retribution.
 - 4.1.5 Internal Monitoring and Auditing – Texas Health will establish internal compliance monitoring and auditing processes to evaluate the key features of the Program, to validate compliance in identified risk areas and to promote continuous improvement/best practices.
 - 4.1.6 Remediation and Process Improvement – If an issue of non-compliance is detected, Texas Health will take reasonable steps to respond to the issue, remediate and take steps to prevent further noncompliance, including making any necessary modifications to the Program that may be warranted to prevent and detect future violations.
 - 4.1.7 Enforcement of Progressive Corrective Action – Texas Health’s standards will be consistently enforced through appropriate progressive corrective action when needed. Progressive corrective action will apply not only for those individuals engaging in misconduct, but also for those who are aware of but fail to take reasonable steps to prevent and detect wrong doing.
- 4.2 Program Structure, Operations and Responsibilities
- 4.2.1 Texas Health Board of Trustees
 - a. System-wide oversight responsibility for the Program rests with Texas Health Board of Trustees and the Texas Health Audit and Compliance Committee. The Texas Health Board of Trustees has delegated direct oversight responsibility for the system-wide Program to the Texas Health Audit and Compliance Committee.
 - b. Each Texas Health entity Board of Trustees has oversight responsibility for compliance activities at the entity level.

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4.2.2 Texas Health Chief Compliance Officer

- a. The Texas Health Chief Compliance Officer is appointed by the Texas Health Board of Trustees and is charged with the responsibility to carry out the Program. The Chief Compliance Officer is accountable to the Texas Health Chief Executive Officer and the Texas Health Audit and Compliance Committee. The position has an administrative reporting relationship to the Texas Health Executive Vice President & Chief Legal Counsel.
- b. Oversee the activities related to oversight of the Texas Health entity compliance/privacy officers and compliance staff (both corporate level and entity level)
- c. Serve as Chairperson of the Texas Health System Compliance Council.
- d. Oversee and monitor the implementation of the Texas Health Business Ethics and Compliance Program throughout the health care system including policies, education, monitoring, performance dashboards, audits, investigations and corrective actions, as warranted. Periodically assess the effectiveness of the programs and related activities.
- e. Make regular reports to the Texas Health Audit and Compliance Committee regarding compliance program activities, identified risk areas and efforts to reduce vulnerability, privacy breaches, fraud, waste and abuse.
- f. Perform periodic risk assessments to identify areas vulnerable to error or non-compliance and formulate processes that are responsive to the identified risks.
- g. Establish and communicate Texas Health's expectation of ethical and legal conduct by employees, agents and contractors. Communicate the Texas Health prohibition against retaliation for good faith reports of compliance concerns or suspected misconduct.
- h. Establish and oversee internal reporting processes including the Texas Health Compliance Hotline so that Texas Health employees, agents and contractors can report business ethics and compliance concerns without fear of retaliation.

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- i. See that privacy/compliance concerns or allegations of wrong doing reported via the Texas Health Compliance Hotline or through other means are promptly and thoroughly investigated and resolved.
- j. Establish Texas Health training programs that convey the Program and address identified risk areas.
- k. Support the Entity Compliance Officers and Committees and provide feedback to the entity Board of Trustees on the effectiveness of entity compliance activities.
- l. Notify Texas Health executive management and/or the Boards of Directors (in the instance that executive management is implicated) of compliance issues that may pose significant risk to Texas Health and/or its subsidiaries.
- m. Take action when any matter requires external reporting or disclosure, such as to a regulatory or enforcement agency.
- n. Conduct or authorize an independent investigation of any matter which, in the judgment of the Texas Health Chief Compliance Officer, cannot be adequately investigated by a Texas Health resource.
- o. Coordinate review and investigation of any matter deemed potentially illegal, unethical or otherwise improper with the Legal, Internal Audit, Security, People and Culture, Risk Management, or other Texas Health department. Ensure that any matter requiring external reporting or disclosure, such as to a regulatory or enforcement agency, is coordinated with legal counsel and reported within requirements.
- p. Manage outside inquiries and/or audits related to compliance or privacy matters including Office of Inspector General, Department of Justice and/or Medicare & Medicaid audit contractor activities.
- q. Oversee the Texas Health Identity Theft Prevention Program
- r. Oversee the Texas Health Anti-Fraud Program

4.2.3 Texas Health System Compliance Council

- a. Advise the Chief Compliance Officer and assist in carrying out the goals and objectives of the Program. Council membership is

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composed of each Entity Compliance Officer, representatives from the business office, finance, medical staff, legal services, and other specifically identified personnel.

- b. Develop an annual Texas Health Compliance Work Plan and Entity Work Plan template designed to monitor effectiveness of the Program and facilitate compliance in identified risk areas.
- c. Provide input regarding compliance standards, policies and procedures and recommend compliance activities to address identified risk areas.
- d. Assist the Chief Compliance Officer in identifying needed resources to carry out compliance activities.
- e. Review and discuss compliance auditing and monitoring reports.
- f. Monitor the effectiveness of Texas Health internal reporting and communication processes (e.g., Hotline, etc.).
- g. Participate in compliance related communication and education initiatives throughout Texas Health.

4.2.4 Entity Compliance Officer

- a. Be accountable to the entity Board of Trustees, entity president and to the Texas Health Chief Compliance Officer in carrying out the Programs at the entity level.
- b. Oversee implementation of Texas Health Compliance policies and activities at the entity level and provide a quarterly Entity Compliance Report to the Texas Health Chief Compliance Officer.
- c. Serve as a champion for the Program and provide leadership on business ethics and compliance initiatives.
- d. Assist with appropriate documentation and investigation regarding compliance concerns or allegations of wrong doing.
- e. Serve a Chairperson of the Entity Compliance Committee, oversee completion of the annual entity Compliance Work Plan and lead the committee in activities as needed to effectively carry out the Program at the entity level.

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- f. Maintain employee awareness of the Program and answer employee questions regarding compliance policies and business ethics.
- g. Promptly report entity compliance issues or concerns to the Texas Health Chief Compliance Officer and entity management and work collaboratively to establish facts, reach conclusions and implement corrective actions when needed.
- h. Make periodic reports to the entity Board regarding entity compliance activities.

4.2.5 Entity Compliance Committees

- a. The Entity Compliance Committee is an ad hoc committee of the entity Board of Trustees and is established annually by Board resolution. The committee is chaired by the Entity Compliance Officer. Committee membership is designated by the Entity President each year in accordance with the authority granted in the Board resolution.
- b. Advise the Entity Compliance Officer and assist in carrying out the goals and objectives of the Program at the entity level.
- c. Identify risk areas at the entity level, develop an annual work plan, and monitor entity progress in addressing business ethics and compliance risk areas.
- d. Formulate and monitor corrective actions that may be required in response to an audit or other compliance monitoring activity.
- e. Other activities as may be required to carry out the Program effectively at the entity level.

4.2.6 Texas Health Business Ethics Council

- a. Review and periodically update business ethics standards contained in the Code.
- b. Provide guidance to Texas Health management and the Texas Health Chief Compliance Officer regarding business ethics questions and standards.
- c. Evaluate and provide feedback on employee awareness and understanding of the Code.

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- d. Identify education needs relating to business ethics.
- e. Be accountable to and provide periodic reports to the Texas Health Audit and Compliance Committee and Senior Leadership Committee regarding Business Ethics Council activities.

4.3 Texas Health Employees

4.3.1 The effectiveness of the Program depends on each employee's commitment to ethics and compliance and responsibility to bring compliance concerns to the attention of his/her supervisor or the Texas Health Chief Compliance Officer or the respective Entity Compliance Officer, if needed.

4.3.2 Each employee must know compliance expectations, abide by them and be sensitive to situations that could lead to non-compliance.

5.0 Definitions:

- 5.1 Code of Business Ethics (Code) – A published set of guidelines and standards identifying appropriate business ethics standards.
- 5.2 Entity Compliance Committee – An ad hoc committee of the entity's Board of Trustees that is appointed annually by Board resolution.
- 5.3 Entity Compliance Officer – An employee designated annually by the entity President (through authority granted by the entity Board) to be accountable for the Program at the entity level.
- 5.4 Texas Health Business Ethics and Compliance Program (the Program) – A comprehensive strategy including policies, personnel and resources designed to assist employees in adherence to the Texas Health Code of Business Ethics, compliance policies, laws and regulations. The Program includes the essential elements necessary for an effective compliance program and builds upon the practices of checks and balances, ethics, common sense, trust and best practices.
- 5.5 Texas Health Chief Compliance Officer – The Texas Health employee delegated authority by the Texas Health Board of Trustees for the day-to-day operation of the Program. The Chief Compliance Officer is charged with responsibility for implementing and operating the Program in an independent and objective manner and is accountable to the Texas Health Chief Executive Officer and the Texas Health Audit and Compliance Committee.
- 5.6 Texas Health System Compliance Council – The Texas Health Council that provides support and feed back to the Texas Health Chief Compliance Officer

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and assists with development of priorities, identification of needed resources, development of policies and implementation of the Program.

6.0 Responsible Parties:

6.1 Texas Health Chief Compliance Officer

6.1.1 Responsible for oversight and operation of the Texas Health Business Ethics and Compliance Program, activities and roles set forth in this policy including annual review and revision of this policy as appropriate.

6.2 Texas Health Entity Compliance Officers

6.2.1 Responsible for implementation of the Texas Health Business Ethics and Compliance Program at the entity level.

7.0 External References:

7.1 Office of Inspector General Compliance Guidance for Hospitals

7.2 Office of Inspector General Supplemental Compliance Guidance for Hospitals

7.3 U.S. Federal Sentencing Guidelines

8.0 Related Documentation and/or Attachments:

8.1 [Anti-Fraud Program - THR System Policy](#)

8.2 [Business Ethics and Compliance - Education and Training - THR System Policy](#)

8.3 [Business Ethics and Compliance Program Auditing and Monitoring - THR System Policy](#)

8.4 Code of Business Ethics

8.5 [Cooperation with Search Warrants Subpoenas and Governmental Investigations - THR System Policy](#)

8.6 [Dualities and Conflicts of Interest Policy and Forms - THR System Policy](#)

8.7 [Federal and State False Claims Acts and Protections - THR System Policy](#)

8.8 [Identity Theft Prevention Program - THR System Policy](#)

8.9 [Non-Retaliation - Good Faith Reports of Suspected Misconduct - THR System Policy](#)

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8.10 [Progressive Corrective Action - THR System Policy](#)

8.11 [Prohibition Against Doing Business - THR System Policy](#)

8.12 [Internal Reporting and Investigation - THR System Policy](#)

9.0 Required Statements:

Not Applicable