

BOARD AUDIT & COMPLIANCE COMMITTEE

MEETING AGENDA

Tuesday, February 20, 2024

4:00 p.m.

PLEASE SEE PAGE 2 FOR MEETING LOCATION OPTIONS

	<i>The Board may take action on any of the items listed below, including items specifically labeled "Informational Only"</i>	<u>Time</u>	<u>Form A Page</u>	<u>Target</u>
CALL TO ORDER				
I.	Establishment of Quorum	1		4:01
II.	Public Comments ¹	30		4:31
III.	Adjourn to Closed Session	1		4:32
	a. Pursuant to California Government Code § 54956.6 — CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION — Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One (1) potential case	15		4:47
IV.	Re-Adjourn to Open Session	1		4:48
V.	Action Resulting from Closed Session	1		4:49
VI.	Action Item(s)			
	a. Review/Approve: Board Audit & Compliance Committee Minutes, October 17, 2023 (ADD A - Pp 3-6)	5		4:54
	b. Review/Approve: Board Audit & Compliance Committee 2024 Meeting Calendar	5	2	4:59
	c. Review/Approve: Board Audit & Compliance Standing Agenda Items for 2024 (ADD B - Pp 7-8)	5		5:04
	d. Review/Approve: New Compliance Program (ADD C - Pp 9-34)	10		5:14
	e. Review: 2024 Compliance Internal Audit Schedule	5		5:19
	f. Review: Hotline – Year End Report	5		5:24
FINAL ADJOURNMENT				

Board Audit & Compliance Committee Members

VOTING MEMBERS	NON-VOTING MEMBERS
Michael Pacheco, RN, Chair	Diane Hansen, President & CEO
Laurie Edwards-Tate, MS, Director	Kevin DeBruin, Esq., Chief Legal Officer
Linda Greer, RN, Director	Helen Waishkey, Corporate Compliance Officer
ALTERNATE VOTING MEMBERS	Lewann Baucknecht, Compliance Program Analyst
Jeff Griffith, EMT-P – 1 st Board Alternate	Committee Appointed Physician Representative

Note: If you have a disability, please notify us by calling 760.740.6375, 72 hours prior to the event so that we may provide reasonable accommodations.

¹ 3 minutes allowed per speaker. For further details, see Request for Public Comment Process and Policy on page 3 of the agenda.

Board Audit & Compliance Committee Meeting Location Options

Linda Greer Board Room

2125 Citracado Parkway, Suite 300, Escondido, CA 92029

- Elected Board Members of the Palomar Health Board of Directors will attend at this location, unless otherwise noticed below
- Non-Board member attendees, and members of the public may also attend at this location

<https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting?rtc=1>

Meeting ID: 233 560 997 950

Pass Code: 8rR9eG

or

Dial in using your phone at 929.352.2216; Access Code: 699 274 444#¹

- Non-Board member attendees, and members of the public may also attend the meeting virtually utilizing the above link

¹ New to Microsoft Teams? Get the app now and be ready when your first meeting starts: [Download Teams](#)

Policy : Public Comments and Attendance at Public Board Meetings

I. PURPOSE:

A. It is the intention of the Palomar Health Board of Directors to hear public comment about any topic that is under its jurisdiction. This policy is intended to provide guidelines in the interest of conducting orderly, open public meetings while ensuring that the public is afforded ample opportunity to attend and to address the board at any meetings of the whole board or board committees.

II. DEFINITIONS:

A. None defined.

III. TEXT / STANDARDS OF PRACTICE:

- A. There will be one time period allotted for public comment at the start of the public meeting. Should the chair determine that further public comment is required during a public meeting, the chair can call for such additional public comment immediately prior to the adjournment of the public meeting. Members of the public who wish to address the Board are asked to complete a [Request for Public Comment form](#) and submit to the Board Assistant prior to or during the meeting. The information requested shall be limited to name, address, phone number and subject, however, the requesting public member shall submit the requested information voluntarily. It will not be a condition of speaking.
- B. Should Board action be requested, it is encouraged that the public requestor include the request on the *Request for Public Comment* as well. Any member of the public who is speaking is encouraged to submit written copies of the presentation.
- C. The subject matter of any speaker must be germane to Palomar Health's jurisdiction.
- D. Based solely on the number of speaking requests, the Board will set the time allowed for each speaker prior to the public sections of the meeting, but usually will not exceed 3 minutes per speaker, with a cumulative total of thirty minutes.
- E. Questions or comments will be entertained during the "Public Comments" section on the agenda. All public comments will be limited to the designated times, including at all board meetings, committee meetings and board workshops.
- F. All voting and non-voting members of a Board committee will be seated at the table. Name placards will be created as placeholders for those seats for Board members, committee members, staff, and scribes. Any other attendees, staff or public, are welcome to sit at seats that do not have name placards, as well as on any other chairs in the room. For Palomar Health Board meetings, members of the public will sit in a seating area designated for the public.
- G. In the event of a disturbance that is sufficient to impede the proceedings, all persons may be excluded with the exception of newspaper personnel who were not involved in the disturbance in question.
- H. The public shall be afforded those rights listed below (Government Code Section 54953 and 54954).
 - 1. To receive appropriate notice of meetings;
 - 2. To attend with no pre-conditions to attendance;
 - 3. To testify within reasonable limits prior to ordering consideration of the subject in question;
 - 4. To know the result of any ballots cast;
 - 5. To broadcast or record proceedings (conditional on lack of disruption to meeting);
 - 6. To review recordings of meetings within thirty days of recording; minutes to be Board approved before release,
 - 7. To publicly criticize Palomar Health or the Board; and
 - 8. To review without delay agendas of all public meetings and any other writings distributed at the meeting.
- I. This policy will be reviewed and updated as required or at least every three years.

Audit & Compliance Committee Meeting

Meeting will begin at **4:00 p.m.**

Request for Public Comments

If you would like to make a public comment, please submit a request by doing the following:



- **In Person: Submit Public Comment Form to Board Assistant**
- **Virtual: Enter your name and “Public Comment” in the chat function once the meeting opens**

Those who submit a request will be called on during the Public Comments section and given 3 minutes to speak.

Public Comments Process

Pursuant to the Brown Act, the Board of Directors can only take action on items listed on the posted agenda. To ensure comments from the public can be made, there is a 30 minute public comments period at the beginning of the meeting. Each speaker who has requested to make a comment is granted three (3) minutes to speak. The public comment period is an opportunity to address the Board of Directors on agenda items or items of general interest within the subject matter jurisdiction of Palomar Health.

**Audit and Compliance Committee Meeting Schedule
Calendar Year 2024**

TO: Audit & Compliance Committee

MEETING DATE: Tuesday, February 20, 2024

FROM: Helen Waishkey, Corporate Compliance Officer

Background: As adopted at the October 10, 2023, Audit and Compliance Committee meeting, the meeting schedule for calendar year 2024 be held quarterly at 4:00 p.m. on the third Tuesday.

Meetings will be held in the Linda Greer Board Room at Palomar Health's Administrative Offices, located at 2125 Citracado Parkway, Suite 300, Escondido, CA. Members of the Committee who are elected members of the Board of Directors shall attend at that location.

Please see below for the dates on which the meetings would be held:

2024 BOARD & COMPLIANCE COMMITTEE MEETING SCHEDULE

Tuesday February 20, 2024	Tuesday May 21, 2024
Tuesday August 20, 2024	Tuesday November 19, 2024

Budget Impact: N/A

Staff Recommendation: Review and approval

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:

ADDENDUM A

Board Audit and Compliance Meeting Minutes – Tuesday, October 17, 2023			
AGENDA ITEM	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
DISCUSSION			
NOTICE OF MEETING			
Notice of Meeting was posted at the Palomar Health Administrative Office at 2125 Citracado Parkway, Escondido, CA. 92029; also posted with agenda packet on the Palomar Health website on Wednesday, October 11, 2023.			
CALL TO ORDER			
The meeting, which was held in the Linda Greer Board Room at 2125 Citracado Parkway, Suite 300, Escondido, CA. 92029, and virtually, was called to order at 4:02 p.m. by Chair Michael Pacheco			
I. ESTABLISHMENT OF QUORUM			
<ul style="list-style-type: none"> Quorum comprised of: Chair Michael Pacheco, Director Laurie Edwards-Tate, and Director Linda Greer Excused Absences: 			
II. PUBLIC COMMENTS			
<ul style="list-style-type: none"> After the establishment of quorum, Lachlan Macleay, MD, announced he has accepted a new position out of state and proposed an alternate physician representative as his replacement. Chair Michael Pacheco acknowledged Dr. Macleay's recommendation and thanked him for his service on the committee. 			
III. Adjourn to Closed Session			
<i>Pursuant to California Government Code § 54956.6 — CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION — Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One (1) potential case</i>			
IV. Re-Adjourn to Open Session			

V. Action Resulting from Closed Session			
<ul style="list-style-type: none"> No action resulting from closed session 			
VI. ACTION ITEMS			
1. Minutes: Board Audit and Compliance Meeting, Tuesday, August 15, 2023	<p>MOTION by Director Greer, 2nd by Director Edwards-Tate to approve the August 15, 2023, meeting minutes as written. Roll call voting was utilized.</p> <p>Director Edwards-Tate - aye Director Greer – aye Director Pacheco - aye</p> <p>All in favor. None opposed. Motion approved.</p>		
DISCUSSION: <ul style="list-style-type: none"> No discussion 			
2. Review/Adopt: Meeting Schedule for 2024	<p>MOTION by Director Greer, 2nd by Director Edwards-Tate to adopt a Quarterly Meeting Schedule for 2024. Roll call voting was utilized.</p> <p>Director Edwards-Tate - nay Director Greer – aye Director Pacheco - aye</p> <p>Two in favor. One opposed. Motion approved.</p> <p>MOTION by Director Edwards-Tate, to adopt a Bi-Monthly Meeting Schedule for 2024. Motion was not seconded.</p> <p>Motion failed.</p>		
DISCUSSION: <ul style="list-style-type: none"> Chair Michael Pacheco asked what months the committee would meet in 2024. Helen Waishkey, Corporate Compliance Officer, suggested February, May, August and November for the 2024 meeting schedule Director Laurie Edwards-Tate is in favor of keeping the schedule as is Chair Michael Pacheco noted special meetings can be called if needed 			

<ul style="list-style-type: none"> Diane Hansen, CEO, noted an internal work plan for this committee is closely followed by the Compliance Officer 	
VI. Committee Member Agenda Suggestions	
<ul style="list-style-type: none"> 	
FINAL ADJOURNMENT	
Meeting adjourned by Chair Pacheco at 4:37 p.m.	
SIGNATURES:	
COMMITTEE CHAIR	_____ Michael Pacheco
COMMITTEE SECRETARY	_____ Carla Albright

ADDENDUM B

Board Audit and Compliance Calendar 2024

Standing Agenda Items

FEBRUARY 21, 2024

Approve 2024 Board Audit and Compliance Committee Standing Agenda Items (contained within)
Approve Committee Meeting Schedule for Calendar Year 2024 -below
Approve 2024 Palomar Health Compliance Audit Schedule
Review of Internal Audit Activities-Results from 2023

MAY 21, 2024

Review of Internal Audit Activities
Bi-annual Compliance Hotline Report
Compliance Updates

AUGUST 20, 2024

Preparation of Financial Audit*
Review of Internal Audit Activities
Compliance Updates

NOVEMBER 19, 2024

Compliance Updates
Review of Internal Audit Activities
HHS/OIG Updates, as applicable
End of Year Compliance Hotline Report

FEBRUARY 18, 2025

Approve 2025 Board Audit and Compliance Committee Standing Agenda Items
Approve Committee Meeting Schedule for Calendar Year 2025
Approve 2025 Palomar Health Compliance Audit Schedule
Review of Internal Audit Activities-Results from 2024

ADDENDUM C



Palomar Health CORPORATE COMPLIANCE PROGRAM

December 2023

PALOMAR HEALTH[®]

Reimagining Healthcare[®]

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CEO Address

As an organization with the highest standards and quality of patient care, we are very excited to introduce a new compliance program that will help us provide even better care to our patients and the overall community.

Palomar Health and its affiliates (collectively referred to as Palomar Health (PH)) are subject to a myriad of federal, local and state laws and regulations as we carry out our mission as leaders in healthcare. Palomar Health's leaders and Board are committed to compliance and ethical standards while providing extraordinary patient experience and care.

The Compliance Program was developed to further our mission to heal, comfort and promote health in the communities we serve, by removing the fear associated with it in a manner that ensures compliance with the law and with the highest business acumen. In addition, the Palomar Health Board of Directors, Board Audit and Compliance Committee and the Ethics and Compliance Committee provide high-level oversight of the compliance program and support the Compliance Officer.

The Compliance Program is designed to:

- Communicate and educate
- Prevent any accidental or intentional violations of the law
- Detect and report violations freely, anonymously and in confidence
- Correct activities that may lead to future non-compliance

If you have questions about the Compliance Program or believe an event has occurred that violates this Compliance Program, please contact our Corporate Compliance Officer. Alternatively, you can anonymously contact our Compliance Values Hotline by calling 1.800.850.2551 or by utilizing the four other methods of reporting found in your Living Our Values Code of Conduct. You are encouraged to ask questions and to report violations of the Compliance Program. The Compliance Plan can be accessed at any time via Palomar Health's intranet.

Compliance is a shared responsibility and moving forward as a cohesive unit together, we can ensure that we all do the right thing. We appreciate all your cooperation in making Palomar Health extraordinary, offering world-class care to the communities we serve.

Sincerely,

Diane Hansen
President & Chief Executive Officer
Palomar Health

Welcome to Palomar Health



Palomar Health (PH) is committed to compliance with the voluminous and complex laws, regulations, accreditation standards and payer requirements we all must follow on a daily basis. This Compliance Plan is not designed to provide detailed guidance but rather to be a practical guidebook to Palomar Health's Compliance Program and its efforts to support employees, Board members, executives, employed and non-employed healthcare professionals, healthcare professionals with clinical privileges, contract staff, volunteers and students in performing their job functions and organizational responsibilities.

This plan incorporates the recommendations set forth by the Office of Inspector General for hospitals and reflects the elements of an effective compliance plan described in the Federal Sentencing Guidelines. The plan is meant to be a guide and resource to help personnel ensure their behavior is in compliance with all laws and regulations that affect their job functions and business dealings on behalf of Palomar Health. It does not contain every policy that personnel are expected to follow. All hospital policies are located in Lucidoc and are updated regularly. For questions on policies that apply to you and your job function, you should discuss with your supervisor.

This document can be found via Palomar Health's Intranet site in Business Applications > Lucidoc and under Compliance. Any questions about this plan, the Code of Conduct or other related issues can be addressed to the Compliance Department at Compliance.Officer@PalomarHealth.org or the Compliance Values Hotline at 800.850.2551.

The Compliance Program

KEY FUNCTIONS:

COMMUNICATE and EDUCATE > PREVENT > DETECT > CORRECT

Our Compliance Program is a resource to **COMMUNICATE** and **EDUCATE** Palomar Health staff regarding compliance with applicable laws and regulations in order to **PREVENT** compliance violations. The Compliance Program is designed to **DETECT** potential and actual compliance violations and then **CORRECT** those violations. To help with adherence and mitigate violations, we are committed to the Office of Inspector General's Seven Elements of an Effective Compliance Program, which include the following:

- Implement written policies, procedures and develop a Code of Conduct
- Designate a Compliance Officer and Compliance Committee
- Conduct effective training and education
- Develop effective lines of communication
- Conduct internal and external auditing and monitoring
- Enforce standards through well-publicized disciplinary guidelines
- Respond promptly to detected offenses through investigations and corrective actions

Everyone employed by Palomar Health is required to comply with the Compliance Program. It is only effective if everyone takes it seriously and commits to comply with its contents. Laws and regulations are fluid and changing; the Compliance Program is subject to change when applicable laws change or new laws are enacted. If at any time you are aware of a law or regulation change that would affect the Compliance Program, you are encouraged to let your supervisor, Compliance and HR know.

COMPLIANCE PROGRAM SEVEN ELEMENTS

ELEMENT 1: IMPLEMENT WRITTEN POLICIES, PROCEDURES AND DEVELOP A CODE OF CONDUCT

The Compliance Department utilizes several documents: this Compliance Plan, the Code of Conduct and Compliance policies that cover multiple topics and all can be found within Lucidoc.

Palomar Health's Policies and Procedures Committee and Regulatory Compliance Department are responsible for ensuring Palomar Health has written policies and procedures addressing specific clinical compliance. Staff are not expected to remember or to be experts in all the legal and regulatory requirements, but they are expected to understand that such requirements exist and to seek guidance when necessary. Departments work together to ensure our staff are **EDUCATED** and **COMMUNICATED** with where and how to locate specific policies and address any questions or concerns. All staff help us to **DETECT** and address any possible compliance concerns. The Compliance Plan is a useful tool for identifying areas of risk for heightened awareness. Palomar Health's Risk Management and Compliance Departments work together on common areas of risk within the district. Some of the areas of risk may include:

- Submission of Accurate Claims and Information
- Improper Referrals and Anti-Kickback Prohibitions
- Improper Relationships and Inducements to Healthcare Beneficiaries or Providers
- Emergency Medical Treatment and Labor Act (EMTALA)
- Standards of Care and Medical Necessity
- Conflicts of Interest
- Privacy and Security of Healthcare Information
- Environmental Safety
- Employment and Employee Health and Safety Laws

THE CODE OF CONDUCT

Palomar Health's Code of Conduct is available in Lucidoc and briefly sets forth the principles, policies and standards by which we operate our Clinical Services, Business Operations and Personnel Services to ensure compliance with federal/state laws and regulations. It is every employee's responsibility to read and understand the Code of Conduct and Compliance Plan and to exercise good judgement. These documents are in place to remind each employee about their conduct in order to protect and promote Palomar Health's mission in the work environment and within the communities we serve.

All Palomar Health employees are required to annually review and acknowledge their understanding of the Code of Conduct and associated policies.

Compliance with Laws

It is the policy of Palomar Health that its contractors and employees will comply with all Palomar Health policies and both federal and state laws. When the application of the law is uncertain, guidance from the Legal Department will be sought.

Open Communication

Palomar Health encourages open lines of communication between personnel. If you are aware of an unlawful or unethical situation, there are several ways you can bring this to the hospital's attention. Your supervisor is the best place to start, but you can also contact the hospital's Corporate Compliance Officer, Human Resources (HR) and any leader or call the Compliance Hotline to express your concerns. All reports of unlawful or unethical conduct will be investigated promptly. The hospital does not tolerate threats or acts of retaliation or retribution against employees for using these communication channels.

Personal Conduct

The hospital's reputation for the highest standards of conduct rests not on periodic audits by regulators, but on the high measure of mutual trust and responsibility that exists between personnel and the hospital. It is based on you, as an individual, exercising good judgment and acting in accordance with the Code of Conduct and law. Ethical behavior comes down to honesty and fairness in dealing with other personnel, patients, vendors, competitors, the government and the public. It is no exaggeration to say that the hospital's integrity and reputation are in your hands. The hospital's basic belief in the importance of respect for the individual has led to a strict regard for the privacy and dignity of personnel, patients and any visitor who visits the hospital. When management determines that your personal conduct adversely affects your performance, other personnel or the legitimate interests of the hospital, then the hospital may be required to take action.

Work Environment

The hospital strives to provide personnel with a safe and productive work environment. All personnel must dispose of medical waste, environmentally sensitive materials and any other hazardous materials correctly. You should immediately report to your supervisor any situations that are likely to result in falls, shocks, burns or other harm to patients, visitors or personnel. The work environment also must be free from discrimination and harassment based on race, color, religion, sex, sexual orientation, age, national origin, disability, veteran/military status, gender, gender expression/identity, genetic information or health history, marital status, mental or physical disability, pregnancy/childbirth and religion. The hospital will not tolerate sexual advances, actions, comments or any other conduct in the workplace that creates an intimidating or otherwise offensive environment. Similarly, the use of racial or religious slurs — or any other remarks, jokes or conduct that encourages or permits an offensive work environment — will not be tolerated.

If you believe that you are subject to such conduct, you should bring such activity to the attention of your supervisor, the Corporate Compliance Officer, Human Resources (HR) or call the Compliance Hotline.

The hospital considers all complaints of such conduct to be serious matters, and all complaints will be investigated promptly. Some other activities that are prohibited:

- Threats
- Violent behavior
- The possession of weapons of any type
- The distribution of offensive jokes or other offensive materials via email or any other manner
- The use, distribution, sale or possession of illegal drugs or any other controlled substance, except to the extent permitted by law for approved medical purposes

In addition, personnel may not be on the hospital premises or in the hospital work environment if they are under the influence or affected by illegal drugs, alcohol or controlled substances used other than as prescribed.

Employee Privacy

The hospital collects and maintains personal information that relates to your employment, including medical and benefit information. Access to personal information is restricted solely to people who need to know this information. Personal information is released outside the hospital or to its agents only with employee approval, except in response to appropriate investigatory or legal requirements, or in accordance with other applicable law. Employees who are responsible for maintaining personal information and those who are provided access to such information must ensure that the information is not disclosed in violation of the hospital's personnel policies or practices.

Use of Hospital Property

Hospital equipment, systems, facilities, corporate charge cards and supplies must be used only for conducting hospital business or for purposes authorized by management. Personal items, messages or information that you consider private should not be placed or kept in telephone systems, computer systems, offices, work spaces, desks, credenzas or file cabinets. Employees should have no expectation of privacy with regard to items or information stored or maintained on hospital equipment or premises. Management is permitted to access these areas. Employees should not search for or retrieve articles from another employee's workspace without prior approval from that employee or management. Since supplies of certain everyday items are readily available at hospital work locations, the question of making personal use of them frequently arises. The answer is clear: employees may not use hospital supplies for personal use.

Use of Hospital Computers

The increasing reliance placed on computer systems, internal information and communications in carrying out hospital business makes it absolutely essential to ensure their integrity. Like other hospital assets, these should be used only for conducting hospital business or for purposes authorized by management. Their

unauthorized use, whether or not for personal gain, is a misappropriation of hospital assets. While the hospital conducts audits to help ensure that hospital systems, networks and databases are being used properly, it is your responsibility to make sure that each use you make of any hospital system is authorized and proper. Personnel are not allowed to load or download software or data onto hospital computer systems unless it is for business purposes and is approved in advance by the appropriate persons. Personnel shall not use hospital email systems to deliver or forward inappropriate jokes, unauthorized political materials, or any other potentially offensive materials. Personnel are strictly forbidden from using computers to access the Internet for purposes of gambling, viewing pornography or engaging in any illegal activities. Employees should have no expectation of privacy with regard to items or information stored or maintained on hospital premises or computer, information or communication systems.

Use of Proprietary Information

Proprietary Information

Proprietary information is generally confidential information that is developed by the hospital as part of its business and operations. Such information includes, but is not limited to, the business, financial, marketing and contract arrangements associated with hospital services and products, computer passwords, procedures used in producing computer or data processing records, personnel and medical records and payroll data. Other proprietary information includes management know-how and processes, hospital business and product plans with outside vendors, a variety of internal databases and copyrighted material, such as software. The value of this proprietary information is well-known to many people in the hospital industry. Besides competitors, they include industry and security analysts, members of the press and consultants. The hospital alone is entitled to determine who may possess its proprietary information and what use may be made of it, except for specific legal requirements such as the publication of certain reports. Personnel often has access to information that the hospital considers proprietary. Therefore, it is very important not to use or disclose proprietary information except as authorized by the hospital.

Inadvertent Disclosure

The unintentional disclosure of proprietary information can be just as harmful as intentional disclosure. To avoid unintentional disclosure, never discuss with any unauthorized person proprietary information that has not been made public by the hospital. This information includes unannounced products or services, prices, earnings, procurement plans, business volumes, capital requirements, confidential financial information, marketing and service strategies, business plans and other confidential information. Furthermore, you should not discuss confidential information even with authorized hospital employees if you are in the presence of others who are not authorized — for example, at a conference reception or in a public area such as an airplane. This also applies to discussions with family members or with friends, who might innocently or inadvertently pass the information on to someone else.

Direct Requests for Information

If someone outside the hospital asks you questions about the hospital or its business activities, either

directly or through another person, do not attempt to answer them unless you are certain you are the authorized person to do so. If you are not authorized, then refer the person to the appropriate source within the hospital. Under no circumstances should you contact or speak with any reporter without guidance and authorization. If you receive a request for information or to conduct an interview from an attorney, investigator or any law enforcement officer, and it concerns the hospital's business, you should refer the request to the office of the hospital's Chief Executive Officer.

Disclosure and Use of Hospital Proprietary Information

Besides your obligation not to disclose any hospital proprietary information to anyone outside the hospital, you are also required to use such information, only in connection with your duties as a staff member of the hospital. These obligations apply whether or not you developed the information yourself.

Proprietary and Competitive Information About Others

In the normal course of business, it is not unusual to acquire information about many other organizations, including competitors (other hospitals and health facilities). Doing so is a normal business activity and is not unethical in itself. However, there are limits to the ways that information should be acquired and used. Improper solicitation of confidential data about a competitor from a competitor's employees or from hospital patients is prohibited. The hospital will not tolerate any form of questionable intelligence gathering.

Recording and Reporting Information

You should record and report all information accurately and honestly. Every employee records information of some kind and submits it to the hospital (for example, a time card, an expense account record). To submit a document that contains false information — an expense report for meals not eaten, miles not driven or for any other expense not incurred — is dishonest reporting and is prohibited. Dishonest reporting of information to organizations and people outside the hospital is also strictly prohibited and could lead to civil or even criminal liability for you and the hospital. This includes not only reporting information inaccurately, but also organizing it in a way that is intended to mislead or misinform those who receive it. Personnel must ensure that they do not make false or misleading statements in oral or written communications provided to organizations outside of the hospital.

Exception

Nothing contained herein is to be construed as prohibiting conduct legally protected by the National Labor Relations Act or other applicable state or federal law.

Gifts and Entertainment

The hospital understands that vendors and others doing business with the hospital may wish to provide gifts, promotional items and entertainment to hospital personnel as part of such vendors' own marketing activities.

The hospital also understands that there may be occasions where the hospital may wish to provide reasonable business gifts to promote the hospital's services. However, the giving and receipt of such items can easily be abused and have unintended consequences; giving and receiving gifts, particularly in the healthcare industry, can create substantial legal risks. Personnel are prohibited from accepting any monies/gifts from vendors. If you have questions, please reach out to the Compliance Department for guidance.

General Policy

It is the general policy of the hospital that neither you nor any member of your family may solicit, receive, offer or pay any money or gift that is, or could be reasonably construed to be, an inducement in exchange for influence or assistance in conducting hospital business. It is the intent of the hospital that this policy be construed broadly such that all business transactions with vendors, contractors and other third parties are transacted to avoid even the appearance of improper activity.

Marketing and Promotions in Healthcare

As a provider of healthcare services, the marketing and promotional activities of the hospital may be subject to Anti-Kickback and other laws that specifically apply to the healthcare industry. The hospital has adopted policies elsewhere in this Compliance Program to specifically address the requirements of such laws. It is the policy of the hospital that personnel are not allowed to solicit, offer or receive any payment, compensation or benefit of any kind (regardless of the value) in exchange for referring or recommending the referral of patients or customers to the hospital.

Marketing

The hospital has expended significant efforts and resources in developing its services and reputation for providing high-quality patient care. Part of those efforts involve advertising, marketing and other promotional activities. These activities are potential sources of legal liability as a result of healthcare laws (such as the Anti-Kickback laws) that regulate the marketing of healthcare services. Therefore, it is important that the hospital closely monitor and regulate advertising, marketing and other promotional activities to ensure that all such activities are performed in accordance with hospital objectives and applicable law. It is the general policy of the hospital that no personnel engage in any advertising, marketing or other promotional activities on behalf of the hospital unless such activities are approved in advance by the appropriate hospital representative. Ask your supervisor to determine the appropriate hospital representative to contact. In addition, no advertising, marketing or other promotional activities targeted at healthcare providers or potential patients may be conducted unless approved in advance by the hospital's legal counsel. All content posted on Internet websites maintained by the hospital must be approved in advance by the hospital's Corporate Compliance Officer or Legal Counsel.

Conflicts of Interest

A conflict of interest is any situation in which financial or other personal considerations may compromise or appear to compromise any employee's business judgment, delivery of patient care or ability of any staff

member to do their job or perform their responsibilities. A conflict of interest may arise if you engage in any activities or advance any personal interests at the expense of the hospital's interests. An actual or potential conflict of interest occurs when any staff member is in a position to influence a decision that may result in personal gain for that individual, a relative or a friend as a result of the hospital's business dealings. A "relative" is any person who is related by blood or marriage, or whose relationship with the staff member is similar to that of persons who are related by blood or marriage, including a domestic partner, and any person residing in the staff member's household. You must avoid situations in which your loyalty may become divided. An example would be providing assistance to an organization that provides services and products in competition with the hospital's current or potential services or products. You are required to disclose any current or future arrangements of work for an organization as an employee, independent contractor, a consultant or a member of its Governing Board. Such activities may be prohibited because they divide your loyalty between the hospital and that organization. Failure to disclose such an arrangement to the hospital's Corporate Compliance Officer or legal counsel may be grounds for termination. **See Conflict of Interest Policy.**

Outside Employment and Business Interests

You are not permitted to work on any personal business venture on the hospital premises or while working on hospital time. In addition, you are not permitted to use hospital equipment, telephones, computers, materials, resources or proprietary information for any outside work. You must abstain from any decision or discussion affecting the hospital when serving as a member of an outside organization, board or in public office, except when specific permission to participate has been granted by the hospital's Corporate Compliance Officer or Legal Counsel.

Contracting with the Hospital

You may not contract with the hospital to be a supplier, to represent a supplier to the hospital or to work for a supplier to the hospital while you are an employee of the hospital. In addition, you may not accept money or benefits of any kind for any advice or services you may provide to a supplier in connection with its business with the hospital, unless permission has been granted by the Corporate Compliance Officer or Legal Counsel.

Required Standards

All decisions and transactions undertaken by personnel in the conduct of the hospital's business must be made in a manner that promotes the best interests of the hospital. Personnel have an obligation to address both actual conflicts of interest and the appearance of a conflict of interest. You must always disclose and seek resolution of any actual or potential conflict of interest — whether or not you consider it an actual conflict — before taking a potentially improper action. No set of principles or standards can cover every type of conflict of interest. The following standards address conduct required of all personnel and provide some examples of potential conflict of interest situations:

1. Personnel may not make or influence business decisions, including the execution of purchasing agreements (including but not limited to agreements to purchase or rent equipment, materials, supplies or space) or other types of contracts (including contracts for personal services), from which they, a family member or a friend may benefit.
2. Personnel must disclose their financial interests in any entity that they know to have current or prospective business, directly or indirectly, with the hospital.
3. Personnel must disclose any activity, relationship or interest that may be perceived to be a conflict of interest so that these activities, relationships and interests can be evaluated and managed properly.
4. Personnel must disclose any outside activities that interfere, or may be perceived to interfere, with the individual's capacity to satisfy their job or responsibilities at the hospital.
5. Personnel may not solicit personal gifts or favors from vendors, contractors, or other third parties that have current or prospective business with the hospital. Questions regarding the gift limitations should be directed to the Compliance Officer.
6. Any involvement by personnel in a personal business venture shall be conducted outside the hospital work environment and kept separate from the hospital's business in every respect.
7. Personnel should not accept employment or engage in a business that involves, even nominally, any activity during hours of employment with the hospital. The use of any hospital equipment, supplies or property or any direct relationship with the hospital's business or operation is prohibited.
8. Personnel must guard patient and hospital information against improper access or use by unauthorized individuals.
9. The hospital's materials, products, designs, plans, ideas and data are the property of the hospital and should never be given to an outside firm or individual, unless authorized to do so.
10. Personnel must avoid any appearance of impropriety when dealing with clinicians and referral sources.
11. All vendors and contractors who have or desire business relationships with the hospital must abide by this Compliance Program and our Code of Conduct. Personnel having knowledge of vendors or contractors who violate these standards in their relationship with the hospital must report these to their supervisor or manager.
12. Personnel shall not sell any merchandise on hospital premises and shall not sell any merchandise of a medical nature that is of a type or similar to what is sold or furnished by the hospital, whether on or off hospital premises, unless prior approval is obtained from the hospital's Chief Executive Officer and Legal Counsel.
13. Personnel shall not request donations for any purpose from other personnel, patients, vendors, contractors or other third parties, unless prior approval is obtained from the hospital's Chief Executive Officer or Legal Counsel.

14. Personnel may not endorse any product or service offered by a vendor/supplier or that has a relationship with the hospital without explicit prior approval to do so.

Disclosure of Potential Conflict Situations

You must disclose any activity, relationship or interest that is or may be perceived to be a conflict of interest and complete the Conflict of Interest (COI) Questionnaire within 90 days of known or perceived conflict.

At least annually thereafter, you must review the Code of Conduct and complete the Conflict of Interest Questionnaire (supervisors/managers and above). It is your responsibility to promptly report any actual or potential conflicts. All COI forms must be sent to the Compliance Officer. The Compliance Officer will review all disclosures and determine which disclosures require further action. The Compliance Officer will consult with Legal Counsel if it is unclear whether an actual conflict of interest exists. The outcome of these consultations will result in a written determination, signed by all decision-makers involved, stating whether or not an actual conflict of interest exists. If a conflict of interest is determined to exist, then the written determination shall set forth a plan to manage the conflict of interest which may include that:

1. The conflict of interest is permitted
2. The conflict of interest is permitted with modification or oversight, including such steps as reassignment of responsibilities or establishment of protective arrangements
3. The conflict of interest will require the Personnel to abstain from participating in certain governance, management or purchasing activities related to the conflict of interest
4. The conflict of interest must be eliminated or if it involves a proposed role in another organization or entity, must not be undertaken. The Compliance Officer or Legal Counsel will review any written determination with you, discuss any necessary action you are to take and ask you to sign the written determination. The signed written determination will be kept with your HR file.

Anti-Competitive Activities

No personnel should falsify or provide misleading statements about a competitor (other hospitals or health facilities). This action is inappropriate and may invite disrespect and complaints, as well as may violate the law.

Reporting Violations

The hospital supports and encourages each employee and contractor to maintain individual responsibility for monitoring and reporting any activity that violates or appears to violate any applicable statutes, regulations, policies or this Compliance Program. The hospital has established a reporting mechanism that permits anonymous reporting, if the person making the report desires anonymity. Employees who become aware of a violation must report the improper conduct to the Compliance Officer. The officer, or a designee, will then investigate all reports and ensure that appropriate follow-up actions are taken. Hospital policy prohibits retaliation against an employee who makes such a report in good faith. In addition, it is the

policy of the hospital that no employee will be punished on the basis that he/she reported what he/she reasonably believed to be improper activity or a violation of this program. However, employees are subject to disciplinary action if after an investigation it is determined that the reporting employee knowingly fabricated, or knowingly distorted, exaggerated or minimized the facts to either cause harm to someone else or to protect or benefit themselves.

ELEMENT 2: DESIGNATE A COMPLIANCE OFFICER AND ESTABLISH A COMPLIANCE COMMITTEE

The purpose of this section is to explain the various processes that Palomar Health has established for the purpose of providing structure and support to the Compliance Program.

The Compliance Program structure has four parts, each with certain responsibilities:

-
- The Board Audit and Compliance Committee provides oversight of the Corporate Compliance Program
-
- The Ethics and Compliance Committee advises and assists with the operations of the Corporate Compliance Program and supports the Corporate Compliance Officer
-
- The Corporate Compliance Officer directs the daily operations of the program
-
- The Corporate Compliance Department staff carry out the policies, duties and assignments that make the program effective in its compliance functions
-

Board Audit and Compliance Committee

The Board Audit and Compliance Committee (BACC) consists of Palomar Health Board of Director members, Legal Counsel, Chief Executive Officer, Compliance Officer and any other invited persons. The committee meets quarterly or as often as deemed necessary. The committee's primary function is to assist the Board in fulfilling oversight responsibilities related to:

1. The integrity of the hospital's financial statements
2. The hospital's compliance with legal and regulatory requirements
3. Continued training and education
4. Evaluation of the performance of the hospital's internal and external audit functions

Ethics and Compliance Committee

This is an internal committee which meets quarterly and provides recommendations and support to the Compliance Officer. The committee reviews reports, evaluates any issues, makes recommendations, reviews any Compliance Policy changes and helps develop, monitor, implement and operate the hospital's Compliance Program. The committee is made up of individuals with diverse knowledge and responsibilities within the hospital. The Compliance Officer serves as the chair to this committee.

Corporate Compliance Officer

The Corporate Compliance Officer is designated by the hospital's Board to coordinate the development, implementation, communication and monitoring of the Corporate Compliance Program. They will oversee and coordinate all compliance activities, including education and training and the compliance monitoring activities. This individual reports to the Chief Executive Officer and the Board Audit and Compliance Committee and has access to the committee and committee members with respect to compliance issues at all times. The Compliance Officer will have primary administrative reporting responsibility under the Chief Legal Counsel and various reporting relationships with members of executive management.

Duties may include:

- Ensuring the Compliance Program documents are maintained and updated in lieu of regulatory and organizational changes.
- On an annual basis review the Compliance Program Effectiveness of the basic elements individually, as well as ensure the review by an external audit firm every three years.
- Developing, coordinating and participating in educational and training programs that focus on elements of the Compliance Program. Ensuring that personnel are knowledgeable about, act in accordance with and know how and where to report any issues in conflict with the Compliance Program.
- Ensure that employees, independent contractors, volunteers/students have not been excluded from participating in Medicare, Medi-Cal or any other federal/state program. Checks must be completed within 90 days of hire and monthly thereafter.
- Ensure that independent contractors and vendors are aware of the Compliance Program and that they have appropriate documentation of Compliance and HIPAA training on an annual basis.
- Work with departments to ensure auditing, monitoring and reporting are being shared with appropriate committees.
- Independently investigating and acting on matters related to compliance, including design and coordination of internal investigations and implementation of any corrective action and maintaining these records.
- Maintain liaison with in-house counsel and outside counsel and with regulatory authorities in connection with the administration of the Compliance Program.

The Compliance Officer has the authority to review all documents and other information relevant to compliance activities, including, patient records, billing records, records concerning marketing efforts and all arrangements with third parties, including without limitation employees, independent contractors, suppliers and physicians.

ELEMENT 3: CONDUCT EFFECTIVE TRAINING AND EDUCATION

Palomar Health is committed to providing training opportunities to **COMMUNICATE AND EDUCATE** personnel about applicable laws, regulations and policies, as well as, evaluating and assisting in project planning to help **PREVENT** any non-compliance by being proactive instead of reactive. An informed staff is the link which holds the organization together.

Palomar Health is committed to providing complete, effective and relevant training regarding overall organizational compliance of the Compliance Program, Code of Conduct, HIPAA, Fraud, Waste and Abuse policies to its employees. Records of participation are maintained for formal mandatory compliance training. Failure to complete training requirements may result in disciplinary action.

New Employee Orientation

Every new staff member receives introductory training related to compliance on their first day of employment. This is an in-person and virtual training with presentations from the experts in designated areas. During orientation, the new employee will learn about the below and other topics covered in our Living Our Values – Code of Conduct.

-
- **Excellence** – Providing Safe, High-Quality Care
-
- **Teamwork** – Employee Responsibility, Leadership Promise, Reporting Compliance Issues, Investigations and Resolution, Non-Retaliation, Disciplinary Actions
-
- **Service** – Safety, Health and Environment, Workplace Conduct and Employment Practices
-
- **Compassion** – Patient Rights, Admission, Transfers and Continuity of Care
-
- **Trust** – Quality of Care, Qualified Caregivers, Information Technology, Confidentiality and Privacy
-
- **Integrity** – Conflicts of Interests, Gifts and Entertainment, Medical Record Documentation, Coding and Billing, Organizational Assets, Physician Relations Customer and Business Associate Relations
-

The Palomar New Employee Curriculum

After completing the New Employee Orientation, new staff are required to complete additional on-line compliance training within the first 30 days of employment. These compliance topics include:

- HIPAA
- Anti-Discrimination and Anti-Harassment, including Sexual Harassment
- Workplace Diversity
- Patient Rights
- Advance Directive
- Abuse and Neglect
- Corporate Compliance
- Fraud, Waste and Abuse
- Information Systems Security

Every new employee must sign and acknowledge the Compliance Attestation and Conflict of Interest Form.

Annual Compliance Training

All employees are required to participate in Annual Mandatory Training. This training contains modules on Compliance, Code of Conduct, Privacy and Information Security. Content is provided by HealthStream and includes California-state-specific trainings. Employees must complete the training within a designated timeframe or there may be disciplinary actions.

The Board of Directors receive trainings on varied topics throughout the year and must complete annual Compliance and HIPAA training.

Compliance training is reviewed annually to ensure it stays current with regulations and examples.

Compliance Training/Education and Policies

Palomar Health and the Compliance Officer are committed to ensuring the Compliance team receives the opportunity to attend training and education regarding new or revised regulations. The external training and education knowledge is then shared with other members of the Ethics and Compliance Committee members where it is reviewed for impact on current hospital policies, procedures, compliance and/or any risk. On an annual basis, any vendor or contractor with a BAA is required to sign the Compliance and HIPAA Attestation confirming that they, their employees and any subcontractor have completed Compliance and HIPAA training.

ELEMENT 4: EFFECTIVE LINES OF COMMUNICATION

Palomar Health is committed and recognizes the importance of effective, ongoing communication to **DETECT** compliance concerns and **PREVENT** future non-compliance. Hospital staff have open access to the Compliance Officer and Compliance team to report, seek guidance or clarification with any concerns or compliance issues or in the event of any confusion or question about a statute, regulation or policy discussed in the Compliance Program.

Written Communications

The Compliance team provides updates and regulatory information through written correspondence such as periodic emails, committee meetings, Compliance Newsletter and Intranet webpage content to hospital staff regarding potential risk areas, areas of focus and opportunities for improvement.

Managers and Department/Executive Leader Targeted Communications

Managers and Department leaders, including executive level, are responsible for communicating the importance of the Compliance Program and ensuring all hospital staff have access to the Compliance Program, Code of Conduct and all associated policies and procedures. Managers and department leaders keep staff informed of ongoing compliance efforts and opportunities for improvement.

Department leader's work with regulatory to ensure compliance measures and metrics are communicated and met through mock audits and routine ongoing auditing and monitoring. These results are then shared during the multiple committee and Board meetings routinely.

Reporting Concerns

Palomar Health has five ways anyone can report concerns or possible wrongdoing regarding compliance issues. All hospital employees have a responsibility to report any and all good-faith concerns regarding possible or potential non-compliance with laws, regulations, accreditation standards, policies and procedures, the Code of Conduct or this Compliance Program through any of the following methods:

- Telephone – Anonymously or Identify (two separate numbers)
- Online Submission Form
- Email
- Scan the QR Code

This Compliance Program and the Code of Conduct provide guidance on compliance issues you might face as an employee, additional information can be found in the Compliance Policies and Procedures located in Lucidoc. Common areas of a compliance concern that you may encounter may include, but is not limited to:

- Conflicts of Interest
- Giving and Receiving Gifts or Incentives
- Privacy, Confidentiality and Data Security
- Billing Issues
- Inappropriate Referrals
- Fraud, Waste and Abuse
- Substandard Patient Care and Treatment

Communications received are treated as privileged to the extent permitted by law, however, it is possible that the identity of a person making a report may become known, or that governmental authorities or a court may compel disclosure of the name of the reporting person.

Non-Retaliation for Reporting

Palomar Health is committed to open, safe communications and as such, persons who in good-faith report compliance concerns will not be subject to retaliation. All employees must fully cooperate with any compliance investigation and shall not be subject to retaliation for such cooperation. Any individual who interferes with a compliance investigation or retaliates against someone who reports a potential compliance violation, shall be subject to disciplinary action. False or deceptive reports may be grounds for termination.

Confidentiality & Anonymity

Palomar Health encourages employees to report suspected compliance issues and believes that confidentiality is an integral part for encouraging participation. The Compliance Department maintains reports and any investigations confidential to the extent possible, ensuring only those that need to know of the activities have such knowledge. However, confidentiality does not mean that the report will be anonymous.

The Compliance Department will attempt to maintain the anonymity of the reporting individual – but this is not always possible and is not guaranteed. Occasionally disclosing the identity of the reporting individual is necessary to ensure the health and safety of patients, staff or the general public. Identity may also be required by law or the courts, as stated above.

How to Report

Palomar Health has many modes in which an individual can report compliance concerns or issues, including the following:

Through a Supervisor or Any Leader

This report can be verbal or written. Supervisors or any leader who receives a complaint is responsible for reporting those concerns to the Compliance Department.

Via the Compliance Values Hotline – 800.850.2551

Through the Compliance Hotline individuals can ask questions, obtain information and confidentially report potential violations of the compliance program. This number can be reached 24/7 and an individual will be able to speak with a live person. The individual can report anonymously or may identify themselves. Every call is logged and tracked.

Telephonically – 442.281.3632

Individuals can call this number to report and identify themselves regarding any issue or ask questions. An individual will speak directly with a member of the Compliance team. This number is available during office hours and any call received to this number after hours will be returned the next business day.

Online Submission Form

Any individual can locate the Online Submission Form via Palomar Health's Intranet site: PalomarHealth.org > SpeakUp to report. This also allows for an individual to report anonymously.

Email

Any individual may submit a compliance concern directly to Compliance.Officer@PalomarHealth.org. These emails are tracked and answered within 24 hours. This method is typically not confidential, however an individual always has the right to request anonymity.

Mobile Values Hotline

An employee can scan the QR code to submit a concern. This allows for anonymous reporting or the individual may identify themselves.

All compliance concerns filed are responded to within 24 hours, unless filed on the weekend or a holiday, then it would be the next business day.

Departing Employees

Departing employees, whether departing voluntarily or involuntarily, are provided with the opportunity to address and report any compliance concerns. The Compliance Exit Questions are a part of the HR Exit Interview process. The responses to the Compliance Exit Questions are tracked, reported to leaders and the Board and when applicable, assigned for investigation and resolution.

What Happens After You Report?

All employees are obligated to cooperate with any compliance investigation. Once reported, the Compliance Department will initiate an investigation if the issue falls within a violation of the Compliance Program or policies. Employees cannot avoid disciplinary actions for their own misconduct or noncompliance by reporting the issue to the Compliance team or through any of the methods mentioned above.

Palomar Health will follow the Human Resources Disciplinary Policy for determining how to address the misconduct and/or non-compliance. Any employee who makes a false report or knowingly distorts the truth in a report to injure someone else or protect themselves shall be subject to disciplinary action, up to and including termination.

ELEMENT 5: CONDUCT INTERNAL AUDITING AND MONITORING

The Compliance department works in collaboration with other teams to regularly evaluate areas of compliance risk and to identify opportunities to improve. All personnel are expected to cooperate with any such activities. The purpose of monitoring is constructive as it provides an opportunity to identify and correct any systemic problems or misunderstandings of regulations so that the same incident does not occur in the future. As part of the Compliance Program the audit plan is reviewed and revised annually and throughout the year as part of staying proactive. Reports are maintained in the Compliance Department and shared with both the Ethics and Compliance Committee and the Board and Audit Committee on a regular basis.

Audits are performed by internal and external individuals. Audits may include, but are not limited to: creating and analyzing reports and documents, reviewing random samples of cases, interviews, trend analysis and other techniques. Audits may be unscheduled or address compliance with laws governing Anti-Kickback arrangements, Stark Law (physician referrals), claims development and submissions, reimbursements, questionnaires, medical records and marketing.

In the event that an area discovers or does not meet the Compliance requirements of an audit, a Corrective Action Plan will be initiated for any deficient findings.

ELEMENT 6: WELL-PUBLICIZED DISCIPLINARY GUIDELINES

Palomar Health is committed to ensuring compliance throughout the organization and consistently enforces its policies and procedures and administers disciplinary action for failure to comply with federal or state law, the Code of Conduct, Compliance Program or Palomar's other policies and procedures to **PREVENT** future noncompliance. Any employee involved in actions of verified misconduct or compliance violations will be subject to disciplinary actions, which may include termination of employment.

Together the department lead and a HR representative have primary responsibility for managing employee discipline. Compliance will recommend and be advised on actions taken if the issue involves a compliance violation. To the extent it is not specifically stated otherwise in an applicable collective bargaining agreement, the following procedures apply:

- Verbal Warning
- Written Warning
- Suspension of employment, privileges and/or affiliation
- Termination of employment
- Performance Correction Plan (PCP)

These disciplinary standards can and will be utilized based on the seriousness of the violation, and Palomar Health is not required to institute a less serious disciplinary action prior to a more serious disciplinary action. All actions taken are documented by HR. For more information, please review [HR Policy 10468 Disciplinary Guidelines](#).

ELEMENT 7: DETECTED OFFENSES THROUGH INVESTIGATIONS AND CORRECTIVE ACTIONS

As the Compliance Team is made aware or discovers potential compliance concerns through a variety of modes, as mentioned in Elements 4 & 5 above. All compliance concerns will be investigated and **CORRECTED** by the individual department, Compliance team and, if necessary, from General Counsel, Human Resources and other leaders. We evaluate reports or results from monitoring/auditing activities to determine if a potential compliance violation exists. When a compliance concern is reported, an investigation will occur. Investigations may be conducted by internal and external persons, including legal counsel. All compliance investigations will be conducted in an unbiased manner and in confidence as the law permits and involve only necessary individuals.

Compliance investigations may include, but not be limited to, the below activities:

1. **Interviews** – This could include a multitude of individuals, for example: the reporter/complainant, departmental individuals, patients/families or any witness to an event or noncompliant activity
2. **Audits and/or Reports** – This includes the review of records, billing/coding logs, entry logs and many others
3. **Reviewing Relevant Records and/or Documents** – This includes the review of medical records and information that is relevant to the investigation
4. **Reviewing Video/Audio** – Any available surveillance video or audio footage may be reviewed

Only upon the conclusion of a compliance investigation will the Compliance team notify the appropriate hospital individuals regarding the outcome. Compliance investigations are performed with the support of legal counsel as needed and will be reported to the Ethics and Compliance Committee, as well as to the Board Audit and Compliance Committee, as appropriate.

Palomar Health does not tolerate illegal conduct or knowingly, intentional or willful noncompliance with federal, local or state laws or regulations, accreditation requirements or of policies and procedures. In the event of noncompliant activity, corrective actions may occur before or after an investigation or without conducting an investigation. We may obtain support from legal counsel and other hospital teams and/or leadership in creating and instituting a corrective action plan.

Corrective action plans take into account the root cause of the noncompliance and are designed to correct existing noncompliance, mitigate current and potential risk and prevent future noncompliance. Corrective actions can include, but are not limited to, the following activities:

- Stopping the noncompliant activity
- Repaying any overpayments
- Creating new processes
- Reporting the activity to the appropriate government or oversight authority
- Education and training
- Disciplinary actions
- Ongoing monitoring

NOTE

Compliance is everyone's responsibility. Employees are our eyes and ears and first line of defense in preventing noncompliance. Everyone should familiarize themselves with the regulations, policies and procedures that apply to their individual departments.

With hospitals being the second most regulated industry, Palomar Health relies on all those associated or affiliated with its systems to follow the laws and regulations which impact the services provided. Please communicate your commitment with others around you. If you have any questions, do not hesitate to reach out to your supervisor, the Compliance team, the human resources team or any leader. We are all here to educate and assist with any concerns and to help you understand the rules and their impact on our organization.

REFERENCES

Code of Conduct

Conflict of Interest Policy

Human Resources Disciplinary Policy



PALOMAR HEALTH®

Reimagining Healthcare®