



## ***Puerto Rican Family Institute, Inc.***

**“Stronghold for Families, a Pathfinder for Children”**



## **Corporate Compliance Program Plan - 2014**

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## I. Description of PRFI 's Corporate Compliance Program

### Policy

The Puerto Rican Family Institute, Inc. (PRFI) has adopted a Corporate Compliance Program (Compliance Program) to reaffirm PRFI's commitment to promoting full compliance with applicable federal and state laws and regulations, and Federal healthcare program requirements. The Compliance Program provides a solid framework for structuring a comprehensive range of compliance activities that are designed to avoid legal and ethical problems, to effectively address compliance allegations as they arise, and to remedy the effects of noncompliance.

### Legal Basis

PRFI's Compliance Program has been developed in accordance with applicable law, including the *United States Federal Sentencing Guidelines*, adapted to providers of healthcare services by the Federal and New York State Office of Inspector General of the Department of Health and Human Services (OIG) in its various Compliance Program Guidance documents. The scope of the Compliance Program may be expanded in the future to cover additional areas of regulatory compliance to which PRFI is subject.

### Core Elements

The Compliance Program reflects PRFI's good faith commitment to identify and reduce risk, improve internal controls, and establish standards to which the entire Institute shall adhere. As such, PRFI adopts the following principals of compliance:

1. Developing and distributing a written *Code of Ethics and Business Conduct*, as well as, written policies and procedures that address the various components of

- PRFI's Corporate Compliance Program, and address PRFI's principal risk areas.
2. Designating a Corporate Compliance Officer (CCO), HIPAA Privacy Officer, and a Corporate Compliance Committee (Compliance Committee) charged with the responsibility of operating and monitoring the Compliance Program.
3. Developing and implementing regular, effective education and training programs for PRFI Board members, employees and associates.
4. Maintaining an effective and well-publicized protocol for reporting or raising conduct or ethical concerns without fear of retaliation.
5. Developing disciplinary standards to clarify and respond to conduct that is prohibited by PRFI's *Code of Ethics and Business Conduct* and policies and procedures, to respond to illegal or unethical conduct, and to pursue equitable enforcement of these standards with regard to all employees who violate any criminal, civil, or administrative law or regulation, or the standards developed according to PRFI's Corporate Compliance Program.
6. Developing criteria and protocol for ensuring no individual who has engaged in illegal or unethical behavior, or who has been convicted of healthcare-related crimes, shall occupy positions that require the exercise of discretionary authority.
7. Maintaining effective auditing and monitoring systems to evaluate PRFI's compliance with laws, regulations, Federal healthcare program requirements, and the standards developed according to PRFI's Corporate Compliance Program; to assist in the prevention of Corporate Compliance Program violations; and to maintain the effectiveness of the Corporate Compliance Program.

8. Investigating, responding to and preventing identified noncompliance, including establishing appropriate and coordinated corrective actions.

### Scope

These Compliance Program standards shall apply to all PRFI Board members, corporate officers, directors, managers, supervisors, employees, and business associates.

It is the responsibility of all PRFI Board members, Corporate officers, directors, managers, supervisors, employees, and business associates to be familiar and comply with all requirements of the Compliance Program that pertain to their respective areas of responsibility; recognize and avoid actions and relationships that might violate those requirements; seek guidance from, as applicable, an immediate supervisor, manager, director, corporate officer, or the Corporate Compliance Officer (CCO).

### Limitations

The Compliance Program is not intended to summarize all laws and regulations applicable to PRFI. This Compliance Plan is a living document that shall be reviewed and updated periodically to assure that Board members, corporate officers, directors, managers, supervisors, employees, and business associates are kept informed of the most current legal and compliance developments in the healthcare industry.

## **II. Corporate Compliance Officer and Compliance Committee**

PRFI's Corporate Compliance Officer (CCO), provides management and oversight for the ongoing implementation and development of the Compliance Program. PRFI shall establish a compliance committee to advise and provide support to the CCO in the implementation and maintenance of the Compliance Program.

### **a. Corporate Compliance Officer (CCO)**

While compliance is everyone's responsibility, the CCO is the focal point of PRFI's Compliance Program and shall be accountable for all compliance responsibilities at PRFI.

In addition to general accountability for PRFI's Compliance Program, the CCO's responsibilities include:

- Periodically assessing PRFI's compliance risk exposure and the development of action plans to assure that the Compliance Program responds to identified risk areas.
- Formulating and ensuring the distribution of the *Code of Ethics and Business Conduct*.
- Overseeing the creation, distribution and maintenance of PRFI's compliance policies and procedures.
- Coordinating with the Human Resources Department to ensure adequate employee background checks are performed.
- Establishing effective systems to prevent employment of individuals, relationships with contractors, or purchases from vendors who have been barred from participation in federal government programs (commonly referred to as ineligible individuals and entities) or who have demonstrated a propensity to engage in illegal activities.
- Ensuring mandatory compliance education and training programs, which are effective to familiarize all PRFI Board members, corporate officers, directors, managers, supervisors, employees, and business associates with the components of the Compliance Program, the *Code of Ethics and Business Conduct*, compliance

- policies and procedures and relevant compliance issues.
  - Updating and refreshing education and training information according to updates or revisions in relevant laws and regulations or changes in the Compliance Program.
  - Maintaining a well-publicized procedure for reporting potential Compliance Program violations without fear of retaliation, and promoting effective lines of communication for Board members, corporate officers, directors, managers, supervisors, employees, and business associates to pose informal compliance questions.
  - Maintaining a record of compliance-related complaints and allegations and the disposition of each case, including any associated disciplinary actions and remedial action pursued by PRFI.
  - Coordinating audit endeavors to assess the effectiveness of PRFI's internal controls and to detect significant violations of legal and ethical standards.
  - Conducting investigations, or authorizing external investigations, in consultation with the President and Chief Executive Officer (President and CEO) and legal counsel, of potential legal violations, or instances of unethical behavior.
  - Evaluating, determining and implementing the most appropriate remedies to correct incidents of noncompliance, and develop and implement strategies for preventing future offenses.
  - Reporting, after consulting with the President and CEO and legal counsel, any compliance matter requiring external reporting or disclosure.
- Establishing methods of improving PRFI's efficiency and quality of services, and reducing the Institute's vulnerability to fraud, abuse and waste.
  - Making quarterly reports on compliance developments to the President and CEO and to the Board of Directors. Additional reports may be made to the President and CEO and the Board of Directors as determined by the CCO, with input from the President and CEO and the Board.
  - Serving as Chairperson of the Compliance Committee.
  - Providing guidance and interpretation to the Board, the President and CEO, and executive management on matters related to the Compliance Program.
  - Preparing, at least annually, a report describing compliance activities and actions undertaken during the preceding year, the compliance priorities for the next year, and any recommendations for changes to the Compliance Program. This report shall be prepared with input from the Compliance Committee.
  - Reviewing and updating the Compliance Program at least annually, and as required by events, such as changes in the law, or discovered deficiencies in the Program.
- To ensure that the CCO is able to carry out the responsibilities of his or her role, the CCO will have complete authority to review all documents or other information related to compliance activities, including, but not limited to:
- Patient records
  - Billing records

- Records concerning marketing activities
- Records concerning PRFI's arrangements with Board members, corporate officers, directors, managers, supervisors, employees, and business associates
- Contracts and obligations that may implicate relevant laws, such as anti-kickback, physician self-referral or other statutory or regulatory requirements.

The presence of the CCO does not diminish or alter the independent duty of every Board member, corporate officer, director, manager, supervisor, employee, and business associate to abide by the Compliance Program.

**b. Compliance Committee**

The Compliance Committee shall be responsible for providing support to the CCO in planning, overseeing, implementing, operating and enforcing the various components of the Compliance Program. The Compliance Committee is critically important to establishing accountability, credibility, and the structure of the Compliance Program. The purpose of the Compliance Committee is to allow the CCO to benefit from the combined perspectives of individuals with diverse responsibilities and experiences. The Compliance Committee shall consist of high-ranking Institute employees. Accordingly, in addition to the CCO, who will chair the Committee, the Compliance Committee shall include:

- Director of Human Resources
- HIPAA Privacy Officer
- Program Compliance Officers (COs) - (5)
- Controller
- IT Manager
- Billing Manager

In addition, to membership in the committee, the Compliance Committee is authorized to invite other PRFI employees to meetings to

draw from their relevant expertise as related to the matter under discussion.

The Compliance Committee shall support the CCO in furthering the objectives of PRFI's Compliance Program by:

- Analyzing the legal requirements with which PRFI must comply, and PRFI's principal areas of risk.
- Ensuring appropriate Institute responses to identified organizational areas of risk.
- Developing appropriate internal controls to facilitate legal and ethical conduct.
- Ensuring the *Code of Ethics and Business Conduct* is distributed to all Board members, corporate officers, directors, managers, supervisors, employees, and business associates.
- Updating and providing revisions to the *Code of Ethics and Business Conduct* and policies and procedures.
- Recommending and supervising, in consultation with the relevant departments and programs at the PRFI facilities, the development of internal systems and controls to achieve the standards set forth in the *Code of Ethics and Business Conduct* and PRFI's policies and procedures.
- Developing effective education and training programs.
- Developing a system to solicit, evaluate and respond to complaints and problems.
- Reviewing the process by which reports of non-compliance are investigated and resolved.
- Creating and implementing effective methods for the proactive identification of potential compliance problems throughout PRFI.
- Assessing the effectiveness of the Compliance Program.
- Furnishing recommendations to the CCO regarding reports to be furnished

The Compliance Committee may also address other compliance functions as the Compliance Program develops.

The Compliance Committee shall create task forces to be comprised of employees with relevant expertise, who are not Compliance Committee members, to perform specialized functions with regard to implementing the Compliance Program.

### **III. Education and Training**

To promote compliance with applicable legal requirements and to assure that the standards set forth in this Compliance Plan are maintained, PRFI is committed to conducting education and training programs for Board members, corporate officers, directors, managers, supervisors, employees, and business associates. Training programs shall be conducted at least annually, but possibly more during the implementation phase of the Compliance Program; if there is a change in the law, regulations, or Federal healthcare program requirements that affect the Compliance Program; or if other issues arise that the CCO feels necessitates additional training.

The CCO, Program COs and the Compliance Committee shall be responsible for the proper coordination and supervision of the education and training process. This shall require the development of a general compliance training program that is designed to provide an overview of Compliance Program activities and requirements and emphasize the areas that generate the greatest compliance risks for PRFI.

In addition to a general compliance training program, PRFI shall also sponsor more detailed, job-specific compliance training programs designed for certain Board members, corporate officers, directors, managers, supervisors, employees, and business associates to help them effectively perform their job

responsibilities and/or comply with the various specific legal and ethical issues that may not be included in general training. Special attention shall be paid to individuals whose responsibilities involve claims development and submission processes, and business relationships with physicians and other healthcare providers.

The compliance training programs are intended to provide each PRFI Board member, corporate officer, directors, manager, supervisor, employee, and business associate with an appropriate level of information and instruction regarding the Compliance Program and applicable legal requirements and ethical standards. Both general and specific compliance training programs shall include distribution of the Code of Ethics and Business Conduct and policies and procedures to the appropriate attendees.

Each new employee orientation shall, at a minimum, include general compliance training to be followed promptly by specific training as the new employees' job responsibilities require.

Compliance education and training sessions shall be conducted by qualified personnel, which may include the CCO, Program COs, other members of the Compliance Committee, or other trained PRFI personnel. Seminars may also be conducted by consultants or vendors qualified to conduct educational programs. The CCO, after consultation with the President and CEO, may require that certain Board members, corporate officers, directors, managers, supervisors, employees, and business associates attend, at PRFI's expense, publicly available seminars covering relevant compliance topics.

Education and training programs shall be updated according to results from audits and investigations, feedback from education and training program attendees, trends in reporting, and changes in applicable law and Federal healthcare program requirements.

Attendance at, and completion of, the education and training programs is mandatory for all Board members, corporate officers, directors, managers, supervisors, employees, and business associates with regard to general training, and selected Board members, corporate officers, directors, managers, supervisors, employees, and business associates with regard to specific training. Attendance shall also be a factor in each employee's annual performance review. *Failure to attend and complete compliance training will be grounds for disciplinary action, up to and including, termination of employment or failure to renew contracts.* All attendees shall be required to certify to attending the education and training sessions.

The CCO, with the assistance of the Program COs, shall be responsible for seeking feedback from all training session attendees, and developing and implementing a system for retaining records of employee training, including attendance logs, certifications, and material distributed at training sessions.

#### **IV. Written Standards**

A core principal of PRFI's Compliance Program is the development, distribution and implementation of written standards that address PRFI's principal risk areas, reflect PRFI's commitment to promote compliance with all applicable legal duties, and foster and promote ethical conduct. These written standards shall consist of the *Code of Ethics and Business Conduct* and policies and procedures that reflect PRFI's values and expectations regarding the behavior of Board members, corporate officers, directors, managers, supervisors, employees, and business associates, explain the operation of the Compliance Program, clarify and establish internal standards for compliance with regulations, and help Board members, corporate officers, directors, managers, supervisors, employees, and business associates understand the consequences of noncompliance to both PRFI and the individual.

#### **a. Code of Ethics and Business Conduct**

PRFI has adopted a *Code of Ethics and Business Conduct*, which is intended to serve as a guide to provide standards by which PRFI Board members, corporate officers, directors, managers, supervisors, employees, and business associates shall conduct themselves to protect and promote organization-wide integrity and to enhance PRFI's ability to achieve its mission. The *Code of Ethics and Business Conduct* is designed to assist all PRFI Board members, corporate officers, directors, managers, supervisors, employees, and business associates in carrying out their daily responsibilities within the appropriate legal and ethical standards. However, the *Code of Ethics and Business Conduct* cannot possibly encompass all legal and ethical standards, and is not a substitute for each Board member, corporate officer, director, manager, supervisor, employee, and business associate's own internal sense of honesty, integrity and fairness. Instead, each Board member, corporate officer, director, manager, supervisor, employee, and business associate must utilize their own good judgment, along with the principals announced in the *Code of Ethics and Business Conduct*, to maintain PRFI's values.

The *Code of Ethics and Business Conduct* is intended to be easily understood. In some instances, the *Code of Ethics and Business Conduct* deals fully with the subject-matter covered. In many cases, however, the subject discussed is sufficiently complex that additional guidance is necessary to provide adequate direction. Consequently, the *Code of Ethics and Business Conduct* is designed to be supplemented by this Compliance Plan and policies and procedures. Those policies and procedures shall expand upon and supplement many of the principals articulated in the *Code of Ethics and Business Conduct*.

The Code of Ethics and Business Conduct defines how PRFI operates internally and conducts business with respect to the following:

- Commitment to clients/patients;
- Commitment to legal and regulatory compliance;
- Expectation that Board members, corporate officers, directors, managers, supervisors, employees, and business associates remain free of conflicts of interest in the performance of their responsibilities and services to PRFI;
- Commitment to satisfy the payment conditions required by payors with which PRFI transacts business, including Federal healthcare programs;
- Commitment to monitor and structure PRFI’s relationships with physicians and other healthcare providers to be consistent with relevant federal and state laws and regulations, and in furtherance of PRFI’s mission;
- Commitment to a diverse workforce and safe work environment; and
- Commitment to ensure that business, financial and patient/client related information is used and safeguarded effectively and appropriately.

**b. Policies and Procedures**

The Compliance Program requires the creation, distribution and maintenance of sound policies and procedures that address the various components of the Compliance Program and PRFI’s principal legal risk areas.

Policies directly relating to the operation of the Compliance Program shall address:

- The duties of the CCO, the Program COs, the Compliance Committee, and the duties of any subcommittees or task forces created by the Compliance Committee;
- Compliance education and training program requirements;
- Protocol for reporting or raising conduct or ethical concerns without fear of retaliation;
- Disciplinary standards and response to violations of those standards;

- Criteria and protocol for screening employees and business associates, and potential employees and business associates, including protocol for querying the exclusion lists to identify ineligible persons and entities;
- Effective auditing and monitoring procedures;
- Investigating and responding to complaints and potential compliance problems; and
- Implementing corrective action plans in instances of noncompliance.

There are certain areas of heightened risk that have been identified throughout the healthcare industry, including the investigative and audit functions of the OIG. Therefore, to ensure that PRFI’s Compliance Program remains effective, it is important for PRFI’s policies and procedures to adequately address the following risk areas:

- The integrity and accuracy of claims submitted to the Federal healthcare programs and commercial payors for reimbursement, including policies that address:
  - Claiming reimbursement for services that have not been rendered;
  - Filing duplicate claims for the same service;
  - “Upcoding” to more complex procedures than those performed to obtain greater payment than that which is applicable to the items or service actually provided;
  - “Unbundling” or splitting a code for combined services into individual component codes to maximize reimbursement;
  - Including inappropriate or inaccurate costs on cost reports;
  - Falsely indicating that a particular healthcare professional provided services

- Billing for services or items that were not reasonable and necessary for the diagnosis or treatment of illness or injury or to improve certain functions;
- Billing excessive charges; and
- Collecting and submitting on a timely basis proper documentation to support claims for reimbursement.

- Guidance regarding gifts, gratuities and discounts to Federal healthcare program beneficiaries.
- Patient referrals to and by PRFI to promote the best interests of every patient and to comply with anti-kickback and patient self-referral laws.
- Appropriate methods for recruiting physicians and healthcare providers to PRFI.
- The manner in which PRFI contracts with physicians for professional and administrative services.
- PRFI's obligations and rights when dealing with patients in emergency situations.
- The protection of confidential and other sensitive health information.
- Conflicts of interest and best strategies for avoiding and identifying potential conflicts.
- Compliance standards to govern PRFI's relationship with independent contractors, vendors, and other business associates.

Policies and procedures shall be made readily available to and easily accessible by, all Board members, corporate officers, directors, managers, supervisors, employees, and business associates. Policies and procedures shall also be revised or supplemented as necessary to reflect changes in the laws, regulations and PRFI operations.

## V. Reporting

To effectively detect, resolve and prevent instances of noncompliance it is essential that Board members, corporate officers, directors, managers, supervisors, employees, and business associates are encouraged to raise ethical or conduct concerns to, as applicable, an immediate PRFI supervisor, manager, program director, Program CO, HIPAA Privacy Officer or the CCO.

To ensure a viable system of internal reporting, the following shall be incorporated into PRFI's Compliance Program:

- Creation of an environment within which Board members, corporate officers, directors, managers, supervisors, employees, and business associates feel comfortable reporting concerns, questions and instances of improper conduct without fear of retaliation.
- Provision of a mechanism for confidential anonymous reporting for Board members, corporate officers, directors, managers, supervisors, employees, and business associates who are uncomfortable reporting concerns to, as applicable, an immediate supervisor, manager, program director, Program CO, or HIPAA Privacy Officer. This reporting may be accomplished through the use of PRFI's **Compliance Hotline**, which can be accessed 24 hours a day, 7 days a week, by dialing **855-857-1313**.
- Publicizing PRFI's Compliance Hotline and other methods of internal reporting in a manner in which all Board members, corporate officers, directors, managers, supervisors, employees, and business associates are made aware of the various reporting methods available.
- Tracking, documentation and oversight mechanisms to ensure that reports of suspected noncompliance are fully and

promptly investigated and addressed. In the case of the **Compliance Hotline**, a log of the calls received shall be maintained by the CCO.

- Mechanisms to ensure that the President and CEO, the Board, and relevant management are properly and regularly apprised of, and can take appropriate action on, compliance issues identified in investigations that result from reports of noncompliance. Such action may include the development or updating of related policies and procedures and training program content.
- Compliance email: [corporatecompliance@prfi.org](mailto:corporatecompliance@prfi.org)  
former compliance email: [prficompliance@prfi.org](mailto:prficompliance@prfi.org) will auto-bounce to the new email address.

Once a Board member, corporate officer, director, manager, supervisor, employee, or business associate has made a report, the complainant has a continuing obligation to update the report as new information becomes known to the complainant. Reports that are deemed credible by the CCO shall be thoroughly and appropriately investigated and addressed.

Although PRFI shall always strive to maintain the confidentiality of a complainant's identity, regardless of the method used to report suspected noncompliance, the complainant shall be made aware that his or her identity may have to be revealed in certain circumstances, such as scenarios involving government or law enforcement authorities, or when necessary to further an internal investigation into the reported matter. Nevertheless, PRFI strictly prohibits a complainant from being retaliated against in any manner based on the complainant's report of suspected noncompliance. Any individual found to have retaliated against a complainant shall face disciplinary action, up to and including, termination of employment or failure to renew contracts. If a complainant is found to

be responsible for the noncompliance, the Human Resources Department shall be responsible for responding according to established disciplinary standards and applicable collective bargaining contract language.

## VI. Disciplinary Standards

Adherence to PRFI's Compliance Program standards, and all applicable laws and regulations, is a condition of employment or association with PRFI. Accordingly, PRFI shall develop, implement and maintain a mechanism of accountability and discipline for individuals who are found to be in violation of any law or regulation, or any of the Compliance Program standards in the course of their employment or association with PRFI. Examples of actions or omissions that will subject a Board member, corporate officer, director, manager, supervisor, employee, and business associate to disciplinary action include, but are not limited to:

- **Mistreatment of clients/patients**
- **Conduct inconsistent with legal requirements or Compliance Program standards;**
- **Failure to report suspected noncompliance; or**
- **Direct or indirect retaliation against an individual who reports, through any means, suspected noncompliance.**

Possible disciplinary action may include, but shall not be limited to, counseling, written warnings, suspension, demotion, reduction in pay, termination of employment, and failure to renew contracts, depending on the degree of the severity of noncompliance. Disciplinary action will be pursued on a fair and equitable basis, and employees at all levels of PRFI shall be subject to the same disciplinary action for the commission of similar offenses, including executive management. The Human resources Department shall ensure that the imposed discipline is proportionate to the level of

misconduct, and administered fairly and consistently in compliance with PRFI policies and procedures.

Individuals will be similarly sanctioned for encouraging, directing, facilitating or permitting non-compliant behavior.

Disciplinary standards shall be well-publicized and disseminated, and made available to all levels of PRFI Board members, corporate officers, directors, managers, supervisors, employees, and business associates.

## VII. Hiring Criteria

Legally and ethically, PRFI has a responsibility to protect the integrity of the delivery of healthcare services, and billing and claims submission systems. Therefore, PRFI shall not knowingly employ or contract with an individual or entity who has engaged in illegal activities or who has been convicted of healthcare-related crimes.

Accordingly, any applicant for an employment position with PRFI, physician, healthcare provider, or associate seeking to provide services to or for PRFI, shall be required to disclose whether they have ever been convicted of a crime, including:

- Crimes related to the delivery of a healthcare item or service;
- Client/patient abuse or neglect;
- Fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct in connection with a healthcare program; or
- Exclusion from participation in federal government programs

In addition, PRFI shall reasonably inquire into the status of each prospective employee, member of the medical staff, healthcare provider and associate by, at a minimum, pursuing the following steps:

- Conducting background checks of employees and associates with

discretionary authority in the delivery of healthcare services or items, or billing functions to ensure that no history of engaging in illegal or unethical behavior exists;

- Conducting periodic reviews of the General Services Administration's List of Parties Excluded from Federal Programs available at [www.epls.gov](http://www.epls.gov) and the OIG's List of Excluded Individuals and Entities available at [www.oig.hhs.gov/fraud/exclusions.html](http://www.oig.hhs.gov/fraud/exclusions.html);
- Conducting periodic reviews of the National Practitioner Data Bank; and
- Conducting periodic reviews of actions pursued by the Food and Drug Administration and the Drug Enforcement Agency.

If an existing employee, member of the medical staff, or agent is found to be excluded he or she shall be immediately removed from a position of discretionary authority at PRFI, and PRFI may terminate employment or its relationship with associates accordingly.

## VIII. Auditing and Monitoring

PRFI shall conduct a variety of active auditing and monitoring functions designed to test and confirm the effectiveness of the Compliance Program, and identify PRFI's principal organizational risk areas. Audits shall be conducted at the CCO's direction. In addition, audits shall be outlined in an audit plan to be reviewed and approved by the Compliance Committee, and reevaluated annually to determine whether audits have been effective at identifying PRFI's principal risk areas and, if action has been taken to correct discovered deficiencies, whether that corrective action was sufficient to improve the audited area.

Audits may target diverse levels of PRFI operations, including, but not limited to:

- **Billing systems**
- **Claims accuracy**
- **High volume services**
- **Medical record documentation**
- **Cost reporting**
- **Emergency medical services**
- **External relationships with third parties, particularly those with substantive exposure to government enforcement actions**
- **Potential kickback arrangements**
- **Physician self-referrals**
- **Marketing endeavors**

Compliance audits may take one or more of the following forms:

- **Baseline Audit** – an initial audit in a series of identical audits that provides a basis against which the progress of future audits is compared. Assessments of organizational risk areas can be determined through baseline audits.
- **Prospective Audit** – an audit that is performed before a function is implemented or performed in an effort to correct discovered deficiencies. For example, in the case of billing, a prospective audit would be performed before a bill is submitted for payment.
- **Retrospective Audit** – an audit that is performed after a function is implemented or performed, which may require PRFI to implement corrective action to rectify any discovered deficiencies in the audited area.
- **Special Audit** – an unscheduled audit that is performed at the discretion of the CCO in response to events that necessitate an audit, such as internal or external investigations.
- **Post-Compliance Audits** – an audit that is performed following the correction of any detected deficiency to determine the effectiveness of the corrective action.

- **Annual Risk Assessment Audit** – an audit that is performed on an annual basis to identify those audited areas that have improved, and those that require further corrective action.

Audits may be conducted by external auditors who have attained the requisite certification and, as such, have expertise in applicable federal and state healthcare laws and Federal healthcare program requirements. Compliance audits may also be conducted by the CCO and the Program COs with assistance from PRFI management or other individuals as the CCO shall designate.

Monitoring activities shall be ongoing. The CCO, with the assistance of the Program COs shall direct each PRFI department and program as to the level of monitoring activities necessary to detect and prevent deficiencies in the Compliance Program. Monitoring activities may also be initiated by managers and/or program directors.

The CCO, with the assistance of the Program CO, the CCO's designees, and any external auditors retained by PRFI, shall prepare a written report to include the findings and results of each audit. These reports will help to determine whether an audited area shows improvement, or whether there are continued deficiencies that need additional examination. Compliance reports created by an auditing or ongoing monitoring process, including reports of noncompliance, shall be reported to, and maintained by, the CCO and shared with the Compliance Committee, the President and CEO and the Board as dictated by PRFI policy.

## **IX. Investigation, Response and Prevention**

Conduct in violation of law or inconsistent with the goals of the Compliance Program corrupts PRFI's mission and endangers PRFI's reputation. Accordingly, PRFI shall establish mechanisms that enable prompt response to credible reports of noncompliance.

When the CCO receives a report of noncompliance that he or she deems to be credible, the CCO shall coordinate with the Program COs and Program Directors or Department Head of the relevant PRFI business unit to:

- Promptly halt the underlying activity, halt or mitigate, where possible, any ongoing harm caused by the suspected noncompliance;
- Fairly and expeditiously investigate to determine the existence, scope and seriousness of the noncompliance, and to identify the conduct or process that caused the noncompliance;
- Respond with appropriate action to correct the confirmed noncompliance;
- Implement preventative measures to avoid similar instances of noncompliance in the future; and
- Perform periodic audits of the identified problem area(s) to ensure that the implemented preventative measures have effectively eliminated the cause of the noncompliance.

If an investigation uncovers credible evidence of noncompliance, and, after a reasonable inquiry, the CCO has reason to believe that the noncompliance may violate a law or regulation, the CCO shall immediately report the matter to legal counsel for advice regarding PRFI's reporting obligations. After consulting with legal counsel, the CCO shall promptly report such matters to the President and CEO and the Board. The CCO shall maintain appropriate protocol to ensure that steps are pursued to secure or prevent the destruction of documents or other evidence relevant to the investigation.