



POLICY SUBJECT:

Corrective Action Plan

EFFECTIVE DATE: 8/12/2011

*To be reviewed every three years by
Compliance & Ethics Committee*

Compliance Corrective Action Plan

POLICY: Sound Physicians strives to comply with all state and federal laws and regulations governing the health care industry. To that end, Sound Physicians has developed policies, procedures, rules, and regulations designed to assure compliance with these requirements. Sound Physicians responds to reported or suspected compliance concerns by reviewing the matter to fully understand the issue and by taking appropriate corrective action when warranted. Whenever the Sound Physicians Compliance Director determines that an employee or practitioner has acted in violation of Sound Physicians' Billing Compliance Requirements, the Compliance Director will implement or recommend corrective action designed to address the particular violation and to assure that the violation does not reoccur. Corrective action will be proportional to the actual or potential risk of harm to Sound Physicians. Consequently, the corrective action imposed will vary based on the severity of the violation. Each individual is responsible to be aware of Sound Physicians Billing Compliance Requirements.

In addition to the individual responsibility to be aware of the Sound Physicians Billing Compliance Requirements, each individual is responsible to act in accordance with those requirements.

Scope of Policy

The Compliance Director will review all compliance concerns consistent with Sound Physicians policies. The Compliance Director's authority to investigate and implement or initiate appropriate corrective action extends to both Sound Physicians' administrative staff and Sound Physicians' practitioners. The authority of Sound Physicians to impose corrective action is not limited to this policy. Instead, the provisions of this policy establishing the corrective action authority of the Compliance Director supplement other pertinent existing Sound Physicians' policies and procedures.

Definitions

1. “Corrective Action Board Committee” means the sub-committee created by the Compliance and Ethics Committee which is comprised of the Sound Physicians’ President, Sound Physicians’ General Counsel, and Sound Physicians’ Regional Chief Medical Officers.
2. “Compliance Director” means the Sound Physician’s Compliance Director.
3. “Sound Physicians’ Billing Compliance Requirements” means
 - a. Sound Physicians billing compliance policies, rules, and regulations and
 - b. The state and federal laws governing the health care industry.
4. “Individual” means a physician, non-physician health care practitioner, or Sound Physicians’ administrative staff member.
5. “Practitioner” means an individual who is authorized to provide clinical services to patients and to bill through Sound Physicians. Practitioners include both physicians and other health care practitioners such as ARNPs, and Physician Assistants.

PURPOSE:

This policy is intended to ensure that Sound Physicians has a uniform standard for enforcement of its compliance policies and to provide Sound Physicians’ Practitioners and administrative staff with appropriate notice and process when corrective action is warranted.

PROCEDURE:

- I. Investigation
 - A. The Compliance Director or designee will:
 1. Review all compliance concerns raised or identified and
 2. Initiate an investigation when appropriate.
 - B. As appropriate, the individual(s) alleged to be the subject of a compliance concern will be provided notice of the concern. In general, the investigation will include an opportunity for the individual who is the subject of the compliance concern to provide information to the Compliance Director.
 - C. If the Compliance Director becomes aware of a compliance concern where an individual appears to have acted with ***actual knowledge, reckless disregard, or deliberate ignorance*** of Sound Physicians’ Billing Compliance Requirements, the Compliance Director will notify the Compliance and Ethics Committee, the Sound Physicians President, and the individual. If the subject of the action is a practitioner, the Compliance Director will also provide notice to the Regional

Chief Medical Officer and the local Chief Medical Officer. If the subject of the action is an administrative staff person, the Compliance Director will notify the individual to whom the staff person directly reports.

- D. The Sound Physicians' Policy on Reporting Compliance Concerns requires that Sound Physicians maintain the confidentiality of individuals who report compliance issues upon request. In such cases, the information shared with the subject of the compliance issue may be limited to honor the reporter's request.

II. Corrective Action

- A. After investigation, if no violation is found, the Compliance Director will provide notice that the matter is closed with no findings of violation to all of those who received the initial notice required above. In accordance with the Sound Physicians records retention policy, the Compliance Director will also provide such notice to the individual. The Compliance Director will maintain documentation of the investigation and findings.
- B. If a billing compliance violation is confirmed, the Compliance Director may impose corrective action. For example, the Compliance Director may impose the following corrective action:
 - 1. Implement a compliance review of the individual's activities;
 - 2. Initiate sanctions against or the termination of an administrative staff member;
 - 3. Implement a Focused Compliance Review of the practitioner's billing activity;
 - 4. Restrict or suspend the practitioner's billing authority;
 - 5. Recommend termination of the practitioner's partnership or employment in accordance with this Policy; and
 - 6. Other corrective actions as necessary to address the compliance violation and preclude the violation from recurring.
- C. Although not necessarily considered corrective action in all instances, the Compliance Director may require that an individual receive additional training and education in compliance requirements.
- D. When the corrective action involves a practitioner, the Compliance Director will involve the RCMO and Chief in any corrective action plan that may be developed.
- E. Documentation of corrective action imposed on an individual based on compliance violations will be maintained within the Sound Physicians Compliance Office.
- F. The Compliance Director may impose corrective action immediately. If immediately effective, the corrective action will continue to be in effect throughout any review period provided under this Policy.

II. Summary Action During Investigation

- A. The Compliance Director may implement immediate corrective action when appropriate to avoid continuing violations during the investigation, up to and including the immediate suspension of an individual's coding or billing activities or the immediate suspension of a practitioner's billing authority.
- B. If summary action is taken, the Compliance Director will notify the Compliance and Ethics Committee, the Sound Physicians President, the appropriate RCMO, the individual's supervisor or Chief, and the individual. If the subject of the action is an administrative staff person, the Compliance Director will notify the individual to whom the staff person directly reports.
- C. Summary action is effective throughout the investigation unless otherwise specified by the Compliance Director.

III. Notice to the Practitioner

- A. If the Compliance Director imposes corrective action against a practitioner, the Compliance Director will provide written notice to the practitioner, the practitioner's Chief and the practitioner's RCMO. Such notice will include the following:
 - 1. A summary description of the conduct giving rise to the corrective action;
 - 2. The billing requirement or standard violated;
 - 3. The date that the corrective action is effective;
 - 4. A description of how the practitioner may request review of the corrective action by the Corrective Action Board Committee; and, if appropriate,
 - 5. The potential sanctions that may be applied if the practitioner fails to comply with Billing Compliance Requirements in the future.

IV. Review of Non-Termination Corrective Action

- A. When the Compliance Director imposes corrective action that does not result in an action to terminate a practitioner's employment, the practitioner may request that the action be reviewed by the Compliance and Ethics Committee.
- B. The practitioner must submit a written request for review within 15 calendar days of the date of the corrective action. Requests for review, and all accompanying information to support the decision, are submitted to the Compliance Director. A practitioner may request an in person or telephone meeting with the Compliance and Ethics Committee. The practitioner has no right to legal counsel at such a meeting.
- C. The Compliance and Ethics Committee will provide written notice of its determination no more than 15 calendar days after the date of the meeting with the practitioner or 30 calendar days from the date of the review request, whichever is later. The decision of the Compliance and Ethics Committee is final.

V. Termination of Sound Physicians' Employment

If the Compliance Director determines that a practitioner has acted in violation of Sound Physicians' Billing Compliance Requirements, the Compliance Director may recommend that the practitioner's employment be terminated. Under such circumstances, the following procedure will apply:

- a. The Compliance Director will provide written notice of the recommendation for termination to the practitioner, the practitioner's Chief, the RCMO, Sound Physicians' President, and the Compliance and Ethics Committee. The notice will include a summary description of the basis for the recommendation to terminate employment and may also include conditions for rescinding the termination.
- b. The Compliance and Ethics Committee and the Compliance Director may meet to discuss the recommendation.
- c. The Compliance and Ethics Committee may request a telephone or an in person meeting with the practitioner.
- d. The practitioner may request an in person meeting with the Compliance and Ethics Committee or may submit a written statement for the Compliance and Ethics Committee to consider prior to its determination on the Compliance Director's recommendation. The practitioner must submit the request or statement to the Compliance Director no more than 10 calendar days from the date the practitioner receives notice of the recommendation for termination.
- e. The practitioner has no right to legal counsel at any meeting with the Compliance and Ethics Committee.
- f. After consideration of the information and Compliance Director's recommendation, the Compliance and Ethics Committee will communicate its determination in writing to the practitioner, the practitioner's Chief, the RCMO, and the Compliance Director. Such notice shall be provided not more than 45 calendar days from the date of the Compliance Director's recommendation and shall be effective immediately. Such notice will include
 - i. A summary description of the conduct giving rise to the termination;
 - ii. The billing requirement or standard violated;
 - iii. The date that the termination is effective.

VI. Relationships to Outside Entities or Individuals

- A. When the Compliance Director believes that a Sound Physicians administrative contract with an outside entity or individual (e.g., vendor, independent contractor, consultant, etc.) raises compliance concerns, the Compliance Director may initiate 1) restructuring to bring the relationship into compliance or 2) termination of the contract or arrangement.

VII. Additional Sanctions

- A. Individuals should be aware that any action that violates a state or federal law governing the health care industry may result in criminal prosecution, significant fines to the individual, imprisonment, and/or exclusion of the individual from participation in federally sponsored

programs (e.g., Medicare) and the Company will refer the matter under appropriate circumstances.

IX. Compliance Training and Code of Conduct Attestation Requirements

A. Practitioners

1. The Sound Physicians' compliance program contains annual compliance training and attestation requirements for practitioners. Each practitioner is responsible for participating in the required compliance training and meeting the attestation requirements.
2. The Compliance Director will make a reasonable attempt to notify practitioners and the respective department or area of the obligations of each practitioner to receive compliance training and complete the Code of Conduct attestation. Such notice will describe the potential sanctions for noncompliance.
3. The Compliance Director may recommend sanctions, including termination, for a practitioner's failure to complete annual compliance training and attestation requirements. Under particular circumstances, such sanctions may be rescinded upon the practitioner's immediate completion of the compliance training and Code of Conduct attestation requirements, if approved by the Compliance Director. The decision to rescind a sanction, or rescind termination is solely within the discretion of the Compliance Director and Compliance and Ethics Committee. Practitioners do not have a right to have any corrective action rescinded.
4. When a practitioner is terminated for failure to comply with compliance training and Code of Conduct attestation requirements, the process for termination of a practitioner's employment is set forth in Section V of this policy do not apply. In such cases, the following process is applied:
 - a. The Compliance Director will make reasonable efforts to provide written notice of the recommendation for termination to the practitioner, and will provide written notice to the practitioner's Chief, RCMO, and the Compliance and Ethics Committee.
 - b. The notice will include a reference to the required training and/or attestation requirement violated and may also include conditions for rescinding the termination as set forth below.
 - c. The Compliance and Ethics Committee and Compliance Director may meet to discuss the recommendation prior to the Compliance and Ethics Committee's action.
 - d. When a practitioner has failed to complete the required training and attestation requirements, the Compliance and Ethics Committee may act on the Compliance Director's recommendation to terminate without offering the practitioner an opportunity to meet with or present information to the Compliance and Ethics Committee.
 - e. The Compliance and Ethics Committee will make reasonable efforts to communicate its determination in writing to the practitioner, and will provide written notice to the practitioner's Chief, RCMO, and the Compliance Director. Such notice shall be provided not more than 30 calendar days from the date of the Compliance Director's

recommendation and shall be effective immediately. Notice of termination will include:

- i. A statement of the required training or attestation requirement violated;
 - ii. The date that the termination is effective; and
 - iii. Whether such termination may be rescinded based on the practitioner's immediate compliance with required training and attestation requirements.
5. The practitioner has no right of review for termination based on failure to complete required training and attestation requirements.

B. Individuals Who Are Not Practitioners

1. The compliance program contains training and Code of Conduct attestation requirements for Sound Physicians' administrative staff. Failure of any Sound Physicians' administrative staff to complete his or her Compliance training and attestation requirement constitutes grounds for the immediate termination of such individual's Sound Physicians' employment.
2. The Compliance Director will provide notice of a Sound Physicians' administrative staff member's failure to complete required training and Code of Conduct attestation requirements to the staff member, the individual to whom the staff member reports, and the Sound Physician's President.
3. Based on the recommendation of the Compliance Director, a staff member's termination may be rescinded upon the staff member's immediate compliance with training and Code of Conduct attestation requirements. Staff members do not have a right to have any such termination rescinded. The decision to offer to rescind a termination resides solely with the Compliance Director.