

# COMPLIANCE MANUAL

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Our commitment to ethical conduct and compliance depends on all UHS personnel.

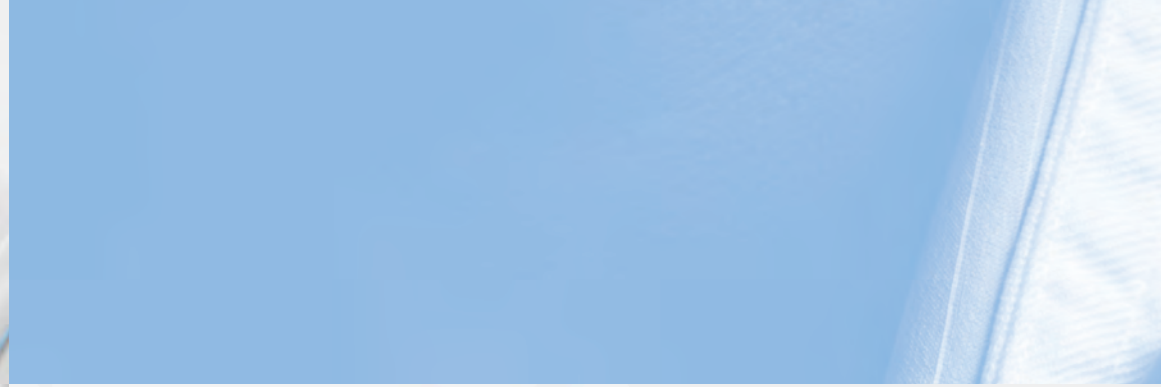
If you find yourself in an ethical dilemma or suspect inappropriate or illegal conduct, discuss it with your supervisor or use the reporting process in this Code of Conduct, including the Compliance Hotline (toll free at **1-800-852-3449**) or internet-based reporting at **[www.uhs.alertline.com](http://www.uhs.alertline.com)**



## Table of Contents

Introduction.....	3
Commitment to Compliance .....	4
Code of Conduct .....	4
Code of Business Conduct and Corporate Standards .....	4
UHS Compliance Program.....	6-7
Leadership Responsibilities.....	8
Compliance Officer and Compliance Committee Designation .....	8
Compliance Policies and Procedures .....	9
Patient Care .....	10
Medical Records .....	10
Open Lines of Communication.....	10
Internal Monitoring and Auditing .....	11
Training and Education .....	11
Response to Detected Deficiencies .....	12
Enforcement of Disciplinary Standards.....	12
Ineligible Persons – Excluded Individuals and Entities.....	13
Reporting Improper Conduct .....	14
Supervisors Receiving Complaints .....	15
Healthcare Laws, Regulations and Requirements.....	16
Submission of Accurate Claims and Information .....	16
Referral Statutes.....	18
Quality of Patient Care .....	19
Emergency Medical Treatment and Labor Act (EMTALA) .....	20
Privacy and Security of Patient Health Information .....	21
False Claims Laws and Whistleblower Protection .....	22
Relationships with Federal Healthcare Beneficiaries .....	23
Government Investigations, Subpoenas and Audits .....	24
Request for Interviews .....	24
Demand for Documents .....	24
Appendix A: Summary of Compliance Policies and Procedures.....	26-27

Any reference in this Compliance Manual to “UHS personnel” or employment with UHS refers to employment with, or employees of subsidiaries of Universal Health Services, Inc., including UHS of Delaware, Inc.  
Any reference to “UHS facilities” refers to subsidiaries of Universal Health Services, Inc.



## Introduction

UHS has developed this Compliance Manual as a resource, to summarize basic healthcare compliance standards and provide an overview of the UHS Compliance Program. The Compliance Manual is not intended to fully describe the laws that apply to personnel or to detail company policies and procedures. The Compliance Manual should be read along with the UHS Code of Conduct (describes compliance concepts and gives guidance on acceptable behavior for UHS personnel), the Code of Business Conduct and Corporate Standards (provides standards for ethical business practices), and the UHS Compliance Policies summarized in Appendix A. Current versions of the Codes and Policies can be found on our website at **[www.uhsinc.com](http://www.uhsinc.com)**.



## Patient Care

UHS is committed to providing high-quality patient care in the communities we serve, and advocates a responsive management style and a patient-first philosophy based on integrity and competence. We treat our patients with respect and dignity, providing high-quality, compassionate care in a clean, safe environment.

## Commitment to Compliance

UHS is committed to full compliance with all applicable laws and regulations. Adherence to compliance and ethical standards is part of the job performance evaluation criteria for all UHS personnel. Failure to comply with these requirements is viewed seriously, and will subject individuals to disciplinary action, up to and including termination. UHS and its facilities have developed policies and procedures that describe how the duties and obligations of UHS personnel are to be performed. UHS personnel are required to know, understand and follow all policies and procedures that apply to their work, and to seek clarification from their supervisor if they have any questions.

## Code of Conduct

UHS has developed a *Code of Conduct* that is designed to deter wrongdoing and promote honest and ethical conduct. The *Code of Conduct* details the fundamental principles, values and framework for compliance within the organization, providing guidance on acceptable behavior for UHS personnel and making clear the expectation that UHS personnel will comply with all applicable governmental laws, rules and regulations, and will report violations of the law or company policies to appropriate persons. The *Code of Conduct* is available on the Web at **[www.uhsinc.com](http://www.uhsinc.com)**, from the applicable human resources department, the facility compliance officer or the UHS Compliance Office.

## Code of Business Conduct and Corporate Standards

The *Code of Business Conduct and Corporate Standards* provides standards of ethical business practices and is required to be followed by all UHS personnel. The *Code* is available on the Web at **[www.uhsinc.com/corporategovernance1.php](http://www.uhsinc.com/corporategovernance1.php)**, from the applicable human resources department, the facility compliance officer or the UHS Compliance Office.





## Leadership Responsibilities

UHS expects its leaders to set the example, to be in every respect a role model. Our leaders help to create a culture that promotes the highest standards of ethics and compliance. This culture must encourage everyone in the organization to share concerns when they arise, without fear of retaliation. We must never sacrifice ethical and compliant behavior in the pursuit of business objectives.



## UHS Compliance Program

UHS is committed to an effective Compliance Program that includes the following elements:

1. Designation of a UHS Chief Compliance Officer, Division Compliance Officers, Facility Compliance Officers and Compliance Committee
2. Development of written Compliance Policies and Procedures and the *UHS Code of Conduct*, which contains written standards of conduct
3. Open lines of communication, including a toll-free hotline and internet-based reporting that permit anonymous reporting without fear of retaliation
4. Appropriate training and education
5. Internal monitoring and auditing activities
6. Enforcement of disciplinary standards
7. Response to detected deficiencies

The Compliance Program also defines roles and responsibilities, assigns oversight for compliance, and conducts assessments of the Program's effectiveness.

The UHS Compliance Program is part of the operations of all UHS facilities and corporate functions. The Compliance Program reviews and evaluates compliance issues and concerns within the organization relating to federal and state healthcare programs, and is designed to assure compliance with all laws, rules and regulations relating to these programs. As a part of its Compliance Program, UHS has developed the Compliance Manual, the Code of Conduct, and the Code of Business Conduct and Ethical Standards which are designed to communicate to personnel the intent to comply with all applicable laws and UHS and facility policies and procedures.



UHS is committed to an effective Compliance Program that will:

- Review the organization's business activities and consequent legal compliance and legal risks.
- Educate all personnel regarding the Code of Conduct and compliance requirements and train relevant personnel to conduct their job activities in compliance with state and federal law and according to the policies and procedures of the Compliance Program.
- Implement auditing, monitoring and reporting functions to measure the effectiveness of the Compliance Program and to address problems in an efficient and timely manner.
- Include enforcement and disciplinary components to assure that all personnel take their compliance responsibilities seriously and adhere to all applicable requirements.

Overall responsibility for operation and oversight of the Compliance Program belongs to the UHS Board of Directors; however, the day-to-day responsibility for operation and oversight rests with the UHS Chief Compliance Officer, who has direct access to the Board of Directors and makes regular reports to the Audit Committee of the Board on the status of the UHS Compliance Program. The UHS Chief Compliance Officer is supported in these duties by the UHS Compliance Committee.





## Compliance Officer and Compliance Committee Designation

UHS has designated a UHS Chief Compliance Officer to oversee the UHS Compliance Program. The UHS Chief Compliance Officer, focuses on compliance with the rules and regulations of regulatory agencies and UHS policies and procedures, and works to assure that behavior meets appropriate standards of conduct.

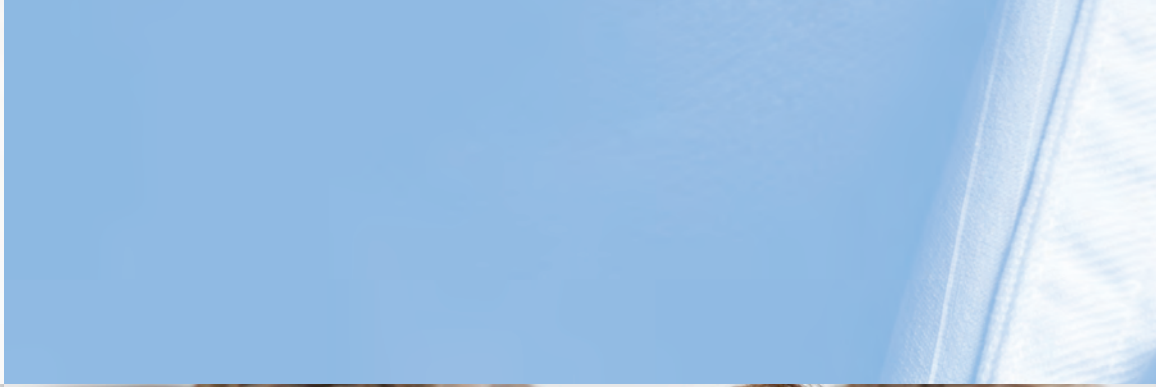
The Acute and Behavioral Divisions each have a Division Compliance Officer to provide oversight for Compliance Program-related activities in their respective divisions. Each UHS facility has a designated Facility Compliance Officer who oversees the compliance program and obligations of the facility. The UHS Chief Compliance Officer supervises the Compliance Program-related actions and activities of the Division Compliance Officers, each of whom provides supervision for the Compliance Program-related actions and activities of the Facility Compliance Officers. The UHS Chief Compliance Officer may also serve as a Division Compliance Officer.

The UHS Compliance Committee supports the UHS Chief Compliance Officer and provides oversight for the implementation and operation of the Compliance Program. Members of the Compliance Committee include:

- UHS Chief Compliance Officer, who chairs the Committee
- UHS President
- Chief Financial Officer
- General Counsel
- Controller

The Compliance Committee reviews the reports and recommendations of the UHS Chief Compliance Officer concerning Compliance Program activities, including data regarding compliance generated through audits, monitoring, and individual reporting. Based on these reports, the Compliance Committee makes recommendations regarding the effectiveness of the Compliance Program.





## Compliance Policies and Procedures

UHS has developed written compliance policies and procedures that are designed to establish bright-line rules to help personnel carry out their job functions in compliance with federal healthcare program requirements, and to further the mission and objectives of UHS and its facilities. In addition, each facility has its own facility-level compliance policies and procedures. Attached to this Compliance Manual in Appendix A is a summary of the UHS compliance policies. Copies of the UHS compliance policies and procedures are available on the internet at [www.uhsinc.com](http://www.uhsinc.com), or by contacting the applicable Facility Compliance Officer or the UHS Compliance Office.



## Open Lines of Communication

UHS encourages open communication without fear of retaliation. This facilitates our ability to identify and respond to compliance problems. If there are any questions or concerns regarding compliance with state or federal law, or any aspect of the Compliance Program, including the compliance policies or procedures, personnel should seek immediate clarification from their supervisor, Facility Compliance Officer, or the UHS Compliance Office. They can also call the toll-free Compliance Hotline (**1-800-852-3449**) or report via the internet at **[www.uhs.alertline.com](http://www.uhs.alertline.com)**. These reports may be made anonymously. If anyone has knowledge of, or in good faith suspects, any wrongdoing:

- in the documenting, coding, or billing for services, equipment, or supplies
- in the organization's financial practices
- involving any violation of any law or regulation
- involving a violation of any UHS or facility policy
- any other compliance concern

They are expected to promptly report it so that an investigation can be conducted and appropriate action taken.

**Toll-Free Compliance Hotline and Internet-Based Reporting: Anyone may report suspected improper conduct by using the toll-free Compliance Hotline (1-800-852-3449) or via internet reporting at [www.uhs.alertline.com](http://www.uhs.alertline.com). Reports using these methods may be made anonymously.**

## Response to Detected Deficiencies

UHS is committed to responding consistently and decisively to detected deficiencies. As deficiencies are discovered through audits, reporting mechanisms, and other activities involved with the operation of Compliance Program, corrective measures and disciplinary actions will be developed to address the noncompliance. UHS has developed Compliance Policies that set forth the policies and procedures the organization uses for:

- conducting internal investigations
- developing Corrective Action Plans for specific instances involving compliance-related issues
- implementing remedial action, when a gap has been identified in the Compliance Program or a compliance violation is detected, to prevent recurrence of a compliance violation in the organization

Corrective Action Plans and other remedial actions will typically include, among other actions, personnel education and training, additional monitoring and auditing, and can involve reporting to outside agencies as required.



## Enforcement of Disciplinary Standards

UHS personnel who violate the law, UHS or facility policies, or the guidelines described in the UHS Code of Conduct, UHS Compliance Manual and the Code of Business Conduct and Corporate Standards, including the duty to report suspected violations, are subject to disciplinary action. Disciplinary actions will reflect the severity of the noncompliance, up to and including immediate termination. In addition, adherence to compliance and ethical standards will be part of the job performance evaluation criteria for all personnel. Supervisors and compliance officers are expected to work with the applicable human resources departments to assure that each instance involving the enforcement of disciplinary standards is thoroughly documented and that disciplinary standards are enforced consistently across the organization. All UHS personnel are expected and required to adhere to and follow the UHS and facility compliance policies. The failure to do so can result in disciplinary action, including but not limited to immediate termination.





## Reporting Improper Conduct

UHS is committed to complying with all applicable laws and regulations, including those designed to prevent and deter fraud, waste and abuse. The organization desires a climate that discourages improper conduct and facilitates open communication of any compliance concerns and/or questions. If any UHS personnel have knowledge of, or in good faith, suspect any wrongdoing in the documenting, coding, or billing for services, equipment, or supplies; in the organization's financial practices; involving any violation of any law or regulation; or involving a violation of any UHS or facility policy, they are expected to promptly report it so that an investigation can be conducted and appropriate action taken. Failure to report suspected violations may result in disciplinary action, up to and including termination.

There are many ways to report suspected improper conduct. In most cases, any concerns should be brought to the attention of a supervisor. However, if this does not result in appropriate action, or if the individual is uncomfortable discussing these issues with their supervisor, they should take their concerns to another member of management, or use the reporting methods available through the UHS Compliance Program. Failure to report any known illegal conduct can have serious consequences.

UHS encourages all personnel to bring any concerns forward immediately using the established internal channels. Individuals may be reluctant to discuss wrongdoing with their supervisors because they fear retaliation. **No retaliation will be permitted against UHS personnel who bring forward concerns made in good faith.** Only where it has been clearly determined that someone has made a report of wrongdoing maliciously, frivolously, or in bad faith will disciplinary action be considered.

### **Below is the procedure for reporting and investigating potential compliance issues:**

1. If at any time, UHS personnel become aware of or suspect illegal or unethical conduct or a violation of UHS or facility policies, they must report it immediately to an appropriate individual. Such individuals may include their immediate supervisor, manager, risk manager, Facility Compliance Officer, applicable Human Resource Director, UHS Compliance Office or the UHS Office of General Counsel.
2. Anyone may also make a report by using the toll-free Compliance Hotline (**1-800-852-3449**) or via Web Reporting on the internet at **[www.uhs.alertline.com](http://www.uhs.alertline.com)**. Reports using these methods may be made anonymously, if the individual chooses.
3. Self-reporting is encouraged. UHS personnel who self-report their own wrongdoing or violation of law will be given due consideration in potential mitigation of any disciplinary action that may be taken.



4. Once a report is received, an appropriate person will then conduct an investigation into the allegations to determine the nature, scope, and duration of wrongdoing, if any. UHS investigates all non-frivolous claims of wrongdoing. If the allegations are substantiated, a plan for corrective action will be developed. Appropriate corrective action may include, for example, restitution of any overpayment amounts, notifying an appropriate governmental agency, disciplinary action or making changes to policies and procedures to prevent future occurrences.
5. Retaliation in any form against anyone who makes a report of wrongdoing or cooperates in an investigation is strictly prohibited. If any individual feels that they have been retaliated against, they should report it immediately, using any of the reporting methods referenced in this policy.

Our commitment to compliance and ethical conduct depends on all personnel. Should anyone find themselves in an ethical dilemma or suspect inappropriate or illegal conduct, they should remember the internal processes that are available for guidance or for reporting suspected unethical conduct, including the Compliance Hotline (**1-800-852-3449**) or via Web Reporting on the internet at **[www.uhs.alertline.com](http://www.uhs.alertline.com)**.

## Supervisors Receiving Complaints

Supervisors receiving a complaint that raises a potential compliance issue will promptly report the complaint to their Facility Compliance Officer. Complaints that do not raise a potential compliance issue will be referred to the appropriate department (e.g., risk management, human resources, facility management). Supervisors will not take any retaliatory action against personnel who report complaints in good faith and/or cooperate in an investigation. Retaliation or reprisal against anyone for reporting a complaint in good faith or cooperates in an investigation is strictly prohibited by law and is a violation of both the UHS Code of Conduct and UHS policy. Only where it has been clearly determined that someone has made a report of wrongdoing maliciously, frivolously, or in bad faith will disciplinary action be considered.



## Medical Records

UHS strives to ensure facility medical records are accurate and provide information that documents the treatment provided and supports the claims submitted. Tampering with or falsifying medical records, financial documents or other business records of UHS will not be tolerated. The confidentiality of patient records and information must be maintained in accordance with privacy and security laws and regulations that protect patient information, including protected health information (PHI) under HIPAA and HITECH and applicable state laws.

## Internal Monitoring and Auditing

UHS personnel are expected to cooperate with all UHS-authorized auditing and monitoring activities. Each Facility Compliance Officer develops an annual audit work plan for their facilities and also conducts or oversees audits which are designed to monitor and detect misconduct, noncompliance or failure to follow applicable requirements. The UHS Chief Compliance Officer develops a yearly audit work plan for the organization, including risk assessment results and OIG work plan review. The UHS Chief Compliance Officer initiates compliance audits at least annually, and more often as needed, to identify problems deemed high-risk for compliance and to address other significant compliance issues. Audit reports prepared by the UHS Chief Compliance Officer are presented to the UHS Compliance Committee and audit work plans are reviewed annually.

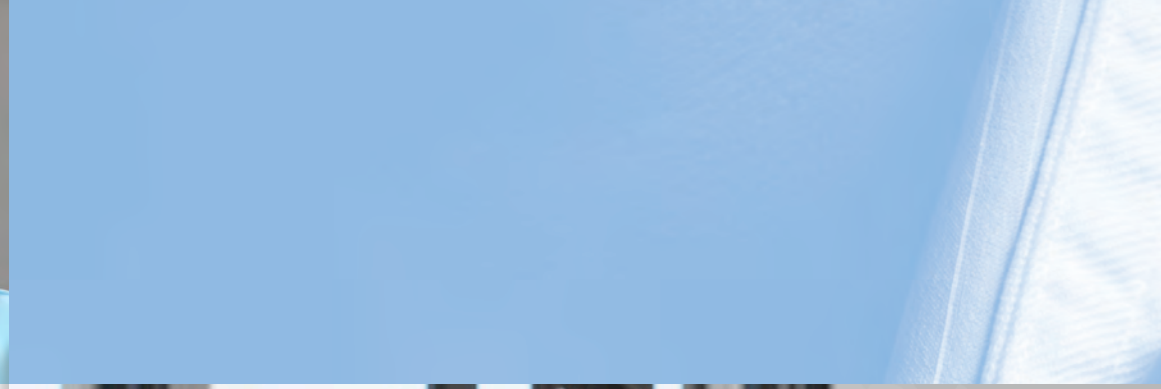
## Training and Education

UHS provides compliance training and education for its personnel that:

- Reviews the elements of the Compliance Program
- Provides information about applicable laws, policies and procedures
- Discusses the ethical standards and compliance expectations set forth in the UHS Code of Conduct

The purpose of the training and education program is to ensure that personnel, contractors, and other individuals that function on behalf of UHS are fully capable of performing their work in compliance with rules, regulations, and other standards.





## Ineligible Persons – Excluded Individuals and Entities

UHS does not do business with, hire or bill for services rendered by individuals or entities that are excluded or ineligible to participate in federal healthcare programs. UHS human resources departments are responsible for screening personnel and maintaining a record of this information. UHS personnel have a responsibility to report to their supervisor or human resources department if they become excluded, debarred or otherwise ineligible to participate in Federal healthcare programs. UHS has a compliance policy that describes the policy and requirement that appropriate checks be performed for applicable individuals in accordance with state and federal laws relating to exclusion from government healthcare programs and licensure status. This policy is designed to assure that no government healthcare program payment is sought for any items or services directed or prescribed by a physician, practitioner or contractor who provides and/or orders services and who is an ineligible person.



## Healthcare Laws, Regulations and Requirements

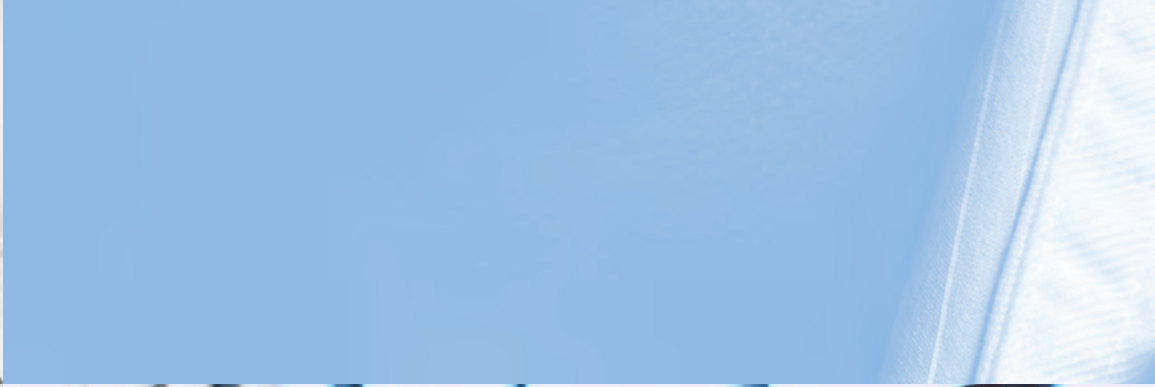
This section of the Compliance Manual contains an overview of some of the more important federal laws and regulations that apply to UHS and its facilities. It is not intended to be a complete discussion of these laws and regulations, or to describe every applicable law and regulation. UHS expects its personnel to fully comply with all applicable laws and regulations — federal, state, and local. Failure to comply with legal requirements is viewed seriously by UHS, and can lead to serious disciplinary action, up to and including immediate termination.

### Submission of Accurate Claims and Information

All claims and requests for reimbursement from the Federal healthcare programs including Medicare, Medicaid, and the Veterans Administration – and all documentation supporting such claims or requests — must be complete and accurate and comply with legal requirements. They must reflect reasonable and necessary services ordered by appropriately licensed medical professionals who are participating providers in the healthcare program. This includes, among other important areas, appropriate outpatient procedure coding, admissions and discharges, supplemental payment considerations and the proper use of information technology.

UHS expects all persons involved in healthcare billing and claims reimbursement activities to submit timely, accurate and proper claims and information. Appropriate documentation is needed to support all claims, and the diagnosis and procedure codes on bills must accurately reflect the information documented in the medical records and other applicable documents. UHS personnel must adhere to all relevant rules and regulations pertaining to federal and state healthcare program requirements, as well as the applicable facility's billing policies, including but not limited to the following:

- accuracy in all billing activities, including the submission of claims and information
- billing for items actually rendered
- billing only for medically necessary services
- billing with correct billing codes
- preparing accurate cost reports
- assuring that no duplicate billing occurs



If a billing error is identified subsequent to the submission of a claim to Medicare, Medicaid or other government payer, then steps should be taken to submit the corrected claim. The error should be reported using the following process:

- The facility will use best efforts to quantify the overpayment as soon as practicable.
- The billing department supervisor shall immediately report to the Facility Compliance Officer all potential or actual overpayments from government payors in excess of \$25,000.
- Within 60 days after identification of any overpayment from any government payor, the facility will repay the overpayment unless such overpayment would be subject to reconciliation and/or adjustment pursuant to routine policies and procedures established by the government payor or fiscal intermediary.
- The facility will take remedial steps to correct the problem and prevent the overpayment from recurring.





## Referral Statutes

The Anti-Kickback statute and Stark law (Sections 1128B(b) and 1877 of the Social Security Act), as well as certain state laws, prohibit the offer or payment of any compensation or other remuneration to any party for the referral of patients and/or federal healthcare business. The Stark Law prohibits a hospital from billing Medicare, Medicaid or other government payers for services rendered as a result of an improper financial arrangement with a referring physician or an Immediate Family Member of a referring physician. ("Immediate Family Members" is defined under federal law as spouse; natural or adoptive parent, child, or sibling; stepparent, stepchild, stepbrother or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and the spouse of a grandparent or grandchild.) Financial arrangements with Referral Sources that are governed by the laws can include, but are not limited to: (1) leases, (2) medical directorships, (3) physician services agreements, (4) recruitment arrangements, (5) on-call agreements, and (6) other arrangements.

When UHS facilities enter into financial arrangements for the purchase of goods and/or services with physicians (including Immediate Family Members), physician groups, any entity owned or operated by physicians, and/or any other existing or potential healthcare referral sources ("Referral Sources"), they will consider the appropriate use of resources, and all agreements and contracts will be in accordance with legal statutory and regulatory requirements, as well as UHS and facility policies and procedures.

- UHS facilities and their personnel will not solicit or receive from any person or entity, nor offer or give to any person or entity, anything of material value if that person or entity is in a position to refer business to a UHS facility or if the UHS facility is in a position to refer business to that person or entity, except as permitted by law.
- UHS facilities and their personnel will not submit or cause to be submitted a bill or claim for reimbursement for services provided pursuant to a prohibited referral.
- All agreements between UHS facilities and physicians (including immediate family members of physicians) or other Referral Sources must be submitted in accordance with the UHS contracting process and will be prepared, reviewed and approved by the UHS Legal Department to assure their compliance with Anti-Kickback statute, Stark Law, and state law requirements.
- All agreements where remuneration is exchanged between a UHS facility and a physician or other Referral Source must, at a minimum, be based upon fair market value and commercially reasonable and will not take into account the value or volume of referrals to any UHS facility.
- The UHS Legal Department has established and provided policies, protocols and standards (and will continue to do so in the future as necessary) on the specific requirements for agreements with physicians and other Referral Sources which shall be adhered to and followed by all UHS facilities and personnel.
- Any non-monetary compensation to physicians on staff is subject to tracking and annual limits and must not be based upon the volume or value of referrals or violate the Anti-Kickback Statute or Stark Law.



## Quality of Patient Care

Participation in Medicare and Medicaid requires that hospitals and other healthcare providers deliver care to patients that is medically necessary and is of a quality that meets professionally recognized standards of care. UHS is committed to providing high quality care to patients and will not tolerate facilities or personnel who provide substandard or unnecessary care. Facilities must meet the Medicare conditions of participation that apply to them including those requiring a quality assessment and performance improvement program, and must develop quality of care protocols and implement mechanisms for evaluating compliance with the protocols.

The Office of Inspector General (OIG) is authorized to exclude healthcare providers from participation in federal healthcare programs that provide unnecessary or substandard items or services provided to any patient. Government authorities are increasingly focused on the issue of substandard care and have brought enforcement actions ranging from administrative remedies to sanctions, which could include monetary penalties and exclusion from the government programs.

UHS personnel are expected to adhere to all applicable standards and conditions including, among others, the conditions of participation (COPs) for Medicare and The Joint Commission standards. UHS personnel must obtain and maintain the professional skill and training necessary to competently and effectively carry out their job responsibilities, including all professional licenses necessary to perform their work at UHS facilities.



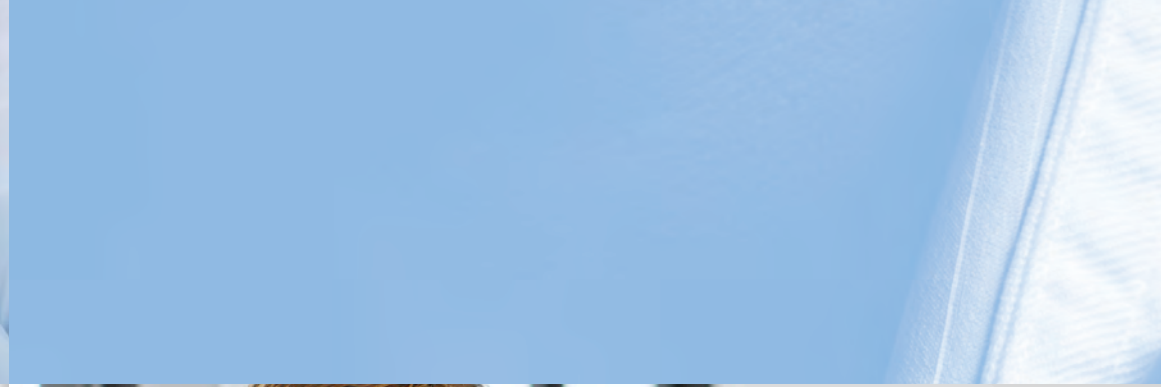
## Emergency Medical Treatment and Labor Act (EMTALA)

UHS facilities and their personnel are expected to comply with all applicable requirements of the Emergency Medical Treatment and Active Labor Act ("EMTALA") (Section 1867(a) of the Social Security Act). EMTALA is a federal law requiring, among other things, that a Medicare-participating hospital with an emergency department to provide a medical screening examination ("MSE") to any individual who comes to the emergency department ("ED") and requests such an examination regardless of his/her ability to pay or insurance coverage status. EMTALA prohibits such hospital from refusing the MSE and, if the individual has an emergency medical condition ("EMC"), the hospital must provide appropriate stabilizing treatment or appropriate transfer of such individual to another facility, and accept appropriate transfers if the hospital has the specialized capabilities and capacity to treat the individual to be transferred that another facility lacks.

### **EMTALA applies to situations such as the following:**

- When any person comes to the ED and a request for examination or treatment is made for an EMC.
- When visitors in the hospital or on hospital property (entire main campus of the hospital with certain exceptions) experience an EMC.
- After a patient receives a MSE and it is determined that an EMC exists then EMTALA continues to apply through such time as the patient's EMC is stabilized, the patient is admitted to the hospital or the patient is transferred.
- To an "off-campus" site that is licensed as an emergency room, is held out to the public as a place that provides care for EMCs (e.g. urgent care centers) or a location that provided care for EMC to at least 1/3 of the outpatients it treated for the previous 12-month period.
- To 23-hour observation patients that are not admitted to the facility and to hospital-owned ambulances; however, if an ambulance diverts a patient due to a community-wide emergency medical service ("EMS") protocol for hospital diversion, there is no EMTALA violation. Certain states extend this responsibility to non-hospital-owned ambulances who contact the ED en route. Please contact legal to determine whether your facility is in one of these states.
- To non-hospital owned ambulances on hospital property.





## Privacy and Security of Patient Health Information

Patient health information is protected under both state and federal laws. Under federal law, this is referred to as “protected health information” or PHI and is governed by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009, and their implementing regulations, including the HIPAA Privacy Rule and the HIPAA Security Rule.

The HIPAA Privacy Rule provides federal privacy protections for PHI held by covered entities such as UHS facilities and describes patient rights with respect to their PHI. The HIPAA Security Rule requires covered entities and their business associates that use PHI to use administrative, physical, and technical safeguards to assure the confidentiality, integrity, and availability of electronic protected health information.

UHS facilities have policies and procedures in place addressing the applicable privacy and security requirements. All personnel receive training on HIPAA requirements and are expected to obey these requirements and keep PHI confidential during its collection, use, storage and destruction. UHS personnel are not permitted to access, obtain, disclose or discuss PHI without written authorization from the patient or their legal representative, unless necessary for treatment, payment or healthcare operations or required by law.



## False Claims Laws and Whistleblower Protection

UHS intends to fully comply with the False Claims Act (FCA) (31 U.S.C. Sec. 3729-3722) and any similar state laws. These laws fight fraud and abuse in government healthcare programs. Under the FCA, individuals can bring a lawsuit in the name of the United States by filing a complaint confidentially “under seal” in court if they discover that a fraudulent claim has been made for reimbursement by a government agency. The FCA applies to both organizations and individuals who engage in billing fraud. FCA lawsuits function to recover government funds paid as a result of false claims. Fines against the entity that submitted the false claims include a penalty of up to three times the government’s damages, civil penalties ranging from \$5,500 to \$11,000 per false claim, and the costs of the lawsuit. The federal FCA applies to claims for reimbursement for federally funded programs including, for example, claims submitted to Medicare or Medicaid. The federal FCA contains a “qui tam” provision, commonly called the “whistleblower” provision, which permits a private person with knowledge of a false claim to file a lawsuit on behalf of the United States Government. An individual who exposes wasteful, harmful, or illegal acts is often called a “whistleblower,” or “qui tam relator.” A qui tam relator may be awarded a percentage of the funds recovered. The FCA provides protection for qui tam relators from termination, demotion, suspension, or discrimination related to these claims. However, if an individual files such a lawsuit frivolously they may be subject to sanctions, including the responsibility for paying the other party’s attorney’s fees. If a qui tam relator is convicted of criminal conduct, the qui tam relator will not receive any proceeds and will be dismissed from the lawsuit.

In addition to the federal FCA, there are individual state laws providing that persons who report fraud and abuse by participating healthcare providers in the state’s Medicaid Program may be entitled to a portion of the recovery against the healthcare providers. Similar to the federal FCA, there are protections against retaliation. State false claims act statutes often mirror the federal FCA and have similar penalty provisions.

Another federal law that resembles the FCA provides administrative remedies, subject to limited court review, for knowingly submitting false claims and statements. Under this law, the Program Fraud Civil Remedies Act of 1986 (“PFCRA”), a false claim or statement includes submitting a claim or making a written statement that is for services that were not provided, or that asserts a material fact that is false, or that omits a material fact. The PFCRA provides for a maximum civil penalty of \$5,000 per claim or statement, and an assessment of not more than twice the amount of each false or fraudulent claim.



## Relationships with Federal Healthcare Beneficiaries

Federal fraud and abuse laws prohibit offering or providing inducements to beneficiaries in government healthcare programs and authorize the OIG to impose civil money penalties (CMPs) for these violations. UHS personnel may not offer valuable items or services to Medicare, Medicaid, Veterans Administration or other government healthcare program beneficiaries to attract their business. This includes gifts, gratuities, certain cost-sharing waivers, and other things of value.





## Government Investigations, Subpoenas and Audits

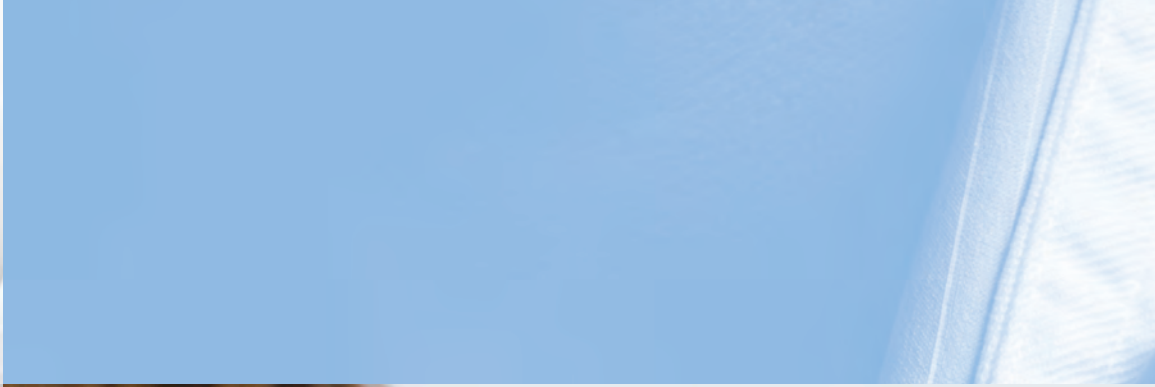
It is the policy of UHS to cooperate fully with any lawful government investigation, subpoena or audit. UHS has developed a compliance policy addressing these situations titled Response to Government Inquiries, Investigations or Audits (See Appendix A to this Compliance Manual) If facility or UHS personnel are contacted at a UHS workplace by an official, representative, investigator or other individual acting on behalf of the government, they should immediately contact the UHS Compliance Office or Facility Compliance Officer and the UHS Office of General Counsel; and ask to see credentials or proper identification, including a business card, before speaking further with the person.

### Request for Interviews

An interview of facility or UHS personnel may be requested by a government official, representative, investigator or other individual acting on behalf of the government. The UHS Office of General Counsel should be immediately notified and may be consulted regarding any such request. The Compliance Policy described above contains additional information regarding government requests for interviews.

### Demand for Documents

A government official, representative, investigator or other individual acting on behalf of the government may arrive at a UHS subsidiary's facility or premises with written authority seeking documents. This authorization may come in the form of a demand letter, subpoena, or search warrant. UHS personnel should notify the UHS Compliance Office, FCO, UHS legal counsel, the Administrator on-call, or other UHS of Delaware or facility official "in charge" immediately. Once there has been notice of an investigation, the destruction portion of any policy on record retention is suspended and NO documents may be destroyed until notified otherwise by the UHS Office of General Counsel. If a government official, representative, investigator or other individual acting on behalf of the government presents a valid search warrant and identification, personnel must understand that they have the authority to enter the premises, to search for evidence of criminal activity, and to seize those documents or items listed in the warrant. No individual shall interfere with the search and must provide the documents or items sought in the warrant. The Compliance Policy described above contains additional information on these types of government demands.





## Employment

UHS promotes diversity and strives to provide a workplace environment that is in full compliance with all applicable employment-related laws. UHS has a vital interest in maintaining a safe and healthy work environment, for the protection of both patients and employees. UHS prohibits workplace violence, threats of harm, and any kind of harassment of its employees.

### Equal Employment Opportunity/Non-Discrimination

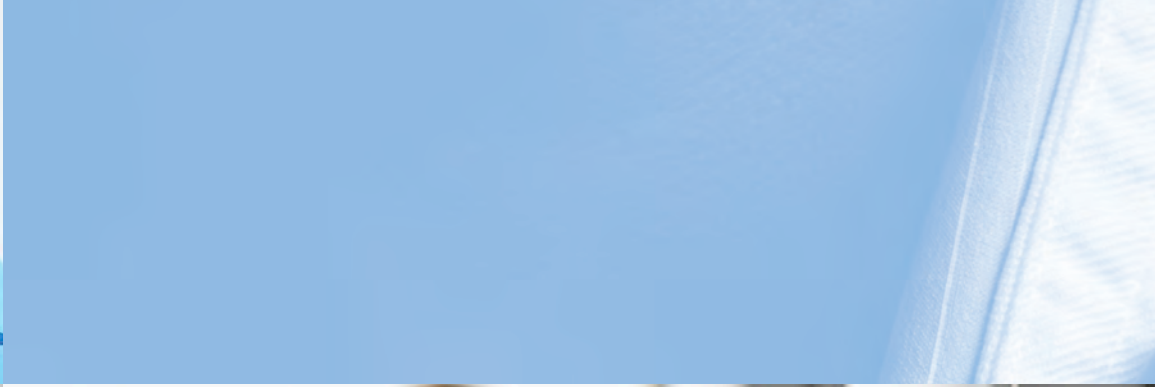
It is UHS policy to provide equal employment opportunities to all employees, prospective and current. UHS is committed to complying with all laws and regulations relating to equal employment and non-discrimination matters for all protected classes of employees. Reasonable accommodations will be made for known disabilities in accordance with the Americans with Disabilities Act. UHS personnel with questions concerning these guidelines or who are aware of any breach of the Equal Employment Opportunity (EEO) guidelines, should contact the applicable human resources department.

### Labor Laws

UHS is committed to compliance with federal and state wage and hour laws, including:

- The Fair Labor Standards Act (FLSA) which addresses federal minimum wage and overtime pay requirements.
- The Immigration and Nationality Act, which applies to employers that hire foreign workers on a temporary or permanent basis to perform certain types of work.
- The Consumer Credit Protection Act (CCPA), as it relates to protection for workers whose wages are garnished.
- The Family Medical Leave Act (FMLA), which entitles eligible employees of covered employers to take unpaid, job-protected leave for specified family and medical reasons with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave.
- The National Labor Relations Act (NLRA) which governs the rights of workers to join labor unions and engage in other concerted activity.
- Other applicable laws and regulations relating to the wages and hours of workers.







## Conflicts of Interest

UHS personnel have a duty to be loyal, to advance the legitimate business interests of UHS, to not obtain any improper personal benefit by virtue of employment with UHS, and to avoid conflicts of interest with UHS. The UHS Compliance Policy on Conflicts of Interest applies to all facility employees. Employees of UHS of Delaware, Inc. are governed by the Conflicts of Interest policy available through their Human Resources Department.

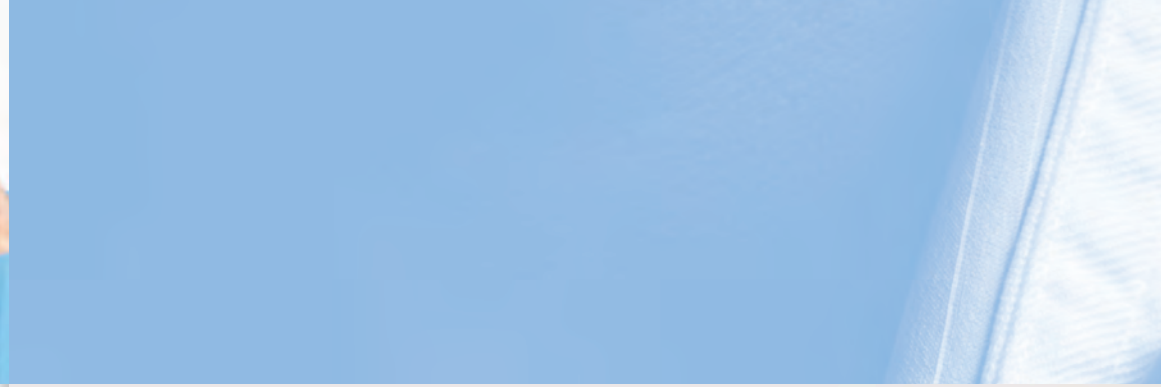
Personnel should not place themselves in a position where their actions or the activities or interests of others with whom they or with whom a member of their family may have a financial, business, professional, family or social relationship that could be in conflict with the interests of UHS or its subsidiaries.

### **Examples of conflicts of interest include:**

- A direct or indirect interest in any transaction which might in any way affect an employee's objectivity, independent judgment or conduct in carrying out his or her job responsibilities.
- Conducting any business or performing any services for another individual or company while at work.
- Using UHS property or other resources for outside activities.
- Direct or indirect involvement in outside commercial interests, such as vendors, physicians, patients, competitors or others having a business relationship with the facility, which could influence the decisions or actions of an employee performing his or her job.
- Using or revealing outside the facility any confidential or proprietary information concerning the facility.
- Using for personal gain confidential or "insider" information obtained as a result of employment with the facility.

UHS personnel are required to disclose any situation that creates an actual or potential conflict of interest to their supervisors or the applicable UHS human resources department, Facility Compliance Officer or to the Chief Compliance Officer. In some situations, a waiver may be obtained only when full disclosure and appropriate reviews are made and approval is granted. Violations of conflict of interest policies are subject to corrective action, up to and including immediate dismissal. If appropriate under the circumstances, UHS may seek to recover damages or improperly received gains and/or encourage prosecution for potential criminal offenses.









## Appendix A: Summary of Compliance Policies and Procedures

UHS has developed written compliance policies and procedures that are designed to establish bright-line rules that help personnel carry out their job functions in compliance with federal healthcare program requirements, and to further the mission and objectives of UHS and its facilities. Copies of the UHS compliance policies and procedures are available on the internet at **[www.uhsinc.com](http://www.uhsinc.com)**, or by contacting the applicable Facility Compliance Officer or the UHS Compliance Office. Below is a summary of UHS compliance policies.

### 1.0 UHS Compliance Program

This policy outlines the Compliance Program components and describes the program's goal of assuring compliance with all laws, rules and regulations relating to federal and state healthcare programs.

### 2.0 UHS Chief Compliance Officer

This policy describes the role and responsibilities of the UHS Chief Compliance Officer, who is charged with overseeing the Compliance Program and with assuring the effectiveness of healthcare compliance functions at every level of the organization.

### 3.0 UHS Compliance Committee

This policy sets for the duties and responsibilities of the UHS Compliance Committee, which provides support for the UHS Chief Compliance Officer in overseeing the Compliance Program for UHS.

### 4.0 Division Compliance Officers

This policy describes the role and responsibilities of the Acute and Behavioral Division Compliance Officers, who provide support and oversight of the activities of the Facility Compliance Officers in each division.

### 5.0 Facility Compliance Officers

This policy provides a description of the role and responsibilities of the Facility Compliance Officers, who are tasked with assuring an effective compliance program at each of the facilities they serve.

### 6.0 Education on Federal and State False Claims Laws

This policy sets forth the education requirements for the organization regarding federal and state false claims statutes, whistleblower protections and the role of such laws in preventing and detecting fraud, waste, and abuse in the federal healthcare programs, as required the Deficit Reduction Act of 2005 (DRA).

### 7.0 Reporting Unethical or Illegal Conduct

This policy describes the mechanisms developed by UHS for personnel to report any known or suspected ethical violations or other activity that may be inconsistent with any provisions of the UHS Code of Conduct, Compliance Program, or UHS or facility policies, or that an individual believes may otherwise violate any law or regulation. These mechanisms provide for anonymous reporting.

### 8.0 Process for Handling the UHS Compliance Hotline and Web Reporting Program

This policy establishes protocols for how the Compliance Hotline and internet-based reports are received, documented, investigated and ultimately resolved, including a process to allow for anonymous reporting, if that is requested by the caller.



## **9.0 Conducting Internal Investigations**

This policy discusses the procedures the organization uses for conducting internal investigations, which are overseen by the UHS Chief Compliance Officer, and sets forth the expectation that all UHS personnel are expected to cooperate in these investigations.

## **10.0 Compliance Corrective Action**

This policy describes the process for the development and imposition of Corrective Action Plans for compliance-related issues. Corrective Action Plans are intended to assist noncompliant individual(s) to understand specific issues and to reduce the likelihood of future noncompliance. They are developed to effectively address the particular instances or issues of noncompliance and are intended to reflect the severity of the noncompliance.

## **11.0 Compliance Remedial Action**

The Compliance Remedial Action policy outlines the procedure for developing and implementing remedial action, particularly when a gap has been identified in the Compliance Program or a compliance violation is detected. Remedial action is intended to be used to prevent recurrence of compliance violations in the organization and is a key factor in the success of the Compliance Program.

## **12.0 Compliance Document Retention**

The Compliance Document Retention policy sets forth the process and policy for Compliance Program-related document retention, destruction and privacy.

## **13.0 Ineligible Persons**

The Ineligible Persons policy requires that appropriate checks be performed for applicable individuals in accordance with state and federal laws relating to exclusion from government healthcare programs and licensure status. This policy is designed to assure that no government healthcare program payment is sought for any items or services directed or prescribed by a physician, practitioner or contractor who provides and/or orders services and who is an ineligible person.

## **14.0 Response to Government Inquiries, Investigations or Audits**

This policy establishes procedures for personnel regarding inquiries, investigations and audits from government officials, representatives, investigators or other individuals acting on behalf of the government, to assure that personnel act appropriately in cooperation with the investigation or audit, and to enable UHS to lawfully protect its interests.

## **15.0 Billing and Claims Reimbursement**

The Billing and Claims Reimbursement policy discusses the expectation that UHS personnel will comply with all federal and state healthcare program requirements and applicable facility policies for billing and claims reimbursement, including the preparation and submission of accurate claims consistent with such requirements. The policy also describes the procedures for overpayment refunds and reporting in the event a billing error is identified, and also discusses the privacy laws relating to patient billing information.

## **16.0 Conflicts of Interest**

The Conflicts of Interest policy sets forth the conflict of interest policy for facility personnel concerning the identification, disclosure, and management or elimination of potential and actual conflicts of interest.

## **17.0 Policy on UHS Compliance Policies**

This policy establishes the duties and responsibilities regarding the drafting, updating, approval and maintenance of all UHS compliance policies.

The UHS commitment to compliance and ethical conduct depends on all personnel. Should you find yourself in an ethical dilemma or suspect inappropriate or illegal conduct, remember the internal processes that are available for guidance or reporting, including reporting to your supervisor or using the toll-free compliance hotline at **1-800-852-3449** or via the internet at **[www.uhs.alertline.com](http://www.uhs.alertline.com)**.