

CORPORATE COMPLIANCE POLICIES AND PROCEDURES

Amended and Restated 2006
(Specimen Copy for Facility Vendors)

1. **QUALITY OF CARE**

It shall be the policy of the facility and its employees to strive to achieve quality care for the residents and to do the following:

- a. Create a comprehensive, accurate assessment of each resident's functional capacity and a care plan that includes measurable objectives and timetables to meet the resident's medical, nursing, and mental and psychosocial needs.
- b. Document the resident's or legal representative's decisions on course of treatment, if contraindicated.
- c. Educate patients regarding advance directives.
- d. Document decisions on life-sustaining treatments.
- e. Identify treatment and services to address resident's clinical conditions including:
 - i. Pressure ulcers;
 - ii. Dehydration;
 - iii. Malnutrition;
 - iv. Incontinence of bladder; and
 - v. Mental or psychosocial problems.
- f. Identify and accommodate individual needs and preferences.
- g. Properly prescribe, administer, and monitor drug usage and monitor adverse reactions to drugs.
 - i. Ensure residents do not receive drugs for which medical records lack evidence.
 - ii. Ensure residents do not receive drugs judged inappropriate for use.
 - iii. Keep complete medication records.
 - iv. Make medication records readily accessible for pharmacist to identify or confirm drug regimens or problems.
- h. Ensure adequate staffing levels and sufficiently trained or supervised staff to provide medical, nursing, and related services.
 - i. Physician must supervise care of each resident.

- ii. Physician must see resident at least once every 30 days for first 90 days after admission.
 - iii. After first 90 days, physician must see each resident every 60 days.
 - iv. RN must be on duty at all times.
 - v. A qualified dietician must be retained.
 - vi. Facility must comply with state regulations regarding staffing.
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- i. Provide appropriate therapy services.
 - j. Provide appropriate service to assist residents with activities of daily living (feeding, dressing, bathing).
 - k. Provide ongoing activities program to meet individual needs of each resident.
 - l. Report incidents of mistreatment, neglect, or abuse including reporting injuries of unknown sources
 - i. To facility administration.
 - ii. To other officials as required by law.

2. RESIDENTS' RIGHTS

It shall be the policy of the facility and its employees to respect the residents' rights and to do the following:

- a. Establish a non-discriminatory admission policy and provide non-discriminatory access to care.
 - i. Offer care to all eligible residents.
 - ii. Maintain identical policies regarding transfer, discharge, and provision of services for all residents regardless of payment source.
 - iii. Do not condition admission on prospective resident's agreement to hold facility harmless for injuries or poor care provided to the individual.
 - iv. Periodically review involuntary discharges.
- b. Do not engage in verbal, mental, or physical abuse, corporal punishment, or involuntary seclusion.
- c. Do not use inappropriate physical or chemical restraints.
- d. Assure personal privacy to residents.
 - i. Assure that each resident has access to his/her personal records upon request.
 - ii. Protect privacy and confidentiality of records.
 - iii. Enforce right to receive mail that is unopened.
 - iv. Allow private telephone use.
- e. Assure right of resident to participate in care and treatment decisions.
 - i. Support resident's right to choose a personal physician.
 - ii. Fully inform resident of his/her health status.
 - iii. Allow resident to participate in advance treatment decisions including the right to refuse treatment, unless resident has been adjudged incompetent or incapacitated.
- f. Safeguard residents' financial affairs.
 - i. Preserve each resident's right to manage his/her financial affairs or permit facility to hold and manage personal funds.
 - ii. Provide a full and complete accounting of personal funds held by facility.
 - iii. If misappropriation of resident's property is uncovered, investigate.
 - iv. Assure personal funds are not used to pay for items or services paid for by Medicare or Medicaid.

3. BILLING AND COST REPORTING

It shall be the policy of the facility and its employees to undertake billing and cost reporting in an honest and diligent manner and to do the following:

- a. Bill only for items and services rendered as claimed.
 - i. Review ancillary services (e.g., review PT to ensure full hour is provided if that is what is billed).
 - ii. Reconcile claims for medical devices to assure that device used by patient matches description on bill.
 - iii. Consolidated billing – Review bills and supporting documentation from vendors and get certifications and orders necessary to provide service.
- b. Determine if equipment, medical supplies, and services are medically necessary.
 - i. For Medicare claims, compare with medical records to determine if services are reasonable and necessary for diagnosis or treatment of illness or injury or to improve functioning.
 - ii. Remember that at the same time, facilities are required to provide services necessary to attain and maintain the resident's highest practicable physical, mental, and psychosocial well-being.
 - iii. Perform periodic clinical reviews both prior and subsequent to billing for services to verify that patients receive appropriate services.
 - iv. Check for common areas of abuse, including:
 - (a) Manipulation of MDS to fit resident into higher RUG, resulting in the provision of medically unnecessary services; and
 - (b) Facility entering into arrangements with ancillary service through which facility over-utilizes Part B in return for offset of cost of items or services covered under Part A.
- c. Do not submit claims to Medicare Part A for residents who are not eligible for Part A coverage.
 - i. Confirm resident had a preceding 3-day inpatient hospital stay.
 - ii. Determine that observational and ER care do not qualify toward 3 days.
 - iii. Determine resident requires skilled services rendered by technician or professional in SN setting.
- d. Do not double bill.
 - i. Do not bill for the same item as a vendor; modify all agreements with vendors to require that the vendor bill the facility for those services covered under consolidated billing requirements and not submit bills directly to Medicare for services.

- ii. Establish communication mechanisms to ensure duplicative billings do not occur. (e.g., flag a referral to an outpatient provider as a “PPS resident” and inform provider that nursing home will be responsible for billing Medicare for ancillary services).
- e. Identify and refund credit balances as a result of patient billing or claims processing error.
- f. Do not submit claims for items or services provided but not ordered by treating physician or other authorized person.
- g. Do not knowingly bill for inadequate or substandard care.
- h. Do not provide misleading information about a patient’s medical condition on MDS or otherwise provide inaccurate information used to determine RUG assigned to resident.
- i. Do not inappropriately upcode the level of service provided.
- j. Do not bill-split (i.e., manipulative billing to create appearance that services were rendered over a period of days when all treatment occurred during one visit).
- k. Do not bill items or services included in per diem rate or covered by other party.
- l. Do not alter documentation or forge physician’s signature in documents used to verify services were ordered and/or provided.
- m. Maintain sufficient documentation to support diagnosis, justify treatment, document course of treatment, and promote continuity of care.
- n. Do not create false self-reported operating cost reports.
 - i. Assure adequate documentation exists to support information in reports.
 - ii. Identify and remove non-allowable costs.
 - iii. Assure related-party transactions are consistent with program requirements.
 - iv. If claiming costs in non-conformity with program rates, include letter accompanying cost report.

4. EMPLOYEE SCREENING

It shall be the policy of the facility and its employees to act diligently in the performance of employee screening and to do the following:

- a. Subject the following persons to screening – prospective employees, current employees, temporary personnel in the facility, contracted personnel.
- b. Check with all applicable licensing and certification authorities:
 - i. State registry of nurse's aides;
 - ii. NPDB – physicians; and
 - iii. Required licenses.
- c. Require potential employees to disclose on employment application criminal convictions and exclusion from participation in health care programs.
- d. Conduct criminal background checks.
- e. Check references.
- f. Require temporary employment agencies to conduct background checks and verify worker has not been convicted of offense precluding employment.
- g. Check OIG and GSA lists online before hire.
- h. Require ongoing employee reporting requirement.
- i. Periodically check OIG and GSA website and retain query results.
- j. Outsource screening process or handle internally.
- k. Take appropriate personnel action after receipt of background checks.
 - i. Do not hire applicants with conviction of crimes of neglect, violence, theft or dishonesty, financial misconduct, or similar offenses related to his/her particular job.
 - ii. Terminate existing employees if convicted of criminal offense related to health care or if he/she is debarred or excluded, or otherwise becomes ineligible for participation in federal health care programs.
 - iii. If employer has notice that employee or contractor is charged with a crime or proposed exclusion, take action so as not to affect quality of care.

- iv. If resolution is conviction, debarment, or exclusion, terminate employment.

5. KICKBACKS, INDUCEMENTS, AND SELF-REFERRALS

It shall be the policy of the facility and its employees to refrain from kickbacks, inducements, and self-referrals, and to do the following:

- a. Comply with anti-kickback statute – Do not knowingly offer, pay, solicit, or receive bribes, kickbacks, or other in order to induce programs reimbursable by federal health care programs.
- b. Comply with Stark self-referral law – Physicians cannot refer residents to entity in which he/she or his/her family has a financial interest.
- c. Use care in influencing selection of ancillary services (hospices, vendors of equipment and services).
 - i. Use objective criteria.
 - ii. Do not routinely waive coinsurance or deductible amounts without determining financial need or reasonable efforts to collect cost-sharing amount.
 - iii. Review agreements between facility and hospital, home health agency, and hospices. Questionable arrangements include offering of free goods or goods below fair market value.
 - iv. Do not accept or offer gifts to or from residents or other potential sources of referral for services that are covered by Medicare or Medicaid. Items of nominal value are permitted, provided that employees report all such gifts given or received.
 - v. Do not condition a resident's admission or continued stay on an additional third-party payment for services covered under Medicaid.
 - vi. Review financial arrangements with physicians and medical director.
 - vii. Do not enter into arrangements with vendors that result in facility receiving non-covered items below market or at no cost.
 - viii. Do not solicit or receive items of value in exchange for access to medical records.
 - ix. Do not enter into joint ventures with entities supplying goods and services.
 - x. Do not engage in swapping (i.e., when supplier gives facility discounts on Medicare Part A items and services in return for referral of Part B business).

6. CREATION AND RETENTION OF RECORDS

It shall be the policy of the facility and its employees to create and maintain records in an appropriate manner and to do the following:

- a. Maintain appropriate and thorough medical records on each resident.
- b. Maintain documents required for participation in health care programs.
- c. Maintain correspondence with carriers, fiscal intermediaries, private health insurers, HCFA, and state survey and certification agencies.
- d. Do not make unauthorized disclosures of the resident's medical records.
- e. Maintain records in a safe place.
- f. Maintain hard copies of electronic or database documents.
- g. Limit access to documents.
- h. Identify individuals with authority to make entries.
- i. Identify circumstances when late entries may be made.
- j. Create and enforce document retention and destruction policy.
- k. Maintain records that support and explain cost reports and other financial activity.