

Kaweah Delta Health Care District

Board of Directors Committee Meeting

Health is our Passion. Excellence is our Focus. Compassion is our Promise.

SPECIAL NOTICE

The Audit and Compliance Committee of the Kaweah Delta Health Care District will meet at the Executive Office Conference Room {305 W Acequia Avenue, Visalia, CA} on Wednesday, September 3, 2025:

- 3:00PM Open meeting
- Closed meeting immediately following open meeting pursuant to Government Code 54956.9(d)(2)

In compliance with the Americans with Disabilities Act, if you need special assistance to participate at this meeting, please contact the Board Clerk (559) 624-2330. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to the Kaweah Delta Health Care District Board of Directors meeting.

All Kaweah Delta Health Care District regular board meeting and committee meeting notices and agendas are posted 72 hours prior to meetings (special meetings are posted 24 hours prior to meetings) in the Kaweah Health Medical Center, Mineral King Wing near the Mineral King entrance.

The disclosable public records related to agendas can be obtained by contacting the Board Clerk at Kaweah Health Medical Center – Acequia Wing, Executive Offices (Administration Department/Executive Offices) {1st floor}, 400 West Mineral King Avenue, Visalia, CA via phone 559-624-2330 or email: kedavis@kaweahhealth.org, or on the Kaweah Delta Health Care District web page <http://www.kaweahhealth.org>.

KAWEAH DELTA HEALTH CARE DISTRICT

David Francis, Secretary/Treasurer



Kelsie Davis

Board Clerk / Executive Assistant to CEO

DISTRIBUTION:

Governing Board, Legal Counsel, Executive Team, Chief of Staff, www.kaweahhealth.org

Mike Olmos • Zone 1
President

Lynn Havard Mirviss • Zone 2
Vice President

Dean Levitan, MD • Zone 3
Board Member

David Francis • Zone 4
Secretary/Treasurer

Armando Murrieta • Zone 5
Board Member

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SPECIAL AUDIT AND COMPLIANCE COMMITTEE MEETING

Meeting Held: Wednesday, September 3, 2025

Executive Office Conference Room – 305 W Acequia Avenue, Visalia CA 93291

Attending: Board Members: Michael Olmos – Committee Chair, Dean Levitan, M.D.; Gary Herbst, Chief Executive Officer; Malinda Tupper, Chief Financial Officer; Rachele Berglund, Legal Counsel; Ben Cripps, Chief Compliance & Risk Officer; Jill Berry, Director of Corporate Compliance; Amy Valero, Compliance Manager; and Michelle Adams, Executive Assistant – Recording.

OPEN MEETING – 3:00 PM

CALL TO ORDER – Michael Olmos, Chair

PUBLIC / MEDICAL STAFF PARTICIPATION – Members of the public may comment on agenda items before action is taken and after it is discussed by the Board. Each speaker will be allowed five minutes. Members of the public wishing to address the Board concerning items not on the agenda and within the jurisdictions of the Board are requested to identify themselves at this time.

1. Written Reports – Committee review and discussion of written reports.

- 1.1 [Compliance Program Activity Report](#) – Amy Valero
- 1.2 Compliance Policies for Review and Approval – Ben Cripps
 - A. [CP.01 – Compliance Program Administration](#) -Revised
 - B. [CP.08 – Governmental Payer Regulatory Updates](#) -Revised
 - C. [CP. – Physician Owned Distributorship](#) - New

2. Approval of Closed Meeting Agenda – Kaweah Health Executive Office Conference Room – immediately following the open meeting

- Conference with Legal Counsel – Anticipated Litigation – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) (5 cases)

ADJOURN OPEN MEETING – Michael Olmos, Chair

CLOSED MEETING

Mike Olmos • Zone 1
President

Lynn Havard Mirviss • Zone 2
Vice President

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Board Member

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(Immediately following the 3:00pm open meeting)

CALL TO ORDER – Michael Olmos, Chair

1. Conference with Legal Counsel – Anticipated Litigation – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) (5 cases) – *Ben Cripps and Rachele Berglund (Legal Counsel)*

ADJOURN CLOSED MEETING – Michael Olmos, Chair

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COMPLIANCE PROGRAM ACTIVITY REPORT – Open Meeting
Ben Cripps, Chief Compliance and Risk Officer
May 2025 through July 2025

EDUCATION

Live Presentations

- Compliance and Patient Privacy – New Hire Orientation
- Compliance and Patient Privacy – Management Orientation
- Patient Privacy – Charge Nurse Curriculum
- Compliance and Patient Privacy – Graduate Medical Education (GME) Resident Orientation

Written Communications – Bulletin Board / Area Compliance Experts (ACE) / All Staff / Leadership

- Code of Conduct
- Patient Privacy Education
- District Facsimile and Email Communications

PREVENTION AND DETECTION

- **California Department of Public Health (CDPH) All Facility Letters (AFL)** – Review and distribute AFLs to areas potentially affected by regulatory changes; department responses reviewed and tracked to address the regulatory change and identify potential current/future risk
 - Four (4) AFL's distributed and tracked between May 2025 – July 2025
- **Medicare and Medi-Cal Monthly Bulletins** – Review and distribute bulletins to areas potentially affected by the regulatory change; department responses reviewed and tracked to address the regulatory change and identify potential current/future risk
 - Four Hundred (400) bulletins distributed as assignments to department leaders and tracked between May 2025 – July 2025
 - Eighty-seven percent (87%) compliance rate with assignment responses submitted within 15 days per policy. Fallouts are tracked and escalated as appropriate.
- **Office of Inspector General (OIG) Monthly Audit Plan Updates** – Review and distribute OIG Audit Plan issues to areas potentially affected by audit issue; department responses reviewed and tracked to identify potential current/future risk
 - Two (2) OIG audit plan issues distributed as assignments and tracked between May 2025 – July 2025
- **California State Senate and Assembly Bill Updates** – Review and track legislative updates to areas potentially affected by new or changed bills; department responses reviewed and tracked where necessary to address regulatory change and identify potential current or future risk
 - Thirty-one (31) newly presented Assembly Bills reviewed and tracked between May 2025 – July 2025

- Twenty (20) newly presented Senate Bills distributed and tracked between May 2025 – July 2025
- **Regulatory Signage Audit**– Quarterly observations of required regulatory signage were conducted throughout Kaweah Health’s inpatient and outpatient facilities. Issues identified were communicated to area Management for follow-up and resolution. The findings of the quarterly regulatory signage audit performed between May 2025 – July 2025 noted missing signage at the following locations:
 - Charity Care Financial Assistance – OP Therapy Clinic, Hand Therapy
 - Interpreter Services – Ambulatory Surgery Department, Katz, Exeter RHC, Lindsay Behavioral Health
 - Medicaid Participation Notice – All locations
 - Multiple missing and outdated signs; inability to swap signage out due to specialized locked units – Inpatient Mental Health. Working with Safety and Mental Health Leadership to rectify
 - No Surprises Act – Lindsay Adolescent Behavioral Health Clinic
 - Notice to Consumer – Physician Assistant License – Cardiology Clinic, Urgent Care Demaree, RHC’s Tulare, Dinuba, Lindsay
 - Notice to Consumer – Physician License – Ambulatory Surgery Department
 - Open Payments Database – SRCC Visalia, Lindsay Behavioral Health
 - Open Payments Database (Spanish) – Cardiothoracic Clinic
 - Patient Rights – Exeter RHC Behavioral Health, Pediatric, Women’s Health clinics, Lindsay Behavioral Health and Adolescent Behavioral Health Clinics
- **Electronic Medical Record (EMR) User Access Privacy Audits** – Daily monitoring of EMR user access through the use of FairWarning electronic monitoring technology which analyzes user and patient data to detect potential privacy violations
 - Average of two hundred and twenty-one (221) daily alerts reviewed and investigated between May 2025 – July 2025.
 - A review of the FairWarning system identified approximately nine hundred and forty-six (946) unreviewed alerts that occurred due to personnel changes resulting in a lack of system functionality knowledge. Outstanding alerts are being reviewed, and focused training and education are taking place to ensure all active alerts are being captured.
- **Office of Inspector General (OIG) Exclusion Attestations** – Quarterly monitoring of OIG Exclusion List review and attestations. Monthly screening and review of OIG Exclusion List for non-credentialed providers who have ordered ancillary services for patients presenting at the medical center
 - Three (3) non-credentialed providers identified on the Medicare Opt-Out list between May 2025 – July 2025, findings tracked and logged in the system. No additional action required as the patients for whom services were ordered did not have Medicare coverage and/or the providers were referring only and not treating.

OVERSIGHT

- **Fair Market Value (FMV) Oversight** – Ongoing oversight and administration of physician payment rate setting and contracting activities including Physician Recruitment, Medical Directors, Call Contracts, and Exclusive and Non-Exclusive Provider Contracts

- **Medicare Recovery Audit Contractor (RAC) Activity** – Records preparation, tracking, appeal timelines, and reporting
 - The following RAC Audit Activity took place between May 2025 – July 2025:
 - Twenty-two (22) new RAC audit findings from Kaweah Health Medical Group covering period from January, 2020 – March, 2023 resulted in a repayment to Noridian Healthcare Solutions totaling \$21,549.17.
 - The number of RAC requests for the quarter is lower than it has historically been. However, Cotiviti has just renewed its contract with CMS, and we may see increasing activity as a result.
- **Licensing Applications and Medi-Cal/Medicare Facility Enrollment** – Forms preparation and submission of licensing applications to the California Department of Public Health (CDPH) and enrollment applications for Medi-Cal or Medicare; ongoing communication and follow-up regarding status of pending applications. Five applications for licensure and/or government payor enrollment were completed between May 2025 – July 2025.
- **KD Hub Non–Employee User Access** – Oversight and administration of non-employee user onboarding, privacy education, and user profile tracking; evaluate, document, and respond to requests for additional system access; on-going management of non-employee KD Hub users between May 2025 – July 2025:
 - One-hundred and fifty-three (153) system access applications were received and processed.
- **Compliance Policy Revisions and Additions** – New development, review and revision of Kaweah Health Compliance Program policies.
 - **CP.01: Compliance Program Administration:** Review and Revisions. Revisions include expanded definition related to workforce, addition of a framework for an Operational Compliance Committee, additional responsibilities language, expanded guidelines on Compliance Program functions and due care in employment and contracting to ensure alignment with HHS Office of Inspector General Compliance Program Guidance.
 - **CP.08: Government Payer Regulatory Updates:** Review and Revisions. Revisions include clarifications in workflow and responsibilities as well as regulatory agency and information sources being monitored.
 - **Physician Owned Distributorships (PODS):** New development. Outlines Kaweah Health’s policy on and process for entering into a purchase agreement with a Physician Owned Distributorship (POD)

RESEARCH, CONSULTATION AND OVERSIGHT

- **Important Message from Medicare (IMM) Issuance Process** – Consultation; Compliance was engaged to evaluate the issuance process of the Important Message from Medicare (IM or IMM) notice to ensure compliance with The Centers for Medicare and Medicare Services (CMS) regulatory requirement that hospitals must notify Medicare beneficiaries who are hospital inpatients about their hospital discharge rights. CMS requires that the initial IMM notice be provided to all Medicare beneficiaries admitted as inpatients within two calendar days of admission, and again when a beneficiary is anticipated to discharge within the next two calendar days. The IMM must be delivered in a manner that allows sufficient time for the

patient to ask questions and understand their rights. Compliance worked with Case Management Leadership and the Chief Nursing Officer to ensure processes satisfy regulatory requirements.

AUDITING AND MONITORING

- **Outpatient Physical Therapy Targeted Probe and Educate** - On February 19, 2025, Medicare Administrative Contractor (MAC) Noridian initiated a prepayment Targeted Probe & Educate Review of thirty (30) outpatient physical therapy claims billed with the Current Procedural Terminology (CPT) code 042x, regarding outpatient physical therapy services. The review was initiated due to a six-month comparative billing report indicating that Kaweah Health's utilization of CPT code 042x increased by ninety-two percent (92%) within the review period. The purpose of the claim review was to ensure documentation supports the reasonable and necessary criteria of the services billed in accordance with Medicare rules and regulations. Based on an internal assessment of the increased code utilization, it is believed to be the result of the Wound Center's transition to episodic billing rather than treatment-series billing for recurring services. Twenty-nine (29) claims were approved, and one (1) partial denial for the failure to document medical necessity for a diagnosis, resulting in an overall passing claim error rate of 3.3%. The review is now closed.
- **Cardiac Catheterization Lab Targeted Probe and Educate** - On April 9, 2025, Medicare Administrative Contractor (MAC) Noridian initiated a prepayment Targeted Probe & Educate Review of Cardiac Catheterization Lab claims billed with the Current Procedural Terminology (CPT) code 93458, left heart catheterization with coronary angiography. The review was initiated due to a six-month comparative billing report indicating that Kaweah Health's utilization of CPT code 93458 increased by twenty-seven percent (27%) within the review period. The purpose of the claim review is to ensure documentation supports medical need (medical necessity) in accordance with Medicare rules and regulations. In total, twenty-eight (28) claims were requested and were 100% approved, and a claim error rate of 0%. The review is now closed.
- **Patient Status Audit** – As a part of Kaweah Health's ongoing monitoring of patient status billing, a review consisting of thirty (30) focused Medicare encounters for the period of August 2024 – March 2025 was conducted to determine if claims were submitted in compliance with Medicare billing guidelines for patient status claims reflecting observation, short stay, 2-midnight rule and outpatient surgery. The Electronic Health Record (EHR) and billing claim forms were used to validate billing and patient status. The results of the review noted that one (1) encounter that was billed in error, resulting in a 97% overall billing compliance rate and a total underpayment of \$2,715.90. In accordance with guidance from the Medicare Physician Fee Schedule Final Rule (MLN SE20024), the error involved incorrect application of the payment window policy for mental health inpatient services. Specifically, the claim should have followed the 24-hour window for non-diagnostic outpatient services provided on the day before a mental health inpatient admission, rather than the standard 72-hour window used for other types of admissions. The findings of the review have been communicated to the Case Management, Patient Access, and Patient Accounting Departments Patient Access Leadership. The encounter identified as an error has been corrected and rebilled. The Compliance Department will continue to evaluate compliance with observation status billing guidelines annually.

- **Emergency Department Facility Fee Coding Audit** – To assess coding and billing accuracy of Emergency Department (ED) procedures, external coding audit agency AAPC conducted a review of forty-six (46) Medicare ED facility fee encounters, evaluating ICD-10-CM diagnosis code assignment, CPT/HCPCS procedure code assignment, modifier usage, billing units, and Ambulatory Payment Classification (APC) validation. APC is Medicare’s payment methodology for hospital outpatient services, including ED visits, that groups outpatient services into clinically and resource-similar categories for reimbursement. The audit resulted in a one hundred percent (100%) accuracy rate across all evaluated coding elements, indicating full compliance with applicable Medicare billing requirements. Based on the findings, no corrections were necessary, and no financial impact was identified. The Compliance Department will continue routine risk-based monitoring of ED coding practices.

Policy Number: CP.01	Date Created: 03/21/2022
Document Owner: Jill Berry (Director of Corporate Compliance)	Date Approved: 06/29/2022
Approvers: Board of Directors (Administration), Compliance Committee, Amy Valero (Compliance Manager), Ben Cripps (Chief Compliance & Risk Management Officer), Jill Berry (Director of Corporate Compliance)	
Compliance Program Administration	

Printed copies are for reference only. -Please refer to the electronic copy for the latest version.-

I. Purpose:-

The Kaweah Delta Health Care District ("Kaweah Health") Compliance Program was developed to:-

1.A. Establish standards and procedures to be followed by all Kaweah Health ~~employees~~ Workforce Members to ~~effect~~ promote compliance with applicable federal, state and local laws, ~~and~~ regulations and ordinances, Administrative Regulations, Medical Staff Bylaws, rules, and regulations; ethical standards, and Kaweah Health policies; ~~and procedures;~~

~~Designate~~

2.B. Establish the overall structure related to compliance efforts and responsibilities and designate the Kaweah Health official responsible for directing the effort to enhance compliance including implementation of the Compliance Program;-

~~Document~~

C. Set out certain processes, procedures, and mechanisms to assist in the detection, elimination, and remediation of possible violations of laws, regulations, policies, procedures, and/or ethical standards and practices, including the enforcement of consistent disciplinary mechanisms for compliance or privacy violations;

3.D. Establish standards for documentation of compliance efforts;-

4. ~~Ensure Discretionary Authority is given to appropriate persons;~~

~~Provide~~

5.E. Educate Workforce Members regarding the Kaweah Health Compliance Program and provide a means for communicating to ~~all~~ Workforce Members the legal and ethical standards, policies, and procedures ~~all employees are expected everyone is~~ to follow;-

~~Establish minimum standards for billing and collection activities, including~~

6.F. Establish a system of monitoring and oversight of billing activity and collection activities to ensure enhance adherence to the standards and procedures established;-

7.G. Provide a means for reporting apparent illegal or unethical activity to the appropriate authorities;-

Provide

8-H. Correct violations of and provide for the enforcement of imposition of sanctions for violations of laws, regulations, ethical and legal standards; practices, policies, and procedures;

9-I. Provide a mechanism to investigate any alleged legal, regulatory, policy, and procedure violations and to prevent future decrease the likelihood of such violations;

10-J. Increase training of medical staff members and billing personnel concerning applicable billing requirements and Kaweah Health policies;

11-K. Provide for regular review of overall compliance efforts to ensure that practices reflect current requirements and that other adjustments are made to improve the Compliance Program;

12-L. Monitor provision of quality care to the patients served by Kaweah Health;

13-M. Promote effective communication between Kaweah Health's Legal Counsel, Executive Team, and Board of Directors; and

14-N. Preserve the financial viability of Kaweah Health; and;

~~15. Enforce consistent disciplinary mechanisms for compliance or privacy violations.~~

II. Policy:

Kaweah Health, and its affiliated health care facilities, requires all employees, agents and medical staff members to act, at all times, in an ethical and legal manner, consistent with all applicable legal, governmental, and professional standards and requirements. ~~In order to avoid even the appearance of impropriety or conflict of interest, this Compliance Program applies to employees, agents, faculty, and medical staff within Kaweah Health, without regard to an individual's specific job duties or function.~~ It is the policy of Kaweah Health that all services and business transactions rendered by Kaweah Health shall be carried out and documented in accordance with federal, state, and local laws, regulations, and interpretations.

~~This~~The Compliance Program is intended to enhance and further demonstrate Kaweah Health's commitment to honest and fair dealing by providing an effective means by which to prevent and detect illegal, unethical or abusive conduct. -

Kaweah Health will exercise due diligence in its efforts to ensure that the Compliance Program is effective in its design, implementation, and enforcement. -

Kaweah Health employees are expected to deal fairly and honestly with patients and their families, suppliers, third-party payors, and their professional associates. -

Adherence to the Compliance Program is a condition of employment at Kaweah Health. Likewise, the granting of medical staff privileges and the offer of employment at Kaweah Health is contingent upon acceptance of and compliance with the Compliance Program.-

Kaweah Health encourages transparency and honesty in an effort to encourage

employees to report suspected fraud and improprieties. -Kaweah Health will not tolerate retaliation against any employee who reports suspected wrongdoing. See CP.13 Federal and State False Claims Act and Employee Protection Provisions. All reported information will be investigated, tracked and remediated according to Kaweah Health policy and shall be kept confidential to the maximum extent possible.-

Process:—

The

Kaweah Health is committed to having an effective Compliance Program ~~was developed to provide oversight~~ that consists of the primary components of compliance ~~administrative efforts~~ programs as set out in the guidelines established by the US Department of Health and Human Services Office of Inspector General (OIG) Supplemental Compliance Guidance for Hospitals (January 2005) as well as subsequent compliance guidance issued by the OIG. The key components of the Compliance Program include the following:

A. Compliance Leadership and Oversight, including (1) establishing operating protocol and standards; (2) designating Board compliance oversight, a Corporate Compliance and Risk Officer (CCRO), and designated individuals having specific compliance or compliance-related responsibilities; (3) providing employee-compliance training; (4) monitoring and auditing; (5) supporting and facilitating open or who occupy key operational, financial or other business roles or positions and who contribute to the operation, management, and success of the Compliance Program.

B. Written Compliance policies and procedures including a written Code of Conduct.

C. Open lines of communication and reporting; (6) following through with enforcement and disciplinary procedures; and (7) establishing response and prevention plans... processes, including a toll-free hotline for reporting, which permits anonymous reporting without fear of retaliation.

Establishing Operating Protocol and Standards of Conduct—For the purposes of preventing illegal, unethical or abusive conduct, compliance Standards of Conduct and procedures shall be implemented and followed by all employees and agents of Kaweah Health.—

D. Compliance-related education for all Workforce Members.

E. Risk Assessment, auditing, and monitoring activities.

F. Enforcement of appropriate standards with consequences and incentives.

G. Investigation and remediation of identified compliance-related problems with implantation of corrective action plans and reporting to the Government.

H. Management of third-party relationships.

III. Scope:

The Kaweah Health Compliance Program applies to all Workforce Members.

IV. Definitions:

Workforce Members or Workforce means the following:

- A. Individuals employed by Hospital and all persons deemed to be employed by Hospital under any state or federal statute.
- B. Agency employees, co-employees, leased employees, travelers, etc. who work under the control, direction, and supervision of Hospital while performing labor or while providing services at any of Hospital's facilities.
- C. Members of the Medical Staff.
- D. Physicians and independent licensed practitioners with whom Hospital has contracted to provide certain professional services whenever such individuals or entities are acting in such capacity and within the scope of such agreements.
- E. Independent contractors, vendors, business associates and other persons or entities.
- F. Individuals in learning programs, including but not limited to medical students, residents, fellows, nursing students, etc.
- G. Volunteers.

V. Compliance Program Elements:

- ~~1. **Leadership and** The procedures shall include mechanisms for reporting fraud, waste, abuse, and other wrongdoing. The reporting procedures shall be set in a manner that promotes the internal discovery and reporting of wrongdoings and/or noncompliance.~~

A. Designating Oversight Responsibilities

1. Board of Directors:

The Board of Directors (the "Board") has the overall responsibility for the Kaweah Health Compliance Program. The Board created the Audit and Compliance Committee and appointed members for the purpose of coordinating compliance efforts throughout Kaweah Health.

2. **Chief Compliance and Risk Officer**

~~2. **The Chief Compliance and Risk Officer**—The Chief Compliance and Risk Officer and Kaweah Health Leadership- (CCRO) shall oversee, operate, and manage the day-to-day functions of the Compliance Program and enforce compliance standards and procedures. The CCRO Chief Compliance and Risk Officer shall have the authority to take appropriate action to assure effective implementation of compliance efforts. The Chief Compliance and Risk Officer CCRO shall report directly to the Chief Executive Officer (CEO) and the Board of Directors. The CCRO at all times shall have direct access to~~

and the right to communicate directly with the Board of Directors or its members or committee(s) in regard to compliance.

~~-~~

The CCRO

~~The Chief Compliance and Risk Officer~~ shall have unrestricted authority and access to review all entity records, physical properties, and personnel related to compliance audit and investigative activities. ~~Any confidential information received or reviewed shall not be used in any manner which would be contrary to law or detrimental to the interests of Kaweah Health.-~~

~~-~~

~~Kaweah Health shall employ individuals whose education, training, and abilities are appropriate to perform the jobs assigned to them. Kaweah Health shall use due care to delegate substantial discretionary authority to appropriate competent individuals and shall use due care to avoid delegation of such authority to individuals whom he or she knows, or should have known, have a propensity to engage in illegal activities.~~

The CCRO shall also direct the overall implementation of the Compliance Program and initiate risk analyses and assessments when appropriate; receive and review reports of all compliance activities being carried out; monitor compliance enforcement issues; initiate and/or coordinate internal and external reviews and/or investigations; and report at least annually to the Audit and Compliance Committee on the status of the Compliance Program and Kaweah Health's compliance efforts.

3. Operational Compliance Committee

The Operational Compliance Committee ("OCC") is established hereunder as a key structural component of the Compliance Program which shall advise the CCRO and Board in regard to Compliance policies and procedures; shall function as a source of and "clearinghouse" for compliance-related internal information and results of Kaweah's compliance monitoring activities; and shall otherwise assist in and facilitate the operations of the Compliance Program.

The OCC shall be a standing committee comprised of members of Kaweah's leadership team and other individuals who have significant responsibility for the administration of various aspects of Kaweah's Compliance Program and/or the conduct and/or the performance of internal compliance controls. The OCC membership will be established by an OCC charter which shall be reviewed and approved by the Audit and Compliance Committee.

The CCRO shall serve as the Chair of the OCC. The OCC shall meet from time to time as needed or appropriate, but no less frequently than quarterly. The CCRO shall determine the frequency, date and time of meetings and give appropriate notice of such meetings to all members.

The responsibilities of the OCC include the following:

- a) Participate in the development and review of Kaweah policies, procedures and process created to govern compliance.
- b) Support and advise the CCRO concerning compliance program activities.

- including gathering compliance data generated through internal monitoring and audits, conducting the appropriate and timely risk assessments, and developing the annual compliance work plan.
- c) Analyze the legal and regulatory environment affecting Kaweah.
- d) Support appropriate compliance related education for all Workforce Members.
- e) Provide input and recommendations on compliance-related auditing, monitoring, reporting, tracking, and trending.
- f) Assist in implementing action plans when deficiencies are identified.
- g) Promote a "culture of Compliance."
- h) Serve as a "clearinghouse" and avenue for the sharing and distribution of information regarding Compliance.
- i) Support the evaluation and management of potential conflicts of interest that may affect Kaweah.
- j) Facilitate and coordinate Compliance activities and programs among and across all departments, units, and locations of Hospital.

Certain responsibilities of the OCC, as appropriate, may be accomplished through the development of subcommittees, workgroups, and task forces designed to focus on specific compliance-related functions and goals. In furtherance of this, the OCC may identify and select members throughout Kaweah that are best suited in relation to area oversight, job responsibilities and subject matter expertise to participate in the workgroups in order to accomplish the goals established by the OCC.

B. Compliance Standards and Procedures

Kaweah's business operations as a provider of health care services are subject to significant legal, regulatory, and ethical requirements and considerations. It is the fundamental policy of Kaweah that all of its business and other practices be conducted at all times in compliance with all applicable laws and regulations of the United States, the State of California, and applicable local laws and ordinances as well as ethical standards and practices of the industry. In order to accomplish compliance by providing written standards and guidelines, Kaweah has developed and implemented its Code of Conduct as well as written policies, procedures, and standards governing its activities.

1. Code of Conduct

Kaweah has developed its Code of Conduct, which applies to all Workforce Members, to promote honest and ethical conduct. The Code of Conduct details the fundamental principles, values and framework for compliance throughout the organization, provides guidance on acceptable behavior for Workforce Members, and makes it clear the expectation that Workforce Members will comply with all applicable governmental laws, rules, and regulations, and will report potential violations of the law, regulations, and company policies.

2. Policies and Procedures

For the purposes of decreasing the likelihood of illegal, unethical or abusive conduct, compliance Standards of Conduct and procedures shall be implemented and followed by all employees and agents of Kaweah Health. The procedures shall include

mechanisms for reporting fraud, waste, abuse, and other wrongdoing. –

Providing The reporting procedures shall be set in a manner that promotes the internal discovery and reporting of wrongdoings and/or non-compliance.

3. Kaweah Leadership Responsibilities

It is the responsibility of Kaweah leaders to set an example and help create a culture that promotes high ethics and compliance. Kaweah leaders are also responsible for evaluating each Workforce Member's compliance performance, and such evaluation should be included in each Workforce Member's performance review.

4. Kaweah Workforce Member Responsibilities:

All Workforce Members are responsible for having knowledge of and adhering to Kaweah's fundamental policy of remaining compliant at all times with all applicable laws, regulations, and ethical standards in conducting its business activities. Workforce Members are expected to have a working knowledge of all legal and regulatory requirements that apply to their areas of responsibility. Workforce members are expected to ask questions prior to engaging in conduct that causes them concern. Workforce Members shall refrain from engaging in conduct which causes compliance concerns and shall bring such concerns to the timely attention of an appropriate Kaweah leader, a member of the Compliance Department, or the CCRO.

C. Employee Compliance Training—

Kaweah Health leaders will ensure all Workforce Members are provided with education about Kaweah's Compliance Program. Compliance Education for new Workforce Members will be formally incorporated into the Hospital New Employee Orientation (NEO) program.

3. Kaweah, through its Leadership, shall continue to effectively communicate its standards and procedures to all staff members and agents by requiring mandatory participation in compliance training programs and by disseminating publications that explain the new policies, procedures and standards. See Compliance Program Education. See CP.06 Compliance Program Education.

D. Monitoring and Auditing—

4. Effective monitoring and auditing help Kaweah Health decrease the likelihood that compliance issues will occur and is essential to a successful compliance program. Kaweah, through its Leadership, shall take reasonable steps to achieve compliance with its standards by utilizing, monitoring and auditing systems including the use of legal reviews of policies and procedures, financial audits and providing all staff members access to a hotline. See Compliance Reviews and Assessments. See CP.10 Compliance Reviews and Assessments.

The Kaweah Compliance Program will design and implement appropriate audit plans that are designed to minimize its risks. Audits may be conducted by internal Compliance Department team members or by qualified third parties, depending on the subject matter of the areas audited.

~~5. **Supporting and Facilitating Open Lines of Communication and Reporting** — Kaweah Health allows for anonymity and/or confidentiality, whereby employees and agents of Kaweah Health may report or seek guidance regarding potential or actual wrongdoings or non-compliance without fear of retaliation.~~

~~6. **Following through with Enforcement and Disciplinary Procedures** — Kaweah Health's compliance program shall be promoted and enforced consistently throughout the organization through appropriate disciplinary measures for engaging in criminal conduct, wrongdoings, non-compliance and/or for failing to take reasonable steps to prevent or detect criminal conduct. See HR.216 Progressive Discipline.~~

~~7. **Establishing Response and Prevention Plans** — The standards developed under the Kaweah Health Compliance Program shall be enforced consistently through appropriate disciplinary mechanisms including discipline of individuals responsible for failing to detect and report an offense. The Compliance Program shall take reasonable steps to investigate and respond appropriately to all reported concerns. See Compliance and Privacy Issues Investigation and Resolution.~~

Procedure:

Reporting and Investigative Process and Non-Retaliation

~~Kaweah Health employees aware of any illegal, unethical or abusive conduct or any other wrongdoing or non-compliance shall report the concern immediately to Leadership. If the employee is uncomfortable reporting their concern to Leadership for fear of retaliation or is concerned that no action may be taken, the employee should immediately contact:~~

~~Kaweah Health Chief Compliance and Risk Officer — (559) 624-5006~~

~~The Anonymous Compliance Line — (800) 998-8050~~

~~Kaweah Health's Compliance Advocate — Rachele Berglund —
(559) 636-0200~~

~~Employees will not be subject to retaliation for reporting, in good faith, action that they feel violates Standards of Conduct, a law, and/or Kaweah Health policy. Any employee engaging in any action of retaliation or reprisal for good faith reporting shall be subject to disciplinary action up to, and including, termination.~~

Investigation of Concerns

~~Investigations of suspected illegal, unethical, or abusive conduct or any other wrongdoing or non-compliance will be coordinated and organized by the Chief Compliance and Risk Officer, the Compliance Advocate, and/or Compliance Staff.~~

~~Internal Investigations~~

~~Internal investigation and resolution of compliance issues will be managed pursuant to Compliance and Privacy Issues Investigation and Resolution.~~

~~All reports of suspected or actual fraud and subsequent investigations and outcomes must be reported to the Chief Compliance and Risk Officer. The Chief Compliance and Risk Officer will contact the Compliance Advocate, the Chief Executive Officer, and the Kaweah Health Chairperson of the Board of Directors (as necessary).~~

A financial audit will be conducted every year in accordance with Kaweah Health policy and under appropriate audit guidelines and standards. A financial audit provides no assurance that Kaweah Health complies with all federal laws and regulations; rather it provides an opinion as to the general strength of the internal operating controls and procedures.—

All Workforce Members are expected to fully cooperate with all Compliance Program auditing and monitoring activities.

E. Supporting and Facilitating Open Lines of Communication and Reporting

1. Open communication is essential to maintaining an effective compliance program. Kaweah is committed to increasing its ability to identify and respond to compliance concerns and fostering an organizational culture that encourages open communication without fear of retaliation.

Employees will not be subject to retaliation for reporting, in good faith, -

~~External Investigations~~

~~External investigations by a regulatory agency will be managed pursuant to Unannounced Regulatory Survey Plan for Response.~~

2. activities they feel violate the Code of Conduct, a law or regulation, and/or a Kaweah Health policies or procedures. Any employee engaging in any action of retaliation or reprisal for good faith reporting shall be subject to disciplinary action up to, and including, termination.
3. Kaweah Health employees aware of any illegal, unethical or abusive conduct or any other wrongdoing or non-compliance shall report the concern immediately to Leadership. If the employee is uncomfortable reporting their concern to Leadership for fear of retaliation or is concerned that no action may be taken, the employee should immediately contact:

Kaweah Health Chief Compliance and Risk Officer – (559) 624-5006

The Anonymous Compliance Line – (800) 998-8050

Kaweah Health's Compliance Advocate – Rachele Berglund (559) 636-0200

4. Failure to report or conceal a known compliance issue is a violation of Kaweah policy and may subject a Workforce Member to disciplinary action, up to and including termination of employment.
5. Kaweah leaders who receive a complaint or concern that raises a potential compliance issue are required to promptly report the complaint to a member of the Compliance Department. Kaweah leaders who fail to do so will be subject to disciplinary action, up to and including termination of employment.

F. Enforcement and Disciplinary Procedures

Kaweah Health's compliance program shall be promoted and enforced consistently throughout the organization through appropriate disciplinary measures for engaging in criminal conduct, wrongdoings, non-compliance and/or for failing to take reasonable steps to prevent or detect criminal conduct. See HR.216 Progressive Discipline.

G. Response, Corrective Action, and Prevention

1. Kaweah is committed to responding consistently and decisively to detected deficiencies. As deficiencies are identified through audits, reporting mechanisms, and other Compliance Program activities, corrective measures, including disciplinary actions, will be applied to address noncompliance or achieve improvements in the compliance program.
2. The standards developed under the Kaweah Health Compliance Program shall be enforced consistently through appropriate disciplinary mechanisms including discipline of individuals responsible for failing to detect and report an offense. The Compliance Program shall take reasonable steps to investigate and respond appropriately to all reported concerns. See CP.05 Compliance and Privacy Issues Investigation and Resolution.
3. Investigation of Concerns:
Investigations of suspected illegal, unethical, or abusive conduct or any other wrongdoing or non-compliance will be coordinated and organized by the CCRO, the Compliance Advocate, and/or Compliance Department Staff.

4. Internal Investigations

Internal investigation and resolution of compliance issues will be managed pursuant to CP.05 Compliance and Privacy Issues Investigation and Resolution. All reports of suspected or actual fraud and subsequent investigations and outcomes must be reported to the Chief Compliance and Risk Officer. The Chief Compliance and Risk Officer will contact the Compliance Advocate, the Chief Executive Officer, and the Kaweah Health Chairperson of the Board of Directors (as necessary).

5. Audits and Investigations by Compliance Oversight Agencies

Compliance-related audits and investigations conducted by compliance oversight agencies will be overseen and managed by the Compliance Department.

H. Due Care in Employment, Contracting and Third-Party Relationships

Kaweah Health will make a reasonable inquiry into the background of potential Workforce Members, agents, and contractors to avoid utilizing anyone who has been convicted of an offense related to any governmental or private health care program or who has been excluded from participation in a governmental health care program. Hospital will not employ or retain anyone whom it knows has been excluded from any such program. If Hospital learns that a Workforce Member, agent, or contractor has in fact been excluded from participating in a governmental healthcare program while employed or during their contract term, Hospital will take immediate action as necessary to ensure Hospital is compliant with Federal and State laws and regulations and to ensure the protection of Hospital patients and the organization.

Kaweah Health shall employ individuals whose education, training, and abilities are appropriate to perform the jobs assigned to them. Kaweah Health shall use due care to delegate substantial discretionary authority to appropriate competent individuals and shall use due care to avoid delegation of such authority to individuals whom he or she knows, or should have known, have a propensity to engage in illegal activities.

"These guidelines, procedures, or policies herein do not represent the only medically or legally acceptable approach, but rather are presented with the recognition that acceptable approaches exist. Deviations under appropriate circumstances do not represent a breach of a medical standard of care. New knowledge, new techniques, clinical or research data, clinical experience, or clinical or ~~bioethical~~ bio-ethical circumstances may provide sound reasons for alternative approaches, even though they are not described in the document."

Policy Number: CP.01	Date Created: 03/21/2022
Document Owner: Jill Berry (Director of Corporate Compliance)	Date Approved: 06/29/2022
Approvers: Board of Directors (Administration), Compliance Committee, Amy Valero (Compliance Manager), Ben Cripps (Chief Compliance & Risk Management Officer), Jill Berry (Director of Corporate Compliance)	
Compliance Program Administration	

Printed copies are for reference only. Please refer to the electronic copy for the latest version.
Purpose:

The Kaweah Delta Health Care District (“Kaweah Health”) Compliance Program was developed to:

1. Establish standards and procedures to be followed by all Kaweah Health employees to effect compliance with applicable federal, state and local laws, regulations and ordinances, Administrative Regulations, Medical Staff Bylaws, and Kaweah Health policies;
2. Designate the Kaweah Health official responsible for directing the effort to enhance compliance including implementation of the Compliance Program;
3. Document compliance efforts;
4. Ensure Discretionary Authority is given to appropriate persons;
5. Provide a means for communicating to all Kaweah Health employees the legal and ethical standards and procedures all employees are expected to follow;
6. Establish minimum standards for billing and collection activities, including a system of monitoring and oversight of billing activity to ensure adherence to the standards and procedures established;
7. Provide a means for reporting apparent illegal or unethical activity to the appropriate authorities;
8. Provide for the enforcement of ethical and legal standards;
9. Provide a mechanism to investigate any alleged violations and to prevent future violations;
10. Increase training of medical staff members and billing personnel concerning applicable billing requirements and Kaweah Health policies;

11. Provide for regular review of overall compliance efforts to ensure that practices reflect current requirements and that other adjustments made to improve the Compliance Program;
12. Monitor provision of quality care to the patients served by Kaweah Health;
13. Promote effective communication between Kaweah Health's Legal Counsel, Executive Team, and Board of Directors;
14. Preserve the financial viability of Kaweah Health; and
15. Enforce consistent disciplinary mechanisms for compliance or privacy violations.

Policy:

Kaweah Health, and its affiliated health care facilities, requires all employees, agents and medical staff members to act, at all times, in an ethical and legal manner, consistent with all applicable legal, governmental, and professional standards and requirements. In order to avoid even the appearance of impropriety or conflict of interest, this Compliance Program applies to employees, agents, faculty, and medical staff within Kaweah Health, without regard to an individual's specific job duties or function. It is the policy of Kaweah Health that all services and business transactions rendered by Kaweah Health shall be carried out and documented in accordance with federal, state, and local laws, regulations, and interpretations. This Compliance Program is intended to enhance and further demonstrate Kaweah Health's commitment to honest and fair dealing by providing an effective means by which to prevent and detect illegal, unethical or abusive conduct. Kaweah Health will exercise due diligence in its efforts to ensure that the Compliance Program is effective in its design, implementation, and enforcement. Kaweah Health employees are expected to deal fairly and honestly with patients and their families, suppliers, third-party payors, and their professional associates. Adherence to the Compliance Program is a condition of employment at Kaweah Health. Likewise, the granting of medical staff privileges and the offer of employment at Kaweah Health is contingent upon acceptance of and compliance with the Compliance Program.

Kaweah Health encourages transparency and honesty in an effort to encourage employees to report suspected fraud and improprieties. Kaweah Health will not tolerate retaliation against any employee who reports suspected wrongdoing. See [CP.13 Federal and State False Claims Act and Employee Protection Provisions](#). All reported information will be investigated, tracked and remediated according to Kaweah Health policy and shall be kept confidential to the maximum extent possible.

Process:

The Compliance Program was developed to provide oversight of compliance administrative efforts including (1) establishing operating protocol and standards; (2) designating oversight responsibilities; (3) providing employee compliance training; (4) monitoring and auditing; (5) supporting and facilitating open lines of communication and reporting; (6) following through with enforcement and disciplinary procedures; and (7) establishing response and prevention plans.

1. **Establishing Operating Protocol and Standards of Conduct** – For the purposes of preventing illegal, unethical or abusive conduct, compliance Standards of Conduct and procedures shall be implemented and followed by all employees and agents of Kaweah Health. The procedures shall include mechanisms for reporting fraud, waste, abuse, and other wrongdoing. The reporting procedures shall be set in a manner that promotes the internal discovery and reporting of wrongdoings and/or non-compliance.
2. **Designating Oversight Responsibilities** – The Chief Compliance and Risk Officer and Kaweah Health Leadership shall oversee and enforce compliance standards and procedures. The Chief Compliance and Risk Officer shall have the authority to take appropriate action to assure effective implementation of compliance efforts. The Chief Compliance and Risk Officer shall report directly to the Chief Executive Officer (CEO) and the Board of Directors.

The Chief Compliance and Risk Officer shall have unrestricted authority and access to review all entity records, physical properties, and personnel related to compliance audit and investigative activities. Any confidential information received or reviewed shall not be used in any manner which would be contrary to law or detrimental to the interests of Kaweah Health.

Kaweah Health shall employ individuals whose education, training, and abilities are appropriate to perform the jobs assigned to them. Kaweah Health shall use due care to delegate substantial discretionary authority to appropriate competent individuals and shall use due care to avoid delegation of such authority to individuals whom he or she knows, or should have known, have a propensity to engage in illegal activities.

3. **Providing Employee Compliance Training** – Kaweah Health, through its Leadership, shall effectively communicate its standards and procedures to all staff members and agents by requiring mandatory participation in compliance training programs and by disseminating publications that explain the new policies, procedures and standards. See [Compliance Program Education](#).
4. **Monitoring and Auditing** – Kaweah Health, through its Leadership, shall take reasonable steps to achieve compliance with its standards by

utilizing, monitoring and auditing systems including the use of legal reviews of policies and procedures, financial audits and providing all staff members access to a hotline. See [Compliance Reviews and Assessments](#).

5. **Supporting and Facilitating Open Lines of Communication and Reporting** – Kaweah Health allows for anonymity and/or confidentiality, whereby employees and agents of Kaweah Health may report or seek guidance regarding potential or actual wrongdoings or non-compliance without fear of retaliation.
6. **Following through with Enforcement and Disciplinary Procedures** – Kaweah Health's compliance program shall be promoted and enforced consistently throughout the organization through appropriate disciplinary measures for engaging in criminal conduct, wrongdoings, non-compliance and/or for failing to take reasonable steps to prevent or detect criminal conduct. See [HR.216 Progressive Discipline](#).
7. **Establishing Response and Prevention Plans** – The standards developed under the Kaweah Health Compliance Program shall be enforced consistently through appropriate disciplinary mechanisms including discipline of individuals responsible for failing to detect and report an offense. The Compliance Program shall take reasonable steps to investigate and respond appropriately to all reported concerns. See [Compliance and Privacy Issues Investigation and Resolution](#).

Procedure:

Reporting and Investigative Process and Non-Retaliation

Kaweah Health employees aware of any illegal, unethical or abusive conduct or any other wrongdoing or non-compliance shall report the concern immediately to Leadership. If the employee is uncomfortable reporting their concern to Leadership for fear of retaliation or is concerned that no action may be taken, the employee should immediately contact:

Kaweah Health Chief Compliance and Risk Officer – (559) 624-5006

The Anonymous Compliance Line – (800) 998-8050

Kaweah Health's Compliance Advocate – Rachele Berglund
(559) 636-0200

Employees will not be subject to retaliation for reporting, in good faith, action that they feel violates Standards of Conduct, a law, and/or Kaweah Health policy. Any employee engaging in any action of retaliation or reprisal for good faith reporting shall be subject to disciplinary action up to, and including, termination.

Investigation of Concerns

Investigations of suspected illegal, unethical, or abusive conduct or any other wrongdoing or non-compliance will be coordinated and organized by the Chief Compliance and Risk Officer, the Compliance Advocate, and/or Compliance Staff.

Internal Investigations

Internal investigation and resolution of compliance issues will be managed pursuant to [Compliance and Privacy Issues Investigation and Resolution](#).

All reports of suspected or actual fraud and subsequent investigations and outcomes must be reported to the Chief Compliance and Risk Officer. The Chief Compliance and Risk Officer will contact the Compliance Advocate, the Chief Executive Officer, and the Kaweah Health Chairperson of the Board of Directors (as necessary).

A financial audit will be conducted every year in accordance with Kaweah Health policy and under appropriate audit guidelines and standards. A financial audit provides no assurance that Kaweah Health complies with all federal laws and regulations; rather provides an opinion as to the general strength of the internal operating controls and procedures.

External Investigations

External investigations by a regulatory agency will be managed pursuant to [Unannounced Regulatory Survey Plan for Response](#).

"These guidelines, procedures, or policies herein do not represent the only medically or legally acceptable approach, but rather are presented with the recognition that acceptable approaches exist. Deviations under appropriate circumstances do not represent a breach of a medical standard of care. New knowledge, new techniques, clinical or research data, clinical experience, or clinical or bio-ethical circumstances may provide sound reasons for alternative approaches, even though they are not described in the document."

Number: _____ CP.08	ated: 04/21/2022
ent Owner: Jill Berry (Director of Corporate Compliance)	proved: 05/26/2022
Approvers: Board of Directors (Administration), Compliance Committee, Amy Valero erry (Director of Corporate Compliance Manager) , Ben Cripps (Chief Compliance & Risk Management Officer), Michelle Adams (Executive Assistant)	
Governmental Payer Regulatory Updates	

Printed copies are for reference only. -Please refer to the electronic copy for the latest version.-

Purpose:- ~~To define the process used to identify and disseminate regulatory updates to the appropriate Department(s) and to provide a mechanism to evaluate and assess the effects and to implement regulatory changes and requirements that apply to Kaweah Delta Health Care District (“Kaweah Health”) operations.~~

Policy:- ~~It is the policy of Kaweah Health that regulatory updates will be distributed to and reviewed by appropriate department management and staff. All applicable changes will be implemented in compliance with all governmental rules and regulations.~~

Purpose: To define the process used to identify and disseminate regulatory updates to the appropriate Department(s), to provide a mechanism to evaluate and assess the effects of regulatory updates, and to implement regulatory requirements that apply to Kaweah Delta Health Care District (“Kaweah Health”) operations.

Policy: It is the policy of Kaweah Health that regulatory updates will be distributed to and reviewed by appropriate department management and staff. Applicable regulatory updates will be implemented in accordance with governmental rules and regulations.

Process:-

I. Compliance Department Responsibilities:

A. The Compliance Department is responsible for monitoring, tracking, and coordinating the distribution, tracking, and monitoring of all regulatory updates. of regulatory updates that affect Kaweah Health to responsible parties within the organization. The list of regulatory agencies and information sources being monitored for updates is set out in Attachment A to this policy.

I.B. Regulatory ~~changes~~updates will be reviewed monthly by the Compliance Department to evaluate the content of the regulatory update and to determine the appropriate ~~are a~~department(s) and ~~Management~~management team members to whom the ~~information~~regulatory update applies. As necessary, the Compliance Department will work with the applicable ~~are a~~departments and management team members to assess the regulatory update.-

II.C. The Compliance Department will identify and distribute ~~the regulatory update, accompanied by updates monthly to potentially affected departments and management team members, and~~ a copy of the assignment log ~~identifying the required response.~~ will be provided. Items will be designated on the assignment log as:

1. Assignment:

Bulletins or notifications from regulatory agencies, as identified by the Compliance Department, that may warrant revisions or updates to departmental operations.

2. FYI:

Bulletins or notifications from regulatory agencies, as identified by the Compliance Department, that are informational in nature yet remain relevant to the responsibilities and operations of assigned departments.

3. Not Applicable:

Regulatory updates that do not directly apply to Kaweah Health operations.

II. Department Responsibilities:

A. Designated management team members will review items on Assignment Log:

1. Items Designated as an Assignment:

- (a) Evaluate assigned items to determine whether the regulatory changes may affect the operations of assignee's department or other departments.
- (b) Assess the information, determine, and enter risk level the regulatory update is believed to have on the organization.
- (c) When applicable, outline a clear action plan to ensure timely and effective compliance with the regulatory change or update.
- (d) Provide an estimated implementation date to enable tracking and follow-up on progress.
- (e) When bulletins or notifications may affect other departments, ensure it is shared accordingly. Document the departments notified.

2. Items Designated as FYI:

- (a) Review items to determine if they will impact departmental operations.
- (b) If an item designated as FYI is determined by the department to have an impact on departmental operations, please follow assignment steps in (a) through (e) above.

IV.B. Topics involving representatives from multiple areas shall collaborate, in the assessment and implementation of any corrective action or response.-

~~V. Regulatory updates that do not directly apply to Kaweah Health operations will be documented as the non-applicable—~~

~~VI.III.~~ Regulatory updates requiring a response will be evaluated by Management.- The response must include a comprehensive assessment of the issue and identify an action plan, risk level, and follow-up/monitoring (as appropriate). -The evaluation and response must be completed in its entirety and returned to the Compliance Department within 15 calendar days from the date of distribution (unless otherwise communicated).—

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Governmental Payer Regulatory Updates ————— 2

IV. Escalation Process

~~VII.A.~~ As necessary, the appropriate member of the Executive Team and/or the Audit and Compliance Committee Meeting will be notified of Management failing to provide timely response.—

~~VIII.B.~~ Management of all areas affected by or involved with the regulatory updates affecting ~~billing and coding~~their areas will ensure that appropriate education and training are provided to all applicable staff.—

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C. -Management of all areas affected by or involved with regulatory updates are responsible for implementing action plans designed to achieve compliance with the applicable regulatory updates.

"These guidelines, procedures, or policies herein do not represent the only medically or legally acceptable approach, but rather are presented with the recognition that acceptable approaches exist. -Deviations under appropriate circumstances do not represent a breach of a medical standard of care. -New knowledge, new techniques, clinical or research data, clinical experience, or clinical or ~~bioethical~~bio-ethical circumstances may provide sound reasons for alternative approaches, even though they are not described in the document."—

Attachment A

Regulatory Agencies and Information Sources Monitored Under this Policy

- US HHS Office of Inspector General (OIG)
- US Centers for Medicare and Medicaid Services (CMS)
- US Department of Health and Human Services (HHS)
- US Office of Civil Rights (OCR)
- US Centers for Disease Control and Prevention (CDC)
- US Food and Drug Administration (FDA)
- US Occupational Safety and Health Administration (OSHA)
- The Joint Commission (JCAHO)
- California Legislative Information
- California Department of Health Care Services (DHCS)
- California Department of Public Health (CDPH)
- California Department of Health Care Access and Information (HCAI)
- Medicare Administrative Contractor (MAC) Noridian Healthcare Solutions
- Medicare Administrative Contractor (MAC) National Government Services (NGS)
- Medicare Recovery Audit Contractor (RAC): Cotiviti
- California Hospital Association (CHA)
- American Hospital Association (AHA)

Policy Number: CP.08	Date Created: 04/21/2022
Document Owner: Jill Berry (Director of Corporate Compliance)	Date Approved: 05/26/2022
Approvers: Board of Directors (Administration), Compliance Committee, Amy Valero (Compliance Manager), Ben Cripps (Chief Compliance & Risk Management Officer), Michelle Adams (Executive Assistant)	
Governmental Payer Regulatory Updates	

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

Purpose: To define the process used to identify and disseminate regulatory updates to the appropriate Department(s) and to provide a mechanism to evaluate and assess the effects and to implement regulatory changes and requirements that apply to Kaweah Delta Health Care District (“Kaweah Health”) operations.

Policy: It is the policy of Kaweah Health that regulatory updates will be distributed to and reviewed by appropriate department management and staff. All applicable changes will be implemented in compliance with all governmental rules and regulations.

Process:

- I. The Compliance Department is responsible for coordinating the distribution, tracking, and monitoring of all regulatory updates. Regulatory changes will be reviewed monthly to evaluate the content of the regulatory update and to determine the appropriate area(s) and Management to whom the information applies. As necessary, the Compliance Department will work with the applicable area to assess the regulatory update.
- II. The Compliance Department will distribute the regulatory update, accompanied by a copy of the assignment log identifying the required response.
- IV. Topics involving representatives from multiple areas shall collaborate, in the assessment and implementation of any corrective action or response.
- V. Regulatory updates that do not directly apply to Kaweah Health operations will be documented as the non-applicable
- VI. Regulatory updates requiring a response will be evaluated by Management. The response must include a comprehensive assessment of the issue and identify an action plan, risk level, and follow-up/monitoring (as appropriate). The evaluation and response must be completed in its entirety and returned to the Compliance Department within 15 calendar days from the date of distribution (unless otherwise communicated).

- VII. As necessary, the appropriate member of the Executive Team and/or the Audit and Compliance Committee Meeting will be notified of Management failing to provide timely response.
- VIII. Management of all areas affected by or involved with the regulatory updates affecting billing and coding will ensure that appropriate education and training are provided to all applicable staff.

"These guidelines, procedures, or policies herein do not represent the only medically or legally acceptable approach, but rather are presented with the recognition that acceptable approaches exist. Deviations under appropriate circumstances do not represent a breach of a medical standard of care. New knowledge, new techniques, clinical or research data, clinical experience, or clinical or bio-ethical circumstances may provide sound reasons for alternative approaches, even though they are not described in the document."

Policy Number: CP	Date Created: No Date Set
Document Owner: Ben Cripps (Chief Compliance & Risk Management Officer)	Date Approved: Not Approved Yet
Approvers: Ben Cripps (Chief Compliance & Risk Management Officer), Jill Berry (Director of Corporate Compliance)	
Physician-Owned Distributorships (PODS)	

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

Purpose: Section 1128B(b) of the Social Security Act (the Act) makes it a criminal offense to knowingly and willfully offer, pay, solicit, or receive any remuneration to induce, in return for referrals of items or services reimbursable by a Federal health care program. When remuneration is paid purposefully to induce or reward referrals of items or services payable by a federal health care program, the anti-kickback statute is violated. By its terms, the statute ascribes criminal liability to parties on both sides of an impermissible “kickback” transaction. Violation of the statute constitutes a felony punishable by a maximum fine of \$25,000, imprisonment up to 5 years, or both. Conviction will also lead to exclusion from Federal health care programs, including Medicare and Medicaid. OIG may also initiate administrative proceedings to exclude persons from the Federal health care programs or to impose civil money penalties for fraud, kickbacks, and other prohibited activities under sections 1128(b)(7) and 1128A(a)(7) of the Act.

In a 2013 Special Fraud Alert issued by the Office of Inspector General of the U.S. Department of Health and Human Services (“OIG”), OIG identified a strong potential for improper inducements between and among physicians who invest in distributors of medical devices, the entities in which they invest, and providers that purchase devices from entities with physician investors, also known as Physician-Owned Distributorships (“PODs”). The OIG has advised that any such ventures “should be closely scrutinized under the fraud and abuse laws” and has issued guidelines under which such ventures must be evaluated. The failure to evaluate can result in non-compliant relationships and subsequent penalties under such laws as the Physician Self-Referral Act, the Federal Anti-kickback Statute, and the Civil Monetary Penalties Law.

In furtherance of compliance with Section 1127B(b) of the Social Security Act and guidelines established by the OIG, Kaweah Health shall not purchase from a Physician-Owned Distributorship (POD), which is owned in part or in whole by a Physician Referral Source, including but not limited to members of the Kaweah Medical Staff, any device, pharmaceutical or biologic unless POD is a Publicly Traded Company or an exception is granted in accordance with this Policy.

Definitions:

“Immediate Family Member” means a spouse; birth 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 spouse of a grandparent or grandchild.

“Physician” means a duly licensed and authorized Doctor of Medicine or osteopathy, Doctor of Dental Surgery or dental medicine, doctor of podiatric medicine, Doctor of Optometry, or chiropractor.

“Physician-Owned Distributorship” or “POD” means an entity of any kind (e.g., a corporation, partnership, joint venture or limited liability company) that (a) is owned, in full or in part, directly by ownership interest or indirectly by any other contractual arrangement conferring ownership-like rights, by a Physician Referral Source, (b) purchases or distributes items from a Physician Referral Source and seeks to sell devices, pharmaceuticals or biologics to Kaweah Health, or (c) is obligated to pay a Physician Referral Source a royalty related to devices, pharmaceuticals or biologics purchased by Kaweah Health. Hereinafter in this Policy the term POD may be referred to and shall have the same meaning as either Vendor and/or Supplier.

“Physician Referral Source” means a Physician who can order or refer to Kaweah Health, or influence or recommend the purchasing or arranging for any goods, facility, items, or service for which Kaweah Health will be reimbursed. For purposes of this definition, the term “Physician Referral Source” includes an Immediate Family Member of a Physician Referral Source.

“Publicly Traded Company” means a company that is publicly held and both: listed for trading on the New York Stock Exchange (“NYSE”) or any regional exchange in which quotations are published on a daily basis, or are foreign securities listed on a recognized foreign, national, or regional exchange in which quotations are published on a daily basis, or traded on the National Association of Securities Dealers Automated Quotation System (“NASDAQ”); and had at least \$75 million in stockholder’s equity at the end of its most recent fiscal year or on average during the previous three fiscal years.

REFERENCES:

AP40: Vendor Relationships

AP69: Requirements for Contracting with Outside Service Providers

AP156: Standard Purchasing Practices

CP.03: Physician Contracts and Relationships

Policy:

1. Kaweah Health does not purchase items from PODs except as permitted by this Policy. Any exception granted must follow the Exception Procedure set out below.
2. Exception Procedure: Exceptions may be granted if all of the review and documentation requirements below are satisfied.
 - a. Vendor/Supplier Ownership Certification Form (The “Ownership Certification Form,” See Attachment A):
 - i. Procurement is to obtain a completed Ownership Certification Form from Vendors/Suppliers prior to the execution of any new contracts and any contracts being renewed.
 - ii. The Vendor/Supplier must complete and submit an Ownership Certification Form (see Attachment A to this Policy) to Procurement.
 - iii. If the Ownership Certification Form reveals any Vendor/Supplier physician ownership or compensation arrangement or Procurement believes such to be the case from any other means of information, the Ownership Certification Form is to be submitted to Chief Compliance and Risk Officer along with the additional documentation noted in sections 2.b., 2.c., and 2.d. below.
 - iv. If the Ownership Certification Form does not reveal any Vendor/Supplier physician ownership or compensation arrangement and Procurement does not believe either to be the case from any other means of information, the form is to be filed in the Vendor/Supplier’s Procurement record, and no further action needs to be taken in relation to this policy.
 - b. Vendor/Supplier Representations Form: (The “Representations Form,” See Attachment B):
 - i. If the Ownership Certification Form reveals Vendor/Supplier physician ownership or compensation arrangement, as noted in section 2.a. above, Procurement will ask the Vendor/Supplier to fully complete and submit the Vendor/Supplier Representations and Certification form (see Attachment B to this Policy).
 - ii. If Attachment B is not completed in full and submitted in a timely manner, Kaweah Health will not be able to proceed with purchases from the POD, and the request will be denied.
 - c. Product Assessment for POD Product Form: (The “Assessment Form,” See Attachment C):
 - i. The Procurement Department will request that the Value Analysis Team conduct a product assessment and complete the Product Assessment for POD Assessment Form (see Attachment C to this Policy).
 - ii. If the Product Assessment Review Form is not completed in full and submitted in a timely manner or the Value Analysis Team does not give a satisfactory review, Kaweah Health will not be able to proceed with purchases from the POD, and the request will be denied.
 - d. Checklist: Final Checklist: Review of Physician-Owned-Distributorships Form (The Review Form, See Attachment D):

- i. Upon completion of the Attachments referenced above, Procurement will submit the Final Checklist: Review of Physician-Owned Distributorships (see Attachment D to this Policy), and the completed Attachments A, B, and C to the Chief Compliance and Risk Officer for review and a determination.
 - ii. The Chief Compliance and Risk Officer will review the package, make a determination, and complete Attachment D. A copy of Attachment D reflecting the determination will be provided back to Procurement. If the arrangement has been approved, Procurement may proceed with the development of a written supply contract with the Vendor/Supplier in accordance with other relevant Kaweah policies and procedures.
- e. All completed Attachments referenced in this Policy used to support or deny an Exception to Kaweah's policy must be archived to the Vendor/Supplier's record and made available for future review.
- f. While approval under this Policy is required for Kaweah to proceed with purchases from a POD, receiving approval under this Policy does not require or guarantee purchases will be made by Kaweah from the POD.
- g. Purchasing additional items from the POD by Kaweah beyond what has been approved under this Policy requires another review of the additional items.
- 3. Procurement, Pharmacy, Surgery, and any other department making purchasing decisions on behalf of Kaweah Health will work with Physician Contracting to carry out this policy and promote Kaweah Health's efforts to only purchase items from PODs in accordance with law, regulations, and guidelines established by the OIG.
- 4. The process outlined in this Policy is required for all Kaweah Health contracts entered into directly or indirectly via a group purchasing organization or Kaweah Health department, entity, or location. However, if a group purchasing organization has conducted an independent review and determined their participating vendors/suppliers are not PODs, Procurement may obtain documentation of such from the group purchasing organization and submit that to the Chief Compliance and Risk Officer in lieu of the documentation required herein.
- 5. Physician Contracting will track and review PODs as needed but not less than quarterly.
- 6. All questions regarding whether an entity is a Physician-Owned Distributorships shall be directed to the Chief Compliance and Risk Officer and with all pertinent details. The Chief Compliance and Risk Officer shall make the final determination on whether an entity meets the definition of a Physician-Owned Distributorship as set forth in this Policy.
- 7. Concerns or instances of noncompliance with this policy are promptly reported to the Chief Compliance and Risk Officer for independent investigation.

8. Enforcement

- a. All employees whose responsibilities are affected by this policy are expected to be familiar with the basic procedures and responsibilities created by this policy.
- b. Failure to comply with this policy will be subject to appropriate performance management pursuant to all applicable policies and procedures, up to and including termination. Such performance management may also include modification of compensation, including any merit or discretionary compensation awards, as allowed by applicable law.

References:

Stark Law, 42 U.S.C. § 1395nn and implementing regulations.

Anti-Kickback Statute, 42 U.S.C § 1320a-7b(b)

Social Security Act Section 1128B(b)

OIG Special Fraud Alert: Physician-Owned Entities (2013)

ATTACHMENT A

VENDOR/SUPPLIER OWNERSHIP CERTIFICATION FORM

Vendor/Supplier Name: _____
 Address: _____
 City: _____ State/Zip: _____
 Product Type(s): _____

Organizational Form: ☐ Corporation ☐ Partnership ☐ Sole Proprietorship
 ☐ LLC ☐ LLP ☐ Other

The person, company, business, or other entity named above ("Vendor/Supplier") hereby certifies that the selection made below is true and accurate:

<input type="checkbox"/> 1. Vendor/Supplier is a publicly held company with its stock publicly traded, and no physician nor an immediate family member of a physician ¹ individually owns, or physicians collectively own, a controlling interest.	<input type="checkbox"/> 3. Vendor/Supplier is a publicly held company with its stock publicly traded, and stockholder's equity of at least \$75 million dollars for the last fiscal year (please attach statement).
<input type="checkbox"/> 2. Vendor/Supplier is a privately held entity, and no physician or an Immediate Family Member of a physician individually owns, directly or indirectly, any ownership interest.	<input type="checkbox"/> 4. Vendor/Supplier is a privately held entity, with one or more physicians, directly or indirectly having an ownership interest or individual physician is the vendor/supplier. (List names of physician owners in Section 6 or a Continuing Page)
<input type="checkbox"/> 5. Vendor/Supplier is a publicly traded company with less than \$75 million dollars in stockholder equity or is not publicly traded, and a physician or an immediate family member(s) of a physician individually owns, or physicians collectively own, a controlling interest. (List names of physician owners in Section 6 or the Continuing Page)	
6. If #4 or #5 above is checked, please list the names of the physician owners here or on Continuing Page.	
7. Does Vendor/Supplier have a current compensation arrangement (such as employment, consulting, royalties or licenses, grant, or loan arrangement) with a physician or an Immediate Family Member of a physician who refers patients, tests or services to Kaweah Health? <input type="checkbox"/> No <input type="checkbox"/> Yes (If "Yes," please list names of physicians and/or Immediate Family Members on Continuing Page.)	
8. Does a physician who refers patients, tests or services to Kaweah Health hold a leadership or fiduciary position with Vendor/Supplier (such as director, officer, trustee)? <input type="checkbox"/> No <input type="checkbox"/> Yes (If "Yes", please list names of the physicians on Continuing Page.	
Supplier agrees to promptly notify Kaweah Health's Procurement Department at _____, of any changes in the above as soon as such changes are known.	
To reply by fax, please send to: _____, Attention: _____.	
To reply by email, please send to: _____, Attention: _____.	
If you have any questions about this form, please call _____ at _____.	

¹ "Immediate Family Member" means a spouse; birth 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 spouse of a grandparent or grandchild.

ATTACHMENT A (CONTINUED)
VENDOR/SUPPLIER OWNERSHIP CERTIFICATION FORM

List the names of all Physicians who have ownership in the Vendor/Supplier or whose Immediate Family Members² (as defined in the Policy) have ownership in the Vendor/Supplier.

Physician Name / Immediate Family Member Name and Interest	Tax ID

List the names of all Physicians and their Immediate Family Members (as defined in the Policy) who have a compensation arrangement with the Vendor/Supplier.

Physician Name / Immediate Family Member Name and Nature of Compensation Arrangement	Tax ID

List the names of all Physicians who hold a leadership or fiduciary position with the Vendor/Supplier.

Physician Name / Immediate Family Member Name and Position	Tax ID

“Vendor/Supplier”: _____

By: _____

Title: _____

Date: _____

Contact Person:

Telephone: _____ Email Address: _____

² “Immediate Family Member” means a spouse; birth 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 spouse of a grandparent or grandchild.

ATTACHMENT B
VENDOR/SUPPLIER REPRESENTATIONS FORM

Vendor/Supplier Name: _____ Date: _____

Kaweah Health requires that Vendors requesting to sell products to Kaweah Health disclose financial relationships with physicians who are members of the medical staff of Kaweah Health facilities or who refer to Kaweah Health facilities. Vendors must comply with, and cooperate with Kaweah Health in complying with, applicable federal and state law, including the federal Anti-Kickback Statute and the Stark Law. Kaweah Health requires and relies upon the following representations and warranties of Vendor/Supplier as a condition of approving the purchase of Vendor/Supplier's products by Kaweah Health.

For purposes of these representations, warranties and certifications, the term "Physician" means any licensed physician who is a member of the medical staff of, or who otherwise refers to, any Kaweah Health facility. "Physician" also includes an immediate family member of a Physician, meaning spouse; birth 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 spouse of a grandparent or grandchild.

Vendor hereby represents, warrants, and certifies as follows, and covenants to notify Kaweah Health promptly in writing of any change in any of the following representations, warranties, or certifications (**check all of the following that apply**):

Vendor/Supplier's Ownership, Investment Terms, Distributions, Compensation Arrangements:

- ☐ The size of the investment offered in Vendor has not and does not vary with the expected or actual volume or value of Vendor's product used, ordered, or recommended by the Physicians.
- ☐ Physicians have not paid different prices for their ownership interests in Vendor because of the expected or actual volume or value of Vendor's products used, ordered, or recommended by the Physicians.
- ☐ Physicians have not borrowed the money for their capital contributions in Vendor.
- ☐ Vendor has been adequately capitalized for its operations through the capital contributions of its owners, including Physicians.
- ☐ Investments by Physician owners in Vendor have not been nominal.
- ☐ Physicians, in the aggregate, hold a minority interest in Vendor.
- ☐ Vendor's owners include people/entities who are not Physicians, and/or who are not in a position to order, recommend or arrange for the use of Vendor's products by Kaweah Health.
- ☐ Vendor has made no distributions to Physicians.

- ☐ If distributions have been or will be made by Vendor to Physicians:
 - ☐ Vendor's distributions to Physicians have been and will be made in proportion to the Physician's ownership interest.
 - ☐ Any distributions that have been or will be made by Vendor to Physicians have not and will not be based on the volume or value of referrals generated by the Physicians for Vendor's products.
 - ☐ Vendor has not generated a disproportionately high rate of return for Physician owners.
- ☐ Apart from Physician ownership interest(s) in Vendor, Physicians have no compensation arrangement with Vendor (by way of example, consulting agreements, license agreements or royalty agreements).
- ☐ If Vendor has compensation arrangements with any Physicians, each of those arrangements is reflected in writing signed by the parties; the compensation is fair market value; the compensation is not determined in a manner that takes into account the volume or value of the Physician's referrals or recommendations of Vendor's products; the arrangement serves a legitimate business purpose unrelated to referrals or recommendations of Vendor's products; and items/services that are the subject of the arrangement are actually provided by Physician to Vendor.
- ☐ Neither the Vendor nor any of its owners, officers or employees are or have been excluded or ineligible to participate in any Federal or state health care programs.

List the relative percentages of ownership in Vendor held by Physicians and persons/entities who are not referral sources for Kaweah Health: _____

Ordering, Recommending, Arranging for Vendor's Products:

- ☐ Physicians do not and will not exert pressure on Kaweah Health to purchase Vendor's implants, devices, or other products.
- ☐ Physicians have not and will not condition referrals to Kaweah Health on their purchase of products from Vendor, through coercion or promises (such as threatening or promising to move surgeries or other procedures; or requiring Kaweah Health to enter into an exclusive contract).
- ☐ Physician owners in Vendor are not required, pressured, or actively encouraged to refer, recommend, or arrange for the purchase of any products sold by the POD, and are not threatened with negative repercussions (such as divestiture or decreased distributions) for failing to use the POD's products for their own patients.
- ☐ Vendor does not retain any right to repurchase a Physician's ownership interest based on the Physician's failure or inability to refer, recommend, or arrange for the purchase of Vendor's products.

Vendor's Business Assets and Operations:

- ☐ Vendor operates a bona fide business through its own assets and personnel, including the following:
 - ☐ Vendor hires and employs its own personnel sufficient to operate its business.
 - ☐ Vendor purchases products directly from manufacturers/distributors under its own contracts.
 - ☐ Vendor sells products directly to its own customers under its own contracts.
 - ☐ Vendor manages its own inventory.
 - ☐ Vendor has office and warehouse space for operation of its own business.
 - ☐ Products are shipped directly to Vendor by the manufacturer/distributor and are separately warehoused by Vendor before resale to Vendor's customers.
 - ☐ Vendor maintains continuous oversight over all distribution functions.
 - ☐ Vendor holds all licenses or governmental approvals necessary for operation of its business.
- ☐ Vendor does not exclusively serve the patient base of its Physician-owners. Vendor sells substantial products to health care facilities where its Physician-owners do not hold clinical privileges, practice, or perform procedures, or otherwise refer, recommend, or arrange for use of Vendor's products.
- ☐ Vendor's products have received all necessary federal or state approvals, regulatory requirements, or licenses, as necessary.
- ☐ Vendor will not bill patients or payors (including Medicare or Medicaid) for its products.
- ☐ Vendor has a fixed list of prices for its products that are generally available to all purchasers.
- ☐ Vendor will not charge Kaweah Health in excess of fair market value for Vendor's products.

Executed this _____ day of _____, 202_____.

Vendor/Supplier Name: _____

By: _____

Title: _____

Date: _____

ATTACHMENT C

PRODUCT ASSESSMENT FOR POD PRODUCT

Kaweah Health's general policy is that Kaweah Health will not purchase items, including but not limited to implants or other medical devices, pharmaceuticals, or biologics, from physician-owned vendors unless an exception is allowed under the terms of Kaweah Health's Physician-Owned Distributorships (PODs) Policy.

One of the requirements for approving an exception to allow a purchase from a POD is that an assessment is done to evaluate whether the product and the circumstances surrounding the POD justify an exception from Kaweah Health's general policy. Therefore, in the event Kaweah Health receives a proposal to purchase an implant or other device, pharmaceutical or other biologic (referred to collectively as the "Products") from a POD, Kaweah Health will consider and document which of the following apply:

- ☐ An implant, other device or other Product is proposed for use with a specific patient, and (1) the use of the device is medically necessary, (2) no reasonable alternative exists to the device, and (3) the Physician proposing to use the device has no financial relationship with the POD and is not an Immediate Family Member or member of the same group practice as a Physician holding an ownership interest in the POD. Explain:
[Click to enter explanation.](#)
- ☐ The Product is an implant that is (1) a replacement part for (but not a complete replacement of) or in addition to a device already implanted in the patient or instrumentation required for use of such a part, (2) is from the same manufacturer, and (3) is not reasonably available from a source that is not a POD. Explain:
[Click to enter explanation.](#)
- ☐ The Product is recommended by one or more Kaweah Health physicians who have no financial relationship with the vendor and who document the necessity for the product. Explain:
[Click to enter explanation.](#)
- ☐ The Product offers some unique features not otherwise available from other products. Explain:
[Click to enter explanation.](#)
- ☐ The Product will afford special benefits to the patient in the form of efficacy, safety, quality, convenience, and/or efficiencies that are superior to similar products. Explain:
[Click to enter explanation.](#)
- ☐ The price terms for the Product represent a significant savings for Kaweah Health and its patients. Explain:
[Click to enter explanation.](#)
- ☐ The Product is not available under existing Kaweah Health contracts, including group purchasing contracts; or is only available on significantly less favorable terms than offered by the POD. Explain:
[Click to enter explanation.](#)
- ☐ Purchase of the products from the POD will not cause a breach of any other purchasing contract held by Kaweah Health and will not adversely affect the pricing or terms available

under other purchasing contracts in effect for Kaweah Health. Explain: [Click to enter explanation.](#)

- ☐ The Products purchased will not exceed those that are reasonable and necessary for commercially reasonable business purposes, including patient care needs. There is no intention through the purchases to induce referrals from any Physician having a financial relationship with the POD. Note: This must be met. Explain: [Click to enter explanation.](#)

Completed by: _____

Title: _____

Date: _____

DRAFT

ATTACHMENT D
FINAL CHECKLIST: REVIEW OF PHYSICIAN-OWNED-DISTRIBUTORSHIPS

Vendor/Supplier Name: _____

Address: _____ City: _____ State/Zip: _____

- ☐ Vendor/Supplier Ownership Certification Form has been completed by vendor.
 - ☐ Reviewed and approved by Chief Compliance and Risk Officer: _____
- ☐ Vendor/Supplier Representations Form has been completed by vendor.
 - ☐ Reviewed and approved by Chief Compliance and Risk Officer: _____
- ☐ Vendor/Supplier Price List/Fee Schedule for the Product(s) submitted by vendor.
Documentation of fair market value reviewed and approved by:
Director of Procurement and Logistics: _____
Department Director: _____
- ☐ Product Assessment completed.
 - ☐ Reviewed and approved by _____
- ☐ Supply Contract prepared (to be executed by the parties before the purchase of any products from the POD)

Determination:

_____ Approval of purchase of the following listed product(s) from Vendor/Supplier as an exception under the Kaweah Health Policy Physician-Owned Distributorships (PODs):

_____ Denial of purchase of the following listed product(s) from Vendor/Supplier.
Reason: _____

Signature: _____ Date: _____
Chief Compliance and Risk Officer