

**VANDERBILT UNIVERSITY
COMPLIANCE PROGRAM PLAN
REVISED OCTOBER 2006**

The Vanderbilt University Compliance Program Plan complements, but does not replace or supersede any other policy applicable at Vanderbilt University or Vanderbilt University Medical Center.

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VANDERBILT UNIVERSITY COMPLIANCE PROGRAM PLAN

I. INTRODUCTION

Vanderbilt University is committed to the highest standards of ethics, honesty, and integrity in pursuit of its mission of education, research, patient care, and public service. The Vanderbilt University Compliance Program demonstrates the University's commitment to ethical conduct and compliance by setting forth guidelines for conduct designed to prevent and detect violations of law, uphold accreditation standards, comply with University policies and by encouraging compliance by providing support, training, and educational resources. This Compliance Program Plan is designed to assist the University in fulfilling its compliance responsibilities by creating an operational structure that outlines and documents the University's compliance efforts and is designed to work in conjunction with other University offices and compliance programs such as the Transinstitutional Research Operations Review Group and the Department of Athletics Compliance Program.

II. STANDARDS OF CONDUCT

Vanderbilt University has written Standards of Conduct that apply to: (1) all Trustees, faculty, and staff members; (2) physicians and other providers who enjoy professional privileges; and (3) consultants, vendors and contractors when they are doing business with the University. All of these individuals are referred to as "members of the University or Vanderbilt community" or "community members." The Standards of Conduct provide the guiding standards of conduct for the University community and set forth the University's commitment to good practices and following the law. The Deans of the schools are responsible for assuring that the Standards of Conduct are observed by faculty. Staff and other University representatives are responsible for those employees under their supervision. All members of the University community are responsible for reading and understanding the Standards of Conduct.

The Standards of Conduct are not intended to minimize the importance of other applicable professional standards, or ethical principles that may be covered by other University policies, such as those found in the *Faculty Manual*, *Human Resources' Staff Guidelines*, *VUMC Policy Manual*, or the *Medical Staff Bylaws*. Any person who is in doubt as to the appropriateness of a course of action or concerned about the application of a policy must promptly communicate with his or her supervisor, a Compliance Officer, or the applicable compliance helpline, before taking action.

III. COMPLIANCE PROGRAM GOVERNANCE

- A. **Board of Trust Audit Committee:** The Audit Committee of the Board of Trust has overall responsibility for oversight of the Compliance Program at Vanderbilt. Each Compliance Officer provides biannual reports to the Audit Committee on the activities of the Compliance Program on behalf of their respective committees.
- B. **Compliance Committees:** Vanderbilt University has two compliance committees which have direct oversight responsibility for the compliance activities of Vanderbilt and which assist the Vanderbilt Community in fulfilling its legal compliance obligations. The Medical Center and Research Compliance Committee (the “VUMC Compliance Committee”) provides oversight and support for Vanderbilt University Medical Center (“VUMC”) functions and institution-wide research activities. The VUMC Compliance Committee is chaired by the Vice Chancellor for Health Affairs. The committee consists of representatives from the School of Medicine, the Vanderbilt Medical Group, the Vanderbilt University Hospital, the Children’s Hospital, audit, compliance, sponsored research, environmental health and safety, finance, and legal.

The Administrative Compliance Committee (the “ACC”) provides oversight and support for University Central operations and institution-wide administrative activities. The ACC is co-chaired by the Vice-Chancellor for Administration and Chief Financial Officer and the Vice Chancellor for University Affairs, General Counsel, and Secretary of the University. The ACC is comprised of a core group of members that participate in all compliance committee activities and a supplementary advisory group of members that assist the committee with matters in their area of expertise. The core group consists of representatives from audit, compliance, risk management, Human Resources, the Provost’s Office, and Medical Center operations. The advisory group consists of representatives from athletics, police and security, student life and student financial aid, sponsored research, registrar, plant operations and campus planning, financial affairs, information security, environmental health and safety, occupational health, and the Opportunity Development Center.

Each committee oversees the following areas of compliance activity:

1. Informing, training, and educating the Vanderbilt community about the Standards of Conduct and ethical obligations under those Standards;

2. Monitoring compliance activities, including policies and procedures and training and education programs;
 3. Serving as a resource to Vanderbilt on matters of compliance and legal and regulatory changes, and assessing and identifying areas of risk;
 4. Maintaining a reporting helpline for compliance matters;
 5. Assisting operational units in developing corrective action plans;
 6. Recommending and reviewing disciplinary action for violations of the Standards of Conduct; and
 7. Reporting on compliance activities to the Audit Committee of the Board of trust through the Compliance Officers.
- C. **Compliance Officers:** Each compliance committee is supported and assisted in its oversight responsibilities by a compliance officer. Each Compliance Officer is responsible for the day-to-day operations of the Compliance Program as it relates to each Compliance Officer's area of responsibility. Responsibilities include employee training on the Standards of Conduct, routine monitoring of compliance activities, assisting with corrective action plans, monitoring emerging issues in the field of compliance, coordinating interdepartmental compliance efforts, providing staff support for the committees' operational activities, and submitting biannual reports to the Audit Committee on the activities of the Compliance Program.
- D. **Transinstitutional Research Operations Review Group (TRORG):** TRORG is a committee comprised of representatives from across the institution that review compliance matters related to the research enterprise at Vanderbilt in the Medical Center and at University Central. The committee includes representatives from sponsored research in the School of Medicine and the Provost's Office, audit, and compliance. The committee receives reports from administrative departments involved in research compliance and provides recommendations to the VUMC Compliance Committee.
- E. **Compliance Offices:** Each Compliance Officer maintains a Compliance Office responsible for employee training on the Standards of Conduct, routine monitoring of compliance activities, assisting with corrective action plans, maintaining a reporting helpline, coordinating interdepartmental compliance efforts, and providing staff support for the compliance committees' operational activities.
- F. **Office of the General Counsel:** The compliance committees and Compliance Officers consult with the University's Office of General

Counsel, other legal counsel as may be engaged by the Office of General Counsel, and other offices of the University as may be necessary or appropriate to monitor and enforce the Compliance Plan.

- G. **Faculty Orientation and Training Office (FOTO)**: The Faculty Orientation and Training Office conducts new faculty orientation and facilitates completion of annual training and conflict of interest reporting requirements for all faculty.
- H. **Faculty, Staff and Other Representatives**: All University community members are expected to carry out their duties for Vanderbilt in accordance with this Plan. The Deans of the schools are responsible for assuring that all faculty members observe the Standards of Conduct. Supervisors and administrative representatives of Vanderbilt are responsible to see that employees and volunteers under their supervision follow the Standards of Conduct.

IV. REPORTING

- A. **Reportable Compliance Concerns**
 - 1. **Criminal conduct and safety concerns**: It is the duty of all faculty, staff, and University representatives to report Vanderbilt job-related criminal conduct of which they have actual knowledge or Vanderbilt job-related situations that endanger the health and safety of any individual.
 - 2. **Violations of law or policy**: All University community members are encouraged to report any concerns that there are violations of law or policy.
 - 3. **False Claims Act**: It is a violation of the Federal and Tennessee False Claims Acts ("FCA") for anyone to knowingly submit, or cause another to submit, false claims for payment of government funds. Examples of FCA violations include: filing a claim for services that were not rendered; filing a claim for services that were not medically necessary; or submitting a claim containing information known to be false. Anyone who suspects a violation of the federal FCA or Tennessee FCA, this Compliance Program Plan, the Standards of Conduct, or other policies or procedures is required to promptly report the situation. False accusations made with the intent of harming or retaliating against another person can subject the accuser to disciplinary action. The Confidential Help Line number for the University is 322-1033. The Confidential Help Line number for the Medical Center is 343-0135.

B. How to Report a Compliance Concern

1. **To Supervisor, Department Chair or Compliance Officer:** Report directly to a supervisor, a department head or chair, the Compliance Officer for the Medical Center, the Compliance Officer for the University, or call the 24 Hour Confidential Help Line for the Medical Center at (615) 343-0135 or the VU Confidential Help Line at 322-0133 to make an anonymous report.
2. **Special FCA provision:** The FCA contains provisions that allow citizens with evidence of fraud against the government to sue, on behalf of the government, in order to recover stolen funds.
3. **No retaliation:** All persons making reports of compliance concerns are assured that such reports will be treated as confidential to the extent permitted by law. Such reports will be shared with others only on a bona fide need-to-know basis. The compliance helplines have no caller identification or number recognition capability. Vanderbilt will take no adverse action against persons making such reports in good faith. Vanderbilt prohibits retaliation against persons who make such reports in good faith.

C. Helpline Procedures: Each Compliance Office will maintain a log of calls received on its respective helpline. The log will indicate the date of the call, the nature of the call, and the name and contact information of the caller, if available. The log will identify a responsible person to facilitate resolution of each call and describe any action taken.

V. TRAINING AND EDUCATION

- A. **Standards of Conduct Training:** Each new employee at Vanderbilt is required to complete training on the Standards of Conduct as a component of new employee orientation. All current faculty and staff are required to complete annual training on the Standards of Conduct.
- B. **Medical Center:**
 1. Annual compliance training is required as a component of each employee's annual performance review at the Medical Center. Compliance training modules necessary for each employee depending upon the employee's job duties are available on the VUMC's Compliance website at

<http://www.webinservice.com/vanderbilt/>. Performance evaluation forms include a section for indicating that the employee has completed required compliance training. Supervisors are responsible for monitoring completion of all required training prior to completing each employee's performance review.

2. All billing providers/faculty are required to complete a compliance session on documentation, coding and billing. New physicians, nurses and other patient care providers are required to complete additional compliance training on matters unique to workers with clinical duties.

C. **Additional Training and Resources:**

1. Specific questions about whether any action complies with Vanderbilt policies or applicable law may be directed to a Compliance Officer or the applicable confidential helpline.
2. Vanderbilt has additional training for specific positions and departments and other educational resources for specific subject matter areas to assist faculty and staff with compliance questions such as the following:
 - Opportunity Development Center – “Alphabet Soup”
 - Sponsored Research
 - Human and Animal Subjects Research
 - Environmental Health and Safety
 - HIPAA and Patient Records
 - FERPA and Educational Records
 - Occupational Safety and Fire Safety
 - Departmental and Grant Financial Administration

VI. **MONITORING AND AUDITING**

- A. **Annual Compliance Reports:** The Compliance Offices shall obtain annual reports from any University departments or areas with significant compliance concerns. The reports must include descriptions of any noncompliance that occurred during the reporting period. The reports should also describe any significant correspondence with governmental agencies or officials and the results of any auditing or monitoring.
- B. **Risk Assessments:** The University shall conduct periodic risk assessments to evaluate and prioritize the compliance-related risks facing the more heavily regulated areas of the University. Each risk assessment

shall measure the magnitude of applicable events of noncompliance in light of the likelihood of occurrence for each such event under existing University policies and procedures. The Compliance Committees shall address the results of these risk assessments and oversee the development and implementation of appropriate corrective action plans.

- C. **Compliance Assessments:** The Compliance Offices may assist departments with the development of compliance related policies and procedures by conducting individual departmental compliance assessments.
- D. **Effectiveness Evaluations:** The Compliance Offices will periodically conduct evaluations of the effectiveness of the Standards of Conduct training and the Compliance Program in general. These evaluations may include comparisons with other compliance programs at other colleges and universities.
- E. **Debarment Reviews and Background Checks:** The University strives to prevent inappropriate personnel from holding positions of authority and other specified positions. The University conducts regular reviews of the U.S. Department of Health and Human Services Office of Inspector General (“OIG”) List of Excluded Individuals/Entities and/or the Excluded Provider List Service (“EPLS”) List of Parties Excluded from Federal programs, the FDA Debarment list and the Tennessee Abuse Registry. If any names on these lists match University personnel or contractors, they are forwarded to the appropriate compliance office for verification and review. If the appropriate office of compliance verifies that a debarred individual or contractor is working or proposes to work for the University, the University will take appropriate action to ensure that the debarred party does not hold an inappropriate position of authority. The University also conducts background checks for certain positions.

VII. DISCIPLINE FOR COMPLIANCE VIOLATIONS

- A. **Disciplinary Action:** Vanderbilt will take appropriate disciplinary action, up to and including termination of employment, against members of its workforce who fail to comply with federal and state laws and regulations or University policies and procedures. Disciplinary action may also apply to a supervisor who knowingly directs or approves a person’s improper actions, or is aware of those improper actions but does not act appropriately and within the supervisor’s scope of authority to correct them, or who, by knowingly violating a clear legal or professional duty, otherwise fails to exercise appropriate supervision.

The Compliance Officers will investigate, evaluate, and make recommendations consistent with University policies and procedures to the appropriate Dean or supervisor. The VUMC Compliance Officer may initiate disciplinary action, up to and including suspension of privileges against a provider who fails to comply with medical record documentation requirements or coding and billing requirements. Any disciplinary action shall be determined and enforced by the appropriate Dean or supervisor pursuant to existing disciplinary standards, policies, and procedures set forth in the *Faculty Manual* and the Human Resources' *Staff Guidelines*.

- B. **Severity of Action:** The disciplinary action taken shall correspond to the severity of the violation considering, among other factors, whether the violation was intentional or unintentional and whether the violation created a safety or security risk. Disciplinary action taken may include oral or written warning, disciplinary probation, suspension, reduction in salary, demotion, termination from employment, or revocation of privileges.
- C. **Notification to Others:** Violations may also result in notification to law enforcement officials, regulatory bodies, accrediting organizations and licensure organizations as appropriate.

VIII. CONTACT INFORMATION

- A. Vanderbilt Office of Compliance 322-5162
Confidential Helpline 322-1033
- B. Vanderbilt Medical Center Compliance Office 343-7266
VUMC Confidential Helpline 343-0135
- C. Office of General Counsel..... 322-5155
or 936-0323
- D. Environmental Health and Safety Office 322-2057
- E. Opportunity Development Center 322-4705
- F. Division of Sponsored Research..... 322-2631
- G. Vanderbilt Medical Center Office of Research 322-4303
- H. Office of Grants and Contracts Management..... 322-2281
- I. Department of Finance/Research Compliance 322-2381

J. Faculty Orientation and Training Office322-8384
or343-7232

APPENDIX I: SPECIFIC COMPLIANCE AREAS

A. Anti-Kickback Principles:

1. Illegal business and patient referrals: When someone who is in a position to influence purchasing or other decisions made at Vanderbilt accepts anything of value from a vendor or other person who desires Vanderbilt business, the gift or other benefit could be considered a “kickback.” It is against Vanderbilt policy for any member of the Vanderbilt workforce to offer or to take a kickback. A member of the Vanderbilt workforce may not offer anything of value to another person or entity if a purpose for the offer is to influence the other person or entity to refer patients to Vanderbilt. Additionally, it is against Vanderbilt policy for members of its workforce to receive something of value in exchange for referring a patient to another provider. See Medical Center Appendix below for more information regarding patient referrals and solicitation.

2. Rentals: Rentals of space and equipment should be at fair market value, without regard to the volume or value of referrals that may be received by Vanderbilt. Fair market value should be determined through an independent assessment and appropriately documented.

3. Percentage Payments: Payments based on a percentage of revenue should be avoided in most circumstances. An individual wishing to enter into an arrangement with a percentage based payment structure must seek assistance from their Compliance Office prior to entering into such an arrangement.

4. Seek guidance from the Compliance Office and Office of General Counsel: Analysis of a payment practice, discount or other arrangement under the anti-kickback law is complex and depends upon the specific facts and circumstances of each case. Proposals for joint ventures with physicians or other health care providers, or investments in other health care entities, should be referred to the Compliance Office and the Office of General Counsel for analysis.

5. Penalties: Violation of the anti-kickback laws is a felony under federal law, punishable by a \$25,000 fine, imprisonment for up to five years, or both. Violation of the anti-kickback law could also mean that VUMC and/or a physician is excluded from participating in the Medicare, TennCare, Medicaid and other government programs.

B. Antitrust Laws and Regulations:

Vanderbilt policy and business practices prohibit setting charges in collusion with competitors, certain exclusive contracts or arrangements with vendors, and joint ventures that are in restraint of trade or which attempt to monopolize any part of interstate trade or commerce. The sharing of confidential information such as salaries or charges for services with competitors is also prohibited.

C. Conflicts of Interest:

1. Policies: All Vanderbilt faculty, staff, and representatives are expected to perform their duties with objectivity and to avoid potential and perceived conflicts of interest. The Conflict of Interest Policy is available in the *Faculty Manual*, on the Office of Compliance website at www.Vanderbilt.edu/compliance, on the VUMC website at www.mc.vanderbilt.edu/compliance/, and in the VUMC policy manual. The Conflict of Commitment Policy is also available on the Office of Compliance website at www.vanderbilt.edu/compliance.

2. Business Relationships: Members of the University community may not review, approve, or administratively control contracts or business relationships when the contract or business relationship is between the University and a business in which the individual or a family member has a financial interest or when the individual or a family member is an employee of the business and is directly involved with activities pertaining to the University.

3. Gifts: No gifts or accommodations of any nature, including unrestricted grants, may be accepted by the University or individual members of the University community when to do so would place them in a prejudicial or compromising position, interfere in any way with the impartial discharge of their duties to the University, or reflect adversely on their integrity or that of the University. Individuals may, however, accept gifts, meals, entertainment, and other normal social amenities no greater in value than \$300 per year from a single source, whether an individual or a business, provided that such amenities are not otherwise extravagant under the circumstances. Individual departments or services may establish a lower annual limit for gifts, meals, entertainment and other social amenities offered to the individuals working in those departments or services.

4. University Assets: Members of the University community have a duty to the University to act in accordance with applicable University procedures regarding the proper expenditure of the University's funds, as well as the use and control of University assets, including confidential and privileged information.

5. Research and Healthcare Activities: Individual members of the University

community may not review, approve, or administratively control contracts, grants, clinical trials, or other business relationships when such contract, grant, clinical trial, or other business relationship pertains to sponsored research involving the University and a business in which the individual or a family member has a significant financial interest or when the individual or a family member is an employee of the business and directly involved with activities pertaining to the sponsored research. Absent compelling circumstances, individuals may not participate in research involving human research subjects if they have a significant financial interest in the sponsor of the research or any technology that could be affected by the outcome of the research. Vanderbilt has a conflict of interest review process for evaluating conflicts and managing those conflicts when and as appropriate.

6. *Activities Related to Students:* An individual member of the University community may not assign students, post-doctoral fellows, or other trainees to University projects sponsored by any business if the individual or a family member has a significant financial interest in the business. An individual also may not assign students or permit students to participate in any consulting relationship in which the individual or a family member has a significant financial interest.

7. *Activities Related to Family Members:* Members of the University community may not participate in the hiring process or any employment-related decisions pertaining to their family members. Likewise, they may not be in a position to supervise a family member as an employee of the University or otherwise review or participate in reviewing a family member's work as an employee of the University.

D. Confidentiality:

Many members of the Vanderbilt community have access to various types of sensitive, confidential, and proprietary information. Vanderbilt prohibits the unauthorized seeking, disclosing or selling of such information, including confidential information contained in patient medical records, student educational records, and personal financial records. See Medical Center Appendix below for more information about the confidentiality of patient information.

E. Controlled Substances:

Vanderbilt University prohibits the unlawful possession, use, manufacture or distribution of illicit drugs and alcohol on its property or as a part of any University sponsored activity. See Medical Center Appendix below for more information regarding controlled substances requirements.

F. Environmental Health and Safety:

1. Environmental Policy Statement: Vanderbilt University will support and maintain a strong commitment to safety, health, and environmental protection through:

- Assuring compliance with federal, state and local safety, health and environmental requirements;
- Minimizing hazards, reducing pollution and continuously improving our practices regarding safety, health and environmental protection;
- Empowering our faculty, staff, and students to demonstrate individual and institutional leadership in all matters pertaining to safety, health and environmental protection while preserving academic freedom in research and education and evidence-based practices in patient care;
- Protecting and maintaining safe and secure facilities for teaching, patient care, research, living and work;
- Emphasizing open communication with our community regarding safety, health and environmental issues;
- Instilling the values of environmental stewardship and conservation of resources in our students, faculty, and staff.

2. Proper Handling and Storage: Environmental compliance includes the proper handling, storage, use, shipment and disposal of all materials that are regulated under any applicable environmental law. If any member of the University community has knowledge of a spill, release, or discharge of any material regulated under an applicable environmental law, that person must immediately report such event to his or her supervisor so that appropriate action may be taken as soon as practicable.

3. Action in the event of a spill or release: Necessary action in the event of a spill or other release or discharge of a hazardous or harmful material may include evacuation of employees, reporting such event to the proper governmental authority and containing and cleaning up the spill, release or discharge. Only individuals with proper training in containing and cleaning up hazardous materials should attempt to contain or clean up such a spill or release. Spills, releases or other discharges should be reported immediately to the Environmental Health and Safety Office at 322-2057.

G. Non-Discrimination:

1. General: Vanderbilt does not discriminate on the basis of race, color, religion, sex, national origin, age, disability, sexual orientation, or military services in administration of its educational policies, programs or activities; its admission policies; scholarship and loan programs; athletic or other institution-administered programs; or employment.

2. Opportunity Development Center: The Opportunity Development Center has responsibility for monitoring Vanderbilt's Affirmative Action Plan and assisting with the application and interpretation of laws that impose special obligations on Vanderbilt. The Opportunity Development Center also assists with compliance with the Americans with Disabilities Act and with providing accommodation to students, faculty and staff. The Opportunity Development Center receives complaints regarding unlawful discrimination within the University community and, where possible, assists in resolution of those complaints. Any member of the University community who experiences harassment or inappropriate discrimination should immediately seek assistance through the Opportunity Development Center by calling 322-4705. Vanderbilt prohibits retaliation against persons who utilize the Opportunity Development Center in good faith to voice complaints of harassing or discriminatory conduct.

I. Research Compliance:

1. Human and Animal Research Subjects: Research involving human or animal research subjects is subject to specific regulations. The Institutional Review Board reviews research involving human subjects research, and the Institutional Animal Care and Use Committee oversees research involving animal subjects.

2. Research Finances: All members of the University community engaged in research activities are responsible for following all applicable regulations pertaining to accurate reporting and appropriate expenditure of grant funds. Research budgets and financial reports must be prepared and submitted accurately and in accordance with (1) generally accepted accounting principles; (2) OMB Circular A-21; and/or (3) the terms set forth in an industry-sponsored or government grant or contract, whichever is applicable, in addition to all applicable statutes and regulations. Financial conflicts of interest must be reported in accordance with the provisions of the *Faculty Manual*.

3. Scientific Integrity: Each member of the University community has a responsibility to foster an environment which promotes intellectual honesty and integrity, and which does not tolerate fabrication, falsification, plagiarism, or other misconduct in any aspect of research or scholarly endeavor. Vanderbilt receives federal funds and grants to conduct scientific research and must, therefore, comply with the federal regulations imposed upon the recipients of those funds. These regulations generally

prohibit "misconduct in science," which includes intentional fabrication, falsification, or plagiarism in proposing, conducting, or reporting research. These so-called "misconduct regulations" are designed to prevent dishonesty and fraud in federally-funded research programs. Vanderbilt is committed to complying with the regulations and avoiding any practice that may be interpreted as misconduct. Refer to the *Faculty Manual* for policies and procedures relating to misconduct in research. Staff members in the laboratory, medical staff and administration, and any department receiving federal funds to conduct research are expected to be vigilant in identifying violations of these regulations and reporting them in accordance with the provisions of the *Faculty Manual*.

4. Penalties: Violation of these federal regulations could result in Vanderbilt's and/or the scientist's exclusion from eligibility for federal grants and contracts, generally up to three years. Federal law also provides criminal sanctions for making false written or oral statements to the Office of Research Integrity during the course of an investigation.

5. Questions: Questions concerning research contracts and grants should be directed to the Medical Center Office of Research, the Division of Sponsored Research for University Central, the Office of Contract and Grant Accounting, or the Department of Finance.

APPENDIX II: SPECIFIC COMPLIANCE AREAS – MEDICAL CENTER

A. Billing Practices:

1. General Policy: Billing for VUMC services must be truthful, accurate and in conformance with all applicable legal and contractual requirements. Claims may be submitted only for services that have been properly ordered and actually provided. VUMC will maintain complete and accurate records that document medical necessity for all claims submitted to federally funded health care programs and to other payors pursuant to contracts with those payors.

2. Responsibility to Report Inappropriate Billing: All VUMC personnel involved in billing, coding and reimbursement activities are expected to understand and comply with applicable billing rules and established coding guidelines. If you suspect any inappropriate billing or documentation practices, you must report such practices to your supervisor and/or call the Compliance Office or the Compliance Helpline. Examples of inappropriate claims and practices that must be reported are:

- Billing for items or services not rendered or not provided as claimed
- Filing duplicate claims
- Billing for non-covered services as if they were covered
- Knowingly misusing provider identification numbers (i.e., improper billing)
- “Upcoding” to more complex procedures
- Failure to properly use coding modifiers
- Outpatient services rendered in connection with inpatient stays
- Unbundling
- Billing for discharge in lieu of transfer
- Failure to refund credit balances
- Including inappropriate/inaccurate costs on cost reports
- Falsely indicating that a health care professional attended a procedure
- Billing for length of stay beyond what is medically necessary
- Billing for items or services that are not medically necessary

3. Outside Consultants: Outside consultants only advise Vanderbilt. Responsibility for the final decisions regarding billing and other compliance matters rests with Vanderbilt.

4. Submitting Claims for other Entities: VUMC is committed to carefully follow Medicare rules regarding assignment and reassignment of billing rights. Questions regarding whether VUMC may bill on behalf of a physician or on its own behalf should be directed to the VUMC Compliance Office. VUMC staff members should not submit claims for other entities or claims prepared by other entities unless such

arrangement has been approved by both the head of the department and the Compliance Officer. Special care should be taken in reviewing these claims, and VUMC personnel should request documentation from outside entities if necessary to verify the accuracy of the claims.

Penalties for filing false claims can be severe – exclusion from participation in the Medicare, Medicaid and other government programs, criminal fines of up to \$25,000 per claim, and imprisonment for up to ten years!

B. Confidentiality of Patient Information:

1. **Respect for Patient Information:** VUMC physicians and staff must use and disclose sensitive, privileged and confidential information about patients in order to properly care for those patients. VUMC is committed to providing excellent health care to each of its patients, which includes affording the proper respect for the confidentiality and integrity of patient information. Specific information about the confidentiality of patient information can be found at VUMC's Privacy website referenced below, but in general, members of the VUMC workforce are expected to use and disclose patient information only as necessary to care for the patient, and are not to discuss any information about patients with anyone other than other health care providers involved in the patient's care.

2. **HIPAA Compliance:** VUMC has a Program for compliance with the Health Insurance Portability and Accountability Act ("HIPAA"). VUMC has a Privacy Officer, who reports to the Associate Vice Chancellor, Clinical Affairs and is responsible for compliance with the privacy rules under HIPAA. For more information about privacy compliance, go to the Privacy Website at:
<http://www.mc.vanderbilt.edu/root/vumc.php?site=HIPAA>

3. **Medical Records:** Medical records created at VUMC are the property of VUMC. Everyone who has contact with medical records is responsible for protecting the confidentiality and integrity of these records. Medical records, including electronic and paper records, should never be removed from VUMC, altered or destroyed. The patient or patient's legal representative has a right to a copy of the patient's medical record. However, a patient or patient representative is not entitled to obtain patient medical records without submitting a written request through the Medical Information Services Department. Limited patient information may also be obtained by eligible individuals who subscribe to the MyHealthAtVanderbilt electronic patient portal. Medical records may not be released to parties outside VUMC unless the release is authorized by the patient, or by appropriate legal process. The Medical Records Department is experienced in handling such requests and should be consulted regarding questions about release of medical records.

C. Controlled Substances:

1. Pharmacy Operations: VUMC, through its pharmacy, is registered to purchase, acquire, compound and dispense narcotics and other controlled substances. Improper use of these substances is illegal and extremely dangerous. It is VUMC policy to comply with all federal and state laws and regulations governing the manufacture, possession, distribution and use of controlled substances.

2. DEA Registration: VUMC requires that all staff members and faculty-physicians who maintain DEA registration, comply with all federal and state laws regulating controlled substances. Access to controlled substances is limited to persons who are properly authorized and licensed. No health care professional may dispense controlled substances except in conformity with state and federal laws and the terms of the health care professional's license. Staff members are expected to carefully follow record-keeping procedures established by their departments and the Pharmacy Department. Any staff member who knows of unauthorized handling of controlled substances is to provide the information immediately to his or her supervisor or the Compliance Officer.

3. Drug-Free Workplace: In accordance with the University's Drug-Free Workplace policy, Vanderbilt and VUMC prohibit the unlawful manufacture, distribution, possession or use of a controlled substance by any staff member in the workplace or while a staff member is conducting University business off the University's premises. Any staff member violating this policy will be disciplined appropriately, up to and including discharge. Federal law may impose sentences of up to 20 years in prison and fines of up to \$1,000,000 for violation of criminal drug laws. If VUMC or its staff member is convicted under federal or state law of unlawfully manufacturing, distributing, prescribing, or dispensing a controlled substance, VUMC can be excluded from the Medicare, TennCare and Medicaid programs.

D. Discharge Planning and Ancillary Services:

Federal regulations under the Medicare program and Tennessee regulations administered by the Department of Public Health govern VUMC's discharge planning process. It is the policy of VUMC to abide by these regulations in every respect. The discharge of a patient to a residence or post-hospitalization provider is an important decision. VUMC develops and implements discharge plans with the patient's or patient's representative's consent, and in the best interest of the patient.

E. EMTALA:

1. Medical Screening Exam: Operation of emergency departments is an integral part of VUMC's service to the community under its charitable mission. The services of the emergency department are available to all sick or injured persons regardless of ability to pay. A central purpose of the EMTALA regulations is to ensure that patients with emergency medical conditions and women in labor are screened and stabilized and that patients are not transferred from an emergency room to another facility unless it is medically appropriate.

2. Do not delay to ask about payment: Prompt and effective delivery of emergency care may not be delayed in order to determine a patient's insurance or financial status. Each patient who presents at the emergency department receives an appropriate medical screening examination. Patients with emergency medical conditions and patients in active labor are cared for in VUMC's emergency department until their condition has stabilized. An emergency may include, but is not limited to, psychiatric disturbances, symptoms of substance abuse, or contractions experienced by pregnant women.

3. Patient Transfers –When Appropriate: A stabilized patient may be transferred to another provider that is qualified to care for the patient, has space available, and has agreed to accept the transfer. If a patient is not stabilized, transfers may only be made in limited circumstances, such as when the medical benefits reasonably expected from treatment at another medical facility outweigh the increased risks to the patient (and, if appropriate, the unborn child associated with the transfer). A physician must sign a certification stating that this is the case. No physician will be penalized for refusing to authorize the transfer of an individual with an emergency condition that has not been stabilized.

4. Patient Transfers – Qualified Personnel: Patient transfers must be performed by qualified personnel and transportation equipment. A copy of the patient's record, including complete records of the emergency department encounter and any other relevant records that are available, are sent to the receiving provider.

5. Reporting Violations: Any individual who believes that an emergency patient has been transferred improperly must report the incident to the VUMC Compliance Officer. No VUMC member will be penalized for reporting a suspected EMTALA violation, or any other violation in good faith. If a staff member of the VUMC community believes that an emergency patient has been transferred to VUMC improperly, the suspected violation must be immediately reported to the VUMC Compliance Officer. EMTALA requires that these violations be reported to proper authorities within seventy-two (72) hours of occurrence. If an on-call physician refuses or fails to appear within a reasonable time to provide necessary stabilizing treatment of

an emergency medical condition or active labor, the name and address of that on-call physician should be reported immediately to the VUMC Compliance Officer.

6. *On-Call Duty Roster*: In addition to VUMC's medical records, the emergency department will maintain an on-call duty roster and a log documenting each individual who comes to the emergency department seeking assistance. The log must document whether the patient refused treatment or was refused treatment, was transferred, was admitted and treated, was stabilized and transferred, or discharged. When a patient or a patient's legal representative requests a transfer or refuses a transfer, the informed consent or refusal must be documented in writing.

7. *Penalties for Non-Compliance*: Fines for EMTALA violations are up to \$50,000 for each occurrence. Both VUMC and the physician, including an on-call physician, who is responsible for the examination, treatment, or transfer of an emergency patient and who negligently violates the law may be fined up to \$50,000 for each violation. Repeated and or severe violations may result in exclusion of the physician and/or VUMC from participation in government programs such as the Medicare, TennCare and Medicaid programs.

F. Patient Referrals and Solicitation:

1. *Necessary referrals*: Patient referrals are important to the delivery of appropriate health care services. Patients are admitted, or referred, to VUMC by their physicians. Patients leaving VUMC may be referred to other facilities, such as skilled nursing or rehabilitation facilities. Patients may also need durable medical equipment, home care, pharmaceuticals, oxygen, and other services, and may be referred to qualified suppliers of these items and services. VUMC's policy is that patients, or their legal representatives, are free to select their health care providers and suppliers subject to the requirements of their health insurance plans. The choice of a health care provider, a diagnostic facility, or a supplier belongs to the patient. The patient's physician and other health care staff may provide the patient with a list of qualified providers of the services the patient needs, but must not steer the patient to other providers with whom the referring individual has a financial relationship.

2. *Gifts to referral sources*: It is illegal for VUMC or anyone acting on behalf of VUMC to provide gifts or other remuneration (referred to as a "kickback") in exchange for referrals of patients covered by Medicare, TennCare, Medicaid or other federal health care programs, such as, CHAMPUS and the Railroad Retirement Board. It is also illegal to accept a kickback in return for purchasing, leasing, ordering, or recommending the purchase, lease, or ordering of any goods, facilities, services, or items reimbursable under the Medicare, TennCare or Medicaid programs. It is against VUMC policy for any person acting on behalf of VUMC to accept or pay a kickback.

3. Patient Solicitation: VUMC personnel may not solicit TennCare enrollees, or enrollees in other government programs by directly offering the enrollees gifts or other goods and services (free or otherwise) for the opportunity of providing them with services reimbursable by a government program. In general, patient deductibles and copayments must be collected in accordance with VUMC policy and may not be waived without review by a financial counselor and administrative approval.

4. Ask your supervisor or the VUMC Compliance Officer: Whenever a staff member or a professional is not sure whether a payment, discount or gift constitutes remuneration that is prohibited by this policy, the remuneration (or offer of remuneration) must be reported promptly to his or her supervisor. The staff member or professional may also report to the VUMC Compliance Officer at 343-7266, or call the VUMC Compliance Help Line at 343-0135.

G. Financial Relationships under the Stark Law:

1. Stark Violations: Physicians and other health care providers may have financial relationships with VUMC or its affiliates. These relationships may include compensation for administrative or management services, income guarantees, loans of certain types, or free or subsidized administrative services. In some cases, a physician may have invested as a part-owner in a piece of diagnostic equipment or a health care facility. A federal law known as the "Stark law" applies to any physician who has, or whose immediate family member has, a "financial relationship" with an entity such as VUMC, and prohibits referrals by that physician to VUMC for the provision of certain designated health services that are reimbursed by Medicare, TennCare and Medicaid.

2. Financial relationships must pass legal review: If a financial relationship exists, referrals are prohibited unless a specific exception is met. VUMC requires that each financial relationship with a referring physician or his or her family member fit within one of the exceptions to the Stark law. Under the University's conflict of interest policy, set forth in the *Faculty Manual*, each faculty member is responsible for reporting to his or her dean and department chair any potential conflicts of interest, including financial relationships that may affect the faculty member's duties to the University. Responsibility for evaluating financial relationships with physicians lies with the Vice Chancellor for Health Affairs, the department chair and the VUMC Compliance Officer, in consultation with legal counsel.

3. Penalties: Penalties for violating the Stark law include (i) no Medicare, TennCare or Medicaid payment for the service referred illegally; (ii) a refund to the beneficiary of any amounts collected; (iii) fines of up to \$15,000 levied on both the physician and the entity for each service referred illegally, plus additional fines based on the amounts billed; (iv) civil monetary penalties of up to \$100,000, plus other

assessments for arrangements designed to circumvent the Stark rules; and (v) exclusion from the Medicare, TennCare and Medicaid programs.

H. Research Grants and Contracts:

1. Research Finances: Research budgets and financial reports must be prepared and submitted accurately and in accordance with (1) generally accepted accounting principles; (2) OMB Circular A-21; and/or (3) the terms set forth in an industry-sponsored or government grant or contract, whichever is applicable, in addition to all applicable statutes and regulations. Proposals must be approved by the Office of Grant and Contracts. Financial reports must be approved by Finance. Charges for patient services rendered in connection with clinical research must be accurately billed to the appropriate payer in compliance with all applicable law and regulations and contractual obligations. Financial conflicts of interest must be reported in accordance with the provisions of the *Faculty Manual*. Grant and contract payments should be directed to Vanderbilt thru the lock-box except for the federal letter of credit. Regulatory and procedural guidance may be found on the Finance Department website at <http://finweb.mc.vanderbilt.edu/> and on the Office of Research website at <http://www.vanderbilt.edu/oor/>

2. Scientific Integrity: VUMC receives federal funds and grants to conduct scientific research and must, therefore, comply with the federal regulations imposed upon the recipients of those funds. These regulations generally prohibit "misconduct in science," which includes intentional fabrication, falsification, or plagiarism in proposing, conducting, or reporting research. These so-called "misconduct regulations" are designed to prevent dishonesty and fraud in federally-funded research programs. VUMC is committed to complying with the regulations and avoiding any practice that may be interpreted as misconduct. Refer to the *Faculty Manual* for policies and procedures relating to misconduct in research. Staff members in the laboratory, medical staff and administration, and any department receiving federal funds to conduct research are expected to be vigilant in identifying violations of these regulations and reporting them in accordance with the provisions of the *Faculty Manual*.

3. Penalties: Violation of these federal regulations could result in VUMC's and/or the scientist's exclusion from eligibility for federal grants and contracts, generally up to three years. Federal law also provides criminal sanctions for making false written or oral statements to the Office of Research Integrity during the course of an investigation