



Compliance Program Description

Approval by the Providence Audit and Compliance Board
Committee

Overview

NOTE: The web version of the Compliance Program Description includes internal links that will not function for external parties.

June 5, 2024

Table of Contents

Overview	3
<i>Voluntary Compliance Programs</i>	3
<i>Providence Compliance Program</i>	3
<i>The Program in Action</i>	5
<i>Who We Are</i>	6
<i>Our Mission, Values, Vision, and Promise</i>	6
<i>Compliance Program Description Document Layout</i>	7
Commitment to Compliance	8
<i>Resolution to affirm the Providence St. Joseph Health compliance program</i>	8
Conclusion	10
<i>Key Policies and Foundational Materials</i>	10

[Remainder of Page Left Intentionally Blank]

Overview

Voluntary Compliance Programs

The Office of Inspector General (OIG) of the Department of Health and Human Services (HHS) promotes the voluntary development and implementation of compliance programs for the health care industry. To that end the OIG has developed a series of [voluntary compliance program guidance documents](#) directed at various segments of the health care industry to encourage the development and use of internal controls to monitor adherence to applicable statutes, regulations, and program requirements.

The adoption and implementation of voluntary compliance programs significantly advance the prevention of fraud, abuse, and waste in these health care settings while at the same time furthering the fundamental mission of the health care industry, which is to provide quality care to patients.

The OIG has identified specific elements that health care industry participants should consider when developing and implementing an effective compliance program. The OIG believes that every effective compliance program must begin with a formal commitment by the organization's governing body to include all of the applicable elements listed below. These elements are based on the seven steps of the Federal Sentencing Guidelines.

The OIG's seven elements are as follows:

1. Implementing written policies, procedures, and standards of conduct
2. Designating a compliance officer and compliance committee
3. Conducting effective training and education
4. Developing effective lines of communication
5. Conducting internal monitoring and auditing
6. Enforcing standards of conduct through well-publicized disciplinary guidelines
7. Responding promptly to identified offenses and undertake corrective action

These elements are meant to be a starting point to rely upon when designing an effective compliance program. An effective compliance program will utilize these elements and expand upon them to protect patients, caregivers, and our ministries from liability.

A successful compliance program addresses the public and private sectors' mutual goals of reducing fraud and abuse; enhancing health care providers' operations; improving the quality of health care services; and reducing the overall cost of health care services. Attaining these goals benefits the health care industry, the government, and patients alike. Compliance programs help health care organizations fulfill their legal duty to refrain from submitting false or inaccurate claims or cost information to the Federal health care programs or engaging in other illegal practices.

Providence Compliance Program

An essential way that Providence keeps its promise and meets its mission is through a strong compliance program. The Providence Compliance Program (the "Program") applies to Providence St. Joseph Health and its Affiliates (collectively known as "PSJH") and their workforce members (caregivers, volunteers, trainees, interns, apprentices, students), independent contractors, vendors and all other individuals working at the ministry, whether they are paid by or under the direct control of the facility); employees of affiliated organizations (collectively, "workforce members"); members of the PSJH System Board; Community Boards; and Foundation Boards. The Providence Compliance Program also applies to our health plans that, because of the unique requirements of Medicare Advantage/Part C and Medicare Part D, have established additional focused compliance programs addressing those requirements.

Additionally, the Providence Compliance Plan extends to the oversight of downstream contractors, vendors, and subcontractors as applicable.

Healthcare compliance is complex and everchanging. Our commitment remains/is to “do the right thing right” as the organization and healthcare landscape evolve. Consequently, the terms *integrity* and *compliance* are used frequently when describing the Program. *Integrity* refers to conduct that meets our ethical and organizational standards regardless of whether a law requires such conduct. To act with integrity is to engage in conduct that aligns with our standards, values, and expectations. *Compliance* means acting in accordance with applicable laws, regulations, policies, procedures, and other explicit standards.

The Program supports our workforce members in fulfilling their legal, professional, and ethical obligations. Ongoing guidance from the United States Department of Health and Human Services (HHS) Office of the Inspector General (OIG) publications (e.g., *Compliance Program Guidance for Hospitals*, *Compliance Program Guidance for Laboratories*, *Compliance Program Guidance for Nursing Facilities*, etc.), and other state and federal laws and regulations are incorporated into the Program. In addition, the Program is guided by the recommendations of the United States Sentencing Commission’s Federal Sentencing Guidelines, the Deficit Reduction Act of 2005, the Affordable Care Act, and the Foreign Corrupt Practices Act, among other standards and guidelines.

The Program provides support to our health care, insurance, and educational operations through a collaborative partnership with those we serve. The Program is intended to provide added assurance that our organization:

- Complies in all material respects with international, federal, state, and local laws, policies, and procedures that are applicable to its operations;
- Satisfies conditions of participation in health care programs funded by state and federal governments, the terms of its contractual arrangements, and applicable requirements and waivers associated with the Centers for Medicare and Medicaid Services’ (CMS) models;
- Detects and deters criminal conduct or other forms of misconduct by our workforce members and/or agents who work on our behalf;
- Promotes self-monitoring and provides for, in appropriate circumstances, voluntary disclosure of violation of law and regulation;
- Establishes monitoring and auditing to assure that there is an active detection mechanism in place to dynamically review the risks and behaviors of the organization;
- Maintains a disclosure mechanism (through a toll-free Integrity Hotline at 888-294-8455) for reporting integrity, compliance, or legal concerns;
- Reviews, investigates, and acts on allegations of violations and misconduct, and;
- Supports the mission, values, and vision of Providence.

The Program works from leadership’s “tone at the top” to information and questions gleaned from the bedside. The Providence Board of Trustees (the “Board”) and Chief Executive Officer (CEO) embrace their ownership and responsibility for maintaining compliance within the organization. The Program is designed and operated accordingly.

The Program works with front-line caregivers who receive timely, accurate, regular compliance education and are empowered to detect and report compliance issues. All Providence workforce members are responsible along with Providence leadership to own and be responsible for compliance, day-to-day management, and oversight of, the Program has been delegated by the Board to the Compliance Department.

The Compliance Program scope spans the entire Providence family of not-for-profit organizations. Providence's family of organizations includes a highly complex operating and governance matrix which has evolved from multiple generations of mergers, acquisitions, affiliations, and organic growth.

Providence continues to work toward a high-level of operational integration. The organizational structure of Compliance reflects this level of integration. Each operational region/division within Providence has a dedicated compliance team serving in the ministries, and these regional teams coordinate with several organization-wide compliance subject matter experts covering topics such as: privacy, research, laboratory, physician arrangements, revenue cycle, pharmacy, and other compliance domains. Compliance's structure has evolved and will continue to evolve to meet the needs of Providence.

The Program in Action

The Providence Compliance Program is an internal system employed by the health system that is designed to:

- identify and reduce the risk of the organization;
- remedy any breach that may occur; and
- create a culture of compliance within the organization.

The Program is designed around the size and risk profile of the organization, different components are needed to be included in the compliance program to ensure that it is effective in achieving compliance at all levels of operations for the various lines of business conducted by the Providence family of organizations.

The Program is part of Providence's risk-based decision-making strategic model to use consistent, data-informed approaches to enable the organization to make smarter, system-level, risk-based decisions. It is the overarching guidance for implementing an engaged, solution-oriented, outcome-based approach to reduce risk in a rapidly changing industry.

Risk-based decision making is about looking at data to learn where there might be risks and potential for problems and how to address them before an accident or incident might happen. Therefore, the Program encourages a more proactive approach with our hospitals, clinics, senior and community services and other lines of business to disclose and develop measures that identify safety risks, prevent deviations, and ensure corrective actions are taken when deviations exist. At the same time, the Compliance Program is evolving its internal processes to a risk-based model that better targets our energy and resources.

Compliance takes a practical approach to applying the OIG's seven elements. The Providence Compliance Program is built around the OIG elements and includes an on-going risk assessment process to ensure that Providence maintains a high level of compliance across all operational and functional divisions. The Program promotes a culture of compliance by:

- Making compliance plans a priority
- Knowing applicable fraud and abuse risk areas
- Managing financial relationships with physicians and other health care professionals
- Learning from the questionable behavior of our competitors
- Asking for help when in doubt

Experience teaches us how these elements might or might not work in an imperfect world. More importantly, experience prepares us to seek other inputs and different kinds of solutions when the imperfections of the real world come to light. Real world experience teaches us how to deal with the difference between compliance theory and practice. When experience is theoretical and not practical, mistakes are unavoidable and on-the-job fixes are all that is left. As compliance professionals we realize

there is a balance between concepts and practices.

Compliance professionals are encouraged to develop a philosophy of life-long learning, seeking to understand an array of theories and have the willingness to apply them in practice. Compliance leadership understands that in many instances assumptions are made to explain compliance issues and concerns whereas in real life, there are no assumptions and conditions are always unique.

Compliance professionals are also encouraged to read and understand the to the greatest degree possible and seek to apply compliance theories in practice. All the while realizing there is no better education than on the job training. If our compliance professionals do not have an answer, they are encouraged to research the topic and ask questions to gain a deeper understanding of the compliance area. As the world changes, theories and practices change; Compliance is structured to be adaptable.

Who We Are

As a comprehensive health care organization, Providence is continuing our 165+ year history and serving more people, advancing best practices, and continuing our tradition of serving the poor and vulnerable. Delivering services across seven states, Providence is committed to touching millions of lives and enhancing the health of the American West to transform care for the next generation and beyond.

At Providence, we use our voice to advocate for vulnerable populations and needed health care reforms. We are also pursuing innovative ways to transform health care by keeping people healthy and making our services more convenient, accessible, and affordable for all. In an increasingly uncertain world, we are committed to high-quality, compassionate health care for everyone – regardless of insurance coverage or ability to pay. We help people and communities’ benefit from the best health care model for the future – today.

Together, our 120,000 employed caregivers serve in 52 hospitals, 1,085 clinics, 2 educational institutions, and deliver a comprehensive range of health and social services across Alaska, California, Montana, New Mexico, Oregon, Texas, and Washington.

In 1856, Mother Joseph and four Sisters of Providence established hospitals, schools, and orphanages across the Northwest. Over the years, other Catholic sisters transferred sponsorship of their ministries to Providence, including the Little Company of Mary, Dominicans, and Charity of Leavenworth. Recently, Swedish Health Services, Kadlec Regional Medical Center, and Pacific Medical Centers have joined Providence as secular partners with a common commitment to serving all members of the community.

In 2016, St. Joseph Health joined the Providence family of organizations. The St. Joseph Health System established many key partnerships, including the transfer of sponsorship of St. Mary Medical Center in California from the Brothers of St. John of God and a joining of Lubbock Methodist Hospital System and St. Mary of the Plains Hospital to form Covenant Health in Lubbock, Texas. Shortly after Providence St. Joseph Health (PSJH) became the legal name for our family of organizations.

In 2020, after careful deliberation, the Providence sponsors and board unanimously agreed to unify our Catholic ministries around a common brand: the St. Joseph cross and the Providence name. Our brand is more than a logo and a name. It is rooted in our legacy and heritage. It reflects who we are.

Our Mission, Values, Vision, and Promise

The Providence mission, values, vision, and promise have transformed over time to be inclusive of the religious organizations and health systems coming together. Together they drive the work we do at Providence.

Our Mission

As expressions of God’s healing love, witnessed through the ministry of Jesus, we are

steadfast in serving all, especially those who are poor and vulnerable.

Our Values

Compassion, Dignity, Justice, Excellence, and Integrity

Our Vision

Health for a better world.

Our Promise

“Know me, care for me, ease my way.”

In meeting our mission, Providence is dedicated to maintaining excellence and integrity in our operations and professional business conduct. Providence promotes an organizational culture that supports ethical conduct and a commitment to compliance with all governing laws and regulations – not only in the delivery of our healthcare, insurance, and education services, but also in our interactions with our workforce members, physicians, faculty, agents, payers, and the communities in which we operate.

Compliance Program Description Document Layout

The Providence Compliance Program is structured around the fundamental principles of an effective compliance program presented in the Office of Inspector General (OIG) of the Department of Health and Human Services (the Department) published series of [Supplemental Compliance Program Guidance’s \(CPGs\)](#) for the health care industry.

The program description documents the organization’s Compliance Program in the form of “books” based in part on the OIG’s seven compliance program elements. Given its length; there is a total of eight books. Each book is a stand-alone resource pertaining to a domain or “pillar” of the Providence compliance function. The Compliance Program Office maintains the covered content in both electronic and printed form for ease of use. All content will be retained per the Providence Records Retention and Disposal policy and shall be made available for inspection as requested (to appropriate parties).

[Remainder of Page Left Intentionally Blank]

Commitment to Compliance

Resolution to affirm the Providence St. Joseph Health compliance program

Annually, the Board of Directors for Providence St. Joseph Health and its affiliated entities adopt, approve, and re-affirm the structure of the Providence St. Joseph Health Compliance Program. Senior Management, including, CEO Rod Hochman strongly endorses and recommends that Providence St. Joseph Health has a robust ethics and compliance program.

Providence St. Joseph Health and its affiliated entities have established a systemwide program of corporate compliance and established the position of Chief Compliance Officer.

Voluntary adoption of such a program is considered a best business practice that will serve to enhance the public trust and meet the expectations of the Board and external stakeholders by demonstrating the Board's commitment to good stewardship of federal, state, and private resources.

The Chief Compliance Officer and caregivers in Compliance are primarily responsible to assure that (1) ministry responsibilities are executed related to compliance matters and to assess and monitor that ministry compliance systems and controls are effective and (2) the structure for an effective Compliance Program for Providence St. Joseph Health has been established and implemented.

Compliance is authorized and directed to take or cause to be taken any and all such actions deemed necessary or appropriate to effectuate the following:

- A strong compliance program that supports and is integral to the mission, values, and vision of Providence St. Joseph Health;
- The compliance program infrastructure includes a broad cross-section of stakeholders from all ministries, regional locations, and specific risk areas; and
- Performance metrics to assess and evaluate identified risks and the operation of related compliance systems to ensure rules, regulations, Providence St. Joseph Health policies and other compliance requirements are met.

The compliance program, in partnership with the ministries, has implemented an effective compliance program that includes, but is not limited to, the following requisite elements:

1. Written standards of conduct as well as appropriate policies and procedures;
2. Program oversight guided by the Board's Audit and Compliance Committee and the Chief Compliance Officer with the primary management responsibility for the system's compliance program delegated to the Chief Compliance Officer, as appropriate;
3. Development and implementation of regular, effective education and training programs, as well as mandated education such as sexual harassment prevention, cybersecurity, conflicts of interest, ethics and compliance, and other areas of concern;
4. Effective communication and processes maintained for reporting of potential and/or perceived compliance issues or improper governmental activities with timely responses while allowing the complainant to remain anonymous and free from retaliation;
5. Development and maintenance of compliance systems and controls that can be objectively assessed monitored and audited for effectiveness;

6. Assurance that management is enforcing appropriate disciplinary action for those who have violated Providence St. Joseph Health policies, procedures, or applicable legal requirements;
and
7. Assurance that management is taking appropriate corrective action and remedial measures when problems are identified to resolve and prevent reoccurrence of those issues.

[Remainder of Page Left Intentionally Blank]

Conclusion

An effective compliance program fosters a culture of integrity and compliance that begins at the highest levels and extends throughout the organization. Evidence of that commitment includes active involvement of the organization's leadership, allocation of adequate resources, a reasonable timetable for implementation of the compliance measures, and the identification of a compliance officer and compliance committee vested with sufficient autonomy, authority, and accountability to implement and enforce appropriate compliance measures. Providence leadership fosters an organizational culture that values the prevention, detection, and resolution of problems. Providence endeavors to develop a culture that values compliance from the top down and fosters compliance from the bottom up.

This description of the Providence Compliance Program is a statement of the organization's commitment to excellence in all that it does and to maintaining an effective compliance program. Compliance Program leadership realizes that the legal and regulatory environment in which healthcare operates changes quickly. For this reason, we periodically review, revise, and update our Providence Compliance Program to provide reasonable assurance that it continues to meet the expectations of all our healthcare partners, including federal and state government, regulatory agencies, providers, and the communities we serve.

From the top down and from the bedside up the Providence Compliance Program is strong. Each team is staffed with compliance professionals who are highly qualified and well resourced. The Program's senior leaders are well embedded in operations and thus appropriately "at the table."

The Providence system has and likely will continue to grow in size and scope and evolve organizationally, and the Program has and will likewise grow and evolve.

The Program is not yet optimized, and when gaps or deficiencies are found they are addressed in a timely and transparent way. Government partnership will facilitate more full and more rapid optimization of the Program, bringing closer the realization of the credo, ***"As Providence evolves, our mission of doing the right thing right never changes."***

Key Policies and Foundational Materials

The Program has established organization-wide policies, charters, and guidance to define and support the on-going effectiveness of the Compliance Program for Providence.

The Providence-wide policies are posted on the [PolicyStat®](#) platform available to all members of the workforce organization-wide. For the most up-to-date version of the policy, please refer to the version posted on [PolicyStat®](#).

Policies and supporting materials directly applicable to this overview are listed in the Appendices for internal members of the workforce.

Additionally, Compliance, the Department of Legal Affairs, and other appropriate departments provide supplementary compliance guidance on legal and regulatory compliance through publication of periodic regulatory memoranda and guidelines.

Key Policies and Foundational Materials Related to this Overview

- [PSJH-CPP-700](#) Compliance Program Policy
- Board Resolution to Affirm the Compliance Program