



Compliance and Ethics Program

Reviewed February 2018

Inova

COMPLIANCE AND ETHICS PROGRAM INTRODUCTION

Inova, including its corporate subsidiaries and affiliates, is committed to an organizational culture that encourages ethical conduct and to conducting business with honesty, integrity and in accordance with all applicable federal, state and local laws. It is Inova's longstanding policy to seek to prevent and detect unethical and unlawful behavior, to stop such behavior as soon as reasonably possible, and to discipline individuals involved in impermissible behavior. Inova may change its policies and procedures and/or impose disciplinary sanctions, if necessary, to prevent further violations. It is imperative that all members of Inova's Board of Trustees, senior management, employees, and hospital-based physicians and contractors¹ who provide patient care, technical support, perform billing or coding services or engage in any other business transactions on behalf of Inova:

- (a) act, at all times, in accordance with the highest ethical standards;
- (b) comply with the standards contained in this Compliance and Ethics Program (the Program), the Code of Conduct (the Code), and related policies;
- (c) seek guidance any time the standards or rules of conduct seem unclear;
- (d) immediately report any potential violation of the Program, the Code or related policies to management, Inova's Chief Compliance Officer (**703-205-2337**) or Inova's Compliance and Ethics Hotline (**1-888-800-4030**); and
- (e) help Inova personnel and authorized outside personnel investigate alleged violations.

The foregoing obligations also apply to physicians and advanced practice providers (referred to as "Medical Staff") when practicing in an Inova hospital or other facility or when conducting business on behalf of Inova. *This Program is not intended to govern the private practice of physicians and advanced practice providers.*

To reinforce these commitments, the Inova Board of Trustees has instituted Inova's Compliance and Ethics Program, the Code, and other related policies. This Program sets forth in general terms how Inova will implement and monitor the Code and related policies, and applies to all of Inova's Board of Trustees, senior management, employees, non-employed contract directors, hospital-based physicians, contractors and the Medical Staff. The Program is intended to be read in conjunction with existing Inova policies and procedures (for example, those that may exist within individual Inova subsidiaries, facilities and departments). In the event that there is an existing policy that is more specific than the Program, the Program is intended to complement the existing policy. In the event that the Program conflicts with an existing Inova policy, Inova will examine the existing policy and take action, if necessary, to reconcile the inconsistency.

Inova's Compliance and Ethics Program is intended to be a "program that has been reasonably designed, implemented, and enforced so that it generally will be effective in preventing and detecting criminal conduct" as contemplated by the Federal Sentencing Guidelines for Organizations (Sentencing Guidelines). The Program includes the following Sentencing Guidelines elements:

- (a) Compliance standards of conduct and procedures to be followed by trustees, employees, contractors, and the Medical Staff in order to reduce the prospect of criminal conduct;
- (b) Assignment of overall responsibility to oversee compliance for individuals with high-level responsibility in the organization;
- (c) Policies and procedures designed to prevent the delegation of substantial discretionary authority to individuals who have a propensity to engage in illegal activities,

¹ When "contractor" is used in this Program, it includes subcontractors and other agents working on behalf of Inova.

- (d) Procedures for effectively communicating policies and procedures broadly to trustees, employees, contractors, and the Medical Staff through publication and dissemination of the Program and the Code, and through participation in training programs;
- (e) Systems designed to detect criminal conduct by Inova trustees, employees, contractors, and the Medical Staff, including reporting systems through which individuals can report criminal conduct within the organization without fear of retribution;
- (f) Appropriate disciplinary mechanisms;
- (g) Procedures to ensure an appropriate and timely response to detected violations and procedures to prevent further offenses, including modification of the Compliance and Ethics Program, when necessary.

Inova's Board of Trustees, senior management, department directors, managers, supervisors, contractors, and the Medical Staff are responsible for establishing an ethical culture and ensuring compliance with the Code, the Program, and other Inova policies. All such personnel are expected to set an example for all Inova employees by always adhering to the highest ethical standards, complying with the Code, the Program, and related policies. All such personnel are responsible for (i) ensuring that the individuals they supervise know where to access the Code, the Program, and related policies, (ii) using their best efforts to ensure that they comply with the Code, the Program and related policies, and (iii) maintaining an organizational culture where individuals feel free to raise questions and concerns. Further, department directors, managers and supervisors are responsible for immediately reporting any potential violations of applicable laws and regulations, the Code, the Program, or related policies to the Inova Chief Compliance Officer.

To support these duties, the Program sets out procedures for the early detection and reporting of violations. Individuals will not be penalized in any way for reporting, in good faith, potential or suspected violations of the Program, the Code, or applicable laws or regulations. Reporting "in good faith" means individuals will report instances when they believe there has been a violation or when there is the potential or likelihood that a violation will occur. Individuals will not make frivolous or false reports, nor will they use the various reporting mechanisms for any sort of retaliation against another individual. Adherence to the Compliance and Ethics Program, the Code, and applicable policies and procedures will be an element in evaluating all employees and contractors of Inova, and will be considered in the Medical Staff appointment, reappointment and disciplinary processes in accordance with applicable Medical Staff bylaws, rules and regulations, and policies.

I. COMPLIANCE MONITORING RESPONSIBILITIES

A. Compliance Officer

Inova has appointed a Chief Compliance Officer to oversee Inova's Compliance and Ethics Program and monitor compliance with all applicable laws, this Program, the Code, and all related Inova policies and procedures. The Chief Compliance Officer is responsible for coordinating the periodic review and modification, if necessary, of the Compliance and Ethics Program, the Code and related policies. The Chief Compliance Officer reports administratively to Inova's General Counsel. The Chief Compliance Officer ensures that the Board of Trustees through the Audit and Compliance Committee of the Board of Trustees is knowledgeable about the purpose and content of Inova's Compliance and Ethics Program. The Chief Compliance Officer furnishes the Audit and Compliance Committee with regular reports regarding the operation of this Program. The Chair of the Audit and Compliance Committee periodically updates the Board of Trustees regarding the operations of the Compliance and Ethics Program. The Chief Compliance Officer also has direct access to Inova's Chief Executive Officer, President, and Chief Operating Officer, as well as to the Audit and Compliance Committee and Inova's Board of Trustees when he or she determines, with reasonable discretion, that such direct reporting is required to address specific issues or matters. The Chief Compliance Officer may delegate certain compliance duties to other Inova personnel, including, for example, compliance directors in specific Inova subsidiaries, affiliates and operating units. All compliance activities must be coordinated by and through the Chief Compliance Officer.

The designation of a Chief Compliance Officer in no way diminishes the responsibility of trustees, employees, contractors, and the Medical Staff to comply with all policies and procedures. Nor does it diminish the responsibility of senior management, every department director, manager and supervisor to ensure that the employees for whom he or she is responsible comply with the Code, the Program and related policies.

B. Audit and Compliance Committee

Inova's Board of Trustees has charged the Audit and Compliance Committee with evaluating and acting upon matters that may be brought to its attention, including possible violations of law and/or Inova policy. The Audit and Compliance Committee generally meets at least four times a year.

C. Dissemination of Information

A critical aspect of Inova's Compliance and Ethics Program is the effective communication of the contents of the Program, the Code and related Inova policies. All current trustees, employees, contractors, and the Medical Staff will have access to the Program, the Code, and related policies through the Compliance Department page on Inova Net. New employees will receive information about the Code, the Program and related policies during their orientation. The Medical Staff will receive information on accessing the Code with their application or reapplication for Medical Staff membership and/or clinical privileges. The Chief Compliance Officer will establish procedures to ensure that employees and contractors are familiar with the Compliance and Ethics Program, and the Code, and that executives, directors, managers and supervisors use their best efforts to ensure that employees under their supervision read, understand and comply with the Program, the Code, and related Inova policies.

D. Training Programs

The Chief Compliance Officer is responsible for ensuring that mechanisms are established for training employees, contractors, and members of the workforce on how to comply with the Program, the Code and related Inova policies. Training shall include the following:

1. Employees, including all new employees, will receive information about the Program, the Code and related Inova policies and where they can be accessed.
2. Each executive, director, manager and supervisor is responsible for ensuring that employees under his or her supervision receive training in the Program, the Code, related Inova policies, and applicable laws and regulations, on at least an annual basis.

The Chief Compliance Officer will assist in the preparation and presentation of these training seminars and will document attendance at training sessions.

E. Reporting

Inova believes that every trustee, employee, contractor and the Medical Staff have a responsibility to report any suspected or potential violation of applicable laws or regulations, the Program, the Code, or related Inova policies to management or the Chief Compliance Officer. Individuals will not be punished in any way for reporting, in good faith, a suspected violation of applicable laws or regulations, the Program, the Code or related Inova policy. Inova is committed to establishing an environment that encourages individuals to seek and receive prompt guidance before engaging in conduct that may violate the Program, the Code or related Inova policies. To achieve this, the Chief Compliance Officer must ensure that the following practices and procedures are implemented and publicized in writing to all trustees, employees, contractors, and the Medical Staff. Trustees, employees, contractors, and the Medical Staff:

1. Consult with management about any questions regarding the Program, the Code or related Inova policies. Management should respond to any inquiry and refer the question to the appropriate personnel within Inova, if necessary.

2. Report to management any suspected violation of the Code or related Inova policy; management will immediately report such information to the Chief Compliance Officer.
3. All management personnel will have an “open door policy” to permit and encourage individuals to report suspected violations of the Code or related Inova policies.
4. The Chief Compliance Officer has the ultimate responsibility to review all reports of suspected violations of the Code or related policies. The Chief Compliance Officer will, to the extent possible, maintain the confidentiality of the identity of individuals who report suspected violations. It may be necessary for the Chief Compliance Officer, in order to effectively investigate compliance issues, divulge the identity of individuals who report suspected violations. However, every reasonable effort will be made to protect the identity of individuals who wish to remain anonymous.
5. The Chief Compliance Officer will establish and publicize a reporting system that facilitates direct reporting of suspected violations of the Code or related Inova policies to the Chief Compliance Officer. Individuals who abuse the reporting mechanisms established under this Program by making unfounded, untrue or frivolous allegations may be subject to disciplinary action.
6. Inova’s reporting system will be designed to ensure that questions regarding the Code, the Program or related policies are answered in a timely fashion and that such inquiries are treated confidentially to the extent possible.
7. Employees and contractors completing new employee and/or annual Compliance and Ethics training are required to attest to receiving and understanding the Code of Conduct.

II. RESPONDING TO ALLEGATIONS OF VIOLATIONS

A. Immediate Response

Any trustee, employee, contractor, or member of the Medical Staff who becomes aware of a suspected or alleged violation of federal, state or local law, or the Code or related Inova policies must report that information immediately to management who, in turn, will report to the Chief Compliance Officer. The Chief Compliance Officer may consult with Inova’s Office of General Counsel regarding a suspected violation. Among the issues that should be addressed when a violation is reported are:

1. Is there evidence of a potential violation?
2. Should an internal investigation be conducted?
3. Should internal or external counsel conduct the investigation?
4. Should Inova disclose the alleged incident(s) to an appropriate government agency? If so, when?
5. Do individuals need to be advised to retain their own attorney?
6. Should Inova provide separate counsel for employees?

B. Internal Investigations of Reported Violations

All Inova trustees, employees, contractors, and the Medical Staff are expected to cooperate in the investigation of an alleged violation. It is imperative, however, that even a preliminary investigation of any suspected violation be conducted only after consultation with, and direction from, the Chief Compliance Officer. Investigations may raise complicated legal issues. Investigations conducted without the advice of counsel (Inova’s Office of General Counsel) could result in the waiver of important legal privileges.

C. Notice to Employees

It may be appropriate for Inova to inform its personnel if the government is conducting an investigation involving Inova, including informing them that government investigators may contact them in connection with the investigation. In this situation, Inova will inform employees of their rights and obligations with respect to requests for interviews from governmental investigators. Inova will always cooperate fully with government investigations. Inova's Office of General Counsel is responsible for providing any such notice to employees, when appropriate. Inova requests that an employee who is contacted by a government official regarding an investigation report such contact to Inova's Office of General Counsel.

D. Preservation of Documents

Inova has a comprehensive Record Retention Policy, which applies to Inova and its subsidiaries and affiliates. All Inova trustees, employees, contractors, and the Medical Staff must comply with this policy. Each department director will monitor compliance with the retention policy within his or her department.

The Office of General Counsel is responsible for establishing procedures to prevent the intentional or inadvertent destruction of documents that could lead to prosecution for obstruction of justice. If Inova has been served with a government subpoena or has reason to believe that there is an impending government investigation, it must retain all potentially responsive documents. If Inova is served with a subpoena or has reason to believe a subpoena may be served, Inova's Office of General Counsel is responsible for immediately directing individuals to retain all documents that may potentially respond to the subpoena.

E. Discipline for Violations

Inova will document the reasons for all disciplinary actions taken against individuals for violations of the Code, this Program and related Inova policies. The decision of what type of disciplinary measure is appropriate for the violation will be made in accordance with Inova policy and procedure, and Medical Staff bylaws, rules and regulations, and policies. Employees may reference Inova Human Resources Progressive Discipline Policy.

Factors include:

1. The nature of the violation and its effect on Inova
2. Whether the violation involved wrongful use/disclosure of patient information
3. The discipline imposed for similar violations
4. Whether the individual has a history of violations
5. Whether the violation was willful or unintentional
6. Whether the individual was directly or indirectly involved in the violation
7. Whether the violation represented an isolated occurrence or pattern of conduct
8. Whether the violation included the failure to supervise another individual who violated the Code or related Inova policies, and the extent to which the failure to supervise reflects a lack of diligence
9. Whether the violation consisted of retaliation against another individual for reporting a violation or cooperating with an investigation
10. Whether the individual reported the violation himself or herself
11. The degree to which the individual cooperated with the investigation

III. MONITORING COMPLIANCE IN SPECIFIC SUBSTANTIVE AREAS

A. Coding and Billing Compliance - Fraud and Abuse

Section V of the Code of Conduct sets forth Inova policies regarding coding and billing compliance, and fraud and abuse. Inova has established procedures to monitor compliance with applicable laws, and the Code provisions, including provisions ensuring that individuals understand Inova practices with respect to (i) submission of bills and claims, and (ii) the offer, payment, or receipt of any money or gifts or services in return for the referral of patients or to induce the purchase of items or services. The Chief Compliance Officer will be available on a timely basis to meet with individuals who suspect that there has been a violation of fraud and abuse laws.

Inova has established procedures to ensure that all agreements or compensation arrangements with any actual or potential referral source are reviewed and approved by Inova's Office of General Counsel. In addition, the Chief Compliance Officer is responsible for reviewing whether the system of controls put in place by Inova ensures that all direct and indirect payments made by Inova to actual or potential referral sources comply with federal and state fraud and abuse laws. This may include periodic audits performed by Inova or by outside reviewers.

The following transactions and activities will be monitored on a periodic basis to detect violations of federal and state fraud and abuse laws:

- Bills or claims submitted for services, supplies or equipment
- Agreements with physicians or their immediate family members
- Equipment and space leases with physicians or their immediate family members
- Loans or other financial or investment relationships or arrangements with physicians or their immediate family members, and all payments to physicians and their immediate family members
- All gifts of a material value made to physicians and their immediate family members

B. Conduct in Inova Facilities

Section III of the Code sets forth Inova's practices designed to ensure compliance with all applicable state and federal civil rights, anti-discrimination, and substance-abuse laws. In addition, Inova departments will implement specific procedures to ensure compliance with certain federal laws governing employment and the workplace.

C. Relationship with Patients

Section VIII of the Code sets forth Inova's policy regarding its relationship with patients and patients' rights, as well as Inova's practices regarding compliance with laws, regulations and guidelines governing HIPAA, patient privacy and data security. Department directors, managers and supervisors shall ensure that each employee under their supervision is aware of state and federal laws and facility licensing requirements concerning patient rights, as well as the Inova policy that all patients shall receive quality care delivered in a considerate, respectful and cost-effective manner.

D. Antitrust and Trade Regulations

Section IX of the Code sets forth Inova's practices addressing competition and compliance with the antitrust laws. Inova shall implement the practices detailed in Section IX to prevent individuals from intentional or inadvertent violations of the antitrust laws.

E. Environmental/Occupational Safety and Health

Section X of the Code sets forth Inova's practices designed to ensure that Inova maintains a safe and healthy working environment.

F. Intellectual Property

Section XI of the Code sets forth Inova's practices regarding compliance with laws and regulations governing the use of material and/or information that may be the subject of trademark, patent or copyright protection, or that may be treated as a trade secret.

G. Not-for-Profit/Tax-Exempt Status

Section XII of the Code sets forth Inova's practices regarding compliance with laws and regulations governing Inova's non-profit, tax-exempt status. Inova's Office of General Counsel is available for consultation regarding questions about any matter that may implicate this status.

H. Government Contracting

Section XIII of the Code sets forth Inova's practices designed to ensure compliance with the laws and regulations governing the bidding, pricing, negotiation and performance of government contracts.

I. Research Activities

Section XIV of the Code sets forth Inova's practices regarding compliance with laws, regulations and guidelines governing biomedical and clinical research activities.

J. Information Technology

Section XV of the Code sets forth expectations related to compliance with policies and regulatory guidelines applicable to Inova's technical applications and electronic systems.

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Inova is a not-for-profit healthcare system based in Northern Virginia that consists of hospitals and other health services, including emergency and urgent care centers, home care, nursing homes, mental health and blood donor services, and wellness classes. Governed by a voluntary board of community members, Inova's mission is to improve the health of the diverse community it serves through excellence in patient care, education and research. Inova provides a healthy environment for its patients, families, visitors, staff and physicians by prohibiting tobacco use on its campuses.