Code of Conduct and Compliance Program

Focus on Integrity and Ethics
Sparrow has a long-standing tradition of performance excellence, which is personified in the honest and ethical conduct of Sparrow’s Board Members, Physicians, Nurses, Caregivers and Volunteers. Every Sparrow representative is expected to honor our individual and collective commitment to the highest standards of integrity.

The Sparrow Health System Compliance Program is designed to be user-friendly and provide guidance regarding Sparrow’s Compliance Policies.

We encourage you to review the Program, commit yourself to the principles and speak-up, without fear of retaliation, whenever you see a potential problem or an opportunity to improve.

A successful compliance process requires active participation by everyone within the organization to ensure Sparrow’s ability to provide the best care to every Patient, every time.

Thank you for your personal role in carrying out Sparrow’s mission each and every day, and for earning the trust of all who rely upon us by your commitment to honesty, transparency and ethical behavior.

Dennis A. Swan
President & CEO
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Overview

The Sparrow Health System Compliance Program is made up of the following key elements:

- Sparrow Code of Conduct and underlying policies and procedures
- Raising Concerns
- Compliance Resources

The Sparrow Code of Conduct and Compliance Program was developed to clearly outline Sparrow’s commitment to integrity and ethical behavior. The Program applies to all Sparrow Entities and Caregivers, including Board members, Physicians, Leaders, Staff, Volunteers and Vendors.

What is Compliance?

Compliance is about following the rules. Compliance programs are particularly important for health care organizations which have numerous laws, regulations, and accreditation standards to follow. Focusing on compliance helps us raise awareness of these rules and measure how well we are following them.

iCARE about my Conduct

The Sparrow Code of Conduct provides guidance to Sparrow Caregivers on how to carry out our business honestly and with integrity. By understanding and applying the Sparrow Code of Conduct, we treat Patients, business partners and other colleagues with dignity, honesty, and respect. Integrity is a personal commitment to conduct yourself and Sparrow’s business with the highest standard of ethical behavior.

Combining a focus on integrity along with Compliance creates a strong culture that protects our Patients and our community.

Every Sparrow Caregiver plays a role in ensuring Sparrow’s ethical culture remains strong.
iCare about My Behavior

To ensure that all Caregivers are held accountable for providing quality, compassionate care to everyone, every time, the Caregivers of Sparrow are expected to consistently demonstrate the highest level of professionalism to Patients, fellow Caregivers and the community.

Caregivers, Physicians and Volunteers at Sparrow are expected to model the following ICARE values and adhere to the Standards of Behavior in all their work behaviors, interpersonal interactions, contributions and decision making.

**Innovation** — finding new ways to improve the quality of health services by routinely exploring best practices, listening actively and openly to new ideas, demonstrating creativity in solving problems, communicating collaboratively with others, supporting change, and assisting in implementation.

**Compassion** — providing radical loving care for everyone by making eye contact, introducing yourself, explaining duration and delays, and using verbal and non-verbal communication that reflects caring, dignity and compassion.

**Accountability** — accepting responsibility for our actions by maintaining confidentiality, managing the use of resources effectively and efficiently, owning our actions and decisions, demonstrating truthfulness, openly and tactfully expressing own ideas but actively supporting decisions, reporting evidence of discrimination and/or harassment based upon a legally protected status.

**Respect** — valuing diversity, inclusion and working well together by treating all people with dignity, respect and empathy, being open to feedback, discussing differences constructively, directly and tactfully, and showing appreciation for every role and department.

**Excellence** — achieving the best results in all we do by doing the work right the first time, continuously enhancing skills and expertise, demonstrating professionalism in appearance and action, and taking the initiative to promote cooperation in accomplishing mutual goals.

What is our policy?

Sparrow Human Resources policies establish expectations regarding Values, Behaviors and Work Rules. Caregivers are responsible for reviewing and understanding these expectations and the consequences for not upholding the HR Policies on ICARE Values and Behaviors, and Caregiver Conduct and Work Rules.

- Caregivers are expected to exhibit behaviors that are consistent with Sparrow’s Values and Standards of Behaviors.
- Caregivers who witness or have knowledge of violations of policies, practices or work rules are required to immediately report it to their Manager or the Human Resources Department.
- Caregivers whose performance and/or behaviors are inconsistent with these Values and Behavior Standards may be subject to discipline up to and including termination.

Where do I get more information?

The full policy can be located in PPM using search terms: Human Resource Policies.

- If you have questions, contact the Sparrow Human Resources Department at 517.364.5858.
Using the Compliance Hotline

Sparrow maintains a Compliance Hotline for caregivers to report confidentially, and anonymously (if desired), activity they believe to be inconsistent with Sparrow’s Code of Conduct and Compliance Program.

Reporting Process

- Discuss questions or concerns with your supervisor.
- If you are not comfortable talking with your supervisor, or you do not feel the response adequately addresses your concern, contact a higher-level manager, or the Audit and Compliance Services Department.
- If you would like to report a concern confidentially or anonymously, use the Compliance Hotline, 517.267.9990.

Frequently Asked Questions

Q: When should I call the Compliance Hotline?
A: Use the Compliance Hotline to report concerns or to raise questions about business ethics, billing, contracting, conflicts of interest, privacy, and other similar business/regulatory issues. It is not intended for reporting Human Resources concerns. Please contact your Human Resources Partner to report these issues.

Non-Retaliation Policy

Sparrow shall, to the extent possible, protect the confidentiality of all persons filing reports through the Hotline and/or through other communication methods established under the Compliance Program.

- **Non-Retaliation Policy** — The purpose of this policy is to protect Caregivers, Physicians and Volunteers who, in good faith, report known or suspected instances of inappropriate conduct or activities. Sparrow prohibits anyone from taking retaliatory action against those who report compliance concerns in good faith. Any person who participates in retaliating against an individual because of his or her good faith reporting under the Compliance Program will be subject to discipline. Concerns about possible retaliation or harassment should be reported immediately to the Compliance Officer.

What is our policy?

**Hotline Policy**

This Policy provides guidance on how to report concerns using the Compliance Hotline. It also provides guidance to the Audit and Compliance Department staff on intake, investigation, and referral procedures. The Policy also outlines expectations on follow-up and reporting of hotline call activity.
iCare about Ethical Business Relationships

Sparrow is committed to the highest standards of business ethics and integrity. To achieve this commitment, Sparrow Caregivers must accurately and honestly represent Sparrow, and shall not engage in any activity that compromises our ethical culture.

Sparrow Caregivers should not offer or solicit gifts, favors or other improper inducements when conducting business with Physicians, vendors, or other third parties. This section of the Code of Conduct will address:

» Conflict of Interest
» Vendor Interactions
» Contracts/Kickbacks

Conflict of Interest

What is it?

A “conflict of interest” exists whenever personal, professional, commercial or financial interests outside of Sparrow have the possibility to influence the judgment of a Sparrow Caregiver in regard to any of their work at Sparrow.

We are expected to act with honesty, integrity, and in the best interest of Sparrow when performing work on behalf of Sparrow. Therefore, Caregivers must avoid situations in which their personal interest could conflict, or reasonably appear to conflict, with the interest of Sparrow. Some examples of potential conflicts include personal interest in:

» An entity with which Sparrow conducts business (e.g. vendors we purchase from or customers we sell to);
» An entity with which Sparrow is negotiating a business transaction or arrangement;
» An entity that provides services competitive with Sparrow

Caregivers should avoid outside employment or involvement in activities that could have a negative impact on their job performance, conflict with their obligation to Sparrow, or negatively impact Sparrow’s reputation in the community.

Frequently Asked Questions

Q: A Patient wants to give me a $100 gift card to thank me for my service. Can I keep it?

A: The Conflict of Interest Policy section on gifts allows Caregivers to accept gifts of esteem/gratitude valued at up to $100, but NO cash or cash equivalents, such as gift cards, are allowed. Please direct anyone interested in donating cash directly to the Sparrow Foundation.

What is our policy?

The purpose of Sparrow’s Conflict of Interest Policy is to protect Sparrow’s interest when entering into a transaction that might benefit the private interest of an insider (such as a board member, executive, director, manager, or other related person with a financial interest in the contracting company).

Sparrow’s policy requires disclosing and ethically resolving potential conflicts of interest. A conflict of interest can create an appearance of impropriety that can undermine confidence in the ability of that individual to act properly in his/her position. No matter how insignificant the conflict may appear, it must be acknowledged as a conflict. Conflicts may occur, so long as disclosure and review processes are followed.

Where do I get more information?

The full policy can be located in PPM using search terms: Board of Directors Conflict of Interest or Administrative Conflict of Interest Policy.

» If you have questions, contact the Audit and Compliance Services Department at 517.364.2552.
Vendor Interactions

What is it?
Vendors play a large role in providing the goods and services that our Patients need every day. The Vendor Policy establishes standards for vendors doing business at Sparrow Health System as well as provides guidelines for Caregivers when interacting with current or potential vendors.

Vendors that conduct business at or with Sparrow must do so in accordance with Sparrow’s policies and procedures and vendors must be certified with Supply Chain Management or Pharmacy prior to conducting business on Sparrow’s property. Vendors will interact with Caregivers in a manner that meets ethical standards, protects Patient confidentiality, does not interfere with the process of Patient care, and encourages the appropriate, efficient and cost-effective use of equipment, supplies, and pharmaceuticals.

What is our policy?
Key aspects of Vendor Interactions that Sparrow has developed guidelines around are:

» Vendor Check-In process (vendors must check-in and wear an ID badge)
» Access to Patients/Patient units (no solicitation)
» Vendor Supported Education at Sparrow (with approved CME programs—see policy)
» Providing Refreshments (with CME program)
» Vendor Supported Education off-site (with limitations—see policy)
» Travel for Product and Equipment Evaluation (not allowed—exceptions must be approved by an Executive)
» Vendor donations for Sparrow Fundraising Events (allowed with approval)
» Gifts from Vendors (as per Conflict of Interest Policy)
» Displays/Promotional Materials (through Pharmacy)
» Samples (through Pharmacy)

Where do I get more information?
The full policy can be located in PPM using search terms: Vendor Policy.

» If you have questions, contact the Supply Chain Management Department at 517.253.6200; or the Audit and Compliance Services Department at 517.364.2552.

Frequently Asked Questions

Q: A vendor wants to bring lunch into our office. Is it OK to accept that?
A: Food, drinks, and refreshments of more than nominal value may not be provided by a vendor unless it is directly related to a valid educational session that has been approved by Medical Education, Nursing Education, Supply Chain Management, or the Pharmacy.

Q: A vendor wants to pay for our trip to view their equipment we would like to purchase. Is it OK to accept that?
A: Caregivers should not accept vendor support for travel to evaluate products. Exceptions must be approved by an Executive.
Contracts/Kickbacks

What is it?
Federal and State laws govern relationships between health care organizations and Physicians or other individuals who are closely related to the organization.

Anti-Kickback Statute
The Anti-Kickback Statute (AKS) is a criminal law that prohibits the knowing payment to induce or reward Patient referrals or the generation of business (e.g., drugs, supplies, or health care services) for Medicare or Medicaid Patients. This includes anything of value and can take many forms besides cash, such as free rent, expensive hotel stays and meals, and excessive compensation for medical directorships or consultancies. In some industries, it is acceptable to reward those who refer business to you. However, in Federal health care programs, paying for referrals is not allowed.

Disqualified Persons
You are a disqualified person if you are a person who is in a position to exercise substantial influence over the affairs of a tax-exempt organization. Transactions resulting in excess benefits for a disqualified person may result in the IRS penalizing the organization and the disqualified person receiving the benefit.

What is our policy?
It is important for Sparrow to closely scrutinize business transactions, particularly those with Physicians and disqualified persons. Sparrow has three related contracting policies that outline the review and approval of these transactions:

» Business Transaction Authorization Policy — including a Business Transaction Review Worksheet — outlines what transactions are subject to review and who must review various business transactions at Sparrow.

» Disqualified Person Policy — outlines the definition of a disqualified person and the appropriate controls in contracts with them.

Where do I get more information?
The full policy can be located in PPM using search terms:
Business Transaction Authorization Policy, or Disqualified Persons Policy

» If you have questions on the Business Transaction Authorization policy contact Finance at 517.364.6049.

» If you have questions on the Disqualified Person Policy contact Audit and Compliance Services at 517.364.2552.

» If you have questions on Physician Recruiting, please call the Physician Recruiting staff at 1-800-968-3225.
iCare about Ethical Decisions

Beyond the situations outlined in the preceding business policies, Caregivers sometimes are faced with ethical situations and decisions that are not defined in one of Sparrow’s policies. Because Sparrow is a community-based healthcare organization, addressing ethical decisions appropriately helps Sparrow uphold the public’s trust. Healthcare ethics is about more than compliance; it is about fulfilling the role of a community-based healthcare organization, and balancing being an organization that is a care provider, an employer, and a citizen.

Adapted from Business Ethics in Healthcare

What is it?

Clinical Ethics: Questions or conflicts that arise between patients, family members, Caregivers, and other clinicians regarding the direct care and treatment plans employed for the patient.

Organizational Ethics: Questions or conflicts that arise regarding healthcare business issues, particularly related to being a community-based entity and employer.

Some examples of ethical conflicts in healthcare are:
» Requests for providers of a certain race/sex
» Fair hearings/appeals for denied care
» Objection to participation in treatment options
» Downsizing
» Responsible advertising
» Environmental Responsibility
» Mergers and Acquisitions

Adapted from Business Ethics in Healthcare

What Should I do if I have an Ethical Concern?

Clinical Ethics: Sparrow has developed a Clinical Ethics Committee to support Caregivers, Physicians, Patients, and Families in an advisory capacity. Use the Clinical Ethics Consultation Guide if a consultation with the Committee is needed.

Organizational Ethics: Use the Organizational Ethics Consultation Guide if you have an organizational ethics question or concern.

What is our policy?

Sparrow has the following policies and tools to assist Caregivers in ethical situations:

» Guidelines for Ethics Issues
SHS Policy outlining resources related to clinical and organizational ethics issues

» Clinical Ethics Consultation Guide
This Guide describes when a clinical ethics consultation might be necessary, how to request a consultation and answers other common questions about requesting a consult.

» Clinical Ethics Committee Charter
This Charter outlines the purpose and functions of the Ethics Committee, which is mainly focused on clinical ethics questions, including case review and ethics consultations.

» Organizational Ethics Consultation Guide
This Guide describes steps to follow, such as utilizing current policies, consulting with a leader, using an ethical decision-making model, or requesting assistance/consultation from Audit and Compliance Services and/or the Compliance and Ethics Committee.

» Compliance and Ethics Committee Charter
This Charter outlines the purpose and functions of the Compliance and Ethics Committee, one of which is to provide guidance on business ethics questions and/or ethical breaches that arise.

Where do I get more information?
The above documents can be located in PPM using search terms: Ethics, Consultation

» General questions can be directed to the Audit and Compliance Services Department at 517.364.2552.
iCare about Preventing Fraud and Abuse

Sparrow is committed to the highest standards of business ethics and integrity. To achieve this commitment, Sparrow Caregivers must accurately and honestly represent Sparrow, and shall not engage in any activity that compromises our ethical culture.

Sparrow Caregivers should be diligent to ensure that payers, including Medicare and Medicaid, are not billed for services that are not performed and/or not documented. This section of the Code of Conduct will address:

» False Claims
» Documentation/EMR Use
» Exclusions

False Claims

What is it?
Claims to Medicare and Medicaid for payment make up the majority of healthcare claims paid by the U.S. Government. Violating the Federal False Claims Act includes:

» Knowingly presenting a false or fraudulent claim for payment or approval.
» Knowingly making or using a false record to get a false or fraudulent claim paid.

Violations of the Federal False Claims Act can result in penalties of not less than $11,000 and not more than $22,000 per claim, plus three times the amount of damages that the government sustains.

The Patient care that Sparrow Caregivers provide every day is the underlying service that is being billed to all payers, including Medicare and Medicaid. It is very important that Sparrow’s medical record documentation and related billings accurately and completely reflect the services that are performed.

What is our policy?
Sparrow has established policies to prevent fraud, waste, and abuse of the Medicaid and Medicare programs. This Code of Conduct and Compliance Program helps to ensure appropriate claims are made to government programs through:

» Development of policies on appropriately documenting, coding, and billing for services
» Educating our Caregivers on these policies through the SHS Compliance Program and Departmental/Affiliate Compliance Plans
» Monitoring and auditing to prevent or detect errors in documentation, coding, or billing
» Investigating all reported concerns and correcting errors that are discovered
» Promoting the Compliance Hotline for reporting, including protection from retaliatory action when Caregivers report genuine concerns

Where do I get more information?
The full policy can be located in PPM using search terms: False Claims Act Policy.

» If you have questions, contact Audit and Compliance Services at 517.364.2552.
**Documentation/EMR Use**

**Why is this important?**
At Sparrow, Electronic Medical Records (EMRs) have virtually replaced traditional paper medical records for documenting and storing Patient health information. However, EMRs and the ways they are used can create new vulnerabilities, requiring organizations to revise their approaches to protect against fraud and abuse.

Providers and other Caregivers must use the EMR and associated health IT systems appropriately, being aware of the following vulnerabilities:

**Copy Forward and Copy-and-Paste Without Reviewing and Updating:** Copy-and-Paste, also known as documentation cloning, enables users to select information from one source and replicate it in another location. When Physicians, Nurses, or other clinicians copy-and-paste or copy forward information but fail to update it or ensure its accuracy, inaccurate information is likely to enter the Patient’s medical record and inappropriate charges may be billed to Patients and third-party health care payers.

**Auto-Populating Without Reviewing:** iSparrow EMR contains tools and templates that auto-populates information into selected fields or note text for improved efficiency, sometimes with a few keystrokes or even a single click. These tools can improve documentation efficiency and completeness, but if not appropriately reviewed and edited by the user as needed — may be inaccurate.

**What is our policy?**
Sparrow Health System has adopted the Electronic Medical Record (EMR) Etiquette Guidelines for iSparrow EMR. This document was developed to briefly outline key elements of the iSparrow medical record documentation Guidelines and expectations in an enterprise-wide electronic medical record system environment to protect against fraud and abuse.

**Where do I get more information?**
The full policy can be located in PPM using search terms: Electronic Medical Record Etiquette Guidelines

» If you have questions, contact Audit and Compliance Services at 517.364.2552.
OIG Exclusions

What is it?
The Office of Inspector General (OIG) maintains a public listing of individuals and entities currently excluded from participation in Medicare, Medicaid and all other Federal health care programs.

Reasons for exclusion include: Medicare or Medicaid fraud; Patient abuse or neglect; felony convictions for other health care-related fraud, theft, or other financial misconduct; and felony convictions relating to unlawful manufacture, distribution, prescription, or dispensing of controlled substances.

The effect of an exclusion is that no payment will be made for anything that an excluded person furnishes, orders, or prescribes. This payment prohibition applies to the excluded person, anyone who employs or contracts with the excluded person, and any hospital or other provider for which the excluded person provides services. The exclusion applies regardless of who submits the claims and applies to administrative and management services furnished by the excluded person.

What is our policy?
Sparrow Health System will not employ, credential, enter into contracts with, or purchase from any individual or entity that is currently excluded by the OIG or other relevant federal agencies. Verification is performed at various points when Caregivers enter the System.

» At employment by Human Resources
» At credentialing by Medical Staff Services
» At contracting with outside entities
» At the point of setting up new Vendors in Purchasing.
» Monthly verifications against current Caregivers, Physicians and vendors is performed by Audit and Compliance Services.

Where do I get more information?
The full policy can be located in PPM using search terms: Excluded Individuals and Entities Policy.

» If you have questions, contact Audit and Compliance Services, 517.364.2552.
iCare about Protecting our Patients

Sparrow’s mission is to improve the health of the people in our communities by providing quality, compassionate care to every person, every time. This section of the Code of Conduct will address:

» Patient Rights and Responsibilities
» Quality and Patient Safety
» Privacy of Patient Information

Patient Rights and Responsibilities

What Should You Know?

Sparrow is committed to treating all Patients with dignity, respect, and compassion. We recognize that all Patients have basic rights, and we are committed to honoring these rights. Likewise, Sparrow has the right to expect reasonable and responsible behavior from Patients, their relatives, and friends.

Some examples of Patient Rights are:

» Access and receive treatment regardless of age, race, creed, sex, gender identity, sexual orientation, marital status, national origin, cultural or spiritual values, disability or source of payment when they seek care at any access point in the Sparrow Health System.

» Provided with information about their illness, treatment, pain, and care alternatives in a way that they can understand. For Patients that do not consider English as their preferred language, interpreter services are provided free of charge.

» Given the right to request treatment. However, the right to make decisions about healthcare does not mean a patient can demand treatment or services that are medically inappropriate or unnecessary.

» Given the right to visitors, unless the individual’s presence interferes with the Patient’s health, the rights or safety of other Patients, or is medically or therapeutically unsafe.

Some examples of Patient Responsibilities are:

» Providing accurate and complete information about present complaints, past illnesses, hospitalizations, medications, allergies and other matters relating to their health.

» Following the treatment plan recommended by the Physician primarily responsible for their care.

» Being considerate of the rights of other Patients and healthcare staff.

Patients may exercise their rights personally, or through a guardian or Patient advocate when unable to do so personally.

What is our policy?

Sparrow Caregivers must know our Patient Rights and Responsibilities Policy. Our interactions with Patients must include involving them in decisions about their care, treatment, and services. We must also inform Patients and their representatives who to contact in the event they are not satisfied with the care provided at Sparrow.

What can I do?

» You are responsible to know our Patients’ rights and responsibilities and to abide by those rights.

» You are responsible to inform Patients who to contact when they are not satisfied with their care.

» Please have them contact the Patient Experience Department at 517.364.3935. If dialing from within Sparrow, call 43935.

Where do I get more information?

The full policy can be located in PPM using search terms: Patient Rights and Responsibilities Policy.

» When in doubt, use the appropriate chain of command. Ask your Supervisor.

» Another information resource is the Patient Experience Department at 517.364.3935.
Quality and Patient Safety

What is it?
At Sparrow, our annual Quality, Performance Improvement, and Safety Plan promotes excellence in clinical quality measures (how we measure patient outcomes), accreditation/regulatory compliance (following national hospital standards) and patient safety (the culture and actions to keep patients free from harm).

» All Quality and Safety activities support our health system’s mission, vision and values through continuous improvement and commitment to the Sparrow Way.

» Healthcare is complex with human and technological factors that may impact care at the bedside. Our processes must be designed to adhere to evidence-based practices while also making it easy for our Caregivers to do the right thing, every patient, every time. This means support and participation by all levels of the organization:
  • The executive team provides resources and leadership to ensure that Sparrow’s systems promote quality and safety.
  • The leadership team works with each other across departments and with Caregivers to design safe, highly reliable systems of care that meet or exceed national standards for quality and safety. Sparrow Health System leaders must react to defects in quality and unsafe conditions with design changes and console, coach and correct behaviors that result in unintended safety events.
  • Our frontline Caregivers’ role is to follow the Sparrow Way with every Patient, every time, complying with safety initiatives and reporting good catches, safety concerns and safety events.

» Each one of us has a right and responsibility to the Patient to Speak Up if you have a concern, and Sparrow has a right and responsibility to protect you from retaliation for doing so.

What should I do if I have a Safety Concern?

» Speak Up

» Get attention – use the red clarity card and/or say the person’s name; move to a private environment whenever possible

» Express concern — ask a clarifying question about the situation
  • I need clarity...
  • I am concerned... I am uncomfortable...

» Make a request to stop and discuss
  • State the problem — be brief and clear (do not hint or hope)
  • This is a safety issue

» Propose a solution
  • Use team words like “We” or “Let’s”

» Use the chain of command. Contact your Supervisor for assistance

» Complete a report in the RL Risk Occurrence Reporting portal

» Call Risk Management if it continues and the concern is not resolved

What is our policy?
Sparrow has established numerous policies to protect Patients, families and Caregivers. These policies include:

» Safe use of medical equipment
» Hazardous waste management
» Caregiver incident reporting
» Patient rights and grievances
» Violence in the workplace

Where do I get more Information?

» For questions on Quality and Performance Improvement, contact the Director of Quality and Performance Improvement 517.364.5232.

» For questions on Safety, contact the Director of Safety, Accreditation and Infection Prevention, Safety Officer, at 517.364.5219.
Privacy of Patient Information

The Health Insurance Portability and Accountability Act (HIPAA), as amended by HITECH, is a law enacted by the federal government with three parts that address the privacy, security and the use and disclosure of health information.

A major goal of the Privacy Rule is to assure that individuals’ health information is properly protected while allowing the flow of information needed to provide and promote high quality healthcare. The HIPAA Privacy rules and stricter Michigan law dictate how and when protected health information (PHI) can be used or disclosed; whether written, verbal or electronic.

What is it?

HIPAA Privacy rules require restrictions on the use and disclosure of Patient information and the reporting of inappropriate disclosures or breaches of PHI. HIPAA Privacy and HITECH regulations also include both personal and business consequences, such as penalties and fines, for non-compliance.

It is the responsibility of every Sparrow Caregiver, Physician, Volunteer, and contractor or vendor to adhere to regulations, policies/procedures, and Patient rights for privacy including:

» Right to confidential communications
» Right to receive a Notice of Privacy Practices to help understand how their PHI is used throughout the health system
» Right to access or receive a copy of their medical records and to direct Sparrow to transmit a copy of their medical record to a designated person of their choice.
» Right to request restrictions regarding how PHI is used
» Right to request changes (amendments to their records)
» Right to receive a listing of who viewed their PHI (accounting of disclosures), if requested.

Sparrow Workforce members have a personal obligation to protect the privacy and security of confidential information. Sparrow Health System has an active, on-going program to review records and transactions for inappropriate Workforce member access. Inappropriate access or disclosure of confidential information contrary to or inconsistent with Sparrow Privacy and Information Security policy can result in Caregiver sanctions under Sparrow Human Resource Policy.

HITECH PRIVACY STANDARDS: ACCESS AND USAGE MONITORING

• FairWarning Solutions provides the ability to investigate access:
  – Break the glass access
  – VIP record snooping
  – Patient/caregiver medical records snooping
  – Family member and self- examination of medical records
  – Neighbor medical record examination
  – Investigation of Privacy Complaints
  – Insider Threats

What is our Policy?

Sparrow has established policies to safeguard the privacy of our Patients’ information. You need to be aware of the HIPAA Privacy policies in use by Sparrow and have a general understanding of the impact of privacy on Patient information and your daily activities.

Sparrow Caregivers may use or disclose PHI for treatment, payment and operations or as required by law, but must abide by the “Need to Know” and “Minimum Necessary” standards outlined in Sparrow policies and the Privacy Rule.

Disclosure of PHI for other reasons requires Patient authorization or a court order. Report all inappropriate disclosures or breach concerns to the Privacy Department via the Privacy and Security Breach Referral Form located on the home page of the Intranet.

Where do I get more Information?

HIPAA policies and forms can be located in PPM using search terms: HIPAA Privacy Policies

» The Privacy Department is available for Patients and Caregivers to discuss questions or concerns at 517.364.2161
iCare about Protecting Data

Sparrow is committed to the protection of information from unauthorized disclosure, unauthorized modification, and to ensuring that information is available to appropriate individuals. Information Security has identified the following goals to protect information:

Confidentiality — limiting information access and disclosures to authorized individuals and preventing access to unauthorized individuals.

Integrity — protecting the trustworthiness of information and preventing data from being changed inappropriately.

Availability — ensuring that information is available in a timely and reliable manner to appropriate individuals.

Secure Data is Safe Data

What is it?
Information Security is the practice of protecting information from unauthorized access, use, disclosure, disruption, modification, perusal, inspection, recording or destruction. It is the responsibility of every Sparrow Caregiver, Physician, Volunteer, and Contractor to be aware of HIPAA Security policies utilized by Sparrow, and to have a strong understanding of the impact of these policies on our Patient information and daily activities.

Examples of Security Incidents:

» Inappropriate sharing of information, passwords, and data.
» Inappropriate disclosure of confidential information with others that do not have a need to know.
» Violation of Information Security policies.
» Theft or loss of computer equipment, information, or data.
» Unauthorized access to computer systems, or information.
» Storage of PHI on third party websites or third-party email services.
» Use of mobile devices to process confidential information that is not protected by encryption (e.g. laptops or tablets).
» Distribution or receipt of confidential information in a non-encrypted format.
» Receipt and/or perpetuation of a Computer Virus or Phishing Email.

All information must be protected during its creation, during use and storage, and upon disposal. Regardless of how information is sent or handled, you have a responsibility to protect that information by following appropriate policies and procedures.

What is our policy?
Sparrow has established policies to safeguard the security of our protected information as required by regulatory guidelines. Sparrow Caregivers, Physicians and Volunteers who violate these policies will be subject to disciplinary actions up to, and including, termination as directed by Sparrow Health System Human Resource policies. In addition to any disciplinary action, any individual involved in illegal activity will be reported to the appropriate authorities for investigation and prosecution to the fullest extent of the law.

Where do I get more information?
The complete policies can be located in PPM using search terms: HIPAA Information Security Policies.

» The Information Security Department is available for Patients and Caregivers to discuss questions or concerns at 517.332.7219.
High Risk Compliance Areas

Based on a risk analysis process, the appropriate Compliance Committees will annually endorse the most significant risks that require focused compliance efforts at the Department and Affiliate level.

The current High Risk Compliance Areas are:

- **Admissions** — ensuring appropriate inpatient admissions in all settings, including acute, rehabilitation, long-term acute, and behavioral health services.
- **Medical Necessity** — ensuring the medical necessity of procedures and services in line with payer rules.
- **Physician Supervision** — ensuring appropriate supervision and related documentation for Physician oversight of PAs, NPs, Residents, and outpatient services.
- **Coding** — ensuring accurate coding on claims representing Sparrow’s inpatient, outpatient, and Physician services.
- **Billing** — ensuring accurate units, modifiers, and place of service on claims, with appropriate follow-up and improvement on significant denial areas.
- **Documentation/EMR Use** — ensuring completeness and timeliness of Caregiver documentation and signatures.
- **HIPAA Privacy** — ensuring the privacy of each Patient’s protected health information.
- **Information Security** — ensuring the safety of our information assets.

What does this mean to my Department?

Twenty-seven Departments and Affiliates have developed a more specific Compliance Plan Risk Grid. The Risk Grids help Departments focus their efforts on these high-risk areas that are important to Sparrow. Following are the Departments and Affiliates that have Compliance Plan Risk Grids:

**Revenue Cycle Areas**
- Utilization Review
- Patient Financial Services
- Coding
- SMG Professional Billing
- Reimbursement

**ED/Inpatient Hospital Areas**
- Behavioral Health Services
- Sparrow Specialty Hospital
- Sparrow Carson Hospital
- Sparrow Clinton Hospital
- Sparrow Ionia Hospital
- Inpatient Rehabilitation
- Emergency Department
- Patient Care Services

**Outpatient/Procedural Areas**
- Cancer Center
- Heart Center
- Rehabilitation
- Pharmacy
- Laboratory
- Pain Center
- Radiology

**Non-Hospital Affiliates**
- Sparrow Home Care
- Sparrow Hospice
- Sparrow Medical Supply
- Sparrow Pharmacy Plus
- Physicians Health Plan

**Physicians/Professional Groups**
- Sparrow Medical Group/
  Thoracic and Cardiovascular Institute
- Anesthesia Services-CRNAs

Where Do I Get More Information?

Caregivers who work in these areas can contact their Supervisor for more detailed information on their Department’s Compliance efforts.

Sparrow Compliance Hotline
517.267.9990
Compliance Officer

Responsibility for implementing and managing the Compliance Program has been assigned to the Vice President and Chief Compliance and Privacy Officer (CCO). The CCO will report to the President and Chief Executive Officer of Sparrow (CEO) on significant compliance issues, as well as the Chair of the Finance and Audit Committee as deemed appropriate. The CEO and the CCO will both be responsible for communications with the Board of Directors of Sparrow directly or through an appropriate committee of the Board.

The CCO will be supported in his efforts by the Compliance and Ethics Committee, Compliance Advisory Committee, the Audit and Compliance Services Department staff, and internal/external legal counsel.

Audit and Compliance Services Staff

The CCO will be supported in his/her efforts by the Audit and Compliance Services Department. The CCO and Audit and Compliance Services will, with the assistance of legal counsel where appropriate, perform the following activities:

» Ensure that Sparrow has policies in place to guide appropriate billing for services, as well as policies related to appropriate handling of other regulatory matters;
» Ensure that appropriate Departments and Affiliates have developed High Risk Compliance Plans, including detailed policies, and that the plans are routinely updated for regulatory changes;
» Ensure that comprehensive training regarding applicable rules and regulations is provided to all applicable Caregivers;
» Provide oversight related to compliance reviews conducted by both internal and external auditors/consultants;
» Establish a uniform method for Caregivers to raise questions and report areas of potential non-compliance;
» Review any compliance inquiries or reports of non-compliance and develop an appropriate response or refer to the appropriate Department for follow-up;
» Develop appropriate process improvement plans to address any compliance issues;
» Establish required records and reporting systems necessary to support the program;
» Modify the program periodically in light of changes in the organization, laws or policies;
» Ensure that independent contractors who furnish services to the hospital that fall within the scope of this plan are aware of the requirements of the Compliance Program.
Compliance and Ethics Committee

The purpose of the Compliance and Ethics Committee (CEC) is to provide oversight for Sparrow Health System’s Compliance Programs. This oversight is designed to ensure a multi-disciplinary and executive-level focus on compliance risk for Sparrow Health System and ensuring the integrity and reliability of information assets. The CEC will also provide guidance on business ethics questions and/or ethical breaches that arise. The CEC is advisory to both the Chief Compliance and Privacy Officer and the Chief Information Security Officer, and will serve as the primary forum to advise on Compliance, Privacy, and Information Security at Sparrow.

- The CEC will be guided by the Compliance and Ethics Committee Charter that outlines key responsibilities, including:
  - Approval of the SHS Compliance Program
  - Approval of the identification of high risks areas and the Compliance Risk Grid methodology, with CCO and applicable Executive approval of the specific Risk Grids in each area
  - Approval of the SHS High Risk Compliance Focus Areas annually, as well as related High Risk Metrics to be reported at each CEC meeting
  - Approval of recommendations to mitigate the potential risks and vulnerabilities as defined in the Information Security Program
  - Approval of assignment of responsibility of the implementation of significant new or modified compliance regulations
  - Approval and enforcement of the mandatory education requirements of the SHS Compliance Programs
  - Approval and enforcement of mandatory monitoring requirements of the SHS Compliance Programs
  - Approval and enforcement of process improvement plans related to significant compliance issues, ethical breaches, and external audit findings
  - Approval of recommendations concerning repayment obligations for errors and omissions identified as part of the compliance program
  - Approval of recommendations to mitigate breaches requiring notification to Department of Health and Human Services, and the Privacy access monitoring program

Compliance Advisory Committee

The Compliance Advisory Committee will support the Chief Compliance and Privacy Officer, Chief Information Security Officer and the Compliance and Ethics Committee in achieving the responsibilities outlined here. In particular, the Compliance Advisory Committee will make recommendations to the Compliance and Ethics Committee for approval concerning the following:

- Annual risk assessment process
- Significant new regulations
- Process improvement plans
- Mandatory education and monitoring requirements
Education and Training

Sparrow believes that the proper education of all Caregivers is a significant element of an effective compliance program. All Caregivers, as identified by the Chief Compliance and Privacy Officer or Department Managers, are required to attend/complete training on a periodic basis.

The Audit and Compliance Services Department will periodically conduct general training on the Health System Code of Conduct and Compliance Program and general information on fraud and abuse investigations and principles. They will also ensure that new employees, Managers, Physicians and Residents are trained on the Health System Code of Conduct and Compliance Program as part of Sparrow’s orientation process.

Individual Departments and Affiliates (as identified by Audit and Compliance Services and the Compliance Committees) will conduct periodic training on more specific policies, rules, laws, and regulations applicable to that Department or Affiliate.

Failure to attend/complete required training sessions will result in disciplinary action, up to and including termination.

Auditing and Monitoring

To ensure that the Compliance Program is implemented as intended, Audit and Compliance Services will perform (or arrange the performance of) periodic audits of identified High Risk Areas. The results of compliance auditing and monitoring will be reported to the Department Manager, Executive, Compliance and Ethics Committee, CEO and the Finance and Audit Committee of the Board of Directors.

If there are areas of deficiency identified as a result of the audit process, a process improvement plan will be developed by the Department and approved by the Audit and Compliance Services staff.

In addition to the Compliance Department’s audit process, the individual Departments and Subsidiaries will perform self-audits and self-monitoring as outlined more fully in their High Risk Compliance Risk Grids.
Investigating Compliance Issues

Whenever the Audit and Compliance Services Department receives a report of any activity that may be inconsistent with Sparrow’s policies or legal requirements, the Chief Compliance and Privacy Officer (CCO) will perform a preliminary evaluation of the facts received. The CCO will then determine whether the issue should be subject to further investigation, what level of Management should be notified (Manager, Director, Executive and CEO), or any other appropriate responses to the complainant. The CCO will discuss the issue with the Compliance and Ethics Committee (CEC) and/or the Finance and Audit Committee of the Board as he/she deems appropriate.

The Audit and Compliance Services staff, acting alone or with external investigative support, will perform an investigation of all the facts and circumstances surrounding any issue the CCO has determined to be an area of genuine concern. A factual report will be prepared and provided to the CEO, CEC, legal counsel, or the Finance and Audit Committee of the Board as deemed appropriate by the CCO. Instances of possible criminal conduct will not be ignored. Upon review by internal and external legal counsel, self-reporting to the appropriate government agency may be required and, if so, such reporting will be done in a timely fashion.

The Audit and Compliance Services Department will periodically summarize compliance issues and any investigations and their dispositions for the Compliance and Ethics Committee and the CEO in a manner that preserves confidentiality and the relevant privileges.

Sparrow Caregivers must cooperate fully with any investigations undertaken by the Audit and Compliance Services Department.
Process Improvement Plans Following Investigations

The CEO and Board of Directors has given the Compliance Department the authority to prepare and/or approve Process Improvement Plans (PIPs) for any instances of non-compliance that are identified. Process Improvement Plans will be developed with the guidance of legal counsel as needed. All Caregivers, including Board Members and Physicians on the medical staff, are subject to the conditions of a PIP if there is a non-compliance issue related to their duties as a Caregiver of Sparrow Health System. Enforcement and imposition of disciplinary action will be consistent across the board, regardless of who is in violation. The Chief Compliance and Privacy Officer (CCO) may consult with the Human Resources Department, the CEO, and others in the development of an appropriate PIP.

Process Improvement Plans will be designed to ensure not only that the specific issue is addressed but also that similar problems do not exist in the future. PIPs may require that policies be developed, certain training and/or monitoring take place, restrictions be imposed on billing, that repayment be made, or that the matter be disclosed externally. Sanctions or discipline, in accordance with Sparrow policies, may also be recommended. If it appears that certain individuals have a demonstrated history of engaging in practices that raise compliance concerns, the PIP should identify actions that will be taken to prevent such individuals from exercising substantial discretion with regard to those areas.

The Compliance Department will periodically summarize PIP disposition/completion for the Compliance Advisory Committee, Compliance and Ethics Committee and CEO.
Responding to a Government Investigation

If any Caregiver of Sparrow receives notice that Sparrow is being investigated by the government (defined broadly as any agency or instrumentality of the Federal, State, or local government), this information should immediately be provided to the Chief Compliance and Privacy Officer (CCO), who will confer with legal counsel. The CCO intends to deal directly and forthrightly with the government in the event of any investigations.

Caregivers have the following responsibilities in responding to an investigation conducted by the government:

» To cooperate with and assist the CCO in responding to the inquiry
» To respond in a timely fashion
» To be truthful when being interviewed by government investigators
» To cooperate with the CCO in making documents available for review, including ensuring the prior review of documents which may be protected by privilege (e.g., attorney-client privilege or doctor-Patient privilege), as determined by legal counsel
» To cooperate with the investigators
» To keep accurate records of all information provided to the investigators and to whom they were provided

Caregivers must NOT do any of the following:

» Destroy documents in anticipation of a government request for those documents
» Alter any documents
» Lie or make misleading statements to anyone
» Pressure anyone else to hide information from or provide false information to government investigators

Compliance Resources
Government Investigation

Sparrow Compliance Hotline
517.267.9990
Revisions to the Program

The Code of Conduct and Compliance Program is intended to be flexible and readily adaptable to changes in regulatory requirements in the health care industry. The Program will be regularly reviewed to assess its effectiveness and modified as experience shows that a certain approach is not effective or suggests a better alternative. To facilitate appropriate revisions to the Program, the Chief Compliance and Privacy Officer will prepare an annual report that describes the general compliance efforts that have been undertaken during the preceding year and identifies changes that might be made to improve compliance. This report will be circulated to the members of the Compliance and Ethics Committee, the President and CEO, legal counsel and others with an interest in compliance for their comments about possible revisions to the Program. Changes to this Program will be approved by the Compliance and Ethics Committee. Finance and Audit Committee approval is also necessary if the changes are deemed substantive or material by the Compliance and Ethics Committee.
Applicable Human Resources Policies

Following are current Human Resources policies and articles from Union agreements that include references to and/or support Sparrow’s Compliance Program. They are incorporated into the Sparrow Compliance Program by reference.

Policy 30  iCare Values and Behaviors Program
Policy 205  Verification of Licensure/Registration/Certification and Federal Health Care Exclusion Status
Policy 601  Caregiver Conduct and Work Rules
Policy 630  Disciplinary Process

UAW Agreement Article 17, Discipline
MNA Agreement Article 15, Discipline

Applicable Medical Staff and Allied Health Professional Policies

Current Medical Staff and Allied Health Professional policies and governance documents that relate to conduct include, but are not limited to:

- Medical Staff Organization Manual
  - Part 3 - Medical Staff Committees
    - Medical Staff Executive Committee
    - Centralized Peer Review and Quality Committee
- Medical Staff Professionalism Policy with related Attestation to Professional Conduct
- Medical Staff Credentials Policy
  - Section 6 Peer Review Procedures for questions involving Medical Staff members
- Allied Health Professionals Policy
- Professional Practice Evaluation Policy (Peer Review)