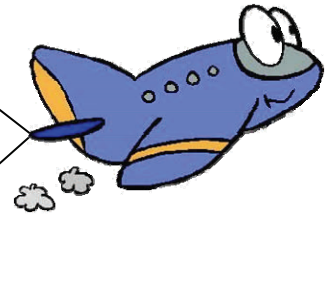


Comply With Us

Quarterly Corporate Compliance Newsletter



MESSAGE FROM THE CORPORATE COMPLIANCE OFFICE

INSIDE THIS ISSUE:

MESSAGE FROM THE CORPORATE COMPLIANCE OFFICE	1
IN MEMORIAM	1
RESEARCH COMPLIANCE	2
HIPAA CORNER	2
INTERNAL AUDIT	3
THE JOINT COMMISSION	3
FALSE CLAIMS ACT	4
Q&A	4

The Corporate Compliance Office would like to thank everyone for their efforts and participation in celebrating National Corporate Compliance and Ethics Week at Children's for the first time. The week was a success and we would like to share with you some of the accomplishments.

The poster display represented more than 8 different areas, ranging from HIPAA to Social

Work to Contract Administration. We held two celebrations which over 350 employees attended. Approximately 300 employees took the Code of Conduct quiz and 17 of them received prizes for their efforts. Also, this newsletter made its first appearance. We hope that it will serve as a tool for the various aspects of compliance that we face every day.



Employees enjoy Compliance Week in the Pavilion.

IN MEMORIAM: JULIAN WALTER DELAROSA

On July 31, 2007, Julian Walter De La Rosa passed away at his home in North Texas. Julian was the Senior Director, Compliance and Corporate Compliance Officer, as well as a member of the Senior Leadership Team at Children's.



Born September 12, 1939 in San Antonio, Julian joined the FBI in a support capacity while attending St. Mary's University in San Antonio. He became a Special Agent in June of 1963 after receiving his degree. He held various positions with the FBI and served in many locations throughout the U.S. In 1979, he was appointed Assistant Special Agent In Charge at the San Antonio field office. In March, 1988, he was designated Special Agent In Charge of the St. Louis field office.

In 1990, Julian was appointed by President George Bush to serve as the Inspector General for the Department of Labor.

After serving as the Inspector General, Julian began his work in health care compliance. In 2002, Julian joined Children's and formed the Corporate Compliance Department.

Julian had many wonderful stories about the interesting cases he worked while in the FBI, and it was a delight to hear him tell them. The FBI motto, "Fidelity, Bravery, Integrity", described Julian in every way. He was a person of the highest integrity and always did what he thought was right, regardless of the consequences to himself.

His absence is felt in the community and at Children's, especially in the department he built. We miss him yet strive to keep his legacy alive and perform in a way that would make him proud.

COMPLIANCE HOTLINE:

1-866-769-0998

Senior Director,
Corporate Compliance
Officer
214-456-6835

Manager of
Corporate Compliance
214-456-1382

Manager of Regulatory
Compliance
214-456-1070

Administrative Assistant,
Corporate Compliance
214-456-6792

RESEARCH COMPLIANCE SPOTLIGHT

The Informed Consent Process and the Non-English Speaking Subject

Federal regulations require that selection of potential subjects be impartial. The study sample should also represent the populace that has the likelihood of benefiting from partaking in the research. For that reason, the UTSW Institutional Review Board (IRB) requires that non-English speaking subjects be included in research trials unless there is a valid reason for their exclusion.

The informed consent must be implemented in the participant's language. The informed consent method for non-English speaking subjects is one and the same as for English speaking subjects; nonetheless, a trained interpreter must be in attendance to assist in the consent dialogue between the

“It is not recommended that family or friends act as the interpreter....”

investigator and the potential subject prior to enrollment. The interpreter shall be recognized as the witness to this non-English consent process and shall sign the consent as such.

Due to the possibility of conflict of interest, it is not recommended that family and friends be the interpreter in the informed consent process, even if they are 100% competent. Research team members, however, may interpret if qualified.

Federal policy also obligates us to offer the informed consent in a language that is comprehensible to

the subject. In most circumstances, the informed consent must be documented in writing. Planning ahead, investigators of a research study should have the IRB approved English version consent translated, prior to the beginning of study recruitment.

The HIPAA Authorization form (the Authorization for the use of Personal Health Information for Research), when applicable, must be translated into the subject's language as well and stamped as approved by the IRB prior to enrollment of subjects.

The next *Research Compliance Spotlight* will focus on, “Documentation of the Informed Consent Process”.

Olivia Torres, RN, BSN, CCRC
Research Compliance Specialist

HIPAA CORNER

Pretend you are tasked with surveying our facility for accreditation and you are working on a tracer, which leads you to one of our inpatient units. You ask a nurse and a HUC a few questions, which are answered correctly. All the medical records you review are free of dangerous abbreviations and all documentation is in order. Then, you see an empty chair in front of a workstation and notice that the monitor faces where those that are walking through the hallway can read the screen. Next you notice Powerchart has been left open and on the screen is a patient's information.

You, as the surveyor, make a note of what you've seen and forget about the correctly answered questions and perfectly documented records. You ask the nearest nurse or other staff member if they have been trained or taught to log off when they walk away from the workstation. Again the answer is correct. This is an area of improvement that was pointed out previously, in other surveys, yet here it is again.

The example above happened during a mock survey in the past at Children's and at other facilities as well. This is one area that affects every department as we strive to be compliant in our daily routines. While there are many complex patient care issues that we deal with on a daily basis, we have this issue totally within our control.

Over the next several weeks the HIPAA compliance team will be looking specifically for unattended patient information. The goal is to increase awareness and prevent a reoccurrence of the above stated scenario. We will not be singling out individuals, but merely making sure we are all aware of the dangers of personal information being accessed or obtained improperly.

Richard Boyer
Information Privacy Officer



INTERNAL AUDIT

You may have heard the terms “internal controls” or “management controls” or simply “controls”. They are used synonymously, but what exactly do they mean?

Controls can be anything that helps to ensure you accomplish your mission. It’s providing customer service and fulfilling your duties correctly to avoid fraud, waste, abuse, mismanagement, errors, accidents or bad publicity. Instituting internal controls is a common sense approach to protecting our resources and ensuring that each person fulfills his/her job responsibilities. Examples include:

- Policies and Procedures
- Recurring Training/Education
- Supervisory Oversight
- Documentation and Record Keeping
- Required Approval/Authorizations
- Locking Doors/Safes/Files
- Badges to Limit Access
- Firewalls/Lockouts
- Separating Conflicting Duties

Who is responsible for internal controls? Answer: Everyone. Every employee has some responsibility for making the system of internal controls function effectively to help avoid or minimize risks. By risk, we mean any kind of adverse impact to Children’s.

Internal controls apply to every aspect of what we do because a lack of controls can result in adverse outcomes, inefficiencies (increasing costs), dissatisfied patient families, non-compliance with regulatory requirements, or negative publicity.

The establishment and empowerment of Internal Audit is an example of how Children’s has applied the concept of internal control. Generally, internal controls are categorized in two ways:

1. **Preventative Controls:** those that are designed to discourage errors or irregularities from occurring, such as unauthorized access, or segregation of key duties.
2. **Detective Controls:** those that are designed to find errors or irregularities after they have occurred, such as bank reconciliations or reviews.

If you are unaware of the applicable internal controls designed within your job duties or if you feel a process or system does not have an effective internal control mechanism in place, ask your supervisor to go over them with you. If you have concerns about internal controls in your area, please feel free to contact Sheri Kowalski, Director of Internal Audit at ext. 8250.

Sheri Kowalski
Director of Internal Audit

THE JOINT COMMISSION

On June 19-22, 2007, a consulting arm of the Joint Commission conducted a mock survey at Children’s. At the end of the week, the surveyors gave some valuable feedback on their findings. The surveyors noted progress in several areas that had been identified in previous mock surveys as needing improvement. The interdisciplinary plan of care received recognition for noticeable improvement across the continuum.

Studies have shown that at least half of all communication breakdowns occur during ...hand-offs.

Overall, Children’s continues to make strides in improving and observing the requirements of the Joint Commission. The Corporate

Compliance Office and the Department of Accreditation and Regulatory Readiness are pleased with the progress and continued support towards programs and initiatives that increase compliance and foster an environment of quality and patient safety at Children’s.

One area of focus from the Joint Commission is compliance with the National Patient Safety Goal that measures hand-off communication. Studies have shown that at least half of all communication breakdowns occur during both permanent and temporary patient hand-offs.

To comply with that goal, Children’s implemented a recommended technique: Situation-Background-Assessment-Recommendation, or SBAR. The technique can be used anywhere and helps caregivers organize communication during

patient hand-offs.

Interruptions should be limited during a patient hand-off to prevent confusion. Additionally, a patient’s medical record should be present or readily accessible wherever the patient is located. Whether in writing or verbally, caregivers should make sure there is an opportunity to answer questions or clarify information during hand-offs.

For additional information on Hand-off Communication please refer to the Clinical Practice Policy #3.13 or contact the Department of Accreditation and Regulatory Readiness at 214.456.1537.

Javier Montemayor
Director of Accreditation and Regulatory Readiness

FALSE CLAIMS ACT

In the last issue, the False Claims Act (FCA) was discussed in general. To better understand the Act as a whole, following are some common forms of provider conduct that constitute the submission of a false claim.

Billing for Items or Services Not Actually Rendered: This is perhaps the most common form of billing fraud that occurs in many healthcare entities. It represents a significant part of the Office of Inspector General's (OIG's) investigative case load. Billing for services not actually rendered involves submitting a claim that represents that the provider performed a service or part of a service which was simply not performed. It may also consist of services that are not properly documented. To the OIG, if a service or part of a service is not documented in the medical records, it is simply considered to not have been performed. Hence, the claim submitted by the provider may be considered as a false or fraudulent claim.

Providing Medically Unnecessary Services: This is the practice of providing a false statement of a patient's condition in order to obtain reimbursement for treatments or services that would otherwise be deemed unnecessary. On every CMS 1500 Form claim, a physician must certify that "the services shown on this form were medically indicated and necessary for the health of the patient..." Consequently, enforcement authorities have taken the position that any medically unnecessary service that is billed on a form with this certification is a false claim.

Upcoding: This term refers to the practice of billing Medicare or Medicaid using a billing code which provides a higher payment rate than the originally intended code. The most appropriate billing code must be used in order for a claim to be considered clean and not false or fraudulent.

Unbundling: This is the practice whereby providers submit bills in a fragmented or separate fashion in order to obtain higher reimbursement instead of billing for the procedure or product as a whole.

Filing False Cost Reports: Another common form of healthcare fraud is submission of false or fraudulent information to Medicare or Medicaid on cost reports. Some examples are: including costs of non-covered

...if a service or part of a service is not documented in the medical records, it is simply considered to not have been performed. The claim submitted ... may be considered as a false or fraudulent claim.

services; billing Medicare for costs not incurred; repeatedly including unallowable cost items; manipulating statistics to obtain additional payment; claiming bad-debts without first attempting to collect payment; and utilizing depreciation methods not approved by Medicare.

Quality of Care: A number of FCA cases have arisen based upon poor quality of care. The theory behind such cases is that providers who seek reimbursement from the federal government for substandard care and services are submitting false claims for such care and services.

Waiver of Coinsurance and Deductibles: The OIG and the Department of Health and Human Services ("DHHS") state that a provider who routinely waives copayments or deductibles is misstating its actual charge. Additionally, the Medicare Carriers Manual states that the providers must make a "reasonable collection effort" for coinsurance and deductible amounts.

Jenny Johnson
Manager of Corporate Compliance

QUESTIONS & ANSWERS

We have a new format for the Question and Answer section. Send your answer to the question below to Rebecca Rice via Groupwise to become eligible to win a prize. Questions will relate to one of the articles in the newsletter.



Q: In patient hand-offs, what does SBAR stand for?