

Radiology Consultants of Iowa, PLC Compliance Program and Policies

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Compliance Mission Statement

Radiology Consultants of Iowa, PLC, is a single specialty medical group. The physicians of Radiology Consultants of Iowa also own associated companies, or divisions, referred to as Beta Technologies, Inc. and MR Associates LP. The compliance program and policies to be described apply to all three of the group's companies and for the purpose of this document will be referred to as one organization under the umbrella name of Radiology Consultants of Iowa (RCI).

It is the policy of RCI to comply with all federal, state, and local laws and regulations governing the delivery of radiology professional and technical services. All RCI physician Members, physician employees, associates, agents and contractors are expected to conduct themselves with honesty, integrity, and fairness.

To achieve RCI's mission in the area of legal compliance, RCI has developed a formal corporate compliance program to ensure, to the extent reasonable possible, that all physicians, associates, employees, consultants and contractors of RCI promote a high degree of business honesty and integrity required of a health care provider. In addition, this program has been implemented, to the extent possible, as a means of preventing fraud, abuse and false billings to any third party payer.

Strict adherence to the compliance program is expected of all physicians and associates of RCI, including the Board of Managers, officers of the corporation, managers, supervisors, and those hired to work as independent contractors for RCI.

Corporate Compliance Oversight

RCI's Board of Managers (Governing Board) has the ultimate authority for ensuring that all physicians and associates of RCI adhere to the compliance program and its policies. Consistent with the Governing Board's directives, the compliance program objectives will promote the company's culture, mission, vision, and principles. Compliance principles are reflected in all governance, risk management, information management, financial and operational management and activities. In this role, the Governing Board approves the development of a comprehensive corporate compliance program to comply with federal and state laws and the ethical standards of RCI.

The Governing Board establishes and authorizes the Compliance Committee to oversee development, implementation, and maintenance of the corporate compliance program. The Compliance Committee is charged with reviewing the compliance program at least twice a year to determine whether the compliance program is effective and to authorize appropriate amendments to the program. The Compliance Committee submits a formal written report to the Governing Board on a biannual basis.

Corporate Compliance Committee

The Compliance Committee reports to the Governing Board on the following:

1. The legal environment in which RCI functions.
2. The legal requirements in which RCI must comply.
3. When circumstances require, recommends to the Governing Board policy amendments or modifications in light of changed circumstances or new requirements.
4. Developing internal systems and controls to carry out the company's policies and satisfy legal standards.
5. Develop systems to solicit, evaluate, and respond to complaints and problems and evaluates the effectiveness of these systems.

Corporate Compliance Officer (CCO)

The CCO directs the central activities of the Compliance Committee and is primarily responsible for implementing and satisfying RCI's compliance mission by planning, designing, implementing, and maintaining the corporate compliance program in conjunction with the Compliance Committee. Tasks assigned to the CCO include: coordinating compliance training and education, conducting or arranging internal audits, identifying compliance issues and trends, investigating and resolving compliance complaints and promoting awareness and understanding of the positive and ethical and

moral principles consistent with the mission, vision, and principles of RCI mandated by State and Federal law.

Duties and Responsibilities of the Corporate Compliance Officer include:

1. In conjunction with the Compliance Committee, develops and adapts a compliance manual describing all aspects of the compliance program, as well as compliance standards of conduct and policies and procedures for each component.
2. Implements and evaluates internal systems to promote RCI's standards of conduct, policies and procedures, as part of its daily operations.
3. Develops, arranges, and coordinates compliance training and education programs for all physicians, associates, and employees. Assesses the need for additional training. Promotes understanding of RCI's commitment to comply with all applicable laws and regulations.
4. Uses internal audits to monitor and detect intentional or accidental non-compliance with the applicable laws and requirements. If any noncompliance is detected, recommends a solution and follows up to ensure that the recommendation has been implemented.
5. Enables physicians, associates, and employees to report instances of non-compliance by placing every member on notice that all allegations of misconduct will be investigated. Reports of misconduct will be kept strictly confidential within the limits of the law.
6. Whenever required, sets disciplinary policies in concert with those responsible for the human resources functions to respond to episodes of misconduct (including the failure to prevent, detect, or report any noncompliance) appropriate to the nature and extent of the deviation, and ensures consistency in the application of disciplinary action.
7. Works with the Governing Board, group managers, and supervisors to ensure that new physician and associate hires have appropriate and lawful background checks before they are hired, while mindful of the need to protect individual privacy and confidentiality consistent with State and Federal law.
8. Improves the compliance program on a continuous basis. Implements changes to improve the prevention and detection of any noncompliance.
9. Keeps the Governing Board and Compliance Committee fully informed by preparing and submitting written reports on compliance issues and developments.
10. Chairs the Compliance Committee. In this role, organizes and schedules committee meetings, develops the agendas, facilitates meeting discussion, and monitors any follow-up action items.

On April 19, 2001, the Board of Managers designated RCI's Chief Administrative Officer to serve as the Corporate Compliance Officer.

The Seven Key Elements of the Compliance Program Include:

Consistent with OIG's Federal Sentencing Guidelines, RCI has developed seven key elements that underpins its Compliance Program as follows:

1. Compliance **rules and procedures** reasonably designed to find and reduce the prospect of legal wrongdoing.
2. Assigning **high-level personnel** to oversee its compliance efforts.
3. Using **due care in delegating discretionary authority** to individuals who the company suspects may have the propensity to engage in illegal activities.
4. **Effectively communicates** compliance standards and procedures to all physicians and associates by either training programs or dissemination of information.
5. Taking **reasonable steps to satisfy compliance standards through use of monitoring and auditing** systems. Establish and publicize of a reporting system that physicians and associates will use to confidentially report suspected misconduct or concerns, without fear of retribution.
6. **Enforces** its compliance policies even if it requires disciplinary measures, which may in the most serious cases result in dismissal or the filing of civil or criminal charges.
7. Take the **appropriate response to offenses** and prevent the occurrence of other similar episodes.

Administration and Management Responsibilities

The Administration and Management of RCI and its associated companies include the following individuals: Medical Director, Chief Administrative Officer, Chief Financial Officer, and other managers and supervisors of the company. These individuals have a responsibility to:

- Promote and adhere to the Compliance Program.
- Monitor all compliance related activity within their purview.
- Retain counsel, as appropriate, to review contractual arrangements between companies internally and externally and patient referral sources.
- Respond appropriately to complaints and report potential compliance problems.

- Work with legal counsel, as appropriate, to research and resolve identified problems and prevent recurrences.
- Use due diligence in hiring physicians and associates.
- Inform new physician and associate hires of RCI's Compliance Program and its requirements.
 - i Provide appropriate training for physicians and associates in those areas where the Compliance Program applies to them.

Physician and Associate Training and Education

Education and training will be provided to all physicians and associates on the Compliance Program, Medicare regulations, labor law, OSHA laws, and other laws as applicable to RCI and as appropriate to the individual's job responsibilities. Physicians and associates will be instructed annually about RCI's commitment to compliance with all pertinent laws, regulation, and guidelines, which can include, for example:

- i A summary of fraud and abuse laws.
- i Coding requirements.
- i Claims development and submission processes.
- i Marketing of services provided by RCI.
- i Stark II laws as they pertain to RCI.
- i Billing and coding requirements.
- i Radiology records reporting.
- i Duty to report misconduct.

Reporting and Investigation

All allegations of failure to comply with the standards set forth in this Compliance Program will be referred to the Compliance Officer (also the CAO) by calling him/her directly at 364-0121 x7326, or by notifying the physician's/associate's immediate supervisor, or by completing the Compliance Report Form. An oral report should be followed by a written report as soon as feasible. All reports will be held private and treated confidentially. However, under certain circumstances, anonymity cannot be guaranteed -- for example, if the person making the report is responsible for or has participated in the failure to comply. The company will shall take reasonable steps to ensure that no retaliation is taken against an employee who makes a report. All reports

will be investigated to determine if they are valid. The Corporate Compliance Officer, or others designated by the Board, will take the following steps in conducting an investigation:

1. Compliance Officer will interview and obtain from the person reporting the problem a full written report describing the nature and scope of the problem/allegation.
2. Compliance Officer identifies and interviews other individuals who may have knowledge of the problem/allegation. He/She should also review pertinent records or data that may support problem/allegation. If he/she has enough information, he/she should try to ascertain the validity of the problem/allegation.
3. Compliance Officer informs Board and Compliance Committee of the problem/allegation and promptly convenes a meeting of the Compliance Committee to determine how best to proceed and whether at this point it is necessary to consult with legal counsel and/or other outside experts on the matter.
4. If there is enough evidence to validate the allegation, and it involves an associate(s), the Compliance Officer/CAO has the authority to suspend an associate until the Compliance Committee has convened and the investigation is completed and a final determination has been made. If this involves a physician, the Compliance Officer will defer to the Chairman of the Board and Medical Director to make the decision to suspend the physician.
5. Based on the nature and scope of noncompliance, the Compliance Committee will make a recommendation to the Board as to whether the incident of noncompliance should be reported to the appropriate governmental authority, and if it involves a third party payer, what restitution needs to be made. The Board makes the final decision as to whether and when it should be reported, and if it involves a third party payer, what restitution needs to be made.
6. If the problem/allegation is true, the Compliance Committee will determine if there was a systemic failure or an isolated occurrence.
7. The Compliance Officer will maintain records of the incident, investigation, and corrective action in accordance with the law and in a manner that assures protection under the attorney-client privilege and attorney work product doctrine.

Scope of Compliance Program

RCI's Compliance Program will initially focus its efforts in the following legal areas of third party payer billing and coding, billing and medical record reporting, **Stark II** laws, **OSHA** laws, Labor laws, IRS reporting and regulations.

Third Party Payer Billing and Coding: Third party billing and coding ranks high on RCI's Compliance Program because it had the potential, either through deliberate action or through omissions or errors, to create significant legal exposure for RCI. Consistent with OIG's guidelines, RCI has developed billing and coding policies, procedures, and audits, which will be described in some detail later in this Compliance Program. The focus of this section of the Program is to ensure avoidance of the following:

- i Billing for radiology services not rendered as claimed.
- i Submitting claims for radiology supplies or services that are not reasonable and necessary.
- i Double billing.
- i Billing for non-covered services under Medicare.
- i Failure to properly use coding modifiers.
- i "Upcoding".
- i Unbundling of radiology exams.
- i Inappropriate balance billing (billing Medicare patients for the difference between our charges and the Medicare Part B allowable payment).
- i Routine waiver of co-payments and billing third-party insurance only.
- i Discounts and professional courtesy not in conformity with Medicare guidelines.
- i Improper reassignment of physician billing numbers.
- i Failure to refund credit balances due patients and payers.
- i Billing for radiology services provided by unqualified or unlicensed clinical personnel.

Attachment A describes in the form of a matrix RCI's approach to ensuring we are taking the appropriate steps to avoid the above by responding to the following questions: What are RCI's billing and coding policies and procedures on each matter? What operational processes are in place to avoid noncompliance in these areas? What tools or audit mechanisms are in place and how do they work? Are billing and coding audits being done and documented?

Billing and Medical Record Reporting: Consistent with OIG guidelines, RCI has developed internal documentation guidelines to ensure proper billing and medical record documentation as follows:

- i RCI will strive to make sure radiology reports are complete and legible.
- i The documentation of each radiology test includes the reason for the test, any relevant patient history, prior diagnosis if appropriate, and test results (assessment, clinical impression, or diagnosis).
- i Location and date of when the test was performed and legible identity of physician performing the test.
- i Documentation and the radiology record support CPT and ICD 10-CM codes used for claims submission.
- i Appropriate health risk factors and changes in treatment or diagnosis are identified.
- i The HCFA 1500 form links diagnosis code with the reason for the test using modifiers appropriately.
- i Medicare is provided with information about a beneficiary's other insurance coverage.
- i RCI complies with federal and state record retention requirements.

COMPLIANCE AUDIT FORM
Exhibit C

Patient Name					
Reading doctor					
Patient Account #					
Site					
Insurance Carrier					
Total charges billed					
Correct Total charges billed					
Difference (this is a formula)					\$ -
No.	Description	Yes	No	N/A	Comments
1	Procedure CPT #				
1.a					
1.b					
1.c					
1.d					
2	ICD-10 #				
2.a					
2.b					
2.c					
2.d					
3	Modifier				
3.a					
3.b					
3.c					
3.d					
4	Order matches report?				
5	Separate reports for each procedure?				
6	DOS correct				
7	# of views				
8	Incident to give proper document of dr. present.				
9	Billed for procedures provided?				
10	Double billed?				
11	Billed for non-covered services under Medicare?				
12	Balance billing inappropriate?				
13	Co-payments and billing third-party insurance were waived.				
14	discounts and profesional courtesy no in conformity with Medicare guidelines?				
15	Improper re-assignment of physician billing numbers?				
16	Failed to refund credit balance due patient or payer?				
17	Radiology services provided by unqualified or unlicensed clinical personnel?				
18	Patient did not sign required waiver and servers are likely to be denied?				

Comments

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