



DIVISION: St. Joseph Health System
DEPARTMENT: Compliance/Finance
LAST DATE REVISED: 03/14/2011
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ORIGINAL DATE ADOPTED: 06/30/1997
PAGE NUMBER: 1 of 2
POLICY NUMBER: CRP 010

COMPLIANCE WITH THE SJHS CORPORATE RESPONSIBILITY PROGRAM

1.0 PURPOSE

In an effort to maintain an effective Corporate Responsibility Program pursuant to guidelines published by the Office of Inspector General and in manner that is consistent with promoting Perfect Care and Sacred Encounters, such programs must be monitored and audited for quality assurance and to ensure that policies and procedures established are being complied with by all individuals of SJHS Ministries.

2.0 SCOPE

Employees, trustees, medical staff members, volunteers and regular vendors of SJHS Ministries.

3.0 POLICY

Employees shall report to the SJHS Ministry Integrity Officer any violations of law or regulation.

4.0 PROCEDURE

Monitoring. Chief Compliance Officer and Regional Compliance Directors, with the Audit Committee shall be responsible for monitoring compliance with the Corporate Responsibility Program as it may be modified from time to time. In that regard, an annual report on the effectiveness of the Corporate Responsibility Program shall be presented to the Finance (or Audit/Compliance) Committees of each ministry board. Additionally, the recommendations and action items resulting from due diligence review by SJHS bond counsel in the context of bond financing shall be incorporated in ongoing improvements in compliance. However, each employee shall have responsibility for reporting compliance concerns and improvement opportunities to the SJHS Ministry Integrity Officer or the local compliance officer on an ongoing basis.

1. Anyone with knowledge of a potential violation of any component of the SJHS Corporate Responsibility Program should contact the Regional Compliance Director.
2. The Regional Compliance Director will promptly commence an investigation into the allegations consulting with SJHS Legal Counsel as appropriate.
3. The Regional Compliance Director will determine whether a violation occurred. After consultation with SJHS Legal Counsel and the appropriate community of concern, the SJHS Ministry Integrity Officer will assess what information, if any, should be reported to relevant parties (e.g., government payors, fiscal intermediaries, patients and/or third party payors).
4. If it is determined that the information relating to the violation appears to be within the scope of an on-going governmental investigation, the Regional Compliance Director shall work with the appropriate community of concern to



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determine how, what and who within the governmental investigation to report the violation to.

5. All reports to governmental investigators of compliance concerns shall make clear that the intent of the ministry is to remediate the violation and make refunds if appropriate. However, the initial report could be made without any payment so that refunds and remediation that is needed can be determined in discussions with the governmental investigators regarding the resolution of the investigation.

Auditing.

Financial Audit - SJHS engages an external accounting firm to perform a financial audit of the consolidated financial statements of SJHS and its ministries. The financial audit is not designed to perform an audit of internal control over financial reporting or other policies and procedures.

Internal Audit – SJHS engages an external firm to perform internal audit reviews. Such audits are not intended to encompass all compliance efforts or compliance with the financial policies included in the Corporate Responsibility Program. An annual risk assessment is performed and seeks to identify financial, operational, compliance, strategic or ethical/religious directive risks as identified by officers, trustees, sponsors or management. Based on this risk assessment, an annual internal audit plan is developed and executed upon the approval of the SJHS Audit and Corporate Responsibility Committee. Additional internal audit reviews may be added to the annual internal audit plan as necessary. The results of such audits are reported to the SJHS Committee and the local ministry finance (or audit) committee on a quarterly basis.