



CORPORATE COMPLIANCE PROGRAM

I. INTRODUCTION

Shore Quality Partners (SQP), LLC, is a wholly owned subsidiary of Shore Memorial Hospital, which is a wholly owned subsidiary of Shore Memorial Health System, Inc. (SMHS). SQP has established, and will maintain and monitor, a corporate compliance program that meets the requirements for an effective compliance program established by the U.S. Department of Health and Human Services Office of Inspector General. SQP has customized this compliance program to meet the needs and issues of a clinically integrated network, and will assess and update the program as needed and as circumstances dictate (SQP Compliance Program).

II. COMPLIANCE OFFICE CONFIDENTIALITY

The SMHS Compliance Office will also serve as the Compliance Officer for SQP. Given that SQP is a wholly owned subsidiary, all requirements as written in the “Shore Memorial Health System Corporate Compliance Plan” (SMHS Corporate Compliance Plan) shall be binding on SQP. The SMHS Corporate Compliance Plan is attached hereto as Exhibit A and the terms of which shall be incorporated herein by reference. SQP understands that it has ultimate responsibility for adhering to and otherwise complying with all terms and conditions of its payer agreements. The SQP Compliance Program will be applicable to all SQP contracted staff, contractors, physician participants, and suppliers/vendors, herein referred to as “SQP Associates,” but only with respect to their work that each performs on behalf of SQP, and not with respect to their independent activities that are outside of the scope of their respective roles as SQP Associate(s).

III. COMPLIANCE OFFICE COORDINATION AND LEGAL COUNSEL

Compliance Office coordination and use of legal counsel shall comply with the provisions outlined in the “SMHS Corporate Compliance Plan.”

IV. COMPLIANCE OFFICE COORDINATION WITH SQP EXECUTIVE DIRECTOR

The Chief Compliance Officer (CCO), also the Chief Compliance Officer for the SMHS, and SQP Executive Director or designee will maintain open communications and establish reciprocal reporting obligations for issues involving SQP and other SMHS subsidiaries. The CCO and SQP Executive Director or designee will coordinate investigative and resolution activity as needed to avoid unnecessary duplication of efforts. The CCO and SQP Executive Director or designee will meet periodically to discuss particular cases, coordinate efforts and resolve issues. If an SQP Associate raises an issue through the compliance program, whether by direct contact or through the SMHS Hotline, the SQP Associate will be protected from retribution or retaliation.

If an issue is raised to the SQP Executive Director or designee that involves or may involve any of the following subject areas with relation to any SQP Associates acting within the scope of his role as an SQP Associate, a notification should be forward to the CCO within two business days of receipt and a preliminary written report be provided within 10 business days:

Applying cost-savings measures in clinically inappropriate standards

Limiting care provided to patients in contravention of the integration protocols

Adverse impacts on the quality of patient care

Payment or benefit in exchange for patient referrals

Inappropriately accelerating patient discharges

Sharing competitively sensitive information among competing providers

Compromising physicians’ ability to exercise professional judgment

Compromising rights of patients to make decisions about their care

False certifications of quality or other payer data submissions

Lack of patient notifications required, if any

Improper billing or coding

Kickbacks or bribes

Conflicts of Interest

Abuse of patients/customers

Patient confidentiality

Embezzlement/theft

False expense, reports, vouchers, etc.

Retaliation or retribution

Fraud/False Claims

Breach or unauthorized disclosure of Patient Protective Health Information, except that these physician participants shall be bound to comply with all federal and state statutes and regulations regarding HIPAA and patient privacy and nothing herein shall be construed to relieve the physician participant from their legal obligations as a covered entity relating to patient privacy.

At the discretion of the SQP Executive Director or designee any other matters deemed to be compliance related will be reported to the CCO in accordance with procedure. The SMHS Privacy Officer shall be provided notice regarding any matters relating to patient privacy.

V. CHIEF COMPLIANCE OFFICER

As previously mentioned, the CCO of SMHS will serve as the focal point for compliance activities and be responsible for oversight of the development, implementation and daily operation of the SQP Compliance Program.

The primary responsibility of the CCO is the implementation and effective operation of the SQP Compliance Program.

In carrying out this policy and responsibilities of the office, the CCO will:

- a. Maintain effective communication with the SQP Executive Director or designee and have direct access to the SQP Board of Directors to provide oversight of the Compliance Program,
- b. have authority to audit and investigate compliance violations and act as needed, and
- c. have access to review all needed information, including but not limited to contracts and contractual arrangements.

The Shore Memorial Health System Corporate Compliance Audit Team will advise and assist the CCO in developing and implementing the overall SMHS Corporate Compliance Plan. When

appropriate, the Shore Memorial Health System Audit and Compliance Committee will provide oversight of the CCO's activities.

The CCO will report on a regular basis, but no less than annually, to the SQP Executive Director and the SQP Board of Directors on the implementation and oversight of the SQP Compliance Program.

The CCO will:

1. Oversee and ensure that the Executive Director communicate with the SQP Board of Directors to ensure that the SQP Code of Conduct is effectively communicated to management and SQP Associates.
2. Develop, maintain, and revise compliance policies and procedures for the general operation of the compliance program and related activities to prevent illegal, unethical, or improper conduct.
3. Oversee the implementation of training and communication programs to ensure that all SQP Associates are educated on the SQP Code of Conduct and the compliance program.
4. Oversee SQP-related issues reported to the "Hotline" system and other "feedback" mechanisms.
5. Independently investigate and act on matters related to compliance as necessary and ensure that corrective actions are taken where indicated.
6. Develop and oversee a system for uniform enforcement of violations of rules, regulations, policies, procedures, and the SQP Code of Conduct, and where appropriate ensure proper reporting of potential violations of law to the duly authorized law enforcement agencies.
7. Respond appropriately if a violation is uncovered, including a direct report to the SQP Board of Directors or external agency if deemed necessary.
8. Identify areas of potential compliance vulnerability and risk; and, thereafter, provide specific direction for the resolution of problematic issues, as well as general guidance to the organization on how to deal with similar situations.
9. Ensure that SQP Associates are properly screened against the HHS/OIG List of Excluded Individuals and Entities (LEIE), and the GSA System for Award Management (SAM) Debarment List, as required by law.

10. Prepare periodic reports and evidence for review by the SQP Board of Directors on the progress and effectiveness of the SQP Corporate Compliance Program.

11. The CCO has sufficiently trained and educated both the Executive Director or a designee and other SQP Board of Directors to ensure that appropriate operational competencies are attained

VI. SQP ASSOCIATE ANONYMITY AND CONFIDENTIALITY

All SQP Associates are responsible for reporting misconduct, including actual or potential violations of law, regulation, policy, procedure, guidelines or the SQP Code of Conduct, using the SMHS hotline or by contacting the CCO directly. Any SQP Associate may request anonymity regarding any issue of concern reported.

The SMHS telephone hotline will be used to report problems and concerns either anonymously or in confidence.

SQP Associates who report problems and concerns in good faith will be protected from any form of retaliation or retribution. Everyone who receives or is assigned responsibilities for hotline calls from SQP Associates shall agree to the terms of confidentiality.

SQP Associates cannot exempt themselves from the consequences of their own misconduct by reporting the issue, although self-reporting may be taken into account in determining the appropriate course of action.

Callers may remain anonymous, but if they identify themselves, the caller will have his/her confidentiality protected to the limit permissible under the law, even though doing so may limit the ability of the organization to complete a thorough investigation.

VIII. ENFORCEMENT AND CORRECTIVE ACTIONS

SQP will comply with all applicable laws and regulations and the principles set forth in the SQP Code of Conduct. All individuals, regardless of position, who fail to comply, will receive consistent and appropriate administrative and/or corrective action. The SQP Board of Directors will determine corrective action for any SQP Associate who fails to comply with applicable laws, program requirements of Medicaid, Medicare or other third-party payers, the SQP Code of Conduct, or other corporate policies, guidelines or procedures, or who otherwise engage in wrongdoing which has the potential to impair SQP's reputation as a reliable, honest and

trustworthy clinically integrated network. SQP recognizes that situations and circumstances vary. Therefore, in determining appropriate administrative or corrective action, SQP reserves the right to evaluate each situation individually and to take whatever action is deemed to be appropriate by the SQP Board of Directors based upon the specific circumstances involved.

SQP Associates may be sanctioned for failing to instruct their staff adequately or for failing to identify, report and correct noncompliance with applicable policies or legal requirements where reasonable diligence on their part could have identified the problem.

IX. MANAGEMENT COMPLIANCE RESPONSIBILITIES

The SQP Board of Directors is responsible for promoting and supporting compliance with all applicable laws, regulations, policies, procedures, guidelines and SQP’s Code of Conduct. The SQP Executive Director with assistance from the CCO will provide SQP Associates adequate guidance, education and instruction on compliance-related matters.

SQP Chief Compliance Officer:

Frederick J. Cantz Jr., CPA, CFE

Date: _____

SQP Board of Directors, Chairperson:

Steven P. Nachtigall, MD

Date: _____

SQP Interim Executive Director:

Cliff Frank

Date: _____