

living

METHODIST

values

A HANDBOOK
FOR VENDORS
AND CONTRACTORS



HOUSTON
MethodistSM
LEADING MEDICINE

HOUSTON METHODIST

Mission

To provide high quality, cost-effective health care that delivers the best value to the people we serve in a spiritual environment of caring in association with internationally recognized teaching and research.

Vision

People will seek Methodist as a globally recognized leader of pioneering medical expertise and innovative, personalized care.

Values

Integrity

“We are honest and ethical in all we say and do.”

Compassion

“We embrace the whole person and respond to emotional, ethical and spiritual concerns, as well as physical needs.”

Accountability

“We hold ourselves accountable for our actions.”

Respect

“We treat every individual as a person of worth, dignity and value.”

Excellence

“We strive to be the best at what we do and a model for others to emulate.”

This handbook covers many of the situations that will arise during the course of your work. There may be times when the answers to your questions are not apparent. Please see your supervisor for guidance or explanation when needed. You may also speak with the Business Practices Office or the Human Resources Department. Changes to existing policies are made on a regular basis. The most current version of Methodist Policies and Procedures are found on the Methodist Intranet and take precedence if in conflict with this handbook. In the event that a vendor or contractor does not have access to a computer, the policies and procedures may be obtained from the vendor or contractor's manager or the Human Resources Department at the appropriate business unit.

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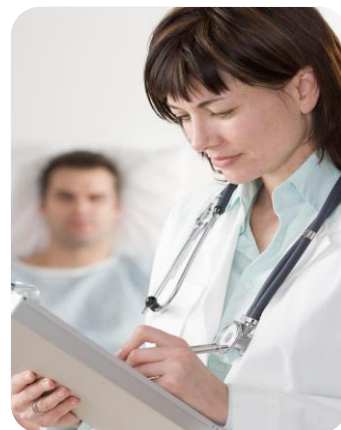
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Business Practices: Ethics and Compliance



The following section contains information about Houston Methodist's commitment to ethical practices and compliance with the law, which is demonstrated through the Business Practices Program.

Business Practices Program

Methodist is committed to building and maintaining a culture of integrity and ethics consistent with its core values: Integrity, Compassion, Accountability, Respect and Excellence. The purpose of the Business Practices Program is to demonstrate the commitment of Methodist to the highest standards of ethics and compliance with the law.

PROGRAM VISION: All actions taken in the name of Methodist are consistent with strong moral values, high ethical standards, and the law.

The Business Practices Program (Program) helps all employees, vendors, and contractors make this vision a reality. This vision is supported throughout Houston Methodist. The Audit and Compliance Committee of the Board of Directors and the Business Practices Committee, consisting of senior management and entity representatives, provides direction, guidance and oversight of this effort.

The Vice President, Business Practices Officer and Chief Audit Officer leads the Program. The Business Practices Officer reports functionally to the Board of Directors' Audit and Compliance Committee and reports administratively to the Executive Vice President and Chief Legal Officer at Houston Methodist.

The Business Practices Officer, working through the entity Business Practices Officers, is responsible for the implementation of the Program.

Ethics and Compliance

The Board of Directors adopted the Business Practices Policy and the Business Practices Program Plan.¹ All directors, officers, medical staff members, employees, vendors and contractors of all Methodist entities are expected to perform patient care activities, research, and

¹ Policy BP01

business operations in a manner consistent with the Program’s vision and Methodist’s core values – ICARE.

Vendor and Contractor Responsibilities

Complete Business Practices Program Training

The Business Practices Program provides training to employees, vendors, and contractors. Training focuses on business practices, ethics, and legal and regulatory issues. This training is designed to explain how a compliance program operates, how Houston Methodist is committed to ethical business behavior, and to raise awareness of how compliance violations should be reported. The Business Practices program is in place to prevent, detect, and correct noncompliance. Noncompliance with the law harms patients because it creates hurdles to receiving care including the denial of benefits, delayed services, and difficulty in using providers of the patient’s choice. The Business Practices Office staff is available to provide additional training upon request. *Contact the Business Practices Office at 713-383-5124 to request an in-service.*

Do the Right Thing! Report Questionable Practices

If you learn about a situation that may violate the law or that may not be the right thing, you should report the situation.² You should report a questionable practice for three reasons:

- Management wants to be aware of any practice or concern that is believed to violate Methodist’s values or the law so it can be addressed.
- Reporting identifies issues that might not otherwise be raised and leads to resolution of these issues.
- Reporting is a part of each employee, vendor, and contractor’s responsibility to make Methodist better.

You should report a questionable practice to your supervisor or other individual in your chain of command. If this is inappropriate or makes you uncomfortable, you may contact the following:

- Human Resources (for employment related matters)
- Your entity’s Business Practices Officer
- Methodist’s Business Practices Officer at 713-383-5124
- Business Practices *EthicsLine*:
 - Call 1-800-500-0333; or
 - Visit tmhs.myethicsline.com
- Department of Health and Human Services Office of Inspector General
- Texas Health and Human Services Office of Inspector General

Information about Business Practices *EthicsLine* and Follow-up

You do not have to give your name when you use the Business Practices *EthicsLine*. Incoming calls or web reports are not traced. A report of each concern is sent to the Methodist Business Practices Office, which coordinates the investigation.

² Policy BP07

If you report a concern to the Business Practices *EthicsLine*, you will receive a tracking number you can use for follow-up with the Business Practices *EthicsLine* or the Business Practices Office (713-383-5124). For example, you may want to call back to provide additional information about the concern or inquire about the status of the investigation. Additionally, the investigator may post requests for additional information to facilitate the investigation. These requests will remain in the file until the anonymous caller checks back with Business Practices or the Business Practices *EthicsLine*. You should call the Business Practices *EthicsLine* if you want to check on the status of an investigation without revealing your identity. While calls to the Business Practices Office are not traced or recorded, caller ID may reveal your identity.

You may use the Business Practices *EthicsLine* web reporting system to follow up on the status of an investigation, as well. Simply click the “Follow Up on a Reported Concern” link at tmhs.myethicsline.com.

All reports of questionable business practices are promptly investigated. Employees, vendors, and contractors who report questionable practices in good faith are protected from retaliation by Methodist Business Practices Procedure BP07 and by federal and state laws.

Note: *For assistance with end of life issues, follow your entity’s process to request a biomedical ethics consultation.*

Management Responsibilities

While all Methodist employees, vendors, and contractors are expected to actively participate in the Business Practices Program, managers are expected to set the example. In addition to those responsibilities listed above, management must:

- Create a culture within Methodist that promotes the highest standards of ethics and legal compliance.
- Encourage staff to report questionable practices.
- Report questionable practices when they arise.
- Continuously evaluate, revise and develop unit policies, procedures and practices for compliance with the law and Methodist standards, and change or write them when necessary. Therefore, Methodist reserves the right to change practices, modify job classifications, or institute any other language deemed necessary.
- Train staff to follow policies and procedures.
- Monitor staff practices and work outcomes to be sure policies and procedures are being followed.
- Ensure that staff complete appropriate Business Practices training.
- Complete the Business Practices Program Course for Management.
- Be a role model – *Live Methodist Values in All of Your Work and Do the Right Thing!*

Conflicts of Interest

As a Methodist vendor or contractor, your actions at work are expected to be in the best interests of Methodist. A conflict of interest exists when your private interests influence your actions at work in a way that is not in the best interests of Methodist.³ A conflict of interest can also occur when your private interests appear to influence your actions at work in a way that is not in the best interest of Methodist. Examples of “private interests” include personal or family relationships with competitors or vendors, membership on some outside boards, and certain outside ownership interests.

The Stark Law specifically prohibits physicians from making a referral for certain health services to an entity in which the physician, or a member of his or her family, has any ownership or financial interest. The penalties for entering into an arrangement that does not comply with the Stark Law include exclusion from all Federal health care payment programs, a fine of up to \$100,000, and additional fines of up to \$15,000 for each service provided.

Because Methodist is dedicated to conducting business according to the highest ethical principles, conflicts of interest must be recognized, disclosed, and managed to assure they cause no harm to Methodist.

- Each vendor or contractor is responsible for disclosing potential conflicts of interest as they arise. You should disclose a potential conflict of interest to your supervisor, appropriate management member, the Methodist Business Practices Officer, or the chair of any decision-making body you serve.
- If requested, vendors and contractors are expected to participate in the annual conflict of interest survey.
- Individuals involved in research are subject to additional disclosure requirements outlined in *Procedure RE14*.

Vendors, contractors, and others associated with Methodist who have a conflict of interest must not vote on the conflicted matter but, following proper disclosure and prior approval, may participate in the decision-making process.⁴

Methodist vendors and contractors are encouraged to contact their supervisor or the Business Practices Office for further information and guidance on potential conflicts of interest situations.⁵

Business Contracts

³ Policy BP08

⁴ Policy BP08

⁵ Policy BP 13; Policy BP19; Anti-Kickback Statute: Civil Monetary Penalties – Social Security Act § 1128A, see also 42 U.S.C. § 1320a-7a; Criminal Penalties – Social Security Act § 1128B, see also 42 U.S.C. § 1320a-7b; Exclusion – Social Security Act § 1128, see also 42 U.S.C. § 1320a-7; and, Safe Harbors 42 C.F.R. § 1001.952

Methodist will not contract with organizations or individuals with interests that conflict with Methodist's. Potential conflicts of interest will be disclosed to the appropriate management person(s) for evaluation.

Methodist follows the highest business standards in contracting with third parties. All contracts must be consistent with Methodist policies and procedures. In contracting with third parties, Methodist will comply with all disclosure rules, laws and regulations.

Business Courtesies and Gifts

Accepting gifts or gratuities may give the appearance of providing personal gain or showing favoritism to an individual and/or current or potential business partner. Vendors and contractors shall not accept or offer gifts intended to induce referral of patients or purchases, to influence any business or patient care decision, or to serve any other improper or unlawful purpose. With the exception of fundraising efforts supported by the Houston Methodist Hospital Foundation, employees, vendors and contractors may not solicit gifts of any value, either for themselves or for their departments or units.⁶

Before accepting a gift or business courtesy from an individual or business partner or offering a business courtesy, consult *Policy and Procedure BP19*.

Accepting Gifts and Tips from Patients and Visitors

Methodist appreciates the generosity of its patients and visitors who offer gifts to Methodist employees, vendors and contractors. However, accepting a gift from a patient or visitor may give an unfavorable appearance. For example, a visitor may offer a gift to you in hopes that you will give better care to their family member than to other patients. Before you accept a gift from a patient or visitor, consult *Policy and Procedure BP19* or talk to your supervisor.

Vendors and contractors may not accept tips from patients and visitors. A tip is a small amount of cash offered as a gratuity for service.⁷

Interactions with Physicians and Other Healthcare Providers

Business arrangements with physicians must be structured to ensure compliance with legal requirements. These arrangements must be in writing. The Department of Legal Services must approve these arrangements prior to implementation.⁸

Methodist does not pay for referrals. Patient referrals and admissions are based on the patient's medical needs and Methodist's ability to meet that need. Methodist does not pay or offer to pay anyone for the referral of patients.

⁶ Policy BP19

⁷ Policy BP19

⁸ Policy BP25; Stark Law 42 U.S.C. § 1395nn; Stark Exceptions 42 C.F.R. § 411.350

Additionally, Methodist does not accept payments for referrals. Vendors and contractors may not ask for or receive anything of value in exchange for the referral of patients. To knowingly receive or offer to pay remuneration for referrals is a violation of the Federal Anti-Kickback Statute. Those in violation of this statute are subject to fines of up to \$25,000, imprisonment of up to 5 years, or both. When making a referral to another health care provider, Methodist does not take into account the volume or value of referrals the provider has made or may make to Methodist.

Research Integrity

Clinical and biomedical research are part of Methodist's health care mission. Methodist is committed to following high ethical standards in the conduct of research. Methodist must review the impact of research projects on hospital operations and patient privacy. Employees, vendors, contractors, and others involved in research at Methodist are responsible for following the law and Methodist policies and procedures. Research misconduct will not be tolerated.

Research misconduct is defined as: Falsifying data, making up data, or using data or ideas from another source without giving credit. Honest errors or honest differences in interpretations or judgments of data are not considered research misconduct. For more information, consult *Procedure RE15*.

Information Management

The following section contains direction and guidance on dealing with sensitive information such as business information, personnel records, and medical and billing records. Additionally, this section outlines procedures regarding the accuracy, retention, and disposal of records.⁹

Antitrust Laws

Methodist is committed to following applicable federal and state antitrust laws. These laws are designed to promote fair competition. Talking about private Methodist information with competitors (other health care institutions in the Houston area) may violate antitrust laws. You should not discuss how Methodist sets its prices or salaries. You should not agree with a competitor to boycott a supplier. Additionally, you should not discuss Methodist's relationship with suppliers and payers, including usage rates, financial information and other contractual terms.

Accuracy of Records, Charts, and Other Documents

We create many records, charts, and files as part of our work. It is important for records to be correct and complete. Correct, complete records are needed to provide quality patient care, develop valid research data, and comply with regulatory and legal requirements. Vendors and contractors are responsible for ensuring that the records created or used are correct and complete.

Retention and Disposal of Records, Charts, and Other Documents

All Methodist records must be kept as long as directed by the Records Retention Procedure and Schedule. If the Schedule does not list a certain type of record, vendors and contractors should ask their supervisor or the Business Practices Office how long the record should be kept. You should follow the Records Retention Procedure when destroying records.



Information Security and Confidentiality

Sensitive information about Methodist's strategies and operations is a valuable asset. Examples of sensitive Methodist information include: personnel data; patient lists and clinical information; patient financial information; passwords; pricing and cost data; information pertaining to acquisitions, divestitures, affiliations, and mergers; financial data; strategic plans; marketing strategies; supplier and subcontractor information; and research data. Vendors and contractors may have access to and use sensitive information to perform their jobs. Keeping sensitive information private is a legal requirement and

⁹ Policy IM15

an important ethical obligation. If you have access to sensitive Methodist information, Methodist trusts that you will use this information appropriately. Sensitive information should not be shared with others without appropriate permission.¹⁰ You should not use sensitive Methodist information you learn at your job except in the course of doing business with or on behalf of Methodist.

Each vendor and contractor signs a Confidentiality and Information Security Agreement. When you sign this Agreement, you agree to follow Methodist's policies and procedures to keep Methodist information and information systems safe. Access to information systems and proprietary data is a privilege. Your access to Methodist information systems and sensitive data can be taken away at any time.¹¹

Computer Passwords

Much of Methodist information is kept on our computer systems. It is very important that these computer systems remain secure. One way we keep our computer systems secure is by safeguarding our computer passwords. You should keep your password secret and not share it with anyone. In addition, you should not allow your User ID to be used by another person. You should not write your password down or keep it in an accessible place. If you believe that your password is no longer secure, you should change it immediately and report it to your supervisor.

Medical and Billing Records

Some of Methodist's most sensitive information is contained in medical and billing records. These types of records contain information about a patient's medical condition, history, medication, family illnesses and financial information. It is important that these records are secure and kept in a safe location. Access to this type of information should be limited only to those vendors and contractors who need it to do their jobs.¹² Never use or disclose sensitive information that violates the privacy rights of our patients. *(Also see Patient Care and Patient Rights: Right to Protected Health Information.)*

¹⁰ Policy HR12; Policy IM07

¹¹ Policy HR12

¹² Policy IM06

Contingent Workers (Independent Contractors, Agency, and Temporary Employees)

Methodist provides guidance to management on the appropriate use of contingent workers within Houston Methodist to ensure compliance with federal and state laws and regulations. All contract and temporary workers, including independent contractors, must be screened by HR before they are allowed to perform any services for Methodist. *Refer to Policy HR82*



Copyright

Unauthorized duplication, reproduction, distribution or alteration of copyrighted materials, without the express written consent of the owner, is a violation of Federal copyright law and could result in civil and/or criminal liability. This includes computer programs, databases, and related documentation owned by the party with whom you are dealing or by another party. Software is protected by copyright laws and may also be protected by patent, trade secret laws, or as confidential information. The creation or loading of unauthorized copies of computer software or using personal software on Methodist computer equipment is prohibited.

Electronic Communications System Use

Methodist policy regarding the use and monitoring of communications systems includes electronic and telephone communications systems, including but not limited to mail, email, courier services, telephone systems, answering machines, voice mail, fax machines, video equipment and tapes, tape recorders and recordings, pagers, cellular and Smart telephones, computer networks, and computer directories and files. Methodist technology and/or equipment should be used primarily for business purposes only, and all communications and stored information transmitted, received, or contained in the Methodist information systems are the property of Methodist.

Communications that may defame Methodist, employees, customers, vendors, contractors, or competitors, as well as offensive, harassing, vulgar, obscene, or threatening communications are prohibited.¹³

Use of Social Networking Sites

Use of a social networking site while using Methodist computing resources and while on work time should be restricted to activities that support Methodist goals and objectives, and are in

¹³ Policy IM01

accordance with Methodist's values and policies. Posting information related to a Methodist patient is strictly prohibited and may be a violation of HIPAA laws. Posting Methodist confidential or proprietary information is also strictly prohibited. Vendors and contractors may not present personal opinions that in any way imply endorsement by Methodist.¹⁴

Vendor & Contractor Identification

Vendors and contractors are required to wear an identification badge while on duty. The badge is provided to you by Methodist and must be worn in a visible location with the picture side of the badge displayed. No decorations or jewelry may be attached to the badge; however, an official service pin or other pin provided by Methodist may be affixed to the badge holder without obstructing the picture, name identification, or the magnetic badge reader, if applicable.

Persons or Organizations Excluded from Medicare, Medicaid, and Other Government Funded Programs

Federal and state governments can keep individuals and organizations from participating in government funded programs such as Medicare, Medicaid, and research funded by federal grants such as National Institutes of Health grants. Because Methodist participates in these programs, Methodist cannot employ or do business with individuals or organizations that have been excluded from federal health care programs.¹⁵

If you cannot participate in government funded programs, you must tell your supervisor. Medical staff members, allied health professionals, and vendors must tell the appropriate Methodist personnel. If you have knowledge that another Methodist employee, a contractor or a vendor doing business with Methodist cannot participate in government funded programs, you must report this information to the Business Practices Office for verification and resolution.



¹⁴ Policy IM26

¹⁵ Policy BP10

Government Investigations

Methodist will cooperate with all government audits and investigations. Accurate information will be provided to external auditors and investigators. Vendors and contractors should immediately report any non-routine request related to Methodist from a government agency to the Department of Legal Services or Business Practices. Government agents have the authority to approach individuals at any time and request any information. If you are approached by a government investigator while at work, you should immediately contact your supervisor and the Department of Legal Services or Business Practices. Before answering any questions, you have the legal right to consult with your supervisor, Legal Services, or Business Practices.

If you are approached by a government investigator while on your personal time and away from Methodist, you should ask the investigator for a subpoena or court order requiring you to talk with the investigator. If there is no subpoena or court order, you have certain rights regarding the interview. You have the right to:

- Ask the investigator for a business card or identification card;
- Agree to be interviewed as requested and then end the interview at any time;
- Agree to the interview, but only with a lawyer present;
- Agree to the interview, but only at work during normal business hours;
- Take notes about the conversation;
- Decline to be interviewed.

If the investigator does present you with a subpoena, you should contact your supervisor, the Department of Legal Services, or Business Practices immediately.

If you agree to be interviewed, tell the investigator, "I am willing to cooperate with you, but I would like to make some calls first." Then, call the number below for your entity and ask to speak to the administrator on call:

- Houston Methodist Hospital – (713) 790-2201
- Houston Methodist Sugar Land Hospital – (281) 274-7000
- Houston Methodist Willowbrook Hospital – (737) 477-1000
- Houston Methodist West Hospital– (832) 522-1000
- Houston Methodist St. Catherine Hospital – (832) 522-1000
- Houston Methodist San Jacinto Hospital – (281) 420-8600
- Houston Methodist St. John Hospital – (281) 333-5503
- All other Houston Methodist entities – (713) 790-2201 to reach the Business Practices Officer on call

Methodist requires its employees, vendors, and contractors to cooperate with government investigators. However, it is important that the legal rights of Methodist and its employees,

vendors, and contractors are respected. It may be difficult to figure out what information can legally be given to a government agent. Some information the government agent is seeking may be confidential and cannot be released by Methodist or its employees, vendors, or contractors unless certain requirements are met. It is important to talk to the contacts listed above to get directions on how to protect the privacy of patient and personnel information.

Patient Care and Patient Rights

The following section contains information about patient care and certain basic rights of patients. In keeping with our mission, Methodist recognizes and promotes certain basic rights of patients in accordance with applicable laws, regulations, and accreditation standards.

Patient Care

Methodist is committed to providing quality health care in a spiritual environment of caring. We demonstrate this commitment by living Methodist values in our daily work activities. Integrity, Compassion, Accountability, Respect, and Excellence are found at all levels of the Methodist organization. Living Methodist values makes Methodist a better place for patients and visitors.

Methodist also demonstrates its commitment to providing quality health care by maintaining an active patient safety program, and by hiring and granting medical staff privileges to properly licensed and credentialed providers.

Admission, Transfer and Discharge

Respect is one of Methodist's core values. Methodist treats every individual as a person of worth, dignity, and value. Methodist will not exclude or otherwise discriminate against any person on the basis of race, color, disability, national origin, age, sex or religion from participation in, admission to, access to or treatment in any programs, activities or benefits.¹⁶ Methodist strives to ensure that all patient transfers are done in a medically appropriate manner from physician to physician, as well as hospital to hospital.

Methodist will work with the patient and family to develop a discharge plan based on patient need for post-hospital care. Information and instructions will be given to the patient, family, and/or others who will be involved in home care. As needed, referrals to appropriate resources will be made.¹⁷

Patients who need health care items or services following discharge from a Methodist hospital have the right to choose the supplier or provider of the necessary item or service if they have not assigned this right to the payer. The patients' freedom to choose will be respected.¹⁸

Emergency Medical Treatment

Emergency medical services will be provided to individuals who come to the hospital's emergency department if the hospital has the ability and the room to care for this person. Methodist will attempt to stabilize patients requiring emergency or life-saving treatment regardless

¹⁶ Policy BP06

¹⁷ Policy PC/PS17; Policy PC/PS29

¹⁸ Policy BP17

of the patient's ability to pay. All individuals who have similar medical conditions will be treated consistently.¹⁹

End-of-Life Decisions

Patients have the right to make advance directives regarding their health care. Patients will be given information describing their rights to request or refuse treatment, and to make advance directives. A patient's advance directive will be honored to the extent permitted by law and within the capabilities of Methodist, its employees, vendors, contractors, and medical staff. The values or beliefs of employees, medical staff, vendors, and contractors may cause concern or conflict with some aspect of patient care. Such concerns or conflicts will be evaluated and resolved to ensure that the quality of care is not compromised.

Informed Consent

Patients have the right to be informed of their medical condition. Information should be communicated to patients in terms that the patient can understand. Patients have the right, in collaboration with their physicians, to make decisions involving their health care including the acceptance or refusal of treatment.

Reporting of Suspected/Alleged Abuse or Neglect

Vendors or contractors who suspect that a patient or patient's family member is a victim of abuse or neglect should contact Adult Protective Services or Children's Protective Services. Social workers are available at each hospital to help with the report and any subsequent investigation.

Research

Before participating in a research study, patients will be fully informed of other treatment options that may prove beneficial to them. All known potential risks, discomforts, expected benefits, and alternatives must be explained to patients in a manner they can understand. All patients and staff have the right to refuse to participate in research without compromising any other services or functions. A patient's treatment will not be affected by his/her refusal to participate in a research study.²⁰

Right to Protected Health Information

Patients have the right, with certain exceptions provided by law, with respect to the health information that is created about them at Methodist. Methodist's Notice of Privacy Practices and Methodist's policies and procedures explain these rights. If you have questions or need information regarding your legal duties or Methodist's privacy practices, please contact your Entity Business Practices Officer or the Business Practices Office.

¹⁹ Policy PC/PS02; EMTALA

²⁰ Procedure RE12

Access

Patients have the right, with certain exceptions provided by law, to review and receive a copy of their health information contained within Methodist's designated record set. Generally, this is the patient's medical record and billing record.²¹

Accounting of Disclosures

Patients have the right to request a list of disclosures that Methodist has made of the patient's health information with the exception of disclosures made for treatment, payment or health care operations, those authorized by the patient, and certain other disclosures.

Amendment

Patients have the right to request an amendment to their health information if they believe that their health information is incorrect or incomplete. Methodist may deny a patient's request for amendment under certain circumstances, as provided by law.²²

Complaint

Patients have the right to file a complaint with Methodist or the Secretary of the United States Department of Health and Human Services if the patient believes that his/her health information privacy rights have been violated.²³

Confidential Communications

Patients have the right to request that Methodist communicate health information to them by an alternate means or to an alternate location other than their home address and telephone number. Requests for alternate communications should also be communicated by the patient to all of their health care providers including their private physician. Methodist will try to accommodate the patient's request for alternate communications.²⁴

Notice of Privacy Practices

Patients have the right to receive a paper copy of the Notice of Privacy Practices.²⁵ Methodist may change the Notice of Privacy Practices including adding provisions that apply to all health information that is currently maintained, as well as any information Methodist receives in the future. The most current version of the notice will be posted at each Methodist entity and placed on each Methodist entity's Web site.

²¹ Policy IM08

²² Policy IM09

²³ Policy BP06

²⁴ Policy IM04

²⁵ Policy BP17

Restrictions

Patients have the right to request that Methodist restrict the use or disclosure of the patient's health information for treatment, payment or health care operations.²⁶ Methodist is not required to agree to the patient's request for certain restrictions.

²⁶ Policy IM07

Coding, Billing and Charging for Services

The following section contains information about billing, charging for supplies/services, payments, reimbursement, and the submission of claims and cost reports.

Appropriate Charging of Medical Supplies and Services

Employees, contractors, and vendors responsible for charging supplies, procedures, and other services should follow Methodist policies and procedures. These explain what is chargeable, which cost centers will receive revenue for charges, how to change prices, and how to resolve issues related to outpatient and institutional charging. Institutional charges are for services provided to other hospitals or sponsors of research. There are penalties for wasting or abusing supplies and services because such misuse results in unnecessary costs to the Medicare program. You should report any concerns about waste and abuse to the Methodist Business Practices Officer (713-383-5124) or through Methodist's Business Practices *EthicsLine* (1-800-500-0333), or through Web Reporting at tmhs.myethicsline.com.

Clinical Decision Making

One of Methodist's core values is Integrity. Integrity means, "We are honest and ethical in all we say and do." Integrity in clinical decision making means that clinical decisions are based on patient health care needs. Clinical decisions are not based on how Methodist pays or shares financial risk with its leaders, managers, clinical staff, or licensed independent practitioners.

Correction of Payment Errors

All patient and payer questions about Methodist charges must be reviewed in a timely manner. If billing errors are found, vendors and contractors should tell the billing office. The billing office will make corrections and/or refunds promptly.²⁷

Cost Reports

By law, Methodist must prepare certain reports about costs and other information about its operations. These reports must be accurate and complete. Reports must reflect services rendered and supplies used. Reports must contain the information required by law. All information on these reports must be properly classified, allocated to the correct cost centers, and supported by verifiable and auditable cost data.²⁸

²⁷ Policy and Procedure F140

²⁸ False Claims Act 31 U.S.C. § 3729; False Claims and Statements: Liability 31 U.S.C. § 3802; Tex. Human Resources Code, Chapter 32 – Medical Assistance Program; Tex. Human Resources Code, Chapter 36 – Medicaid Fraud Prevention; Tex. Govt. Code, Chapter 531 – Health and Human Services Commission

Reimbursement Related to Research

Costs and charges associated with research will frequently be paid by a research sponsor rather than by Medicare, Medicaid, or an insurance company. Individuals involved in accounting and charging of research related procedures must carefully follow all policies and procedures. Contact the Houston Methodist Hospital Research Institute or the Business Practices Office for more information.²⁹

Submission of Claims

Methodist submits claims for payment to the federal and state governments. Claims for payment can be made only for medically necessary services that were actually performed. Claims cannot contain false or misleading information. Diagnostic, procedural, and billing codes are used to tell the payer what services were performed. The payer uses the codes to determine how much money to pay to Methodist. Therefore, the codes assigned must accurately represent the services provided. Medical records are used as evidence to support the bills Methodist submits. Making a false statement in a medical record used to support billing can be a crime. Medical record documentation must follow all regulatory and accreditation requirements and conform to professional standards. Indicators of fraud and abuse include: a patient who seeks the same prescription from multiple providers, or a provider who performs unnecessary services or bills for services that are not actually provided.

Under the federal False Claims Act and Texas false claims laws, any person who knowingly submits, or causes someone else to submit, illegal claims for payment of government funds is subject to government fines, penalties, and even imprisonment. It is also a false claim to retain money that you should not have received. These fines and penalties can range from \$5,000 to \$11,000 per claim and can be accompanied by penalties for triple the actual damages.

Private parties known as *qui tam* relators may bring actions on behalf of the government under the False Claims Act and Texas law. These *qui tam* relators may share in 15-30% of the proceeds from a False Claims action or settlement.

You should report suspected illegal claim activity to the Methodist Business Practices Officer (713-383-5124) or through Methodist's Business Practices *EthicsLine* (1-800-500-0033), or through Web Reporting at tmhs.myethicsline.com. The Department of Health and Human Services Office of Inspector General and Texas Health and Human Services Commission's Office of Inspector General also accept reports of illegal claim activity.

The False Claims Act provides for certain remedies for retaliation against *qui tam* relators. These include reinstatement with comparable seniority, two times the amount of any back pay, interest on any back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorney's fees.

²⁹ Procedure RE04; Procedure RE16; Procedure RE32

Houston Methodist Vendors & Contractors Handbook

Acknowledgment Receipt

This Handbook has been prepared for your information in order to help answer some of your questions on topics relevant to vendors and contractors, such as Houston Methodist (Methodist) policies and procedures. This handbook is also a practical summary of how to conduct business operations and patient care activities in compliance with the law, Methodist Values, and organizational ethics. Please read it carefully. Upon receipt of this handbook, please sign the statement below and return as directed.

"I have received the handbook, and understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions made to it. I also understand that failure to abide by the provisions in the handbook may lead to discontinuation of my contract with Methodist or other enforcement action under applicable law.

"I will familiarize myself with the contents of this handbook. By my signature below, I acknowledge, understand, accept, and agree to comply with the information found in this handbook. I understand that this handbook is not intended to cover every situation that may arise during my time at Methodist, but is a guide to the goals, policies, practices, and expectations of Methodist.

"I understand that I have a personal duty to bring all real or suspected violations of the law, and Methodist's values and organizational ethics to the attention of my supervisor, Human Resources, Entity Business Practices Officer, and/or the Business Practices Officer, or to call the Business Practices *EthicsLine*. I understand that I cannot be punished or retaliated against for upholding the provisions in the handbook or for obeying the laws and regulations that apply to my job.

"Methodist reserves the right to modify or terminate any or all rules, policies, and procedures at any time without notice. Methodist policies and procedures are publicized on the Methodist intranet. The web site, www.tmh.tmc.edu/, will contain the most current revisions of all new and existing policies and procedures. In the event of any conflict between this handbook and intranet procedures, the intranet procedure will take precedence."

Signature _____

Printed Name _____

Date _____

Houston Methodist Hospital

6565 Fannin Street
Houston, Texas 77030
713-790-3311

Houston Methodist San Jacinto Hospital

4401 Garth Road
Baytown, Texas 77521
281-420-8600

Houston Methodist St. Catherine Hospital

701 South Fry Road
Katy, Texas 77450
281-599-5700

Houston Methodist St. John Hospital

18300 St. John Drive
Nassau Bay, Texas 77058
281-333-5503

Houston Methodist Sugar Land Hospital

16655 Southwest Freeway
Sugar Land, Texas 77479
281-274-7000

Houston Methodist West Hospital

18500 Katy Freeway
Houston, Texas 77094
832-522-1000

Houston Methodist Willowbrook Hospital

18220 State Highway 249
Houston, Texas 77070
737-477-1000