

CITY CLERK DEPT.  
07 MAY 22 PM 3:31

DATE: May 8, 2007

TO: Municipal Clerk

FROM: **Terrence Freiburg**  Ray Heredia

**Purchasing Manager**

(915) 541-4308/4316

Please place the following item on the CONSENT City Council CONSENT Agenda of **May 29, 2007**.

Item should read as follows:

Request that the City Manager, be authorized to sign an amendment to contract 2005-094R (Sexual Assault Services for the El Paso Police Department) by and between the City of El Paso and Tenet Hospitals Limited d/b/a Sierra Medical Center, entered into on May 29, 2007, whereby both parties agree to comply with requirements of the Federal with requirements of the Federal Anti-Kickback Statue and Stark Law.

----- City Clerk's Use -----  
--

ITEM NO. \_\_\_\_\_



Texas-Gulf Coast

April 23, 2007

City of El Paso  
P.O. Box 1919  
El Paso, TX 79999-1919

Dear Program Director:

As you are most likely aware, Tenet entered into a Corporate Integrity Agreement (CIA) with the Office of Inspector General of the Department of Health and Human Services in September 2006. Part of the CIA requires us to amend our referral source agreements to include the following language:

“As required by Tenet’s Corporate Integrity Agreement, dated September 27, 2006, the parties to this Agreement shall comply with Tenet’s policies and procedures and Tenet’s Compliance Program relating to the Federal Anti-Kickback Statute and the Stark Law. Such policies and procedures and compliance program will be consistent with the requirements of the Federal Anti-Kickback Statute and Stark Law and both parties certify that they will not violate these laws.”

Attached you will find a summary of Tenet’s Compliance Programs. Our website, [www.TenetHealth.com](http://www.TenetHealth.com) is also available for reference.

Please sign both of the original amendments included in this package and return one to my attention at:

Amy Suter  
Manager, Contract Operations  
Tenet  
13737 Noel Road, Suite 100  
Dallas, TX 75240

Please feel free to contact me via email at [amy.suter@tenethealth.com](mailto:amy.suter@tenethealth.com) or by phone at 469-893-2390 should you have any questions. Thank you.

Sincerely,

Amy Suter  
Manager, Contract Operations

cc: Douglas Eddy – AVP, Managed Care – Texas/Gulf Coast  
Richard L. Smith – Assistant General Counsel - Tenet

**Insurance & Benefits**

**MAY 10 2007**





Passion, Commitment and Leadership in Health Care



Our Company

Our Hospitals

Our Advantages

Investor Center

Press Center

Career Center

For Physicians

Tenet Foundation

## Summary of Tenet's Compliance Program

Tenet's Compliance Program plays an integral and vital role in the Company's operations. Tenet works diligently to ensure that its employees understand and comply with applicable laws and policies and adhere to the highest standards of ethics and integrity. Each employee plays a vital role in achieving this goal.

The Compliance Program is comprised of unique components developed to address our specific business operations and to ensure compliance with the terms of the Corporate Integrity Agreement ("CIA") that was signed by Tenet on September 27, 2006.

### A. YOUR ROLE UNDER THE COMPLIANCE PROGRAM

Your involvement in Tenet's Corporate Compliance Program may take many shapes, such as the reading and acknowledgment of the Company's Standards of Conduct, and participating in information and educational programs, including ethics and compliance training, and adhering to relevant policies and procedures and the terms of Tenet's CIA. Tenet may also rely upon your individual cooperation to assist its Compliance Department in the review and resolution of compliance issues.

### B. ETHICS AND BUSINESS CONDUCT

Tenet's Ethics and Business Conduct Program utilizes face-to-face ethics training for all new employees and an annual refresher course for all employees, including physicians and senior management. The Ethics and Business Conduct Program also is presented to the governing board and medical executive committees at each of its hospitals and certain contract workers. Components of Tenet's Ethics Program are communicated periodically throughout the year in the form of wallet cards, posters, newsletters, and other publications. In addition to face-to-face training, the components of the Ethic Program include:

- 1-800 Ethics Action Line available to all employees, contractors, vendors, physicians, volunteers, or students (Call 1-800-8-ETHICS or 1-800-838-4427)
- a Standards of Conduct brochure for all employees
- a full-time department dedicated solely to ethics (Ethics and Business Conduct)

### C. COMPLIANCE PROGRAM

Tenet's Compliance Program is designed to ensure that the company complies with all laws and regulations and standards applicable to health care providers and the terms of its CIA. Tenet's Compliance Program contains each of the elements of the Office of Inspector General's (OIG) Compliance Program Guidance for Hospitals, originally published February 23, 1998 (<http://oig.hhs.gov/authorities/docs/cpghosp.pdf>) and the Supplemental Compliance Program Guidance for Hospitals, published January 31, 1995 (<http://oig.hhs.gov/fraud/docs/complianceguidance/012705HospSupplementalGuidance.pdf>). These guidance documents make numerous recommendations regarding measures and specific activities that healthcare providers should implement to assure that appropriate care is provided to federal healthcare program beneficiaries and that the claims submitted for such care are correct and accurate. Tenet's Compliance Program is structured to address issues raised in the both Guidances.

In addition, Tenet's CIA contains specific requirements regarding training, clinical quality activities, screening for excluded parties, required policies, and independent review of the Compliance Program by outside organizations. Tenet's CIA is available on Tenet's external website ([www.tenethealth.com](http://www.tenethealth.com)).

Tenet has also implemented specialized programs designed to serve as checks and balances for areas of operations that may pose additional exposure for the organization. For example, Tenet has special audit programs for skilled nursing facilities, rehabilitation facilities and psychiatric operations. Tenet has also incorporated the elements of the OIG's Model Compliance Plan for Clinical Laboratories by implementing recommended requisition forms, standard advance beneficiary notices, charge protocols, physician education, and an audit process.

Tenet's Compliance Program consists of four major components: (1) policies and training; (2) monitoring and auditing; (3) reporting and communication; and (4) corrective action. There are many additional facets to Tenet's Compliance Program, which are too detailed to address in this summary. The Program is directed by the Ethics and Compliance Department, headed by the Chief Compliance Officer, who reports directly to the Board of Director's Ethics, Quality and Compliance Committee. In addition, each facility has a dedicated Compliance Officer. Regional Compliance Directors and other corporate departments provide additional support and resources.

## 1. Policies and Training

### a. Rules, Policies and Resource Material

Tenet has written Standards of Conduct that are distributed to all Tenet employees (the "Standards of Conduct"), active staff physicians, and certain contractors and vendors. The Standards of Conduct are also available on eTenet, Tenet's intranet communication system, and externally on Tenet's website ([www.tenethealth.com](http://www.tenethealth.com)). The Standards of Conduct set forth Tenet's commitment to compliance with all federal healthcare program requirements. Regular updates to the Standards of Conduct are provided as necessary.

Tenet has a comprehensive set of policies and procedures on addressing a wide range of compliance-related issues, which are available to employees on eTenet. Examples of these policies include an extensive set of policies dealing with physician relationships, coding, specific billing and reimbursement topics, and compliance-related human resources policies. Some of these policies, including policies relating to the Stark and Anti-kickback laws and Tenet's relationships with physicians, are also available on Tenet's external website, under the Ethics & Business Conduct tab, at <http://www.tenethealth.com/TenetHealth/OurCompany/EthicsBusinessConduct>.

### b. General Training to All Tenet Employees

All new employees must attend a two-hour ethics and compliance training program. In addition, all employees receive an annual ethics and compliance refresher training. The Standards of Conduct, as described above, are utilized as the foundation for the training. Certain contract workers are also required to attend the ethics and compliance training sessions. General ethics and compliance training materials, tailored to clinical personnel, are also offered to active medical staff.

### c. Specialized Compliance Training

Tenet has a comprehensive training program developed to provide specialized compliance training to relevant employees, including HIPAA/information privacy and security training. Under the CIA, Tenet also provides additional specialized training to senior management, hospital governing board members, and selected coding, billing and reimbursement, and clinical quality personnel. In addition, personnel involved in contracting with physicians undergo specialized training. Additional specialized training is provided for other special job functions, in response to identified risk areas, or upon publication of a new policy. Depending on the subject matter, Ethics and Compliance, Audit Services, Quality Management, Law, Patient Financial Services, and/or Risk Management Departments may provide the training. Training may be delivered through live sessions, via pre-recorded CDs or DVDs, or through computer-based training.

## 2. Monitoring and Auditing

Tenet provides monitoring and auditing of its compliance activities by conducting routine reviews, coding audits, laboratory reviews, specialized risk-based reviews, privacy and security vulnerability reviews, and audits of physician relationships and payments made to potential referral sources. Audits and reviews may occur annually, or may be conducted in response to regulatory changes or identified risk areas.

a. **Physician Relationship Audits:** Tenet conducts physician relationship audits focusing whether payments were made to a potential referral source and whether those payments are supported by and within the scope of a properly executed contract. In addition, Tenet tracks and audits any non-monetary compensation provided to physicians. The facility's management receives the audit results and is required to implement corrective action where appropriate.

b. **Coding Audits:** Tenet regional coding managers perform semi-annual coding accuracy reviews at each facility. Reviews include correct assignment of ICD-9 and CPT-4 codes as well as DRG assignment. Billing errors identified during the course of the review are included on the corrective action plan, and overpayments are refunded. Tenet utilizes an electronic compliance monitor, SMART, which provides daily pre-billing reviews of coding. Rejection rates are monitored, and DRG volumes/rates are benchmarked against MEDPAR data. The results of all reviews are reported to facility senior management, and a corrective action plan is implemented, if necessary.

c. **Laboratory Reviews:** All outpatient diagnostic tests and procedures are screened in Compliance Checker software before the test or procedure is performed to ensure that it is medically necessary before it is billed to Medicare. If a test or procedure is not likely to be covered, the beneficiary is presented with an Advance Beneficiary Notice (ABN). Additionally, Tenet ensures that medically unnecessary tests and procedures are not billed to Medicare by utilizing the Presubmission Compliance Analyzer software before claims submission.

Each Tenet laboratory periodically performs an analysis of its utilization of laboratory tests as recommended by the OIG Model Compliance Guidance for Clinical Laboratories. Tenet's Audit Services Department reviews these utilization analyses during its regular laboratory audits.

d. **Specialized Risk Based Reviews and Other Specialized Reviews:** Tenet's Audit Services and Ethics and Compliance Departments conduct a variety of risk-based audits and reviews. The audit teams forwards the findings to facility senior management and work with the facilities to develop, implement, and monitor corrective action plans. Any amounts owed to government programs based upon the results of the reviews are refunded, usually via the fiscal intermediary. In addition, education, policy changes and disciplinary action are implemented as appropriate.

e. **Privacy and Security Vulnerability Reviews:** Tenet's Information Privacy and Security personnel conduct reviews of all covered entities to determine compliance with state and federal privacy and security regulations. In addition, Tenet has a comprehensive system for documenting Information Privacy and Security incidents. Appropriate corrective action is taken to address incidents, including education, mitigation, and disciplinary action, if deemed necessary.

f. **Other Routine Reviews:** Tenet's Quality Management Department conducts regular reviews of Tenet's specialty programs to ensure compliance with Medicare conditions of participation and clinical quality standards. In addition, Tenet has a comprehensive system for reviewing all marketing and promotional materials to ensure truth-in-advertising and the integrity of the various programs advertised. Built into this review system are compliance components to ensure that the facilities are appropriately advertising and offering services in accordance with state and federal law.

### **3. Reporting and Communication**

Tenet utilizes the following methods to ensure timely and appropriate reporting and communication of issues that may constitute a potential violation of state or federal law related to healthcare programs: (1) facility monthly reporting; (2) Ethics Action Line; (3) Tenet's Laboratory hotline; (4) Tenet's Coding Compliance hotline; and (5) Hospital Compliance Officers and Privacy Officers.

a. **Facility Monthly Reports:** Tenet requires all facilities to provide a monthly written report to the Compliance Department of all issues that may constitute a potential compliance issue relating to government healthcare programs. All issues reported on the monthly compliance reports are investigated, and appropriate corrective action is taken as necessary. Appropriate disciplinary action may be taken against a facility that exhibits a pattern of behavior in failing to provide timely reports.

b. **Ethics Action Line:** As described above, Tenet maintains an Ethics Action Line, a toll-free telephone number that enables individuals to anonymously disclose issues or questions associated with Tenet's policies, practices or procedures with respect to, among other things, federal health care programs. Ethics Action Line personnel forward issues to the appropriate department for follow up and corrective action if necessary. In addition, the Ethics Action Line serves as a valuable resource for employees, including managers who seek guidance prior to taking steps that could jeopardize an individual hospital or the Corporation. The Ethics Action Line number is (800) 838-4427.

c. **Tenet's Coding Compliance Hotline:** Tenet's regional coding compliance managers maintain coding hotlines designed to provide immediate information and guidance to hospital coders. Coders are also encouraged to use the hotline to report specific issues of concern.

d. **Tenet's Privacy Officer Contact Information:** Each Tenet Covered Entity has a Privacy Officer or a Hospital Compliance Officer who has responsibility for the Privacy Officer role. The individuals respond to complaints made by patients regarding the privacy of their protected health information. The Privacy Officer's contact email addresses and phone numbers are provided at each Covered Entity. In addition, Tenet has a corporate Privacy Office (email: [PrivacySecurityOffice@tenethealth.com](mailto:PrivacySecurityOffice@tenethealth.com)) to address patient concerns and complaints.

### **4. Corrective Action**

As described throughout this summary, Tenet investigates reported allegations and takes appropriate corrective action with respect to each issue that warrants corrective action. Elements of each corrective action plan include: (1) identification of the issue; (2) revisions to policies and procedures, if necessary; (3) training on those policies and procedures, or retraining on established policies and procedures; (4) monitoring to ensure compliance; and (5) appropriate disciplinary action in the event of non-compliance. The facility's Compliance Officer and Regional Compliance Directors manage development and implementation of corrective action plans for compliance-related issues. In addition, resources from other corporate departments (e.g., Ethics and Compliance, Quality Management, Patient Financial Services) may be utilized for investigation and/or implementation of corrective action. The objective of all corrective actions is to ensure that patients receive quality care and that all claims are correct and accurate.

Last revised: 3/21/2007



# Department of Justice

Immediate Release  
June 29, 2006

## TENET HEALTHCARE CORPORATION TO PAY U.S. MORE THAN \$900 MILLION TO RESOLVE FALSE CLAIMS ACT ALLEGATIONS

WASHINGTON - Tenet Healthcare Corporation, operator of the nation's second largest hospital chain, has agreed to pay the United States more than \$900 million for alleged unlawful billing practices, Assistant Attorney General Peter D. Keisler of the Civil Division and U.S. Attorney Debra Wong Yang of the Central District of California in Los Angeles announced today.

"Today's settlement reflects our continued resolve to hold responsible those who engage in health care fraud in any form," said Assistant Attorney General Keisler, head of the Justice Department's Civil Division. "The Department of Justice will not tolerate fraudulent efforts by hospitals or other health care providers to claim excessive sums from the Medicare program."

Under the agreement, Tenet, which is headquartered in Dallas but operates dozens of hospitals throughout the United States, will pay a total of \$900 million over a four-year period, plus interest, to resolve various types of civil allegations involving Tenet's billings to Medicare and other federal health care programs. The settlement amount was based on the company's ability to pay.

"The Medicare program currently faces great challenges, and can ill afford attempts by hospitals to manipulate and cheat the system," said U.S. Attorney Debra Wong Yang. "This settlement demonstrates our strong commitment to recovering taxpayer funds from health care companies that break the rules in pursuit of higher profits."

Of the \$900 million settlement amount, the agreement requires Tenet to pay:

— more than \$788 million to resolve claims arising from Tenet's receipt of excessive "outlier" payments (payments that are intended to be limited to situations involving

extraordinarily costly episodes of care) resulting from the hospitals' inflating their charges substantially in excess of any increase in the costs associated with patient care and billing for services and supplies not provided to patients;

— more than \$47 million to resolve claims that Tenet paid kickbacks to physicians to get Medicare patients referred to its facilities, and that Tenet billed Medicare for services that were ordered or referred by physicians with whom Tenet had an improper financial relationship; and,

— more than \$46 million to resolve claims that Tenet engaged in "upcoding," which refers to situations where diagnosis codes that Tenet is unable to support or that were otherwise improper were assigned to patient records in order to increase reimbursement to Tenet hospitals.

"Today's settlement with Tenet Healthcare Corporation demonstrates the Federal government's commitment to protecting the integrity of our nation's healthcare system," Health and Human Services Secretary Mike Leavitt said. "I commend the staff of the HHS Office of Inspector General, the HHS Office of General Counsel and the Centers for Medicare and Medicaid Services who worked so hard to pursue those who fraudulently abused the Medicare program."

Several of the issues resolved as part of today's agreement arose from lawsuits filed by whistleblowers. Under provisions of the False Claims Act, whistleblowers who qualify under the statute are eligible to receive up to 25 percent of the settlement recovery in cases the government pursues. Under the civil settlement announced today, whistleblower shares remain undetermined pending further negotiations or court proceedings.

The following divisions and districts of the Department of Justice assisted in bringing the above matters to a successful resolution: Civil Division; Central District of California; Northern District of Alabama; Eastern District of Louisiana; Eastern District of Missouri; Eastern District of Pennsylvania; and Western District of Tennessee. Assistant Attorney General Keisler and U.S. Attorney Wong also wish to acknowledge the extensive assistance in addressing and resolving the settled allegations provided by the Department of Health and Human Services' Office of Inspector General and its Office of Investigations in Santa Ana, Calif., Office of General Counsel, and Centers for Medicare and Medicaid Services; the Federal Bureau of Investigation; and Medicare Contractors Mutual of Omaha, Inc., and IntegriGuard LLC.

[FBI Home Page](#)

[Los Angeles Home Page](#)

[LA Press Releases](#)