

Compliance Program Operations Manual

Table of Contents

| | |
|---|----|
| I. Introduction | 1 |
| II. The compliance program | 1 |
| III. Fundamental elements of a compliance program..... | 2 |
| IV. Elements of this program | 3 |
| A. Independent oversight: compliance committee, compliance officer, and compliance leads..... | 3 |
| 1. Compliance committee | 3 |
| 2. Chief compliance officer..... | 5 |
| 3. University compliance leads | 7 |
| B. Written policies, procedures | 8 |
| C. Effective training and education | 8 |
| D. Effective lines of communication;reporting requirements..... | 9 |
| E. Internal monitoring and auditing | 12 |
| F. Enforcement of standards through well-publicized disciplinary guidelines | 13 |
| G. Prompt response to detected offences and corrective action plans | 13 |
| H. Periodic gap analysis..... | 14 |
| I. Ongoing evaluation of program effectiveness..... | 14 |

Exhibit A: Functional Compliance Unitsi

Exhibit B: Compliance Policiesii

I. INTRODUCTION

The University of the Pacific (“Pacific” or “University”) is dedicated and committed to maintaining compliance with all applicable laws, regulations and University policies regarding its academic, clinical and administrative operations. This commitment and dedication is essential to the University meeting its stated values.

The purpose of this manual is to set forth the structure and operations of the Compliance Program, identify the duties of those with compliance responsibilities and the function of the Compliance Committee.

II. THE COMPLIANCE PROGRAM

To assure that the University’s operations are being conducted in compliance with applicable laws, regulations and University policies (“University Compliance Standards”), the University has established a Compliance Office (“Office”) to operate a Compliance Program (“Program”) under the direction of a Chief Compliance Officer (“CCO”) supported by Compliance Leads.

The Office and the underlying Program are the ultimate responsibility of the University’s Board of Regents (“Board”). To provide autonomy and demonstrate the University’s commitment to compliance, the structure of the Office provides that the CCO reports to the Audit Committee of the Board of Regents. The CCO will be appointed by the University’s President, contingent on Board approval. For day-to-day operations of the Program, the CCO reports into the President’s Chief of Staff.

Day-to-day responsibilities for compliance with University Compliance Standards is the obligation and duty of each University community member, which includes employees, faculty, students, administrators, and regents.

A Compliance Committee (“Committee”) has been formed to oversee the implementation and operation of the Program. The Program is committed to helping the University detect and prevent misconduct while supporting a culture of compliance.

The Program oversees all compliance activities University-wide. This includes reviewing policies and procedures, ensuring accountability through training and fair discipline, performing compliance gap analyses, and promoting a culture of ethics and compliance across all three campuses.

The Board is ultimately responsible for:

- i. overseeing the work of the CCO;
- ii. coordinating with the CCO to ensure the adequacy of the Program and CCO's authority to accomplish adequate oversight and implementation;
- iii. receiving compliance activity reports;
- iv. overseeing reports related to deficiencies and corrective actions; ensuring that appropriate corrective action is fulfilled, including employee disciplinary action, in response to verified violations of University Compliance Standards;
- v. ensuring the Program evolves to meet changing needs;
- vi. ensuring that sufficient funding is available to carry out the day-to-day operations of the Program; and
- vii. taking all appropriate and necessary steps to guarantee that the University conducts its activities in compliance with University Compliance Standards.

III. FUNDAMENTAL ELEMENTS OF A COMPLIANCE PROGRAM

Federal and state governments have increased their enforcement activities surrounding organizations failing to maintain good practices around compliance and ethical conduct. This includes higher education organizations that are expected to protect students, faculty, staff and the University community from misconduct. The U.S. Sentencing Commission Guidelines and the Office of Inspector General have developed guidelines that outline fundamental elements that comprise an effective program. The University has established its Program based on this guidance.

The Program, based on the recommended elements includes:

- i. Independent oversight by a designated CCO and Compliance Committee;

- ii. Written policies and procedures;
- iii. Effective training and education;
- iv. Effective lines of communication;
- v. Internal monitoring and auditing;
- vi. Enforcement of standards through well-publicized disciplinary guidelines;
- vii. Prompt response to detected offenses and corrective action plans;
- viii. Periodic gap analyses to review ongoing compliance activities and their related policies; and
- ix. Ongoing evaluation of Program effectiveness.

IV. ELEMENTS OF THIS PROGRAM

A. INDEPENDENT OVERSIGHT: COMPLIANCE COMMITTEE, COMPLIANCE OFFICER, AND COMPLIANCE LEADS

The Committee will have overall operational oversight of the Program. The CCO will chair the Committee.

1. Compliance Committee

- a. Committee Members. The Committee consists of:
 - i. CCO
 - ii. Director of Internal Audit
 - iii. Director of Enterprise Risk Management
 - iv. All Compliance Leads
 - v. The President's Chief of Staff, ex officio
 - vi. General Counsel, ex officio

- b. Meetings. The Committee shall meet quarterly and more frequently if deemed necessary. Prior to such meetings, the CCO shall submit to each member of the Committee an agenda enumerating matters to be reviewed by the Committee. The President or CCO may call special meetings of the Committee. Members of the Committee may participate in meetings either in person or by telephone.
- c. Quorum. The presence of at least a majority of the members of the Committee shall constitute a quorum. All actions by the Committee require a majority vote of the members present. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Committee members below a quorum. If any action taken is approved by at least a majority of the required quorum for that meeting, the action will be valid. The CCO shall be responsible for overseeing the communication of the Committee's actions and recommendations to those external to the Committee when necessary or required.
- d. Duties and Functions. The Committee's duties and functions are:
- i. Reviewing, cataloging and analyzing University policies and procedures in light of the University Compliance Standards to support University operations;
 - ii. Assessing Program activities for internal monitoring to make sure Program procedures are effective for detecting and preventing illegal or unethical conduct;
 - iii. Ensuring the development and implementation of initial, annual and periodic training and education sessions and that such periodic training and education is carried out; overseeing those departments or job responsibilities for which periodic training and education is necessary;
 - iv. Under the direction of the CCO, ensuring the development of internal monitoring procedures for all functional compliance units. The Committee will support periodic reviews to identify and prioritize monitoring activities;
 - v. Under the direction of the CCO, overseeing reported suspected violations of University Compliance Standards. Recommending appropriate steps to necessary parties to investigate, resolve and administer appropriate corrective

actions, if required, including but not limited to disciplinary action and self-reporting to state or federal governmental agencies; and

- vi. Overseeing the review and assessment of Program effectiveness and making recommendations for modifications and changes; reviewing and revising, as necessary, the Program; as well as ensuring updates of the Program operations manual and corresponding compliance operations.
- e. Sub-Committees. The Committee will establish sub-committees as appropriate to support committee responsibilities such as compliance policies, website maintenance, training, marketing, and communication plans. All Committee members will be required to support and serve on a sub-committee.
- f. Reporting. The CCO shall report to regular meetings of the Board all Committee activities, including, but not limited to, non-compliance events and any investigations and responses thereto conducted during the reporting period.

2. Chief Compliance Officer

- a. Appointment. The CCO will be appointed by the University's President, contingent on Board approval. The President, again, subject to Board approval, shall have the right to replace the CCO as warranted.
- b. Duties and Responsibilities. The CCO is responsible for the day-to-day operation of the Program. The CCO is charged with the responsibility of meeting the University's compliance objectives.

The CCO shall be responsible for:

- i. Supervising the implementation and operations of the Program;
- ii. Recommending staff members to serve as Compliance Leads for functional units (as identified in Exhibit A);
- iii. With the support and oversight of the Compliance Leads;
 - a) coordinating development of communications programs to promote compliance University-wide;

- b) providing advice and guidance to the University community to facilitate compliance with University Compliance Standards;
 - c) overseeing the development and implementation of internal monitoring and tracking systems, in conjunction with University administrators including Deans, the Provost, Vice-Presidents, and functional unit supervisors;
 - d) overseeing reported suspected violations of University Compliance Standards. Recommending appropriate steps to necessary parties to investigate, resolve and administer corrective actions, and support internal and external audits as required;
 - e) proposing modifications to the Program, as necessary, to prevent recurrence of problems or to address new compliance risks and concerns;
 - f) implementing periodic gap analyses to ensure University Compliance Standards are current and adequate to minimize misconduct and support a culture of compliance; and
 - g) conducting a regular review of the Program effectiveness. Preparing periodic and annual reports describing the compliance efforts undertaken during the preceding year and identifying any changes necessary to improve the Program;
- iv. Serving as Chair of the Compliance Committee;
 - v. Documenting all reported suspected violations of University Compliance Standards, developing summary reports of all reports of misconduct, investigations, and corrective actions, including but not limited to disciplinary action, and self-reporting to appropriate state or governmental agencies;
 - vi. Developing and implementing a record keeping system with regard to:
 - a) Applicable compliance policy and procedures by functional unit;
 - b) Required compliance training by functional unit and

job responsibility; and

- c) The status of complaints and investigations;
 - vii. Developing and implementing reporting mechanisms which can be used to report suspected violations of University Compliance Standards;
 - viii. Recommending to the Committee revisions to the Program when needed in light of changes in University Compliance Standards or changes in University operations.
- c. Access. In carrying their responsibilities hereunder, the CCO shall have the authority to review all documents and other information that is relevant to compliance activities. The CCO will coordinate all internal compliance reviews, monitoring activities and act as liaison with applicable federal and state representatives in charge of compliance activities as needed.

3. University Compliance Leads

Compliance responsibilities across all three campuses are divided into functional compliance units. Each appointed Compliance Lead will oversee and support an assigned functional unit. Each Compliance Lead serves in a dual capacity and supports the Program in addition to their day-to-day University responsibilities. Their compliance duties are varied and should mirror the activities of the CCO and support the directions from the Committee.

The Compliance Lead will:

- i. Coordinate with those responsible for compliance within the functional unit;
- ii. Help to identify and oversee regulatory and internal policies;
- iii. Monitor and verify compliance in the applicable unit;
- iv. Make recommendations for training and monitor completion of training requirements, as needed, for those within the unit;
- v. Develop and submit reports for ongoing compliance activities in their functional unit which will include review of the status of policy and procedures, required training, ongoing investigations, open corrective actions, etc.; and

- vi. Serve on the Committee.

Day-to-day responsibility for compliance remains within the functional unit. Compliance Leads will serve as support and guidance for their assigned unit.

B. WRITTEN POLICIES, PROCEDURES

Policies let all members of the University, as well as the community at large, know our commitments and expectations. The University will define expected conduct and support compliance by maintaining up to date written policies and procedures.

Compliance related policy development and implementation will be the ultimate responsibility of the related functional unit. The Compliance Lead for each area will confirm that the functional unit has appropriate policies in place to meet University Compliance Standards. Additionally, Compliance Leads will keep up to date with any changes in regulations and will monitor and review policies to ensure they are in turn updated and in line with the most current regulations.

In addition to written policies, functional units will maintain compliance related written procedures as needed. Internal procedures will identify who is responsible for activities and how compliance operations will be carried out. Compliance Leads will be responsible for confirming these procedures suitably implement all necessary policies.

Separate from policies owned by the functional units, there are policies that are the responsibility of the Office. (See Exhibit B).

C. EFFECTIVE TRAINING AND EDUCATION

The increasing complexity of the work environment requires continual development of competencies and upgrading of knowledge and skills relating directly to the job performance and University Compliance Standards. The documented delivery of training is in some cases mandated by external agencies and subject to audit review.

Training oversight and enforcement remain the responsibility of the functional unit. Compliance Leads will provide support for the following functional unit activities:

Functional supervisors will:

- 1) Identify those within their functional unit that require specific training;
- 2) Identify the appropriate trainings and provide the necessary release time as needed to participate;
- 3) Monitor performance, and incorporate ongoing training and development as an element of continuing performance reviews; and
- 4) Provide support after training to maximize application of skills on the job.

Functional units with mandatory training obligations will:

- 1) Consider the content and delivery of training to maximize value, while minimizing the time needed to achieve proficiency, and consider alternatives to classroom instruction whenever feasible; and
- 2) Evaluate the effectiveness of training programs.

Training and education shall include all affected employees, faculty, and persons associated with the University, including executives and governing body members. These same University members will be required to participate in specified initial and/or annual compliance training based on their position and job duties.

Subsequent to training, trainees will be required to sign a certification acknowledging attendance at required compliance training sessions. Verification of certification will be maintained by the CCO. The Compliance Leads will have the responsibility to work with the supervisors of their functional units to identify mandatory trainees based on their specific duties.

The Committee, in conjunction with the Department of Human Resources, will establish specific guidelines and sanctions for trainees who fail to attend mandatory training sessions. Such guidelines and sanctions will be reviewed periodically based on ongoing activities.

D. EFFECTIVE LINES OF COMMUNICATION; REPORTING REQUIREMENTS

1. Communications. The Committee will devise and develop periodic campus-wide communications to increase awareness of the Program and support a culture of compliance.

2. Reporting System. The University has both a voluntary and mandatory reporting system. The University's Compliance Helpline ("Helpline") is a voluntary reporting system which can be accessed by anyone, including, but not limited to, staff, students, faculty, administration, and regents.
3. Reporting Misconduct. The University has established a mandatory reporting policy that requires the reporting of any suspected violations of the University Compliance Standards. It is the responsibility of every staff member, student, faculty member, administrator and regent to report any known instances of, or reasonable suspicions of, any violation of University Compliance Standards.

To report a suspected violation, an individual is required to:

- a. Notify, either verbally or in writing, a Compliance Lead, CCO, or the individual's immediate supervisor. Any supervisory personnel receiving a report of a suspected violation is required to immediately notify the CCO or Compliance Lead.
- b. If the suspected violation involves the reporter's immediate supervisor, the reporter should make the report directly to the CCO or a Compliance Lead.
- c. If the suspected violation involves the CCO, the report should be made directly to a University administrator or a member of the Committee.
- d. If the suspected violation involves a Compliance Lead, the report should be made directly to the CCO or a University administrator.
- e. An individual may make a report of a suspected violation anonymously.
- f. An individual's failure to report a suspected violation may result in disciplinary action.

The Committee will review each report, complaint or question to determine what action, if any, should be taken. These actions may include:

- a. Contacting campus administration or the complainant for additional information;
- b. Initiating a review into the matter;
- c. Referring the matter to an outside agency such as law enforcement.

Generally, appropriate campus personnel, (e.g., Human Resources,

Academic Council or Internal Audit) will be involved in reviewing the report relating to suspected violations. Reviews may be conducted individually or jointly by appropriate campus personnel or externally, by an independent auditor or investigator. The CCO will periodically provide reports to the Board regarding the number of reports and complaints, results of any reviews, and a description of those matters that resulted in findings of fraud or misconduct.

4. Confidentiality. To the extent permissible, the University shall treat all reports of suspected violations of University Compliance Standards as confidential. However, it must be recognized that under certain circumstances the name of the individual making the report will be communicated to the CCO. If the report is made originally to the reporter's supervisor, it will be communicated to an individual responsible for conducting a review as well as to a governmental agency as applicable. Any such disclosure will only be made on a bona fide need to know basis.
5. Reporting Mechanism - Compliance Helpline. The Program has an established Compliance Helpline, a toll-free service that allows anyone to report any issues or concerns regarding adherence to University Compliance Standards. This service allows callers to report their concerns confidentially or anonymously without fear of retaliation. The Helpline is available for calls 24 hours a day, 7 days a week at 800-854-8443.

The primary objective of the Helpline is to promote a culture of compliance by providing a readily accessible source to ask compliance questions or make a report regarding non-compliance activity.

The Program will develop and maintain a number of policies as needed to ensure the Helpline will be able to function as effectively as possible. These policies include:

- a. The manner by which the calls are answered, online reports are received, and cases are documented and acted upon by those responsible for its operation;
- b. Work protocols between the Compliance Office, Legal Counsel, and Human Resources;
- c. Case management of allegations and complaints;
- d. Reporting to external authorities; and
- e. Methodology for monitoring helpline operations.

E. INTERNAL MONITORING AND AUDITING

The University will have in place a system for routinely identifying compliance with University Compliance Standards and for self-evaluation including internal and external audits as needed. It is intended that this process will result in continuous improvement in professional, business and operational practices of the University.

The Committee will actively monitor compliance efforts and enforce University Compliance Standards. The Committee, via the Compliance Leads, is responsible for conducting gap analyses, developing annual work plans for monitoring, implementing internal monitoring goals and identifying areas that require formal audits. This periodic performance monitoring will support efforts to adhere to University Compliance Standards.

To best implement monitoring activities, the Compliance Leads will develop open lines of communication with the functional units.

1. Billing, Coding, and Reimbursement: One of the highest exposures of potential non-compliance is in the areas of billing, coding, and reimbursements.

Billing, Coding and Reimbursement monitoring will include:

- a. Assigning a Compliance Lead to oversee and monitor compliance with fraud and abuse laws;
 - b. Ensuring proper payment of claims and minimizing billing and coding mistakes;
 - c. Detecting inaccuracies in billing and coding procedures, and identifying deficiencies;
 - d. Ensuring that functional unit supervisors monitor and communicate changes in specific reimbursement policies; and
 - e. Encouraging the communication of any concerns related to the integrity of billing processes.
2. Vendor Relations: The University's interactions with vendors should be conducted in a manner to avoid or minimize conflicts of interest and the appearance of conflicts of interest.

Vendor relations monitoring will include:

- a. Assigning a Compliance Lead to oversee and monitor compliance with vendor relations;

- b. Ensuring transparent and documented vendor communications;
- c. Gauging University members understanding of conflicts of interest in accordance with University Compliance Standards;
- d. Ensuring all vendors abide by the Vendor Relations Policy. This policy incorporates the following:
 - (i) Meals, Gifts, and Compensation
 - (ii) Promotional Items
 - (iii) Travel Funds
 - (iv) Support for Educational and other Professional Activities
 - (v) Speakers Bureaus and Ghostwriting
 - (vi) Consulting and Research Contracts

3. Internal Audits: The CCO shall support the Office of Internal Audit, as needed in the determination of the Committee, for the internal audit of those areas involving compliance issues.

F. ENFORCEMENT OF STANDARDS THROUGH WELL-PUBLICIZED DISCIPLINARY GUIDELINES

The University community is required to comply with University Compliance Standards. Any member of this community who violates such regulations or standards is subject to disciplinary action, up to and including termination of employment or other disassociation with the University.

Disciplinary action may include, without limitation, an oral or written warning, probation, suspension, demotion, termination or other disassociation with the University. In accordance with University Compliance Standards, disciplinary action will be taken on a fair, equitable and consistent basis.

It is the obligation of the Committee to monitor and ensure that compliance-related disciplinary action is completed in a fair and consistent manner. This will be accomplished through periodic monitoring and reporting by the assigned Compliance Lead as well as any independent review upon receipt of a complaint of inconsistent treatment.

G. PROMPT RESPONSE TO DETECTED OFFENCES AND CORRECTIVE ACTION PLANS

All reports of alleged violations of University Compliance Standards received by a supervisor shall be immediately forwarded to the CCO or a Compliance Lead. The CCO will report the alleged violations to the Committee at the subsequent committee meeting, or sooner if deemed necessary. The CCO or the assigned Compliance Lead shall be responsible

for supporting, as needed, all compliance related investigations of suspected violations of University Compliance Standards.

Reports and Corrective Action: The Committee will review suspected violations of University Compliance Standards and recommend appropriate corrective action in conjunction with Human Resources and the specific functional unit. Corrective action may include revision of internal control mechanisms and procedures, disciplinary action, submission of revised claims or billing, self-reporting and refunding of overpayments, as appropriate.

The CCO will develop periodic reports regarding ongoing monitoring of the compliance efforts and follow-up reports regarding identified problematic areas/functions (i.e., repeated occurrences of non-compliance) and the implemented corrective action.

H. PERIODIC GAP ANALYSIS

The CCO and Committee will coordinate the development and review of compliance policy gap analyses in conjunction with the University's annual risk assessments provided by the Department of Enterprise Risk Management and Office of Internal Audit. The Compliance Leads will review annually their assigned functional unit policies in tandem with the current gap analyses and report to the Committee any recommended new or modified policies and procedures, or internal monitoring assignments, based on the identified risks. The Committee will review the recommendations and devise the annual compliance work plans that identify those areas for policy work or internal monitoring and the timeframe for completion.

The results of the overall gap analysis assessment and the annual work plan will be provided to the Board.

I. ONGOING EVALUATION OF PROGRAM EFFECTIVENESS

The Program must be evaluated in the specific context of its mission: to prevent and detect misconduct to help support a culture of compliance.

The Committee will support the development and implementation of compliance reports that identify non-compliance events, the controls in place to prevent such non-compliance, and the corrective action in response to each event. The Committee will ensure that data for all non-compliance events is gathered and properly maintained to ensure accurate and adequate reporting.

Under the supervision of the CCO, the Compliance Leads will conduct a regular review of the Program effectiveness and prepare periodic and annual reports. The reports will describe the compliance efforts undertaken during the preceding year and identify any necessary changes to improve the Program.

Program effectiveness reports will be provided to the Board, periodically.

EXHIBIT A: Functional Compliance Units

<https://www.pacific.edu/about-pacific/administration/offices/office-of-compliance/compliance-program/leads-and-functional-units.html>

EXHIBIT B: Compliance Policies

COMPLIANCE POLICIES

Code of Conduct

Compliance Response (including Sanctions and Mitigation for Compliance
Violations and Reporting Misconduct)

Conflict of Interest

Fraud, Waste & Abuse Prevention

False Claims Act

Gift/Gratuity Acceptance

HIPAA

Patient Referrals

Privacy Program

Record Retention

Reporting Misconduct

Vendor Management

Whistleblower Protection—Non-Retaliation