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POLICY AND PROCEDURE

Title: PPS Progressive Sanctions Policy

Department: Compliance

Effective Date: 10/2016

Annual Review Date: 10/2017

Date Revised:

Policy

Purpose and Applicability

This policy sets forth the terms and conditions for the implementation by Adirondack Health Institute (“AHI”) of progressive sanctions on participants (“Participants”) in the Adirondack Health Institute Performing Provider System (the “AHI PPS”). This policy supplements, but does not replace, any requirements related to progressive sanctions contained in any contract between AHI and Participants (“AHI PPS Contracts”). To the extent that a provision in an AHI PPS Contract conflicts with this policy, the provision in the AHI PPS Contract will prevail.

AHI PPS will apply sanctions to Participants in the event of (i) poor performance; and/or (ii) violation by a Participant of the Participation Agreement or of any policies and procedures that govern the PPS (the “AHI PPS Policies and Procedures”).

Procedure

I. Available Sanctions

The sanctions imposed by AHI PPS may include requiring the implementation of a corrective action plan by the Participant; withholding or reducing payments that would otherwise be due to the Participant under the Participation Agreement; and/or suspending or terminating the Participant’s participation in the AHI PPS.

Prior to imposing any sanction for poor performance other than imposition of a corrective action plan, AHI must offer a Participant training, technical assistance and/or peer-to-peer support/guidance.

When determining the type of sanction to apply for violations of the Participation Agreement or the AHI PPS Policies and Procedures, AHI PPS shall take into account the following factors:

- Whether the violation was a first time or repeat offense;
- The level of culpability of the Participant (e.g., whether the violation was made intentionally, recklessly or negligently);



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- Whether the violation constitutes a crime under state or federal law; and
- Whether the violation resulted in harm to a patient or other person.

II. Process for Imposition of Sanctions

The Steering Committee and the Clinical Governance and Quality Committee (“CGQC”) of the AHI PPS will have responsibility for recommending sanctions under this policy.

Upon receipt of a report of a poor performing Participant or of a violation by a Participant of the AHI PPS Policies and Procedures or the Participation Agreement, the CGQC will investigate the report, create a summary of the investigation, and schedule an in person meeting to review the report with the Participant. The CGQC shall provide a copy of the written report to the Participant at least ten (10) calendar days before the date of the in person meeting. The Participant may attend the meeting, which will be confidential.

After weighing the input presented by the Participant at the meeting, the CGQC will have [ten (10) calendar days] to issue a recommendation to the Steering Committee with respect to sanctions.

If the process recommends/is approved that a Participant is to engage in corrective action, the Participant will have thirty (30) calendar days to submit a corrective action plan. The CGQC will review and may request modifications to the proposed corrective action plan. If the Participant fails to carry out the actions included in the corrective action plan, the CGQC may recommend that the Participant’s PPS funding be withheld, reduced or terminated or that the Participant be terminated from the PPS.

Any recommendations to withhold, reduce or terminate a Participant’s funding or the termination of a Participant from the PPS shall be subject to review, with recommendation by the Steering Committee to the AHI Board of Directors. Such review shall take place in a closed session of the Steering Committee, to which the Participant shall be invited and at which the Participant may advocate for itself. To withhold, terminate or reduce a Participant’s funding, or to terminate a Participant from the PPS, a two-thirds vote of the Steering Committee is required. If the Steering Committee does not vote to withhold, reduce or terminate the Participant’s funding or terminate the Participant, the matter will be referred back to the CGQC for additional remediation.

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Contact Person: Chief Compliance Officer

Responsible Person: Chief Executive Officer

Approved by: CEO/Board of Directors