



## ESSENT HEALTHCARE, INC.

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<b>Section: Corporate Compliance</b>	<b>Effective Date: 11/15/04</b>
<b>Subject: Handling of Hotline Calls</b>	<b>Revision Date: 11/15/04</b>
<b>Policy #: CC-7</b>	<b>Review Date: 11/18/09</b>
<b>Responsible Party: Corporate Compliance Officer</b>	<b>Revision #: 1</b>

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**Scope:**

This policy applies to all employees at all entities of Essent Healthcare, Inc., and to the Compliance Risk Specialists (CRS) at Compliance Concepts Inc.

**Purpose:**

To establish protocols for how the Corporate Compliance Officer (CCO) receives, documents, and responds to Compliance Hotline calls.

**Policy:**

1. All hotline calls will be handled in a manner which protects the privacy of the caller.
2. The preliminary investigation of each hotline call will normally be completed within the timeframes outlined below.
3. Hotline cases will be investigated by persons having a sufficient level of expertise and knowledge to resolve the issue presented by the call.
4. Disciplinary and/or corrective action in response to substantiated allegations will be an integral part of the hotline program.
5. It is the policy of Essent that retaliation, by any individual, against a hotline caller will not be tolerated and will itself be grounds for disciplinary action.

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In order to ensure the confidentiality of hotline callers who wish to remain anonymous, Essent has contracted with an outside third party to oversee the compliance reporting hotline. Compliance Concepts Inc. engages in the business of providing toll-free telephonic answering, reporting and tracking of compliance concerns. All information obtained by Compliance Concepts will be forwarded to the CCO and maintained in a manner that protects the privacy and confidentiality of the caller.

**Procedure:**

1. The intake phone call will be received by a Compliance Risk Specialist (CRS) at Compliance Concepts Inc. The following information must be obtained by the CRS receiving the call:



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- a. Name and location of the facility
  - b. Date and time of the call
  - c. Any relevant information concerning the allegations
  - d. Name of caller (unless anonymous)
  - e. Contact phone number for caller (unless anonymous)
2. The information received from the intake phone call is documented by the CRS and entered into the tracking system at Compliance Concepts. All calls are given a severity level as follows:
- a. **Severity I** – An immediate threat to person, property or environment. Compliance Concepts will immediately notify the CCO upon termination of the call. Caller will be given a case number and a call-back appointment within 24 hours.
  - b. **Severity II** – A situation that requires prompt attention, but does not require immediate notification of the CCO. If the call is received during normal business hours the CCO will be contacted that same day. If the call is received after normal business hours, the CCO will be contacted the following day. Each caller will be given a case number and invited to call back in 48 hours.
  - c. **Severity III** – Calls that do not require immediate action by the CCO. These calls are the most common and typically require some type of investigation which can be time consuming. Callers are given a case number and invited to call back in 14 days for follow-up/resolution.
3. Upon receipt of any report of non-compliance, the CRS shall fax the information obtained from the caller to the CCO within the timeframes noted above.
4. Upon receipt of any report from Compliance Concepts, the CCO will initiate a preliminary investigation. The CCO will complete the preliminary investigation and provide a written response to the caller (via Compliance Concepts) within the time frames outlined above.
5. The CCO shall maintain a log of all call activity and maintain copies of all information received from Compliance Concepts in his confidential files.
- a. The hotline call log must document the resolution of each issue raised.



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- b. A summary of this log will be presented to the CEO, CFO and the Audit and Compliance Committee of the Board of Directors (ACC-BOD) on a periodic basis.
6. The CCO will examine each case to determine what questions must be asked and answered in order to resolve the issue. In determining what questions must be asked and answered; the CCO may consult with other members of management and/or regulatory counsel as appropriate.
7. The CCO will determine the appropriate personnel necessary to investigate a particular matter. The following guidelines are provided:
  - a. Any matter that appears to involve criminal liability to the corporation or substantial civil liability should be forwarded to regulatory counsel for an attorney-client privileged investigation;
  - b. Matters involving quality of care issues should be forwarded to the Vice President of Hospital Operations/Clinical Quality for investigation;
  - c. Matters involving coding and financial matters should be referred to Vice President of Internal Audit;
  - d. Employee relations matters should be forwarded to the Vice President of Human Resources.
8. External investigators will only be used or assigned with the express approval of the CCO and/or regulatory counsel.
9. The CCO will determine the appropriate amount of time to allow for the preliminary investigation not to exceed the timeframes outlined above. This will permit the preliminary investigation to be concluded as quickly as possible and whenever feasible, prior to the 30-day period for self reporting under the False Claims Act.
10. If the preliminary investigation indicates the need for a more detailed investigation, the CCO shall develop an action plan for conducting the formal investigation and present this plan to the CEO and CFO.
11. **CASES WHICH ARE CANDIDATES FOR SELF-DISCLOSURE WILL BE DISCUSSED WITH THE APPROPRIATE MANAGEMENT AND LEGAL PERSONNEL AT THIS TIME.**  
The decision on whether to self-report will be made in accordance with the Company's self-disclosure policy.



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12. After meeting with the CEO and the CFO, the CCO will decide who needs to be notified of the existence of a formal investigation. Under ordinary circumstances, management will be informed of the existence of the investigation on a “need to know” basis. However, if it appears that management may be implicated in the investigation, notification will only be made after coordination with regulatory counsel and the CEO and/or CFO (or the ACC-BOD if senior management involvement is suspected).
13. Once the formal investigation is completed, the case is sufficiently documented, and all relevant questions have been answered; the CCO will make a recommendation as to whether the case is substantiated or unsubstantiated. The CCO will forward this recommendation to the CEO, CFO and the ACC-BOD.
14. After meeting with the CEO and CFO, the final resolution of each case will be documented by the CCO in the hotline call activity log. All parties involved in the investigation will be notified of the final resolution. The caller will be notified of the final resolution via call-back arrangements with Compliance Concepts.
15. All callers will be thanked for the time and effort that they put forth in calling the compliance hotline.

### **References:**

HCCA Compliance Manual  
OIG Guidance  
Compliance Concepts Contract