



# Principles of Responsibility

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To: Directors, Officers, Physicians, Employees, and Contractors of Kaiser Permanente

The Kaiser Permanente Medical Care Program has always been known for its high ethical standards and integrity. This is a cornerstone of our Program. As employees, physicians, or contractors of Kaiser Permanente, we represent our Program, and our individual actions influence the way the public and government regulatory agencies view the entire organization. It is important that each of us exemplify standards of proper business conduct and professional practice by: being honest and ethical; complying with applicable federal, state, and local laws and regulations and Program policies and procedures; protecting and conserving the Program's reputation, resources, and assets; avoiding conflicts of interest and other situations potentially harmful to the Program; and maintaining courtesy, respect, and caring when dealing with customers, members, patients, other employees, and the public.

While this handbook serves as a guide to employees', physicians', and contractors' standards of conduct, it is not all-inclusive. Each of us is responsible for exercising good judgment and upholding any other Program policies, practices, and legal regulations that may apply. If you need further guidance or information, please contact the appropriate individual listed at the back of this handbook.

Sincerely,

George Halvorson  
Chairman and CEO  
Kaiser Foundation Health Plan, Inc.  
and Kaiser Foundation Hospitals

Francis J. Crosson, MD  
Executive Director  
The Permanente Federation  
On Behalf of the  
Permanente Medical Groups

# Commitment to Compliance

These Principles of Responsibility are intended to serve as a guide to our common responsibilities as we deliver quality health care and operate as responsible corporate citizens in the communities we serve. The complexity of regulations governing the health care industry makes it essential to provide information and support to assist our physicians and employees in avoiding even unintentional violations of applicable laws, regulations, and policies.

## Our Commitment to Compliance

Kaiser Permanente is subject to numerous federal, state, and local laws and regulations. You are responsible for understanding the state and federal laws that apply to your job responsibilities, including governmental requirements imposed through Medicare, Medicaid, and the Federal Employees Health Benefits Program (FEHBP).

Under the law, ignorance of legal requirements is not an excuse for non-compliance. If you have any questions about how a law or regulation applies to a specific situation, promptly seek advice from your chief of service, supervisor, or other contacts listed on page 12.

In order to best protect Kaiser Permanente and its physicians and employees in an increasingly challenging regulatory environment, it is important for Kaiser Permanente to develop and implement a formal compliance program. Federal laws specify that those organizations with compliance programs are regarded differently than those without such programs, and that the programs serve to protect the organization and the people in it. Therefore, the Kaiser Permanente Compliance Program (“KPCP”) has been developed. The KPCP consists of:

*You* – and your commitment to understand and work according to those laws, regulations, and policies that apply to you;

*Your Chief of Service or Supervisor* – and their commitment to providing you with information, support and an environment in which you are comfortable questioning and discussing issues of compliance;

*All directors, officers, managers, and supervisors* of a Kaiser Permanente organization – who remain committed to taking actions to ensure a culture of compliance at Kaiser Permanente;

*Health Plan Compliance Officers and Leaders and Medical Group Compliance Leaders* – who are available to provide education and information, review allegations, and investigate them to conclusion; and

*The KP Compliance Connection* (“KPCC”) is a toll-free telephone line which permits you to receive guidance and support about issues of legal and regulatory compliance and to report, anonymously if desired, any activities perceived to constitute legal or regulatory violations by persons in Kaiser Permanente. All information will be investigated as appropriate and you will be able to receive a report of the results. This system is intended to serve as a way for you to report important matters that you feel will not be properly handled in any other way. There will be no retaliation against individual callers reporting perceived legal or regulatory violations.

To the maximum extent possible, the identity of anyone who reports a violation and/or possible violation will be concealed. Consistent with our policies, Kaiser Permanente will guard the identity of personnel about or against whom an allegation is brought.

The KP Compliance Connection is NOT intended as a vehicle to address concerns regarding wages, hours, or working conditions or to air grievances which are governed by collective bargaining agreements. **It is not intended to be used as a mechanism for addressing concerns which are within a union’s representational role.**

If you have questions about any part of the KPCP, please contact your supervisor, Chief of Service, or one of the contacts listed on page 12.

# Guiding Principles

## **Our Commitment to Quality**

Quality is one of the hallmarks of our Program. It is vital that we maintain our quality in clinical care, in member and patient interactions, and in service to our members, patients, and groups.

## **Our Commitment to Members, Patients, and Groups**

Our relationship to our members, patients, and groups is of primary importance. They trust us with their health care, and we must ensure that we continue to earn their trust by providing quality care and services at an affordable price. We must put their health care first.

## **Our Commitment to Our Physicians and Employees**

Kaiser Permanente aspires to be the world leader in improving health through high quality, affordable, integrated health care; and our people are the key to our success. Our culture is quality and customer oriented, performance-based, and people-driven. The Program will employ a culturally diverse workforce of people who are committed to providing Program customers the highest quality care and service. We foster teamwork, learning, and innovation. Kaiser Permanente physicians, employees, and contractors should promote and sustain this culture; treat each other with dignity, respect, and integrity; and conduct themselves in ways consistent with our organizational values.

## **Our Commitment to Excellence**

Maximum success and maximum achievement depend upon the personal commitment of all individuals associated with Kaiser Permanente—a commitment to excellence. The people of Kaiser Permanente are expected to provide quality care and service, and perform their work in a committed, conscientious, and considerate manner; maintain high standards of courtesy, respect, caring and kindness in dealing with members, patients, other employees, and the public; and perform assigned duties dependably, conscientiously, and with a personal and professional commitment to excellence.

## **Our Commitment to Providing Social Benefit**

Kaiser Foundation Health Plan, Inc. and Kaiser Foundation Hospitals are public benefit corporations. Our core mission as a not-for-profit organization is to provide social benefit. We provide social benefit by improving the health of members, patients, and the communities we serve, and setting the standard for quality care that is affordable for a broad segment of the community.

# Maintaining Our Integrity

Kaiser Permanente's reputation is a valued business asset, and the organization is committed to conducting its affairs with honesty and integrity. Kaiser Permanente physicians, employees, and contractors should avoid activities that could: affect adversely the independence and objectivity of their judgment in the performance of their jobs; discredit the Program; conflict with the Program's best interests; give the appearance of creating a conflict of interest; or disclose proprietary or confidential information to our competitors or the public without appropriate authorization.

We each have a responsibility to comply with all laws and Kaiser Permanente policies and procedures; to not acquire a competitor's trade secrets or other proprietary or confidential information from any source by unlawful or unethical means; to not hide or misrepresent our identity in attempting to elicit information about our competitors; to require consultants and other contractors to comply with the law; to protect the privacy of patients, members, employees, and physicians; and to guard the confidentiality and proprietary nature of Kaiser Permanente information and respect the requests of others for confidentiality.

## **Conflict of Interest**

Managers, supervisors, physician administrators and chiefs, and others with the authority to direct or influence the use of Kaiser Permanente assets must disclose, in writing, any potential or actual conflicts of interest to your Medical Director, Region President or their designee. A disclosure of a potential conflict does not necessarily mean that there is a real conflict, but the propriety of some situations may depend on whether the facts are fully disclosed.

### **1. Financial Relationships**

Managers, supervisors, physician administrators and chiefs, and others with the authority to direct or influence the use of Kaiser Permanente assets and any of their immediate family members or persons living in their households (as defined below) must disclose, in writing, any financial interest or investment in the business of a competitor, customer, or supplier that could cause or appear to cause a conflict of interest between Kaiser Permanente interests and their personal interests. In addition, for other family members (as defined below), written disclosure of such financial interests is required to the extent that such information is known.

For purposes of the Principles of Responsibility, "*immediate family*" includes the following individuals, regardless of whether they are living in your household: your current or former spouse or domestic partner for whom you provide financial assistance, children, and all others living in your household. "*Other family members*" include parents, grandchildren, siblings, aunts, uncles, in-laws, and your spouse's or partner's immediate family, regardless of whether they are living in your household.

# Maintaining Our Integrity

Direct/indirect “*financial interest*” is defined as follows: If your duties involve a relationship with a business, or if you appear to be able to influence Kaiser Permanente transactions with the business, you must disclose that interest in the business’ stock, bonds, debt obligations, options, rights to buy stock, shares in profits, investments, or proprietary interests. All known stocks, bonds, and other securities of suppliers, customers, or competitors that you or a family member own (unless part of a mutual fund) should be disclosed unless the stocks or bonds are traded on a national exchange or over-the-counter and the holdings do not exceed  $\frac{1}{10}$  of 1% of the outstanding securities of the same class.

## **2. Direct & Indirect Relationships**

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Your family members must refrain from business relationships with persons and organizations whose business with Kaiser Permanente is completely or partially under your control or influence and where your independent judgment is or might appear to be affected.

## **3. Employment of Family Members or Other Relatives**

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Fair and equal treatment of all employees is one of our highest values. Personnel decisions must be based on sound management practices and should not be influenced by personal concerns. You must avoid family relationship considerations when making decisions related to business matters. All managers and supervisors must avoid hiring family members. Physician managers should follow the applicable policy of their Medical Group.

Family members who are employed by a Kaiser Permanente organization must be reasonably separated from each other with respect to the scope of supervision and influence in the areas of job assignment, appraisals, promotion, compensation, and other employment-related areas, as well as in the area of contracting decisions. In order to avoid even the appearance of favoritism, no offer of employment will be made by Health Plans or Hospitals to any family member of the Chairman, President, or any Senior Vice President, Region President, or local market leader, if such offer would create actual or potential conflicts with respect to supervision, security, or morale.

## **4. Medicare and Medicaid Referrals**

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The Medicare Fraud and Abuse or “Anti-Kickback” Law prohibits offering, paying, soliciting or receiving anything of value for the referral of any Medicare patient if Medicare would have paid for at least some part of the service or supply. Penalties for violations can be severe. Violations may be criminally prosecuted by the Inspector General and the United States Attorney or be subject to civil monetary penalties.

Physicians are also prohibited from referring any Medicare or Medicaid beneficiary for designated health services to an entity in which the physician

or an immediate family member has an ownership interest or a compensation arrangement. Almost all health services, many supplies and outpatient prescription drugs are designated health services. If your family member is employed by a covered entity, it is likely that the referral of any Medicare or Medicaid member to that entity will be considered a violation. There are a number of detailed exceptions to these rules. If you have questions in interpreting these laws or determining whether a proposed action or relationship is prohibited, contact the Legal Department for advice.

## **5. Competitor and Supplier Relationships**

Antitrust laws prohibit certain implicit or explicit activities that eliminate or unreasonably restrict competition. It is important to avoid even the appearance of collusive and unlawful anticompetitive practices and anticompetitive intent when planning and implementing business decisions. It is illegal for existing or potential competitors to implicitly or explicitly agree on prices, terms, or conditions of sale, dividing markets by customers, territories, or products, or boycotting customers or suppliers. You may not engage in activities that could facilitate price-fixing or result in market allocation, or boycotts.

Physicians, contractors, and employees who work in purchasing must avoid illegal or unethical practices. Each individual must be sure their decisions are not influenced by gifts, favors, pressure, or other forms of influence. In addition, you must ensure that suppliers have a fair opportunity to obtain Kaiser Permanente business based on the quality, suitability, dependability, service, and price of their products or services; and that qualified vendors are not precluded from an opportunity to provide goods and services by restrictions, policies, standards, or other provisions relating to vendor selection that are not needed to protect Kaiser Permanente. Our National Minority Vendor Program actively seeks minority and women-owned suppliers.

To avoid conflicts of interest, there are limits on your work for a Kaiser Permanente competitor, customer, or supplier organization. You may not engage in an outside activity (including additional employment or self-employment) that deprives Kaiser Permanente of business. Part-time employees who work in health care facilities (e.g., nurses, laboratory technicians, clerks, housekeepers) are exempt from the restriction about working for a competitor. You may not serve as a director, representative, consultant, manager, employee, or officer of an organization that competes with Kaiser Permanente; or serve as a director, representative, consultant, manager, or officer of a Kaiser Permanente customer or supplier organization without prior written approval of your Medical Director or Region President or designee. Specific conditions governing serving as a director of another business are addressed in Section 8 below.

# **Maintaining Our Integrity**

# Maintaining Our Integrity

## **6. Gifts, Gratuities, Loans, & Entertainment**

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You must not accept gifts, loans, or gratuities of more than nominal value from customers, suppliers, or potential suppliers that could create an obligation or that might appear to influence the decisions you make on behalf of Kaiser Permanente.

Examples include tips, gifts, meals or entertainment valued at over \$100, two or more gifts from the same person or organization with a combined value of \$100, or other significant favors or services. Care should be exercised in the acceptance of business meals and entertainment, particularly those that combine business and pleasure. Such activities should be infrequent and a legitimate part of the business relationship.

## **7. Physician Income and Investments**

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Physician partners and shareholders of Permanente Medical Groups may not invest in or perform services for any organization providing medical care services to patients in areas served by Kaiser Permanente, except as specifically permitted by Permanente Medical Group policy. Such services include both physician services and support services (e.g., laboratory, diagnostic imaging, physiotherapy, sale of pharmaceuticals and medical appliances). All income obtained from professional services performed outside of the Permanente Medical Group will be considered Medical Group income, except as specifically permitted by Permanente Medical Group policy.

## **8. Outside Directorships**

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At times, participation in outside boards may represent a conflict of interest. You may not serve as a director of another business without the prior written approval of your Medical Director or Region President or designee, if any of the following conditions exist: stock is available for public ownership; the business is in competition with a Kaiser Permanente organization; the business has existing relationships with Kaiser Permanente; service as a director could adversely affect Kaiser Permanente; or the business is a professional association or government agency. You may retain compensation earned unless the terms of the management approval state otherwise.

You are encouraged to actively participate in community and charitable organizations. No prior approval is required to serve as a director or officer of any charitable, religious, or civic organization as long as those activities do not conflict with Kaiser Permanente.

# Maintaining Our Integrity

## **9. Honoraria & Presentations**

Employees may not accept an honorarium or teaching fee for a work-related presentation except as allowed by applicable policies. Permanente physicians may not accept honoraria or teaching fees except as allowed by Permanente Medical Group policy.

Obtain approval when making a work-related presentation if the sponsor of your presentation has an existing or potential relationship with Kaiser Permanente, the presentation could disclose confidential, proprietary, or sensitive information, or the presentation is likely to get media attention.

## **Political Activities**

You are encouraged to participate actively in the political process as an individual citizen. However, Kaiser Permanente does not reimburse personal political contributions. When you publicly support a political party, candidate, or legislative initiative, you must state clearly that you're acting as a private citizen, not as a Program representative. You may not participate in political activities during work hours or on Program premises, or subject coworkers to any pressure that infringes on their right to decide freely on candidates and political contributions.

Kaiser Permanente stationery may be used only for business-related correspondence and may not be used by physicians or employees to represent their personal points of view on medical or other issues in any correspondence external to the organization.

As a non-profit organization, Health Plan and Hospitals' political activities are strictly limited. Under certain circumstances, usually involving initiatives, referenda, or proposed constitutional amendments, Health Plan and Hospitals may appropriately contribute funds and/or participate in political activities. However, the laws governing these activities are complex. The Program Office Government Relations Department must review any proposal involving use of Health Plan and Hospitals' funds or other resources for political purposes. Kaiser Permanente does not allow unlawful political contributions or bribery.

## **Community Involvement**

As a national organization, we have an enormous impact on the communities we serve. Consumer and other advocacy groups are intensely interested in the way we run our business. Kaiser Permanente participates in and sponsors many organizations, institutions and events, and encourages you to actively participate in community organizations and activities.

Kaiser Permanente has established objective criteria for deciding which organizations, institutions, and events receive our contributions, sponsorship, or patronage. Contact your local community relations department if you have questions about these guidelines.



# Maintaining Our Integrity

## **Media Contact**

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To ensure that the Program is accurately and fairly portrayed in the media, to protect its reputation, and to ensure consistency in our communication, calls or visits from writers, reporters, or photographers should be directed to either the National Public Affairs and Communications Department or your local public relations staff. They are responsible for handling all inquiries from the media, including those related to a crisis, arranging for media interviews with Kaiser Permanente officers and representatives, and responding to requests for information and photography.

## **Equal Opportunity & Affirmative Action**

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Kaiser Permanente is committed to the principles and practice of equal opportunity and affirmative action that will enable us to develop and maintain a highly qualified, culturally diverse workforce capable of responding to the changing needs of diverse members and customers in local markets.

In keeping with this commitment, Kaiser Permanente does not discriminate in employment or the provision of services to members or patients on the basis of race, color, gender, national origin, religion, age, disability, sexual orientation, veteran status, or any other status protected by applicable federal, state, or local laws. Furthermore, Kaiser Permanente will not tolerate any kind of harassment of physicians, contractors, employees, applicants for employment, members or patients, including harassment based on race, sex or other unlawful factors.

You must review and be familiar with Kaiser Permanente's Equal Opportunity/Affirmative Action and Non-Harassment policies. These policies may be obtained from your Human Resources Department or Equal Employment Opportunity (EEO) consultant. If you believe that you or others are being discriminated against or harassed, immediately notify your supervisor, a manager, or the EEO consultant. Chiefs of Service, supervisors and managers have an affirmative obligation to investigate any complaints of discrimination or harassment that they may receive.

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To assure compliance with licensing, copyright and patent law, and to protect the Program's tangible and intangible assets, including its reputation, Kaiser Permanente assets must not be misused.

### **Private Benefit**

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You may not use Kaiser Permanente assets, services, or resources for your own or a family member's private benefit; or accept free or discounted materials or services from a vendor because of your purchases for Kaiser Permanente.

### **Software Compliance**

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You are responsible for complying with license agreements for software installed on your computer. You may not copy, install, or use software that violates the license agreements or copyright laws.

### **Electronic Communication & Information Systems**

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Computers, software, electronic mail, and voice mail, are assets of Kaiser Permanente and you must use them only for business purposes. Physicians, contractors, and employees may not use Kaiser Permanente electronic communication and information systems for solicitation or personal gain.

Subject to certain restrictions, Kaiser Permanente has the right to access any information contained in company-owned computers, electronic mail, and voice mail. Because Kaiser Permanente can be held legally responsible for the content of its information systems, you must not expect that such information is private.

### **Research & Development**

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Any inventions, intellectual property, or proprietary information that you develop during your employment while using Kaiser Permanente time, information, equipment, or facilities is owned by the Kaiser Permanente entity by which you are employed.

# **Protecting Kaiser Permanente Assets**

# Confidentiality of Information

## Confidentiality of Kaiser Permanente Records

You must carefully observe policies relating to the confidentiality of all Program records and other confidential or sensitive information including medical records, patient information, trade secrets, and other proprietary information. Both current and former employees, physicians, and contractors must protect the integrity and confidentiality of sensitive information.

*“Confidential information”* refers to any kind of information that might damage Kaiser Permanente’s competitive position or violate federal or state law if released; or any internal document marked confidential or proprietary. Examples include: business plans, cost and service data, financial information and projections, customer account information, business continuity plans and strategies, plans for marketing products and services, facilities and new projects to be developed, intellectual property (patented and unpatented technology; copyrightable materials, etc.), member and patient information and records, litigation information, rate and benefit changes prior to public announcement, salary and personnel information, technical data or drawings, and trade secrets.

You must protect Kaiser Permanente records from unauthorized access, ensure the confidentiality of certain records, and retain and destroy them according to established procedures and regulations. If in doubt about proper procedures or how long to retain records, contact your supervisor or Chief of Service.

## Confidentiality of Physician and Employee Records

Records containing personal employee and physician information are confidential. All requests for information regarding employees should be referred to the Human Resources Department for response. All requests for information regarding physicians should be handled in accordance with Permanente Medical Group policy.

## Confidentiality of Medical Records

You must carefully observe all requirements relating to the confidentiality of medical record information. Because of the intensely personal and sensitive nature of communications and relationships between providers and individuals who are seeking or receiving medical services, it is critical that you maintain the confidentiality of any information related to the provision of such services.

# Administration and Contact Information

Maintaining the confidentiality of medical record information is a special challenge to Kaiser Permanente because, in our large and complex organization, many individuals must have access to such information to care for members and patients, or for other authorized purposes. Accordingly, when you have access to medical record information, you are responsible for ensuring the information is maintained in a confidential manner and used only for appropriate, authorized purposes.

Violations of the responsibilities outlined in this handbook can lead to disciplinary action, up to and including dismissal. Conduct that violates the law also may result in civil and criminal penalties ranging from fines to imprisonment.

If you believe a physician, employee, contractor or a non-employee with whom a Kaiser Permanente business relationship exists, is acting in a way that may be illegal, fraudulent, dishonest, or unethical, you must notify your supervisor or Chief of Service immediately. If you are uncomfortable talking with your supervisor or Chief of Service you may (without fear of reprisal):

- Notify your supervisor's supervisor.
- Call the National Compliance Department.
- Call your Medical Group Compliance Leader.
- Call your Regional Compliance Leader.
- Call the Vice President of Internal Audit.
- Call the Program Legal Department.
- Notify any senior manager or officer.

You may also report such activities on a confidential basis by writing to the General Counsel or Vice President of Internal Audit or Chief Compliance Officer.

If you have questions about anything you've read in this handbook, or you would like more information about Kaiser Permanente policies, the contacts listed in the Contact Information section are available to help.

Please remember that you should feel free to express your concerns, without fear of reprisal, to any senior manager, Medical Director or Program officer.

# Administration and Contact Information

## **KP Compliance Connection** **1-888-774-9100**

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This is a toll-free telephone line which permits you to receive guidance and support with regard to issues of compliance and to report, anonymously if desired, any activities perceived to constitute misconduct. This system is intended to serve as a way for you to report important matters that you feel will not be properly handled in any other way.

## **Personal Contacts**

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Supervisor's name \_\_\_\_\_

Supervisor's phone number \_\_\_\_\_

Local Emergency Number \_\_\_\_\_

Regional Compliance Leader \_\_\_\_\_

(National Compliance can provide the name of your Regional Compliance Leader. Please call 510-271-4699)

## **Program Office Contacts**

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Public Affairs & Communications Department ..... (510) 271-5934

Government Relations ..... (510) 271-5963

National Compliance ..... (510) 271-4699

Conflicts of Interest ..... (510) 271-4699

Controller ..... (510) 271-5930

Environmental/Safety ..... (510) 625-3424

Equal Employment Opportunity (EEO) ..... (510) 271-5970

General Counsel ..... (510) 271-6889

Internal Audit ..... (510) 271-6369

## **Compliance Website**

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<http://kpnet.kp.org/national/compliance/>



