



KERN HEALTH
SYSTEMS



Self-Study Employee Guide

HIPAA Fraud, Waste, or Abuse Code of Conduct Core Values

2025

KHS Self-Study Employee Guide

HIPAA Fraud, Waste, or Abuse Code of Conduct

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 A message

from the

Compliance Department

At Kern Health Systems we are deeply committed to acting ethically and responsibly in a culture of compliance, ethics, and integrity. To support that commitment, we have created this Self-Study Employee Guide that will cover general information regarding HIPAA, Fraud, Waste, or Abuse, and the KHS Code of Conduct.

Additional information can be found in the Employee Handbook as well as policies and procedures located on the KHS Intranet. Should you have questions regarding any of the topics in this guide, please contact the Compliance Department.

Methods for contacting Compliance and reporting concerns:

FraudTeam@khs-net.com

HIPAA@khs-net.com

Compliance@khs-net.com

Director of Compliance and Regulatory Affairs: jane.macadam@khs-net.com

Chief Compliance and Fraud Prevention Officer: deborah.murr@khs-net.com

KHS employees can also report suspected ethical abuses and fraud by calling the Ethics Hotline at:

1-833-607-6589

Available 24/7. All calls are strictly confidential.



HIPAA

What does it mean to you?

At Kern Health Systems every employee is responsible for the health records of over 400,000 Members. It's important to understand the state and federal laws that regulate the privacy and protection of Member information, as necessary to carry out KHS workforce functions.

HEALTH INSURANCE PORTABILITY ACCOUNTABILITY ACT

WHAT DOES THE LAW SAY?

The Health Insurance Portability and Accountability Act of 1996 or (HIPAA) is a federal law designed to protect a subset of sensitive information known as protected health information or (PHI) shared with health plans, doctors, hospitals and others who provide and pay for healthcare. In 2009, HIPAA was expanded and strengthened by the HITECH Act (Health Information Technology for Economic and Clinical Health).

What is PHI, ePHI, and PI?

The HIPAA Privacy Rule protects the privacy of individually identifiable health information, called protected health information (PHI).

PHI (Protected Health Information) is any information that can be used to identify a Member, whether living or deceased - that relates to the patient's past, present, or future physical or mental health or condition.

The HIPAA Security Rule protects information which is individually identifiable health information received, maintained or transmitted in electronic form. The Security Rule calls this information "electronic protected health information" (e-PHI).

PI (Personal Information) is any information that is not public and maintained by an agency that identifies or describes an individual. This may include two or more pieces of information such as first and last name with a social security number and or date of birth.

Examples of PI

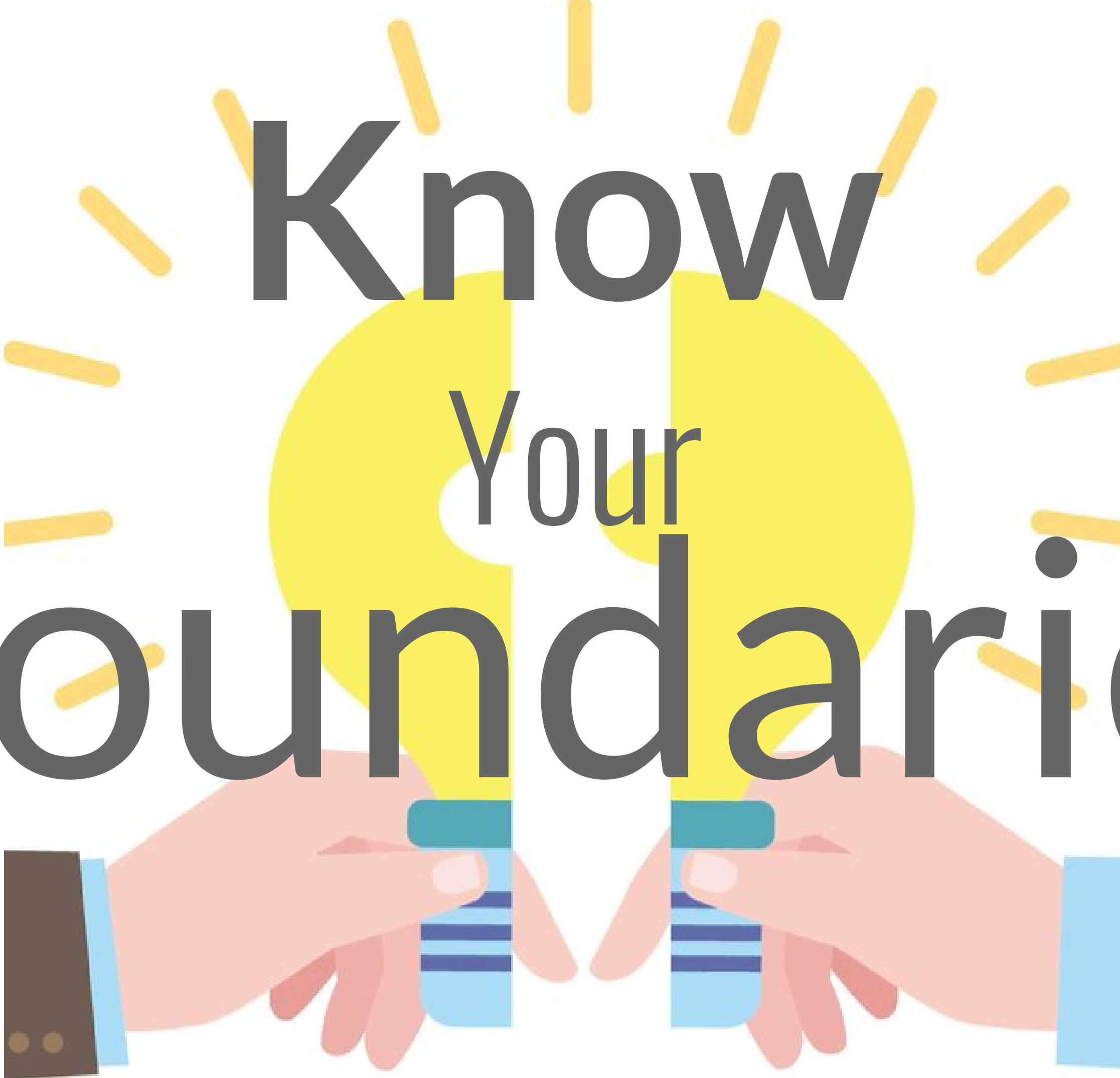
- Name (first and last)
- Social Security Number
- Physical Description
- Home Address
- Home Telephone Number
- Education
- Financial Matters
- Medical or Employment History
- Statements made by or attributed to the individual

Employees may access Member PHI, ePHI or PI ONLY when necessary to perform their job-related duties.

HIPAATeam@khs-net.com

You must take immediate action and report all potential privacy breaches or unauthorized disclosures to your Supervisor and the HIPAATeam@khs-net.com or the Chief Compliance Officer

Know Your Boundaries



A privacy breach is an unauthorized disclosure of PHI, ePHI, or PI in any manner (paper, electronic or verbal) that violates either Federal or State laws.

TYPES OF BREACHES



Paper Breach

Misdirected paper faxes with PHI outside of KHS, loss or theft of paper documents containing PHI, mailings with PHI to incorrect providers or members.



Electronic Breach

Stolen, unencrypted laptops, hard drives, PCs with ePHI, stolen unencrypted USB devices (memory sticks, thumb drive, etc.), misdirected e-fax to an unauthorized party.

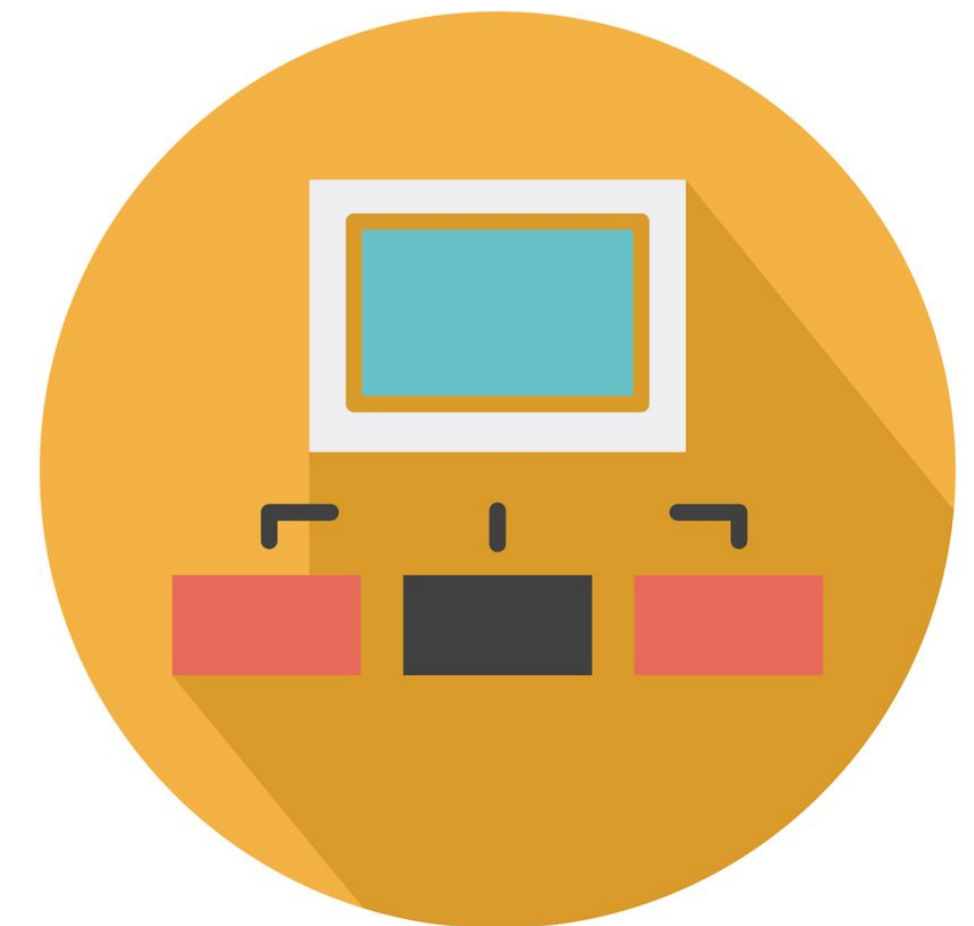


Verbal Breach

Sharing PHI with friends or family outside of work, over the phone to a person not authorized by law or permission.

Privacy & Security Tips

Protect PHI and ePHI at all times – your job and reputation may depend on it.



- ✔ Cover, turn over, or lock up PHI and lock your computer screen when you're away from your workstation.
- ✔ Use encryption for emails containing ePHI.
- ✔ Do not discuss PHI outside of work under any circumstances.
- ✔ Protect PHI on computers, laptops, copy machines, or other electronic devices.
- ✔ When faxing member information, double check the recipient's number.
- ✔ Promptly pick up your copies containing PHI from copy machines.
- ✔ Report accidental or willful disclosures of PHI and security violations to your Supervisor and the KHS Privacy Officer by using the HIPAA Team email node - HIPAAteam@khs-net.com.
- ✔ Do not leave your passwords exposed.
- ✔ Use confidential shredding bins to dispose of PHI.

Accessing or disclosing Member's PHI is only permitted when it pertains to the employee's job duties.

Penalties for Breaches

Breaches of the HIPAA Privacy and Security Rules have serious ramifications that may result in civil and criminal penalties.



CIVIL

HIPAA civil financial penalties apply to covered entities and its employees which may include: \$141-\$2,134,831 in fines or more for single violation up to \$1.5 million for multiple violations in 1 year. Additional separate penalties can be assessed by the Attorney General of \$100 to \$25,000 per violation category.

CRIMINAL

Criminal penalties for knowingly obtaining, using or disclosing PHI in violation of HIPAA may include fines up to \$50,000 to \$250,000 and up to 10 years in prison.

Sources: 45 C.F. R. § 160.404,
42 U.S. Code § 1320d-6

A photograph showing a silver stethoscope and a black pen resting on a blue clipboard. The clipboard has a white sheet of paper with the words "HIPAA violation" written in large, bold, black letters.

**HIPAA
violation**

Violations of KHS policies may also result in disciplinary action, up to and including termination of employment.

Minimum Necessary



Provide only the information that is necessary in order to minimize risk to the security of a member's PHI.

Follow minimum necessary principles for using confidential information:

- ✓ If you don't need confidential information to complete a task, don't access it.
- ✓ If specific information is requested, such as a list of specific members or a person's name, send only that.
- ✓ If you need to reply to or forward an email or text message, remove all non - essential PHI and recipients from the message before you send it.
- ✓ Leave minimal information necessary on voicemail or answering machines.

HIPAA requirements state that when you access, use, or disclose PHI, only access, use, or disclose the minimum necessary information to accomplish the intended purpose.

Sources: 45 C.F. R. § 164.502(b), 45 C.F.R. 164.514(d)

We are ALL responsible for reporting suspected cases of FWA.

Fraud, Waste, or Abuse

What is FRAUD?

An intentional deception or misrepresentation made by persons with the knowledge that the deception could result in some unauthorized benefit to themselves or some other person and includes any act that constitutes Fraud under applicable federal or State law, including 42 CFR section 455.2 and W&I section 14043.1(i).

WASTE?

The over utilization or inappropriate utilization of services and misuse of resources.

or ABUSE?

Practices that are inconsistent with sound fiscal and business practices or medical standards, and result in an unnecessary cost to the Medi-Cal program, or in reimbursement for services that are not Medically Necessary or that fail to meet professionally recognized standards for health care. It also includes Member practices that result in unnecessary cost to the Medi-Cal program.

WHAT DOES THE LAW SAY?

The False Claims Act (FCA) (31 U.S.C. §3729-3733), protects the government from being overcharged or sold substandard goods or services. The FCA imposes liability on any person who submits a claim to the federal government that he or she knows is false.

Examples of Fraud, Waste, or Abuse

Provider FWA

- Billing for services not rendered
- Sending Members a bill after the plan has made payment
- Coding a New Patient Visit instead of an Established Patient Visit
- Soliciting or receiving kickbacks
- Questionable prescribing practices

Member FWA

- Ambulance abuse and overuse of Emergency Rooms
- Sharing ID card, benefit sharing
- Illegal doctor shopping & drug-seeking behavior
- Deliberately providing misinformation to retrieve services
- Selling and forging prescriptions

Report FWA

Speak Up!

Report suspicious activities to your Supervisor and the Director of Compliance by using the Fraud Team email node. You can also make anonymous reports by calling the Ethics Hotline at 1-833-607-6589, available 24/7. All calls to the hotline are strictly confidential.

Do the right thing

Anyone with information about possible fraud, waste, or abuse can make a confidential report.

Kern Health Systems does NOT allow or tolerate retaliation against those who, in good faith, report potential Fraud, Waste, or Abuse (FWA) to the Compliance Department.



Report FWA concerns:

- To your Supervisor or Management Team
- Email the Fraud Team at FraudTeam@khs-net.com
- In person to the Compliance Team
- Call the Ethics Hotline 1-833-607-6589

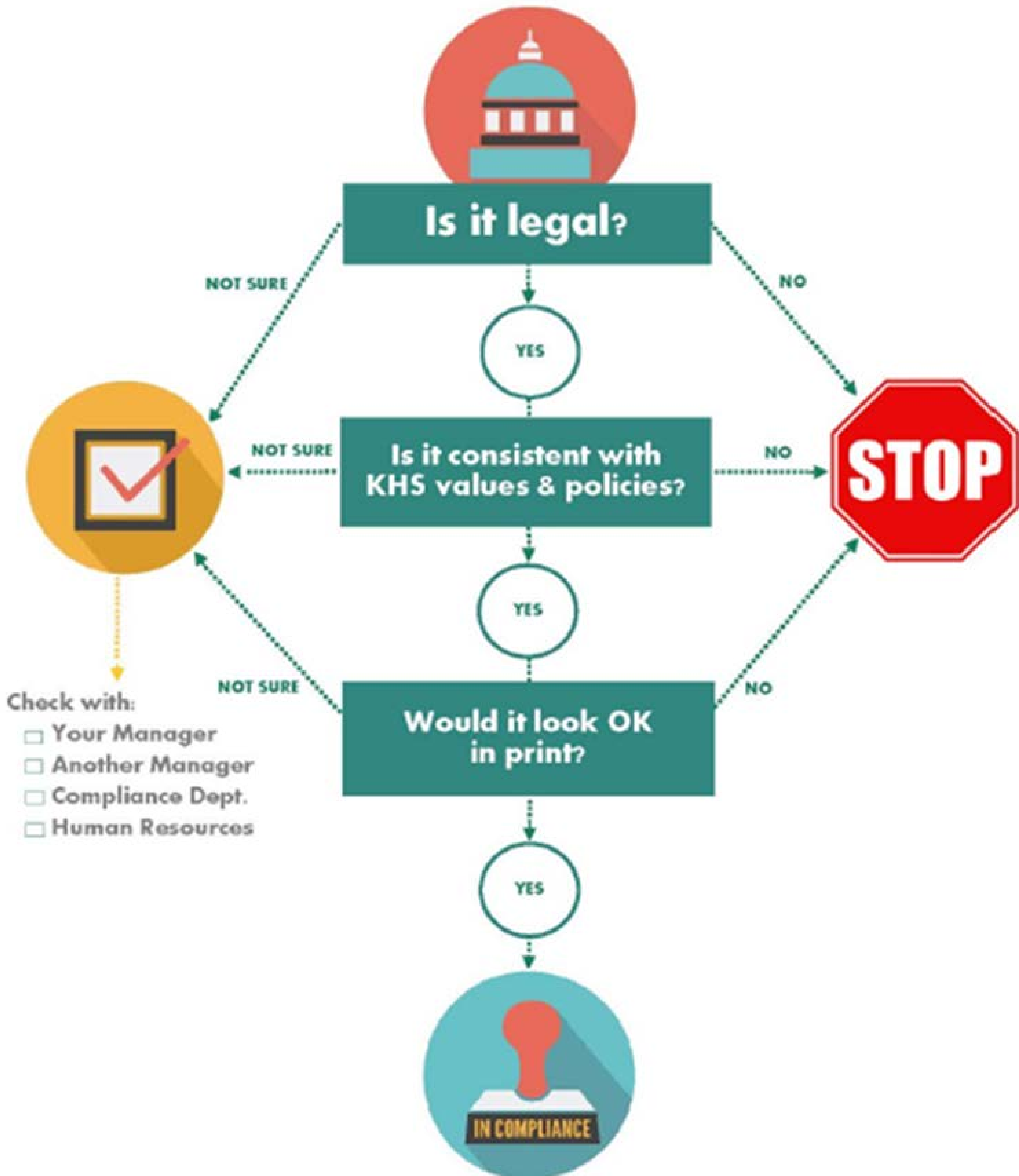
**When you
report,
you're
protected.**

KHS employees can report suspected ethical abuses and fraud by calling the Ethics Hotline at:

1-833-607-6589

Available 24/7. All calls are strictly confidential.

HEADLINE TEST



Do the right thing while serving the community.



Code of Conduct

At Kern Health Systems (KHS), compliance and ethical conduct mean doing the right thing while serving the community.

The KHS' Code of Conduct is a set of values outlining the responsibilities for you as an employee and KHS as an organization.

These **SIX** fundamental values: **EXCELLENCE, EQUITY, INTEGRITY, INNOVATION, COLLABORATION, AND COMPASSION**, remind us that preserving an ethical workplace is critical to our long-term success as an organization. The Code articulates the standards of behavior that each one of us is expected to observe while performing our jobs.

KHS maintains a non-retaliation policy. As employees we are required to, in good faith, report compliance issues, ethical concerns, or violations of this Code of Conduct in accordance with KHS policies.

Potential compliance concerns should be reported to the Director of Compliance, Chief Compliance Officer, or Compliance@khs-net.com.



Kern Health Systems is committed to advancing our values by designing our services and benefits that meet the needs of diverse patient populations

When you hear

Code of Conduct

think

6



The Code of Conduct is a cornerstone of the Kern Health Systems Compliance Program and articulates the standards of behavior that each one of us is expected to observe while performing our jobs.

KERN HEALTH SYSTEMS CORE VALUES



Equity

- We take action to create a culture of fairness and inclusion that fits all members and employees, regardless of zip code, race, ethnicity, preferred language, cultural preferences, or personal history.
- Equity matters because people matter. We recognize that everyone is beautifully diverse, and we are better as an organization and a community when every individual is able to thrive and contribute their unique gifts.



Excellence

- We continually strive for outstanding results by maintaining high standards, community relevance, and working to improve ourselves and our programs.
- Excellence translates to quality outcomes, and a stronger, healthier community. We take pride in our work and invest the necessary effort to grow and ensure a meaningful, measurable impact for those we serve and work with.



Compassion

- We seek to see through the eyes of someone else's experience and extend empathy and care.
- Compassion is at the core of who we are. It is something that we give to others and ourselves, recognizing each person's inherent value and worth. When we understand and care for each other, we can design a better solution and respond more productively to those in need.



Collaboration

- We leverage each other's experience and expertise to solve problems and accomplish shared outcomes in support of a common mission.
- We recognize that we are most effective when we collaborate. Bringing together different strengths and perspectives promotes greater creativity, and makes for more sustainable, impactful solutions and results.



Innovation

- We create novel methods, solutions or systems that expand what is possible and deepen our potential impact.
- We value experimentation and out-of-the-box thinking as keys to finding new opportunities, improving efficiency, and producing a greater output and value. We are informed by the changing world that we work in, and constantly looking for ways to better serve our members and ourselves.



Integrity

- We do the right thing, even when it's not the easy thing.
- Integrity is essential to creating the foundation for trust, workability and performance. Being true to our word and each other is what gives us the best possible chance to succeed and make a lasting difference.

KERN HEALTH SYSTEMS PURPOSE STATEMENT

Health and Equity for All!

It's in everything we do and everything we are. It's our rally cry! It's what brings us together and propels us forward. When we say for all, we mean for *all*. Our members, our community, our providers and our employees at KHS.

At KHS we invest. We invest in what's possible. We equip our community, members, providers, and people to go beyond health and care of the body, to include the health of family, home, work, and relationships.

Our members are the heartbeat of our work. Each day is about serving them, empowering them, and caring for them. Care with the kind of quality that raises people up, breaks the cycle of poverty and opens doors to opportunity.

Employees are not just coming to work; they come to make a difference. They come to KHS as the place to express their full and best gifts, grow as leaders, and leave the community a better place.

When we level up, our community levels up.

Health and Equity for All is about more than healthcare; it's about **fostering a community of care**. This means people-care, member-care, community-care, and provider-care – each facet integral, every individual valued.

Our Values

Equity

Excellence

Compassion

Collaboration

Innovation

Integrity

The Chief Compliance and Fraud Prevention Officer and the entire Compliance Department are valuable resources available to partner with you in all aspects of ensuring compliance. Compliance is everyone's responsibility.

- Answer questions
- Clarify requirements, regulations, and reporting obligations.
- Provide guidance or training on compliance or regulatory topics.
- Investigate and resolve any concerns or potential violations.
- Provide guidance on implementing new requirements or corrective actions for any potential areas of non-compliance.

An effective compliance program is critical to meeting internal operational goals; decreasing errors; improving the quality of patient care and patient safety; and preventing, detecting, and addressing fraud, waste, and abuse. KHS strives to provide the foundation for the development and sustainment of an effective and cost-efficient compliance program. By fostering a true cultural shift for the organization from “following” risk management to “living” risk management, KHS is poised to strengthen its enterprise-wide governance, risk, and compliance, now and in the future.