



Corporate Compliance



NEW HOPE COMMUNITY, INC.
CORPORATE COMPLIANCE
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A. Statement of NHC's Commitment to Business Integrity

1. Overview

Our Commitment to Ethics and Integrity in Business

New Hope Community, Inc., (“NHC”) prides itself in upholding the highest standards of quality in its programs and services on behalf of our individuals and their families. We strive to develop and maintain best practices in all areas of service. Consistent with this commitment to quality, NHC established this Corporate Compliance Program to demonstrate and document our commitment to the highest level of professional integrity and ethics in the NHC’s business dealings with individuals, contractors, vendors, employees, volunteers, funding agencies and the general public.

This Corporate Compliance Program is established for the entire NHC community, including its employees, contractors, agents, vendors, members and officers of the Board of Directors, volunteers, and employees and others working on behalf of other agencies and businesses doing business with NHC and its related corporations.

The Corporate Compliance Program is intended to demonstrate in the clearest terms the commitment of the organization to the highest standards of ethics and compliance and is intended to benefit not only the members of the NHC community, but those governmental and private agencies doing business with the NHC, as well as the general public.

NHC’s Corporate Compliance Officer and the Committee will work closely with NHC’s employees, and other members of the NHC community, to make every effort to establish and implement systems which enhance each employee’s ability to understand and adhere to the complex laws and regulations that govern our business.

In doing so, the Corporate Compliance Officer and Committee will regularly report their activities directly to NHC’s CEO and/or VP at least quarterly, who will, in turn, make reports to the Board of Directors. In addition, the Sr. Corporate Compliance Officer and/or Committee members will report directly to the Board of Directors at least quarterly to ensure compliance.

This Corporate Compliance Program, updated periodically to reflect the mandated elements set forth from the New York State Office of the Medicaid Inspector General, demonstrates NHC’s commitment to the highest standards of business integrity. This program is in full compliance with the law as evidenced by the following eight elements:



A. Statement of NHC's Commitment to Business Integrity

2. Board of Directors Resolution

At a regular meeting of the Board of Directors of New Hope Community, Inc. on December 2017, after proper notice and upon motion duly made and seconded and passed the following Resolution was enacted: <on file>

A. Statement of NHC's Commitment to Business Integrity

3. Code of Business Conduct & Ethics

New Hope Community ("NHC") requires all members of the NHC community, including its employees, contractors, agents, vendors, members of the Board of Directors, volunteers, and employees and others working on behalf of other governmental and private agencies and businesses doing business with NHC and its related corporations, to conform to the highest ethical standards and to meet or exceed legal obligations in the performance of their efforts on behalf of NHC. To this end, we have developed a Code of Business Conduct for the entire NHC community. The appointment and retention of all members of the NHC community is contingent upon acceptance and compliance with this Code of Business Conduct.

NHC enjoys a reputation of integrity and excellence in its programs and services. This reputation is one of our strongest assets. It is expected that all members of the NHC community whose actions could be attributed to the work of NHC will adhere to the Code of Business Conduct and to the policies, standards and procedures outlined in this program. NHC Code of Business Conduct encompasses commitments by NHC, coupled with related commitments by each member of the NHC community to uphold the highest standards of ethical behavior and practices on behalf of NHC.

1. Our commitment to compliance with the law.

NHC is committed to conducting its programs and services in a lawful and ethical manner, in full compliance with all federal, state and local laws and regulations. All members of the NHC community will adhere to the highest standards of conduct through strict observation of all applicable legal and regulatory requirements.

- i. NHC will only employ or contract with individuals or entities with proper credentials, experience and expertise. All business communications on behalf of NHC with outside individuals or entities, including claims for payment or reimbursement of any kind, will be truthful and, where appropriate, substantiated by accurate and complete records.
- ii. Neither NHC, its employees or agents shall pay employees, physicians, or other health care professionals, directly or indirectly, in cash or by any other means, for referrals of patients. Every payment to a referral source must also be supported by proper documentation that the services contracted for were in fact provided.
- iii. Employees or agents who perform billing and/or coding of claims must take every reasonable precaution to ensure that their work is accurate, timely, and in compliance with federal and state laws and regulations and NHC's policies.



- iv. No claims for payment or reimbursement of any kind that are false, fraudulent, inaccurate or fictitious may be submitted. No falsification of medical, time or other records that are used for the basis of submitting claims will be tolerated.
- v. NHC will bill only for services actually rendered and which are fully documented in medical records/ chart. If the services must be coded, then only billing codes that accurately describe the services provided will be used.
- vi. NHC shall act promptly to investigate and correct the problem if errors in claims that have been submitted are discovered.

2. Our commitment to ethical behavior.

NHC is committed to ethical business dealings. All members of the NHC community will adhere to the highest ethical standards of behavior while performing NHC business, including preparing and maintaining accurate and complete records, and truthful communications with other members of the NHC community, and with government and private agencies and individuals doing business with NHC.

- i. NHC seeks positive relationships with government programs and third party payers. Positive relationships require ongoing communication about patient progress and billing.
- ii. Employees or agents shall not use or reveal any confidential information concerning NHC or use, for personal gain, confidential information obtained as an employee or agent of NHC.
- iii. No employee or agent should subordinate his or her professional standards, judgment or objectivity to any individual. If significant differences of opinion in professional judgment occur, then they should be referred to management for resolution.
- iv. Employees and agents should be honest and forthright in any representations made to patients, vendors, payers, other employees or agents, and the community.
- v. All reports or other information required to be provided to any federal, state or local government agency shall be accurate, legible, complete, and filed on time.
- vi. Employees and agents must perform their duties in a way that promotes the public's trust in NHC.
- vii. Employees and agents shall be honest in doing their jobs.

3. Our commitment to continuous training and improvement.

NHC is committed to the professional development of the entire NHC community. All members of the NHC community will have access to all applicable laws, rules, regulations policies and procedures necessary for them to perform on behalf of NHC, and will be regularly trained on those laws, rules, regulations, policies and procedures, as well as this corporate compliance program.

4. Our commitment to continuous monitoring and enforcement.

NHC is committed to full and ongoing enforcement of this Code of Business Conduct and of the standards contained in the corporate compliance program. As a condition of employment or appointment, all members of the NHC community are expected to rigorously comply with all applicable laws, rules, regulations policies and procedures.



- i. All members of the NHC community will report suspected violations of these standards of conduct to their supervisor, an appropriate departmental head, an appropriate staff member or to the Corporate Compliance Officer or Committee. NHC assures the entire NHC community that reports of suspected violations may be made without fear of reprisal or retaliation, and that confidentiality will be protected within the limits of the law.
- ii. All reports of suspected violations will be fairly, thoroughly and promptly investigated by appropriate individuals, and will be promptly addressed.

5. Our commitment to our ethical obligations, mission and purposes free of conflicts of interest.

NHC is committed to clarity of our mission and purposes, free of any appearance of conflict or impropriety. NHC itself will not pursue any business opportunity or take any other action that will require it to engage in illegal or unethical behavior, or is reasonably likely to fall outside of NHC's mission, purposes or powers.

- i. In all of their activities on behalf of NHC, all members of the NHC community will act in a manner consistent with the NHC's mission, purposes, powers, and consistent with the NHC's reputation for integrity and excellence. Each member of the NHC community will ensure that no activity takes place that in any way jeopardizes the tax exemption, licenses, reputation or governmental authorizations of NHC.
- ii. All members of the NHC community will accomplish their business on behalf of NHC without engaging in any business, professional or personal activity that would create a conflict of interest, or an appearance of a conflict of interest, without appropriate disclosure and advance approval by the Board of Directors or the CEO or their/his/her designee.
- iii. Placing business with any firm in which there is a family relationship may constitute a conflict of interest. Advance disclosure and approval are required in such a situation.
- iv. Employees and agents should not become involved, directly or indirectly, in outside commercial activities that could improperly influence their actions. For example, an employee or agent should not be an officer, director, manager or consultant of a potential competitor, customer, or supplier of NHC without first disclosing that relationship to management.
- v. Employees and agents should not accept or provide benefits that could be seen as creating conflict between their personal interests and NHC's legitimate business interests.
- vi. Employees and agents should report any potential conflicts of interest concerning themselves, co-workers or family members to management.
- vii. Program and other staff should not have direct contact with vendors unless their input is required in the process of determining choice of vendors. NHC will notify vendors and employees of this policy.

6. Our commitment to respecting property rights.

NHC is committed to respecting the property rights of all those with which we do business, including patients and outside businesses. In their actions on behalf of NHC, all members of the NHC community will act in a manner consistent with this respect of the property of others.



- i. Each member of the NHC community will ensure that all applicable laws, standards and policies regarding the confidentiality of NHC records are upheld.
- ii. Each member of the NHC community will ensure that all private information owned by others, but in the custody and possession of NHC, be held in confidence and not utilized outside of the use contemplated by the owner of the information without the express permission of the owner. This includes prohibition against unauthorized use and/or copying of computer software not contained in the license granted to NHC, and installation of unauthorized software on NHC computers. Employees shall take all reasonable steps to protect computer systems and software from unauthorized access or intrusion.
- iii. All employees and agents are personally responsible and accountable for the proper expenditure of NHC funds and for the proper use of company property.
- iv. All employees and agents must obtain authorization prior to committing or spending NHC's funds.
- v. Employees and agents may not use NHC's or an individual's resources for personal or improper purposes, or permit others to do so.
- vi. Surplus, obsolete or junked property shall be disposed of in accordance with NHC's procedures. Unauthorized disposal of property is a misuse of assets.
- vii. Any improper financial gain to the employee, or agent, through misconduct involving misuse of NHC's or a patient's property is prohibited, including the outright theft of property or embezzlement of money.
- viii. NHC's confidential and proprietary information is valuable, and should be protected from unauthorized use or exploitation. Employees and agents are expected to respect the intellectual property rights of others with whom we do business.
- ix. Employees and agents are expected to report any observed misuse of NHC's property to management.

A. Statement of NHC's Commitment to Business Integrity

4 Conflict of Interest Disclosure Policy

New Hope Community, Inc. believes that conflicts of interest arise when the personal interest of its employees or board members comes into conflict with the best interest of the agency and may interfere or appear to interfere with one's ability to make objective decisions. A conflict may hinder or distract from one's job performance or cause the unlawful use of New Hope Community, Inc. resources.

Members of the Board of Directors, Executive Level Staff (directors), officers, administrators and employees have a duty to disclose any actual or possible conflicts of interest for review by the Corporate Compliance Committee. This Committee will, after review, determine whether a conflict exists and shall investigate alternatives. The Corporate Compliance Committee will forward its recommendations to the Board of Directors if a conflict is determined.

Members of the Board of Directors and Executive Level Staff (directors) shall complete a written Conflict



of Interest Statement annually. This will be initiated and followed up on by the CEO/Board Secretary annually.

1. No employee or member of the Board of Directors of NHC shall be employed by the State of New York in any capacity related to provision of services to individuals with disabilities, or public policy matters related to persons with disabilities, without first obtaining approval
2. No person who is an employee of NHC. shall also be a paid employee or consultant to an agency that primarily provides services to individuals with disabilities in programs or services or under license issued by New York Office for People with Developmental Disabilities or Department of Health, Office of Mental Health, or their successors, where the individual's work on behalf of the other agency involves formation or communication on issues of public policy, without first obtaining approval of the Chief Executive Officer.
3. Members of the Board of Directors may seek prior approval for paid employment or consultancy referenced in this policy by making a written request for approval to the Chairman. In the event that the member is dissatisfied with the decision of the Chairman, the member may seek approval from the entire Board of Directors.

The Corporate Compliance Committee will ensure that this Code of Business Conduct is posted in appropriate locations, and that each member of the NHC community is provided with a copy, and has certified that a copy has been received and read.

The Corporate Compliance Committee will periodically review this Code of Business Conduct and Conflict of Interest Disclosures and make appropriate modifications to reflect developments in applicable legal requirements.

A. Statement of NHC's Commitment to Business Integrity

5. Rules Relating to Gifts

Employees and board members are prohibited from seeking or accepting gifts (including services, discounts or entertainment) from NHCs' suppliers, customers, landlords, or any other affiliated persons or organizations for themselves, their families or friends. Unsolicited gifts or gratuities offered should be directed to the Accounting Department.

A. Statement of NHC's Commitment to Business Integrity

6 False Claims Act

Under the federal False Claims Act (the "FCA"), the government and private citizens are entitled to bring lawsuits against organizations or other individuals who defraud the government. The FCA applies when a company or person:

1. Knowingly presents to the federal government a false or fraudulent claim for payment;
2. Knowingly uses a false record or statement to get a claim paid by the federal government;
3. Conspires with others to get a false or fraudulent claim paid by the federal government; or
4. Knowingly uses a false record or statement to conceal, avoid or decrease an obligation to pay or transmit money or property to the federal government.



Persons or agencies found to have violated the FCA may be required to pay triple damages done to the government and a fine between \$5,000 and \$11,000 for every false claim. In addition, there can be criminal penalties of up to five years in prison and/or up to a \$10,000 fine.

A private citizen may institute an FCA claim. This type of case is called a qui tam action, and the citizen who initiates such a claim is called a relator. As part of the process in instituting an FCA claim, the relator must provide to the government all of the information he or she has about the claim. The federal government then reviews all of the information and decides whether or not to join in the lawsuit against the individual or agency. Qui tam plaintiffs can pursue their claims with or without the participation of the government, but if the government intervenes in the case, the relator may be entitled to a share in the eventual recovery.

The FCA provides protection to shield relators from retaliation for starting a qui tam case in good faith. Relators who are employees are protected from discharge, demotion, suspension, threats, harassment or discrimination. Any violation of this protection entitles the employees to reinstatement, back pay with interest, and attorney's fees.

New York State has its own version of the FCA that punishes much of the same conduct as the federal law. However, there are no criminal penalties in the New York law. Rather, individuals or agencies that are found to have committed violations may face restrictions on participation in the Medicaid program.

A. Statement of NHC's Commitment to Business Integrity
7 Whistleblower Policy

NHC encourages its employees, independent contractors and volunteers to disclose and report concerns regarding perceived violations of federal and state laws and regulations and/or financial irregularities. Reports may be made by any employee, volunteer or independent contractor openly, confidentially or anonymously, and may be made in writing (including e-mail), by telephone (to an individual or to the Corporate Compliance Hotline), or in person without fear of reprisal to any of the following persons: the CEO, the Corporate Compliance Officer, or any Department Director or appropriate Supervisor, or any member of the Board of Directors. Employees who wish to remain confidential or anonymous may do so in writing by sending their concerns by US Mail or by interoffice mail to the VP of Clinical and Regulatory Operations marked "personal and confidential" or by leaving a message on the Corporate Compliance Hotline .

Employees, independent contractors and volunteers may also report their concerns about perceived violations of federal and state laws and regulations and/or financial irregularities of federal and state laws and regulations to appropriate governmental agencies without fear of reprisal or retaliation. NHC may take appropriate action in the event that, after investigation, it is determined that a complaint was false and malicious. NHC complies with all of the requirements of federal and state statutes and regulations concerning employee "whistleblower" activity.



B. Designation of a Corporate Compliance Officer, Vested with the Responsibility for the Day-to-Day Operation

1. Designation of a Corporate Compliance Officer (CCO)

The CCO has the ability to report directly to the NHC Chief Executive Officer and/or the Board of Directors. NHC designates a Corporate Compliance Officer with the responsibility to oversee the day-to-day operations of the Corporate Compliance Program. The Corporate Compliance Officer will monitor compliance activities with established standards. The Corporate Compliance Officer will function within the organizational structure reporting directly to the CEO. The Corporate Compliance Officer will report all required compliance activities to the Corporate Compliance Committee as needed and at least quarterly. In addition, the Corporate Compliance Officer will provide periodic reports, both oral and written, to the Board of Directors.

The Corporate Compliance Officer will chair the Corporate Compliance Committee meetings held at least quarterly. The Corporate Compliance Officer will ensure that all meeting minutes are documented, distributed to all committee members, and filed for review.

The Corporate Compliance Officer will work closely with the department leaders to foster and enhance compliance with all applicable laws and regulations, operational policies and procedures and billing requirements. The authority of the Corporate Compliance Officer shall extend to all program and business operations, whether on a fee-for-service basis or otherwise, provided by NHC employees.

The Corporate Compliance Officer will provide or ensure the provision of formal corporate compliance training for all new employees upon hire. In addition, all current employees, vendors, contractors, volunteers and service partners will receive ongoing training and/or education at least annually.

The Corporate Compliance Officer will monitor the “Corporate Compliance Hotline” and investigate all reported concerns. The Corporate Compliance Officer will also investigate all other concerns when reported, discovered, or assigned by the Corporate Compliance Committee. A separate log will be maintained by the Corporate Compliance Officer. This log will document all reports, investigations and results.

The Corporate Compliance Officer will complete internal audits of both program and business operations. Reports of all internal audits will be written and generated to the appropriate department administrators. A plan of corrective action responding to all issues and recommendations will be obtained from the department administrators and forwarded to the corporate compliance committee for review.

The Corporate Compliance Officer will ensure enforcement of the Corporate Compliance Program. Upon verification that a violation has occurred, disciplinary action will take place, up to and including termination.



The Corporate Compliance Officer will complete a thorough investigation whenever non-compliance is identified. Written reports of all investigative findings and recommendations will be submitted to the Corporate Compliance Committee for review and further instructions.

B. Designation of a Corporate Compliance Officer, Vested with the Responsibility for the Day-to-Day Operation

2. Corporate Compliance Committee

The Corporate Compliance Committee will be appointed by the CEO, and includes representation from the Finance, Human Resources, Program and Clinical Services, and Administrative departments. If any member of the NHC Corporate Compliance Committee terminates their employment, their successor will assume the role as an active member of the Committee. The role of the Corporate Compliance Committee is to ensure the implementation and the overall effectiveness of the Corporate Compliance Program. The committee will also assist and advise the Corporate Compliance Officer as needed, to ensure compliance with Federal, State and local laws, rules and regulations. The Committee will meet at least quarterly, more often as needed.

Principle Responsibilities:

- Conduct regular and systemic reviews of the Corporate Compliance Program, including the Code of Business Conduct, for the purpose of modifications and updates when necessary.
- Ensure a record keeping system is in place to document the ongoing operation of the Corporate Compliance Program.
- Analyze specific risk areas and existing policies and procedures that address those risk areas for possible incorporation into the Corporate Compliance Program.
- Promote a culture at NHC for all employees and service partners that insist on ethics and integrity while conducting business.
- Work with appropriate departments to develop standards of conduct and policies and procedures to promote compliance with legal and ethical requirements.
- Recommend the development of internal systems and controls to carry out NHC's standards, guidelines, policies and procedures.
- Assign the Corporate Compliance Officer to conduct specific internal investigations and audits when appropriate.
- Assist NHC's supervisory staff in establishing and maintaining multi-level mechanisms to monitor compliance with the standards set forth in the Code of Business Conduct and compliance guidelines in their departments. Receive periodic reports documenting the implementation of such mechanisms and their results.
- Monitor external and internal audits for the purpose of identifying potential non-compliance issues, and review recommendations from the Corporate Compliance Officer for implementing corrective and preventative action.
- Make recommendations for the revision of the Corporate Compliance Program as needed.



- The CEO will allocate such funds to the Corporate Compliance Committee to ensure that it can successfully perform all of its functions under this Corporate Compliance Program.

B. Designation of a Corporate Compliance Officer, Vested with the Responsibility for the Day-to-Day Operation

3 Establishment of Policies and Procedures Affecting the Business of NHC

The Corporate Compliance Committee will oversee the establishment or compilation of policies and procedures governing business dealings of NHC.

The Corporate Compliance Committee shall also oversee the compilation of all laws, regulations, rules, policies and procedures affecting the business of NHC, and the distribution of appropriate relevant information to each members of the NHC community. The Corporate Compliance Committee will oversee NHC's commitment to ensure that each member of the NHC community will have access to all relevant information necessary and appropriate for that individual to act on behalf of NHC

The Corporate Compliance Committee will establish a record-keeping system designed to document the ongoing operation of the Corporate Compliance Program, including documentation of annual certification of compliance by all employees. Such record keeping system will encompass the following:

1. Establish policies and procedures regarding the creation, distribution, retention and destruction of documents;
2. Ensure complete and accurate documentation of all business transactions;
3. Include all records and documentation required for participation in federal and state, and private health care financing programs, and all records and documentation, and audit data that support and explain cost reports and other financial activity;
4. Preserve all records necessary to demonstrate the integrity of NHC's corporate compliance program and confirm the effectiveness of the program.

C. Reinforcement of Compliance Principles through an Effective Training and Education Program for NHC Employees and Stakeholders

1. Corporate Compliance Training Policy

- **New Employee Training**
- **Annual Training**
- **Training for Coders and Billing Personnel**

As part of the Corporate Compliance Program, all members of the NHC community will have unimpeded access to the corporate compliance program, and all appropriate laws, rules, regulations, policies and procedures that affect each members' actions on behalf of NHC. Regular and ongoing training will be provided on this information, as well as new developments and information relevant to the members' actions on behalf of NHC.



Training Policy

All staff will be trained in the contents of the corporate compliance program. Training will be tailored to the level of participation that staff have in the material to which the corporate compliance committee pertains relevant.

The Board of Directors and the Executive Management team will receive annual updated corporate compliance training that will be conducted by NHC's Corporate Compliance Officer during the Board of Directors meetings.

The Corporate Compliance Officer will ensure or provide corporate compliance training for all new employees as part of their new hire orientation. A quiz may be taken at the conclusion of each training session to ensure that all new employees are fully aware of the contents of the corporate compliance training program. All existing employees will receive ongoing updated training and education on corporate compliance related issues, at least annually, to ensure knowledge and understanding of the current laws, rules and regulations.

Senior level managers will be trained in all aspects of the program, and will be given a copy of the corporate compliance program, together with relevant policies and procedures. Managers will also be directed to the location of appropriate laws, regulations and standards governing the materials to which they are being trained. Senior level management training and education will be completed by the Corporate Compliance Officer and updated annually for inclusion of new or revised material.

Senior managers will then train staff that report to them, tailoring the training to materials directly relevant to the staff being trained. Staff will be provided with relevant excerpts of the corporate compliance program, together with applicable policies and procedures. Staff will also be directed to the location of appropriate laws, regulation and standards governing the materials to which they are being trained. Such training will be updated periodically for new staff, and for inclusion of new or revised material.

Contractors will be provided with relevant excerpts of the corporate compliance program, together with applicable policies and procedures. Contractors will also be directed to the location of appropriate laws, regulations and standards governing the materials to which they are being trained. Such training and education will be updated annually.

The Director of Accounting, or other senior managers, where appropriate, will provide relevant information on aspects of the corporate compliance program to appropriate vendors, to ensure that they are knowledgeable of relevant aspects of the corporate compliance program. Such training will be updated periodically for all vendors, if appropriate, and for inclusion of new or revised material.



Other members of the NHC community, including volunteers, will be appropriately trained by senior staff, supervisors, or the Corporate Compliance Officer as appropriate, on aspects of the corporate compliance program relevant to their activities on behalf of NHC.

Training and education will ensure that every employee, vendor, contractor, volunteer and service partner knows and understands the policies, procedures, laws and regulations that govern NHC's operations.

Training will occur at the start of employment as part of NHC Orientation, and incorporated into employee Annual Training Reviews. Training will also occur upon changes in the program, and upon the request of a supervisor or the Corporate Compliance Officer.

The education provided will include but is not limited to:

- Code of Business Conduct
- Purpose of Compliance Guidelines
- NHC Policies and Procedures
- HIPAA Compliance
- Ethical Standards
- Federal and State laws, regulation and guidelines
- Reporting System and Procedure
- Consequences of non-compliance

Additional training will be provided to personnel involved with any billing, coding or documentation related to billing and/or coding to include but not limited to:

- Why compliance must be enforced
- Elements of a good compliance program
- Written policies and procedures Code of Conduct
- Honest and lawful
- Billing and coding
- Highest quality services
- Gifts and payments
- Social media
- Marketing
- Pay for referral
- Contracts with Physicians
- Conflict of interest
- Confidentiality
- Government inquiry



- Investigation protocols
- Use of assets
- What to do if you suspect fraud, waste, violations

Documentation of each employee's completion of the corporate compliance training will be maintained in the training department.

C Reinforcement of Compliance Principles through an Effective Training and Education Program for NHC Employees and Stakeholders

2. Human Resources Policies and Procedures

The Corporate Compliance Committee will recommend modifications to other NHC policies and procedures, including those contained in the Human Resources manuals and policies, including modifications of the employee evaluation procedures, to ensure compliance with this corporate compliance program.

C Reinforcement of Compliance Principles through an Effective Training and Education Program for NHC Employees and Stakeholders

3. Licensing and Credentialing

All employees who are in positions requiring professional licenses must provide the Human Resources department with proof of a current license upon hire and a renewed license prior to the expiration date. Verification of all employee licenses will be maintained in the Human Resources department for review.

All independent contractors/medical staff will provide the appropriate credentials to the Human Resource Director prior to the decision to hire. The Human Resource will review all applications and credentials, and document on a credentialing checklist. All clinical/medical Staff must be re-credentialed every two years. The Human Resource Director will ensure all necessary credentials are obtained and filed in the appropriate programs for review.

C Reinforcement of Compliance Principles through an Effective Training and Education Program for NHC Employees and Stakeholders

4. Medicaid Exclusion Verification Process

All employees, contractors, vendors and volunteers will be screened through the following three (3) Federal fraud websites prior to being hired and/or utilizing their services or supplies:

1. <http://exclusions.oig.hhs.gov/>;
2. <http://www.omig.state.ny.us/data/component/option.com>
3. <http://www.sam.gov>

All employees, contractors, vendors and volunteers will be re-screened through the three (3) fraud websites on a monthly basis. If any employee, contractor, vendor or volunteer appears on any of the three websites, their services will be terminated immediately.



D. Ongoing Monitoring and Detection of Violations of NHC's Adherence to the Commitment to Business Integrity.

NHC has established a mandatory reporting policy which requires all members of the NHC community to report any suspected violations of the Corporate Compliance Program, including the Code of Business Conduct, and appropriate laws, regulations, rules, policies and procedures.

Each employee has a responsibility for reporting any activity by a member of the NHC community that appears to violate applicable laws, rules, regulations, professional standards or NHC's Corporate Compliance Program. NHC encourages employees to report behaviors or actions they believe should be reported. The effectiveness of the Corporate Compliance Program depends on the participation of all employees, at all levels, to bring forth in good faith, any corporate compliance concerns.

Reports can be made in writing (including e-mail), by telephone (to an individual or the Corporate Compliance Hotline), or in person without fear of reprisal to any of the following persons: the President/CEO, the Corporate Compliance Officer, a member of the Corporate Compliance Committee, a Department Director or appropriate Supervisor, or any member of the Board of Directors.

To this end, a Corporate Compliance Hotline has been established through the NHC's voice mail system to provide for anonymous, confidential reporting by any member of the NHC community. The Corporate Compliance Hotline phone number is 468-5224. All reports made to the Corporate Compliance Hotline will be thoroughly investigated by the Corporate Compliance Officer, or referred to an appropriate department director/supervisor, if necessary, for an investigation. All corporate compliance reports, investigations and recommendations will be documented by the Corporate Compliance Officer and filed in the compliance department for review.

The Corporate Compliance Officer will oversee NHC's efforts to ensure that reports of suspected violations of the Corporate Compliance Program do not result in reprisal or retaliation, and that confidentiality will be protected within the limits of the law.

E. Procedures for Audits of Operations and Business Transactions to Monitor Compliance, Identify Problem Areas and Assist in the Reduction of Identified Problems

NHC has instituted a Business Quality Assurance and Compliance Audit protocol, under the oversight of the Corporate Compliance Committee. Pursuant to this protocol, a sample of business records will be periodically reviewed to assess compliance with applicable laws, regulations, rules policies and procedures. The Corporate Compliance Committee will review the results of these audits and take necessary action, if appropriate, including additional audits, training and/or disciplinary actions.

The Corporate Compliance Officer, and/or their designee, will conduct an annual risk assessment designed to identify potential liabilities for the organization. The risk assessment will take into



consideration the annual work plans from the NYS Office of the Medicaid Inspector General and the federal Office of the Inspector General; external audit results conducted by regulatory agencies; and internal audits conducted by both the compliance department and the quality management department. The risk assessment process provides a significant building block to NHC's Corporate Compliance Program. Results from the risk assessment process will also establish the Corporate Compliance Officer's work plan for the upcoming year. Both the risk assessment and the Corporate Compliance Officer's work plan will be reviewed and approved by both the Corporate Compliance Committee and the Board of Directors.

All internal audit results and recommendations will be documented and disseminated to the Corporate Compliance Committee and the department administrators. All reports will require a written plan of corrective action addressing the corporate compliance concerns and recommendations. All audit reports and plans of corrective action will be filed in the compliance department for review. Auditing and compliance efforts will assess compliance with:

1. Federal and state statutes, regulations and program requirements, as well as private payer rules, with special attention paid to the risk areas identified by the Corporate Compliance Committee.
2. The process elements of NHC's compliance program, including dissemination of the corporate compliance program, training efforts, and adequacy of investigations and resulting actions.

In addition to review of billing records to assess compliance, the Corporate Compliance Committee may direct assessment of compliance with other aspects of the corporate compliance program. Such auditing may consist of a variety of actions, including but not limited to:

- a) Onsite visits;
 - b) Tests administered to the billing and claims reimbursement staff on knowledge of program requirements and claims and billing criteria;
 - c) Unannounced surveys;
 - d) Review of compliance logs and investigative files;
 - e) Review of contractual relationships with contractors, consultants and potential referral sources;
 - f) Personnel records to assess compliance with corporate compliance program requirements;
 - g) Trend analyses or other longitudinal studies to detect deviations over a specific period
 - h) Review of past surveys to detect patterns of deficiencies or to determine if proposed plans of action to correct past deficiencies have been implemented.
- F. Enforcement of Corporate Compliance Program, Including Identification of Violations of Standards, Policies, Procedures, Notifications, and Disciplinary Actions

1. Disciplinary Policy

Whenever non-compliance is identified by the Corporate Compliance Committee, corrective action will be taken in the form of an investigation. The Corporate Compliance Committee will establish guidelines and procedures for investigation of complaints, and will oversee all investigations of alleged violations of the program.



Upon verification that a violation has occurred, the Corporate Compliance Committee will recommend findings and conclusions to the CEO, to be taken into consideration in determining a remedy for such violation, including appropriate discipline or other action.

Disciplinary Policy

All members of the NHC community are expected to adhere to the Code of Business Conduct and Compliance Guidelines, in addition to all other policies, procedures and standards issued by NHC, as well as all applicable laws, regulations, and rules. An employee who violates any work rule, or standard of performance outlined in the Corporate Compliance Program or otherwise issued by NHC, or who fails to satisfactorily perform his/her job, is subject to discipline, up to and including discharge.

Relative to employees, NHC may impose progressive discipline, including a verbal and written warning, corrective action plan, demotion, suspension, and termination. However, NHC reserves the right to determine in its sole discretion and judgment, the nature and level of discipline, if any, depending on the circumstances. This policy is not a guarantee of progressive discipline, and NHC reserves the right to terminate an employee at any time, for any lawful reason, with or without notice.

In addition to the general rules and regulations established by NHC for employees, the following “zero tolerance policy” applies with respect to the Corporate Compliance Program:

- Signing or submitting a report for a service not rendered is fraud and will result in immediate administrative response.
- Falsifying, or altering or destroying NHC records without authorization will result in immediate administrative response.
- Omitting required documentation, including signature, failing to complete treatment records or other NHC paperwork will result in immediate administrative response.
- It is the manager’s responsibility to ensure that employees and contractors complete paperwork in accordance with NHC policies, and that excessive errors or omissions in paperwork by supervised employees or contractors may subject the manager to appropriate administrative response.
- Misapplication of NHC or patient funds will result in immediate administrative response.

This policy does not alter the at-will employment status of employees.

G. Prompt and Appropriate Response to Identified Violations

The Corporate Compliance Officer will ensure that, where indications of violations of the Corporate Compliance Program exist, an internal investigation is conducted promptly, and necessary actions are taken if the investigation reveals violations.

The Corporate Compliance Officer will conduct investigations of all corporate compliance concerns received in writing, in person, anonymously or on the “Corporate Compliance Hotline”. There may be times when the investigations are referred to other departments for several reasons. These reasons



include: the complaint was not a corporate compliance concern but a supervisory issue, program or clinical related concern, Human Resources area of investigation, conflict of interest, or a need for a broader scope. It is the responsibility of the Corporate Compliance Officer to advise the CEO of the need for legal consultation.

Investigations will be completed in a timely and efficient manner, following an identified process. If improper or wrongful practice is identified following an investigation, a plan of corrective action will be required. The purpose of the corrective action plan will be to immediately correct improper practice. In addition, steps may be identified to implement changes in NHC systems and/or procedures, if indicated.

The plan of corrective action report will be reviewed with the appropriate department director and supervisor. Plans must address the immediate corrective action taken, steps to prevent recurrence, future monitoring requirements, and disciplinary action if necessary.

If appropriate, plans for correcting overpayments and/or a plan for legal consultation must be included. All plans must have a timeline for implementation and follow up. The department director will be responsible for implementing the plan of corrective action. When this is complete, a written report is submitted to the Corporate Compliance Officer. The Corporate Compliance Officer will report all investigative findings, recommendations and plans of corrective action to the Corporate Compliance Committee.

If appropriate, the Corporate Compliance Officer will develop, an Action Plan to address necessary new policies or procedures, or modifications to existing policies or procedures, to remedy the identified violation. The Corporate Compliance Committee will monitor implementation and adherence to the new or modified policies and procedures to ensure compliance.

The Corporate Compliance Committee will ensure that appropriate reporting of documented violations is made, including voluntary disclosure to governmental authorities, if appropriate.

H Policy for Non-Intimidation and Non-Retaliation for Good Faith Participation

NHC recognizes that a crucial aspect of the compliance program is a culture that promotes prevention, detection, and resolution of compliance related issues. Conduct that does not conform to federal, state, local and private payer health care program requirements, as well as NHC's ethical and business practices, will not be tolerated. To promote this culture, NHC established a strict non-retaliation and non-intimidated policy (Whistleblower Protections) to ensure that employees and others who report problems and concerns in good faith are protected from retaliation and intimidation. Any form of retaliation, intimidation or retribution can undermine the effectiveness of the Corporate Compliance Program and is strictly prohibited, as indicated in the following NHC Whistleblower Policy Statement.



NHC encourages its employees, independent contractors, vendors and volunteers to disclose and report concerns regarding perceived violations of federal and state laws and regulations and/or financial irregularities. Reports may be made by an employee, vendor, volunteer or independent contractor openly, confidentially or anonymously, and may be made in writing (including e-mail), by telephone (to an individual or the Corporate Compliance Hotline), or in person without fear of reprisal to any of the following persons: the CEO, the Corporate Compliance Officer, any Department Director or appropriate Supervisor, or any member of the Board of Directors. Employees who wish to remain confidential or anonymous may do so in writing by sending their concerns by US Mail or by interoffice mail to the Corporate Compliance Officer marked “personal and confidential” or by leaving a message on the Corporate Compliance Hotline at 468-5224.

Employees, independent contractors, vendors and volunteers may also report their concerns about perceived violations of federal and state laws and regulations and/or financial irregularities of federal and state laws and regulations to the appropriate governmental agencies without fear of reprisal, retaliation or intimidation. NHC may take appropriate action in the event that, after investigation, it is determined that a complaint was false and malicious. NHC complies with all of the requirements of federal and state statutes and regulations concerning employee “whistleblower” activity.