

## **CORPORATE COMPLIANCE PROGRAM**

### **“OUR COMMITMENT TO OUR PATIENTS AND RESIDENTS”**

This facility is committed not only to providing residents with high quality and caring medical services, but also to providing those services pursuant to the highest ethical, business and legal standards. These high standards apply to our interactions with everyone with whom we deal. This includes our residents, the community, other healthcare providers, companies with whom we do business, government entities to whom we report, and the public and private entities from whom reimbursement for services is sought and received. In this regard, all personnel must not only act in compliance with all applicable legal rules and regulations, but also strive to avoid even the appearance of impropriety. While the legal rules are very important, we must hold ourselves up to even higher ethical standards.

**IN SHORT, WE DO NOT AND WILL NOT TOLERATE ANY FORM OF UNLAWFUL OR UNETHICAL BEHAVIOR BY ANYONE ASSOCIATED WITH THIS FACILITY. WE EXPECT AND REQUIRE ALL PERSONNEL TO BE LAW-ABIDING, HONEST, TRUSTWORTHY AND FAIR IN ALL OF THEIR BUSINESS DEALINGS. TO ENSURE THAT THESE EXPECTATIONS ARE MET, THIS FACILITY HAS PREPARED A COMPREHENSIVE CODE OF CONDUCT AND STANDARDS OF CONDUCT. THE CODE OF CONDUCT AND STANDARDS ARE DESIGNED TO ASSIST YOU IN NAVIGATING THE VARIOUS COMPLIANCE OBLIGATIONS OF THE HIGHLY REGULATED INDUSTRY IN WHICH WE DO BUSINESS. BY ADHERING TO THE CODE OF CONDUCT AND STANDARDS, THIS ENABLES EACH OF OUR HEALTHCARE FACILITIES TO CONTINUE**

**TO ACHIEVE ITS GOAL OF PROVIDING EXCELLENT SERVICE TO OUR RESIDENTS IN A LEGAL AND ETHICAL FASHION. TO FURTHER OUR GOALS IN DELIVERING EXCELLENT CARE TO OUR RESIDENTS WE ASK EACH EMPLOYEE TO ABIDE BY OUR MISSION STATEMENT THAT OUTLINES WHAT WE EXPECT OF OUR EMPLOYEES WHEN PROVIDING CARE TO OUR RESIDENTS.**

In addition, as part of this facility's commitment to health care fraud and abuse and regulatory compliance, and in an effort to assist this facility's personnel in meeting their compliance obligations, this facility has established a Compliance Program. The Compliance Program is designed to implement the Code of Conduct and prevent violations of applicable laws and regulations and, where such violations occur, to promote their early and accurate detection and prompt resolution through education, monitoring, disciplinary action and other appropriate remedial measures.

### **1. Mission Statement**

- Treat each resident with dignity and respect and to make a difference in the lives of the elderly that have been entrusted to our care.
- Do whatever it takes to meet the ever changing needs of the resident.
- Accommodate, to the extent possible, the wishes of the families in meeting the needs of their loved ones.
- Create a homelike environment with loving, supportive and professional staff who share a common goal.
- Make ethical business decisions which impact the lives of residents, families and employees.
- Deal fairly, honestly and ethically with all residents, families, employees and vendors.
- Enhance the quality of life in a healing environment; this fosters active participation by the resident in the decision making process.
- Place value on each resident's uniqueness and the wisdom which comes from longevity and a lifetime of experience.
- Provide the resident an opportunity to grow, a time to reflect and a time for them to make a difference.

## **2. Code of Conduct**

### **Employer Standards**

- This organization shall comply with all local, state, and federal regulations that apply
- The organization does not accept bribes, kickbacks or tips for any purpose.
- The company is not part of the ownership of any other entity that generates referrals to it.
- All employees are trained on proper business conduct.
- All employees are given instruction on the company's Policies and Procedures.
- All information regarding our client's medical condition are kept confidential and only released by signature from the client.
- All insurance claims reflect products or services that are actually delivered.
- Exact billing codes that match the Certificate of Medical Necessity Diagnosis will be used on all claims.
- A licensed physician must order and the supplier completes a CMN for medical equipment.
- All marketing materials and advertisements are honest, informative and non-deceptive.
- All potential employees are screened and references are checked.

### **Employee Standards**

- As employees of this facility, you are expected to act in such a way as to reflect the Mission Statement of this facility.
- You are expected to be honest, courteous, accurate and professional in all of your daily interactions with residents, families and fellow workers. Treat others as you expect to be treated, with dignity and respect.
- You are expected to follow the policies and procedures of the facility as well as to obey local, state and federal laws.
- You are expected to follow the chain of command when you encounter a problem that you are not able to resolve, except when you are authorized to contact another person under the facility's policies.
- You are expected to follow the Employee Handbook.
- You are expected to refuse all gifts, tips or compensation from residents, families and vendors.
- You are expected to refuse any remuneration for any referrals to or from outside vendors or with which the facility does business and report any offer to your supervisor or the Corporate Compliance Officer.

- You are expected to refrain from engaging in any activity which is fraudulent or in violation of any law relating to providing of care or receiving reimbursement from the Medicare, Medicaid or other reimbursement programs.
- You are expected not to engage in any billing or documentation practices which are fraudulent or dishonest.
- You are expected to report any activity which you suspect to be illegal or in violation of any Employee Standards of Conduct through regular reporting channels. Employees who do not feel comfortable contacting in the chain of command may contact the Corporate Compliance Officer.
- You are expected to refrain from any conduct which amounts to abuse or neglect of a resident.
- You are expected to report any suspected abuse or neglect through designated reporting channels.

### **3. Code of Conduct Standards**

The Code of Conduct provides a high-level overview of the expectations that this facility has for its personnel. Because personnel will be responsible for complying with this Code, this facility has adopted the following standards of conduct (“Standards”) that all personnel are expected to follow. These Standards outline and summarize the basic concepts underlying this facility’s Code of Conduct and its Compliance Program (which is described in more detail in Section IV below). These Standards must be carefully reviewed and closely followed by all this facility personnel. Supplemental information relating to these Standards will be provided through periodic formal and informal training and educational programs. Additionally, many Standards are expanded in greater detail in this facility’s compliance standards and policies.

#### **A. Compliance with the Law and High Ethical Business Standards**

This facility operates in a heavily regulated industry and is subject to a large number of federal and state civil and criminal laws and regulations. Violation of these laws and regulations can result in harm to the public, severe financial penalties, exclusion from participation in government health care programs (such as Medicare and Medicaid) and – in some cases – criminal fines and/or imprisonment. This facility’s Code of Conduct and Compliance Program are designed to prevent and detect such violations. Accordingly, it is critical that all personnel comply with all applicable federal and state laws and regulations and with all policies and procedures that comprise the Compliance Program.

While one of the objectives of this facility’s Compliance Program is to educate all this facility personnel about the basic requirements of these laws and regulations, this facility does not expect any of its personnel to become experts in these areas. For this reason, where an individual is not sure whether a particular activity or practice violates the law or any of the Compliance Program policies, the individual should not – under any circumstances – “guess” as to the correct answer. Instead, the individual should seek appropriate guidance from his or her supervisor or the Corporate Compliance Officer. This facility personnel will not be penalized for asking compliance-related questions. To the contrary, this facility is intent on creating a culture in which every individual is comfortable asking the questions

necessary to ensure that he or she understands and performs his or her tasks and obligations in full.

Personnel of this facility shall adhere to the high standards of business ethics as set forth in the Compliance Program and in its Code of Conduct, and acknowledge that such compliance is a condition of employment and is a factor that will be considered in his or her performance evaluation.

### **B. Standards Relating to Quality of Care and Services**

This facility is fully committed to providing the highest quality of resident care in accordance with all applicable laws, rules and regulations. As part of this commitment, this facility will ensure that necessary quality assurance systems are in place and functioning effectively.

- ***Quality of Care Principles.*** In keeping with this facility's mission and values, the following quality of care and services principals have been incorporated into this facility's Compliance Program:
  - All residents will receive treatment without discrimination as to race, color, religion, sex, national origin, disability, sexual orientation, source of payment, or age.
  - All residents will receive information that is necessary to give informed consent for any proposed procedure or treatment. This information shall include the possible risks and benefits of the procedure or treatment.
  - All residents will receive considerate and respectful care in a clean and safe environment free of unnecessary restraints.
  - This facility will protect and promote the rights of each resident, including, but not limited to, the resident's right to respect, privacy, a dignified existence, self-determination, and the right to participate in all decisions about their own care, treatment and discharge.
  - This facility will conduct background checks pursuant to federal and state law (which includes, but is not limited to, criminal convictions and/or exclusion from participation in any federal health care program) on all personnel involved in resident care, or who have access to resident's possessions.
  - All individuals employed by this facility will have the proper credentials, experience and expertise required to discharge their responsibilities.
  - This facility will continuously strive toward a culture of resident safety and providing quality medical care to its residents.
- ***Credentialing.*** This facility complies with all applicable federal and state laws, rules and regulations governing the credentialing process. This is a key element to ensuring that this facility provides the highest quality care and services to its residents. This facility has processes in place for the on-going and continuous credentialing and competency reviews of clinical and non-clinical staff. Complying with credentialing and licensure requirements is a necessary component of this facility's commitment to providing appropriate quality of care to its residents.

- ***Mandatory Reporting.*** As part of its commitment to providing the highest quality of resident care and services, this facility complies with all applicable federal and state mandatory reporting laws, rules and regulations. To this end, this facility will ensure that all incidents and events that are required to be reported are done so in timely manner, and will monitor compliance with such requirements. This facility will also comply with and have policies and procedures in place relating to the reporting requirements under the Patient Protection and Affordable care Act. This facility will notify covered individuals of their obligation to report a reasonable suspicion of a crime against any person under this facility's care.

### **C. Standards Relating to Billing and Coding**

This facility is committed to conducting the coding, billing and collection process with integrity. We, therefore, adhere to current coding principles and applicable billing laws, regulations and guidelines to facilitate the proper documentation, coding and billing of claims.

- ***Billing Generally.*** In conformity with this facility's mission and values, bills will only be submitted based upon the resident's clinical condition, services actually rendered, and sufficient and adequate documentation of such services. All personnel responsible for billing will be trained in the appropriate rules governing billing and documentation and will follow all regulations governing billing procedures. Personnel will not knowingly engage in any form of up-coding of any service violation of any law, rule, or regulation. This facility takes all reasonable steps to ensure that our billing software reliably and accurately codes and bills all services according to the most recent federal and state laws and regulations.
- ***Compliance and Federal and State Laws Regarding the Submission of Claims.*** All personnel shall comply with all applicable federal and state laws and regulations governing the submission of billing claims and related statements. A detailed description (i) the federal False Claims Act; (ii) the federal Program Fraud Civil Remedies Act; (iii) state civil and criminal laws pertaining to false claims; and (iv) the whistleblower protections afforded under such laws is provided in Appendix A to this Plan. Personnel will receive training on these laws as part of this facility's Compliance Program and should consult with the Corporate Compliance Officer (who may confer with this facility's legal counsel, as needed) if they have questions about the application of these laws to their job.

### **D. Standards Relating to Business Practices**

This facility will conduct its business affairs with integrity, honesty and fairness to avoid conflict between personal interests and the interest of this facility. this facility will forego any transaction or opportunity that can only be obtained by improper and illegal means, and will not make any unethical or illegal payments to induce the use of our services.

- ***Accuracy and Integrity of Books and Records.*** This facility must keep accurate books, records and accounts and must accurately reflect the nature of transactions and payments. This includes, but is not limited to, financial transactions, cost reports and other documents used in the normal course of business. No false or artificial entries shall be made for any purpose. No payment or other remuneration shall be given or received, nor purchase price agreed to, with the intention or understanding that any

part of such payment or remuneration is to be used for any purpose other than that described in the document supporting the payment or other remuneration.

To this end, this facility maintains and monitors a system of internal accounting controls. This facility records and reports facts accurately, honestly and objectively, and does not hide or fail to record any funds, assets, or transactions.

- ***Gifts and Benefits.*** Personnel are strictly prohibited from offering, giving, soliciting or receiving any gift or benefit for personal gain or inducement. This policy applies to our interactions with providers who refer residents to us or to which we make referrals, and to our interactions with our vendors (including, but not limited to, pharmaceutical companies with which we do business). This policy also applies to gifts or benefits received or offered by residents, their families, visitors, or others. The guiding principle is simple: personnel may not be involved with gifts or benefits that are undertaken: (i) in return for or to induce referrals or (ii) in return for or to induce the purchasing, leasing, ordering or arranging (or the recommending of any of the foregoing) of any item or service.
- ***Conflicts of Interest.*** Personnel must exercise the utmost good faith in all transactions that touch upon his or her duties and responsibilities for, or on behalf of, this facility. Even the appearance of illegality, impropriety, a conflict of interest or duality of interests can be detrimental to this facility and must be avoided. All personnel who are in positions to influence any substantive business decision must complete an annual Conflict of Interest Disclosure Statement, disclosing all direct and familial interests which compete or do business with this facility.
- ***Compliance with Medicare and Medicaid Anti-Referral Laws.*** Federal and state laws make it unlawful to pay or give anything of value to any individual on the basis of the value or volume of resident referrals. This facility does not pay incentives to any person based upon the number of residents admitted, or the value of services provided, nor does this facility pay physicians, or anyone else, either directly or indirectly, for resident referrals. All financial relationships with other providers who have referral relationships with this facility are based on the fair market value of the services or items provided. All marketing and advertising of services are based solely on the merits of the services provided.

The anti-referral laws are set forth in Appendix A of this Plan. Personnel should consult with the Corporate Compliance Officer (who may confer with this facility's legal counsel, as needed) if they have questions about the application of these laws to their job.

#### **E. Standards Relating to Confidentiality**

This facility safeguards confidential information regarding its residents, such as individually identifiable health information, and confidential and proprietary information regarding the business of this facility, such as resident lists, development plans, marketing strategy, financial data, proprietary research, and information about pending or contemplated business deals. Inappropriate disclosure of this facility's confidential business information, whether intentional or accidental, may adversely affect this facility.

Due to this risk of harm to this facility, personnel who learn confidential business information about this facility or its residents shall not disclose that information to third parties, including family or friends. In addition, personnel may not disclose such confidential

information to any third party after leaving employment except with the prior written consent of this facility, or as required by applicable law.

#### **4. Compliance Program: Description and Summary**

##### **A. The Compliance Program**

This facility's Compliance Program consists of the following core components:

1. This facility has developed and implemented (and will continue to develop and implement) written policies and procedures addressing this facility's commitment to compliance and specific policies and procedures addressing areas of potential fraud and abuse.
2. The Corporate Compliance Officer will be responsible for maintaining the Code of Conduct, Standards and Compliance Program policies. The Corporate Compliance Officer will chair a Compliance Committee that is responsible for developing, maintaining, and monitoring the Compliance Program.
3. This facility will provide its personnel, including Board members and senior management, with compliance education and training with respect to the Compliance Program, both through formal, periodic training seminars and by maintaining an open line of communication between this facility's personnel and the Corporate Compliance Officer.
4. This facility has established procedures for receiving reports concerning possible violations of relevant laws and regulations, the Code of Conduct, or any compliance standards and policies, and for protecting the anonymity of the reporting party so as to open the lines of communication between this facility and its personnel.
5. This facility has established procedures to encourage good faith participation in the Compliance Program and set forth this facility's expectation that personnel will raise questions and report concerns relating to this facility's Code of Conduct, Standards, compliance standards and policies, and violations of federal and state laws, rules and regulations. Personnel that violate the above, participate in non-compliant behavior, encourage or allow non-compliant behavior, or fail to report suspected compliance problems will be firmly and fairly disciplined up to, and including, possible termination.
6. This facility has a system for routine identification and assessment of compliance risk areas within this facility through the use of periodic reviews, audits and other practices. As part of that assessment, and in an effort to detect and prevent fraud, waste and abuse, the Corporate Compliance Officer, or a designee, will periodically monitor and/or conduct specific reviews of the following risk areas: business, coding and billing practices; issues relating to quality of care and services; the credentialing processes; compliance with mandatory reporting requirements; and other potential compliance risk areas that may arise from complaints, Helpline calls, risk assessments, and as identified by compliance protocols and elsewhere.
7. This facility has a system for responding to and investigating potential compliance issues as they are raised by personnel or identified in the course of self-evaluations and audits. Corrective action is promptly implemented with periodic reviews to verify successful correction.



8. This facility strictly prohibits retaliation in any form against an individual who reports an issue in good faith.

### **B. Compliance Responsibilities**

- ***Responsibility of the Board.*** The Board of Directors is responsible for overseeing the operation of the Compliance Program and ensuring that processes are in place so that it can operate in compliance with all federal and state laws, rules and regulations. To this end, the Board has adopted a Compliance Plan which details how issues are to be communicated, reviewed and responded to by the Board. The Board will maintain a direct reporting relationship with the Corporate Compliance Officer and receive appropriate reports from the Corporate Compliance Officer and senior management as to the operation of the Compliance Program, identification of potential issues, and the formulation of annual work plans based on appropriate risk assessments. All Board members will receive periodic training, either on a formal or informal basis, as to basic compliance principles (including a review of the fraud and abuse laws and regulations), the Board's responsibilities and the specific risk areas that need to be addressed by the Compliance Program.
- ***Responsibility of the Corporate Compliance Officer.*** The Corporate Compliance Officer is the custodian of the Corporate Compliance Plan. He is required to report on compliance activities that include but are not limited to: level of compliance or non-compliance found in monitoring and auditing, the success of efforts to improve compliance, including training and education, and corrective or disciplinary actions taken with respect to those who were found to be non-compliant.
- ***Responsibility of the HIPAA Privacy Officer.*** The HIPAA Privacy Officer is responsible for managing the corporation's compliance with the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule, 42 CFR Part 2, state laws, and internal privacy policies including implementation, maintenance of, and adherence to the corporation's policies and procedures relating to confidentiality of protected health information PHI). The Corporate Compliance Officer serves as the HIPAA Privacy officer.
- ***Responsibility of the HIPAA Security Officer.*** The HIPAA Security Officer is responsible for protecting the confidentiality, integrity, and availability of the corporate information systems and electronic Protected Health Information, as well as promoting the organizations information systems compliance with applicable federal and state laws and regulations. The HIPAA Security Officer coordinates with the HIPAA Privacy officer to support compliance with security policies, procedures, and controls found in the HIPAA Privacy Rule. The Information Technical Director serves as the organization's HIPAA Security Officer.
- ***Responsibility of All Employees.*** All employees are expected to comply and be familiar with all federal and state laws, rules and regulations that govern their job within this facility. All employees are also expected to comply with the Code of Conduct, the Code of Conduct standards set forth herein, and any applicable compliance standards and policies adopted by this facility. Employees must, upon new hire and annually will receive training on the Compliance Program and false claims acts.

- ***Responsibilities of Department Heads, Supervisors and Managers.*** All department heads, supervisors and managers have the responsibility to help create and maintain a work environment in which ethical concerns can be raised and openly discussed. They are also responsible to ensure that the personnel they supervise understand the importance of the Code of Conduct, Standards, and this facility's compliance standards and policies; that personnel are aware of the procedures for retaliation if they come forward with information about such suspected wrongdoing.
- ***Responsibilities of Contractors and Other Providers.*** All persons and entities with which this facility contracts will receive information about FSHS's compliance program and will be asked to cooperate with this facility's Compliance Program. This includes individual physicians, physician groups, vendors, contractors and other healthcare providers.

### **C. Violations, Anonymity, and Non-Retaliation**

All personnel are required as a condition of employment to report suspected misconduct. Reports of suspected misconduct may be made to any one or more of the following people:

- A manager or supervisor;
- Facility Abuse Coordinator (Administrator);
- Director of Nursing;
- The Corporate Compliance Officer; or
- The Compliance Helpline.

Anyone who receives such a compliance report must advise the Corporate Compliance Officer as soon as possible. The Corporate Compliance Officer may be reached by one of the following methods:

- **E-Mail** – Personnel, agents and contractors may leave e-mail messages for the Corporate Compliance Officer with questions, issues and concerns relating to this facility's Compliance Program at [hhammond@foursquarehealthcare.com](mailto:hhammond@foursquarehealthcare.com)
- **In-Person Meeting** – Personnel, agents or contractors may request a confidential meeting with the Corporate Compliance Officer for the purpose of communicating questions, issues and concerns relating to this facility's Compliance Program by calling the Corporate Compliance Officer directly through the Compliance Helpline at (972) 303-7529 to schedule an appointment.

In all instances when requested, this facility will strive to maintain the anonymity of any reporting personnel. It must be understood, however, that there may come a point in time where a reporting individual's identity may become known or may have to be revealed (e.g., if government authorities become involved in the investigation). Finally, whether or not the identity of any reporting personnel becomes known or is revealed, under no circumstances will this facility take adverse action against personnel who report actual or potential misconduct in good faith and who were not involved in the misconduct in question. Simply put, there shall be no retaliation for good faith reporting of actual or possible violations of the Code, Compliance Program policies or federal and/or state laws and regulations.

Personnel who intentionally file false reports, however, will be subject to appropriate disciplinary action.

#### **D. Investigations**

All reported violations of the Code, Standards, compliance standards and policies, and federal and/or state laws and regulations will be promptly reviewed and investigated, as appropriate, by the Corporate Compliance Officer or an appropriate designee, and will be treated confidentially to the extent possible and consistent with this facility's legal obligations.

Investigations by this facility of reported wrongdoing involving compliance issues will be directed and coordinated by the Corporate Compliance Officer or in some cases by this facility's legal counsel, as appropriate. Personnel are expected to cooperate in such investigations. If the result of the investigation indicates that corrective action is required, this facility will decide what steps it should take to rectify the problem and avoid the likelihood of its recurrence.

#### **E. Disciplinary and Remedial Action**

Personnel will be subject to disciplinary action, ranging from verbal warnings to termination of employment, regardless of their level or position, if they fail to comply with any applicable laws or regulations, this facility's Code of Conduct, Standards or the Compliance Program standards or policies. Disciplinary action shall be taken fairly and firmly enforced as appropriate for:

- Authorization or participation in actions that violate federal and/or state laws and regulations, the Code of Conduct, Standards, or the compliance standards and policies;
- Failure to report a violation, or suspected violation, of federal and/or state laws and regulations, the Code of Conduct, Standards, or the compliance standards and policies;
- Encouraging or directing, facilitating or permitting either actively or passively non-compliant behavior;
- Failure by a violator's supervisor(s) to detect and report a compliance violation, if such failure reflects inadequate supervision or lack of oversight;
- Refusal to cooperate in the investigation of a potential violation; and
- Retaliation against an individual for reporting a compliance violation.

The severity of the disciplinary action, which will be determined by members of senior management (in consultation with the Corporate Compliance Officer and the individual's supervisor), will depend on a variety of factors, including, but not limited to (1) the severity of the violation, (2) whether the violation was committed intentionally, recklessly, negligently or accidentally, (3) whether the individual has committed any other violations in the past, (4) whether the individual self-reported his or her misconduct, and (5) whether (and the extent to which) the individual cooperated with this facility in connection with its investigation of the misconduct.

In addition to taking disciplinary action, this facility will implement other remedial measures, as appropriate, in the event of a violation of any applicable laws or regulations, this facility's Code of Conduct, Standards or the compliance standards and policies.

**Appendix A: Listing of Applicable Rules and Regulations**