

**NOYES HEALTH
CORPORATE COMPLIANCE POLICY/PROCEDURE**

SUBJECT: Corporate Compliance Plan
EFFECTIVE DATE: August, 2014
TJC REF: None

POLICY: CC-05
ISSUED BY: Administration
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The purpose of the Corporate Compliance Plan is to outline and demonstrate our compliance with the eight elements of a Corporate Compliance Program:

1. Written standards of conduct, as well as written policies and procedures that promote Noyes Health's commitment to compliance
2. Designation of a Corporate Compliance Officer
3. Education and training programs for all employees
4. Maintenance of a process, such as a hotline, to receive complaints
5. Development of a system to respond to allegations of improper/illegal activities and the enforcement of appropriate disciplinary action
6. Audits to monitor compliance
7. Investigation and remediation of identified problems and development of policies addressing the non-employment or retention of sanctioned individuals
8. A policy of non-intimidation and non-retaliation

I. Statement of Policy of Ethical Practices:

Noyes Health has a policy of maintaining the highest level of professional and ethical standards in the conduct of its business. Noyes Health places the highest importance upon its reputation for honesty, integrity, and high ethical standards. This policy statement is a reaffirmation of the importance of the highest level of ethical conduct and standards.

These standards can only be achieved and sustained through the actions and conduct of all personnel. Each and every employee, including management and staff, is obligated to conduct himself/herself in a manner to ensure the maintenance of these standards. Such actions and conduct will be important factors in evaluating an employee's judgment and competence, and an important element in the evaluation of an employee for raises and for promotion. Employees who ignore or disregard the principles of this policy will be subject to appropriate disciplinary actions.

Employees must be cognizant of the existence of applicable federal and state laws and regulations that apply to and impact upon Noyes Health's documentation, coding, billing, and competitive practices as well as the day-to-day activities of its employees and agents. Each employee who is materially involved in any of the documentation, coding, billing, or competitive practices has an obligation to understand all such applicable laws and regulations and to adhere at all times to the requirements thereof. Where any question or uncertainty regarding these requirements exist, it is incumbent upon, and the obligation of, each employee to seek guidance from a knowledgeable officer of, or the Corporate Compliance Officer for Noyes Health.

In particular, and without limitation, this policy prohibits Noyes Health and each of its employees from directly or indirectly engaging or participating in any of the following:

1. **Improper Claims:** Presenting or causing to be presented to the United States Government, or any other health care payer, a claim for a medical or other item or service that such person knows or should know was not provided as claimed, including a pattern or practice of presenting or causing to be presented a claim for an item or service that is based on a code that such person knows or should know will result in a greater payment to the claimant than the code such person knows or should know is applicable to the item or service actually provided.
2. **False claims for a medical or other item or service and such person knows or should know the claim is false or fraudulent.**
3. **Service by Unlicensed Physician:** For a physician's service (or an item or service incident to a physician's service) when such person knows or should know the individual who furnished (or supervised the furnishing of) the service:
 - a. was not a licensed physician;
 - b. was licensed as a physician, but such license had been obtained through a misrepresentation of a material fact (including cheating on an examination required for licensing);
 - c. represented to the patient at the time the service was furnished that the physician was certified in a medical specialty by a medical specialty board when the individual was not so certified; or
 - d. excluded provider for a medical or other item or service furnished during a period in which such person knows or should know the claimant was excluded from the program under which the claim was made.
4. **Not Medically Necessary:** For a pattern of medical or other items or services that such person knows or should know are not medically necessary.
5. **False Statement in Determining Rights to Benefits:** Making, using, or causing to be made or used any false record, statement, or representation or a material fact for use in determining rights to any benefit or payment under any health care program.
6. **Conspiracy to Defraud:** Conspiring to defraud the United States Government or any other health care payer by getting a false claim allowed or paid.
7. **Patient Dumping:** Refusing to treat, transferring, or discharging any individual who comes to the emergency department, and on whose behalf a request is made for treatment or examination, without first providing for an appropriate medical screening examination to determine whether or not such individual has an emergency medical condition, and, if such individual has such a condition, stabilizing that condition or appropriately transferring such individual to another hospital in compliance with the requirements of 42 U.S.C. 1359dd.

8. Health Care Fraud/False Statements Relating to Health Care Matters: Executing or attempting to execute a scheme or artifice to defraud any health care benefit program or to obtain, by means of false, fictitious, or fraudulent pretences, representations of promises, any of the money or property owned by, or under the custody or control of, any health care benefit program.
9. Anti-Referral: Presenting or causing to be presented a claim for reimbursement to any individual, third-party payer, or other entity for designated health services which were furnished pursuant to a referral by a physician who has a financial relationship with Noyes Health as such is defined in 42 U.S.C. 1395nn.
10. Anti-Kickback: Except as otherwise provided in 42 U.S.C. 1320a-7(b), knowingly and willfully soliciting or receiving any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind either:
 - a. in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part under a federal health care program;
 - b. in return for purchasing, leasing, or ordering any goods, facility, service, or item for which payment may be made in whole or in part under a federal health care program;
 - c. offering or paying any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind to any person to induce such person;
 - d. to refer an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made, in whole or in part, under a federal health care program;
 - e. to purchase, lease, order, or arrange for or recommend purchasing, leasing, or ordering any goods, facility, service, or item for which payment may be made in whole or in part under a federal health care program.
11. Antitrust: Engaging in any activity, including without limitation, being a member of a multi-provider network or other joint venture or affiliation which is in restraint of trade or which monopolizes, or attempts to monopolize, any part of interstate trade or commerce.
12. Failure to Report Violations to Corporate Compliance Officer: Failing to promptly report to the Corporate Compliance Officer (as defined below) any instance described in subparagraphs 1-9 above with respect to Noyes Health or any of its employees which is known to such person.

II. Appointment of Corporate Compliance Officer:

- A. The Corporate Compliance Officer: In an effort to ensure compliance with this policy, the Board of Directors has adopted a formal compliance program. To oversee and implement this program, a Corporate Compliance Officer has been appointed.

The Corporate Compliance Officer will provide education and training programs for employees, officers, Board members, students, volunteers, contractors, and vendors, respond to inquiries from any employees regarding appropriate billing, documentation, coding and business practices, and investigate any allegations of possible impropriety.

- B. Duties and Responsibilities of the Corporate Compliance Officer: The duties and responsibilities of the Corporate Compliance Officer shall include, but not be limited to, the following:
1. Working with the Board of Directors, President/Chief Executive Officer, Chief Financial Officer, Vice President of Patient Care, other members of the senior management team, and general counsel in the preparation and development of, and overseeing the implementation of, written guidelines on specific federal and state legal and regulatory issues and matters involving ethical and legal business practices, including but without limitation, documentation, coding and billing practices with respect to requests for payments and/or reimbursements from Medicare or any other federally-funded health care program, the giving and receiving of remuneration to induce referrals and engagement in certain business affiliations or pricing arrangements that may affect competition.
 2. Developing and implementing an educational training program for Noyes Health, office practices, volunteers, members of the Board of Directors, and ancillary personnel to ensure understanding of and compliance with federal and state laws and regulations, and all laws involving ethical and legal business practices, including but without limitation, documentation, coding and billing practices with respect to requests for payments and/or reimbursements from Medicare, Medicaid or any other federally-funded health care program, the giving and receiving or remuneration to induce referrals and engagement in certain business affiliations or pricing arrangements that may affect competition.
 3. Handling inquiries by employees regarding any aspect of compliance.
 4. Investigating any information or allegation concerning possible unethical or improper business practices and recommending corrective action when necessary.
 5. Providing guidance and interpretation to the Board of Directors, the President/Chief Executive Officer, and Noyes Health personnel, in conjunction with legal counsel, on matters related to the compliance program.
 6. Planning and overseeing regular, periodic audits of the operations in order to identify and rectify any possible barriers to the efficacy of the compliance program.

7. Providing quarterly reports regarding compliance matters to the Board of Directors.
 8. Preparing, at least annually, a report to the Board of Directors and President/Chief Executive Officer concerning the compliance activities and actions undertaken during the preceding year, the proposed compliance program for the next year, and any recommendations for changes in the compliance program.
 9. Initiating annual review of the Corporate Compliance Plan and all compliance policies and procedures.
 10. Coordinating personnel issues with the human resources department (or its equivalent) to ensure that the National Practitioner Data Bank, federal and state exclusion lists, and Cumulative Sanction Report have been checked with respect to all employees, medical staff, and independent contractors.
 11. Ensuring that independent contractors and agents, who furnish medical services, are aware of the corporate compliance program including, but without limitation, its policies with respect to the specific areas of documentation, coding, billing, and competitive practices.
 12. Investigating allegations of intimidation or retaliation.
 13. Performing such other duties and responsibilities as the Board of Directors may request.
- C. Corporate Compliance Committee: The Corporate Compliance Officer will chair the Corporate Compliance Committee. The purpose of the committee is to allow the Hospital and the Corporate Compliance Officer to benefit from the combined perspectives of individuals with varying responsibilities in the Hospital as well as managers of key operating units.
- D. Reporting by Corporate Compliance Officer: In general, recommendations from the Corporate Compliance Officer regarding compliance matters will be directed to the appropriate officer or manager. If the Corporate Compliance Officer is not satisfied with the action taken in response to its recommendations, he or she will report such concern to the President/Chief Executive Officer. If the issue is not resolved appropriately, the Corporate Compliance Officer will report the concern to the Board of Directors. In no case will Noyes Health endeavor to conceal wrongdoing.
- E. Establishment of a Hotline: The Corporate Compliance Officer shall have an "open door" policy with respect to receiving reports of violations, or suspected violations, or the law or policy and with respect to answering employee questions concerning adherence to the law and to policy. In addition, Noyes Health shall establish a hotline for such reporting or questions. The telephone number for the hotline is (585) 335-4330. Telephone calls to the hotline may come from employees, patients, or others, whether or not affiliated with Noyes Health. All information reported to the hotline by any employee in accordance with the Corporate Compliance Policy shall be kept confidential to the extent that confidentiality is possible throughout any resulting investigation; however, there may be a point where an employee's identity may become known or may have to be revealed in certain instances when governmental authorities become involved. Under no circumstances shall the reporting of any such information or possible impropriety serve as a basis for any

retaliatory actions to be taken against any employee, patient, or other person making the report to the hotline. The telephone number for the hotline, along with a copy of the Corporate Compliance Policy, shall be posted in conspicuous locations throughout Noyes Health.

III. Educational Program:

- A. Purpose of Educational Program: The corporate compliance program promotes Noyes Health's policy of adherence to the highest level of professional and ethical standards, as well as all applicable laws and regulations. Noyes Health will make available appropriate educational and training programs and resources to ensure that all employees are thoroughly familiar with those areas of law that apply to and impact upon the conduct of their respective duties including, but without limitation, the specific areas of documentation, coding, billing, Health Insurance Portability and Accountability Act (HIPAA), and competitive practices.
- B. Responsibility for Educational Program: The Corporate Compliance Officer, in conjunction with legal counsel, is responsible for implementation of the educational program. The program is intended to provide each employee with an appropriate level of information and instruction regarding ethical and legal standards including, but without limitation, standards for documentation, coding, billing, HIPAA, and competitive practices, and with the appropriate procedures to carry out the policy. Education and training of all employees shall be conducted at least annually. The determination of the level of education needed by particular employees or classes of employees will be made by the Corporate Compliance Officer. Each educational program shall allow for a question and answer period at the end of such program.
- C. Subject Matter of Educational Program: The educational program shall explain the applicability of pertinent laws as appropriate to the audience and subject matter. As additional legal issues and matters are identified by the Corporate Compliance Officer, those areas will be included in the educational program. Each education and/or training program conducted hereunder shall reinforce the fact that strict compliance with the law and Noyes Health's policy is a condition of employment.
- D. Training Methods: Different methods may be utilized to communicate information about applicable laws and regulations to employees, as determined by the Corporate Compliance Officer. Noyes Health may conduct training sessions regarding corporate compliance which may be mandatory for selected employees. The seminars will be conducted by the Corporate Compliance Officer, legal counsel, or, where appropriate, by managers or consultants. The Corporate Compliance Officer may require that certain employees or representatives of Noyes Health attend, at Noyes Health's expense, publically available seminars covering particular areas of law. The orientation for new employees will include discussions of the corporate compliance program and an employee's obligation to maintain the highest level of ethical and legal conduct and standards. While Noyes Health will make every effort to provide appropriate compliance information to all employees, and to respond to all inquiries, no educational and training program, however comprehensive, can anticipate

every situation that may present corporate compliance issues. Responsibility for corporate compliance with this program, INCLUDING THE DUTY TO SEEK GUIDANCE WHEN IN DOUBT, rests with each employee.

IV. Employee Obligations:

The Corporate Compliance Policy imposes several obligations on employees, all of which will be enforced by the standard disciplinary measures available to Noyes Health as an employer.

A. Employee Obligations:

1. Reporting Obligation: Employees must immediately report to a supervisor, director, or the Corporate Compliance Officer any suspected or actual violations (whether or not based on personal knowledge) of applicable law or regulations by Noyes Health or any of its employees. Any employee making a report may do so anonymously if he/she so chooses. Once an employee has made a report, the employee has a continuing obligation to update the report as new information comes into his/her possession. All information reported to the Corporate Compliance Officer by any employee in accordance with the Corporate Compliance Policy shall be kept confidential to the extent that confidentiality is possible throughout any resulting investigation; however, there may be a point where an employee's identity may become known or may have to be revealed in certain instances when governmental authorities become involved. Under no circumstances shall the reporting of any such information or possible impropriety serve as a basis for any retaliatory actions to be taken against any employee making the report.
2. Acknowledgement Statement: Each employee must complete and sign an acknowledgement statement at the beginning of employment stating that the employee has received, read, and understands the Code of Ethical Conduct and acknowledges his/her commitment to comply with the Code of Ethical Conduct as an employee. Each acknowledgement statement shall form a part of the personnel file of each employee. The Code of Ethical Conduct will be distributed following any revisions, and the employee will be asked to confirm that they have received, read, and understand it by executing another acknowledgement statement.

B. Assessment of Employee Performance Under Corporate Compliance Program:

1. Violation of Applicable Law or Regulation: If an employee violates any law or regulation in the course of his/her employment, the employee will be subject to sanctions.

2. Other Violation of the Corporate Compliance Program: In addition to direct participation in an illegal act, employees will be subject to disciplinary actions for failure to adhere to the principles and policies set forth in this corporate compliance program. Examples of actions or omissions that will subject an employee to discipline on this basis include, but are not limited to, the following:
 - (a) A breach of the policy.
 - (b) Failure to report a suspected or actual violation of law or a breach of the policy.
 - (c) Failure to make, or falsification of, any certification required under the Corporate Compliance Program.
 - (d) Lack of attention or diligence on the part of supervisory personnel that directly or indirectly leads to a violation of law.
 - (e) Direct or indirect retaliation against an employee who reports a violation of the Corporate Compliance Policy or a breach of the policy.
 3. Possible Sanctions: The possible sanctions include, but are not limited to, termination, suspension, demotion, reduction in pay, reprimand, and/or retraining. Employees who engage in intentional or reckless violation of laws or regulations will be subject to more severe sanctions than accidental transgressors.
- C. Non-Employment or Retention of Sanctioned Individuals: Noyes Health shall not knowingly employ any individual, or contract with any person or entity, who has been convicted of a criminal offense related to health care or who is listed by a federal agency as debarred, excluded, or otherwise ineligible for participation in federally-funded health care programs. In addition, until resolution of such criminal charges or proposed debarment or exclusion, any individual who is charged with criminal offenses related to health care or proposed for exclusion or debarment shall be removed from direct responsibility for, or involvement in, documentation, coding, billing, or competitive practices. If resolution results in conviction, debarment, or exclusion of the individual, Noyes Health shall terminate its employment of such individual.

V. Response to Reports of Violations:

Noyes Health, along with its legal counsel where necessary, shall promptly respond to and investigate all allegations of wrongdoing of employees, whether such allegations are received through the hotline or in any other manner.

- A. Investigation: Upon the discovery that a material violation of the law or of the policy has occurred, Noyes Health shall take immediate action to rectify the violation, if possible, and to report the violation to the appropriate regulator body, if necessary, and to appropriately sanction the culpable employee(s). Promptly after any discovered material violation is addressed, Noyes Health shall, with the assistance of the Corporate Compliance Officer, amend this policy or other appropriate policy, in any manner that Noyes Health or the Corporate Compliance Officer feels will prevent any similar violation(s) in the future.

If an investigation of an alleged violation is undertaken and the Corporate Compliance Officer believes the integrity of the investigation may be at stake because of the presence of employees under investigation, the employee(s) allegedly involved in the misconduct shall, at the discretion of the Corporate Compliance Officer, be removed from his/her/their current work activity until the investigation is completed. In addition, Noyes Health and the Corporate Compliance Officer shall take any steps necessary to prevent the destruction of documents or other evidence relevant to the investigation. Once an investigation is completed, if disciplinary action is warranted, it shall be immediate and imposed in accordance with written standards of disciplinary action.

VI. Auditing and Monitoring:

- A. Importance of Auditing and Monitoring: Noyes Health may conduct regular auditing and monitoring activities to identify and promptly rectify any potential compliance issues. In addition, monitoring and auditing may be used to document compliance with applicable laws and regulations.
- B. Regular External Audits: Periodic audits shall be conducted with the assistance of legal counsel at the Corporate Compliance Officer's direction. Such audits shall evaluate Noyes Health's compliance with its Corporate Compliance Policy and determine what, if any, corporate compliance issues exist. Such audits shall be designed and implemented to ensure compliance with the Corporate Compliance Policy and all applicable federal and state laws.

Compliance audits shall be conducted in accordance with the comprehensive audit procedures established by the Corporate Compliance Officer and can include any or all of the following:

1. Interviews conducted by legal counsel with personnel involved in management, operations, or other related activities.
2. Random reviews of records with special attention to procedures relating to documentation, coding, billing, the giving and receiving of remuneration to induce referrals, and engagement in certain business affiliations or pricing arrangements that may affect competition.
3. Reviews of written materials and documentation.

- C. **Formal Audit Reports:** Formal audit reports shall be prepared with the assistance of legal counsel and submitted to the Corporate Compliance Officer and the Board of Directors to ensure that management is aware of the results and can take whatever steps necessary to correct past problems and deter them from recurring. The audit or other analytical reports shall specifically identify areas where corrective actions are needed and should identify in which cases, if any, subsequent audits or studies would be advisable to ensure that the recommended corrective actions have been implemented and are successful.
- D. **Internal Audits:** Internal audits may be conducted with the assistance of personnel to determine compliance with policies, procedures, laws, and/or regulations. All audit reports will be analyzed to identify opportunities for improvement actions. Internal audit reports will be presented to the Corporate Compliance Committee for discussion and documentation of recommendation and subsequent actions.
- E. **Compliance with Applicable Fraud Alerts:** The Corporate Compliance Officer shall regularly and periodically monitor the issuance of fraud alerts by the Office of the Inspector General of the Department of Health and Human Services. Any and all fraud alerts so issued shall be carefully considered by the Corporate Compliance Officer and by legal counsel. Noyes Health shall revise and amend this Corporate Compliance Policy, as necessary, in accordance with such fraud alerts. In addition, Noyes Health shall immediately cease and correct any conduct applicable and criticized in any such fraud alert.
- F. **Retention of Records and Reports:** Noyes Health shall document its efforts to comply with applicable statutes, regulations, and federal health care program requirements. All records and reports created in conjunction with adherence to the Corporate Compliance Policy are confidential and shall be maintained, through the Corporate Compliance Officer, in a secure location until such time as the Corporate Compliance Officer, through consultation with legal counsel, determines that the destruction of such document is appropriate.

VII. Non-intimidation and Non-retaliation:

- A. Intimidation or retaliation is not permitted against individuals who in good faith participate in the Corporate Compliance Program.
- B. Participation includes, but is not limited to:
1. reporting potential issues;
 2. investigating issues;
 3. performing self-evaluations;
 4. auditing;
 5. implementing remedial actions; and
 6. reporting to appropriate officials as provided in New York State Labor Law Sections 740 and 741.

Notes:

1. For the purpose of this Policy, the term "should know" means that a person, with respect to information (i) acts in deliberate disregard of the truth or falsity of the information, or (ii) acts in reckless disregard of the truth or falsity of the information.

2. The term "designated health services" means any of the following items or services: clinical laboratory services; physical therapy services; occupational therapy services; radiology services, including magnetic resonance imaging, computerized axial tomography scans, and ultrasound services; radiation therapy services and supplies; durable medical equipment and supplies; parenteral and enteral nutrients, equipment, and supplies; prosthetics, orthotics, and prosthetic devices and supplies; home health services; outpatient prescription drugs; or inpatient and outpatient services.

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Committee Approval: Corporate Compliance Committee - 8/20/2014

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