

CORPORATE COMPLIANCE AND ETHICS PROGRAM

I. INTRODUCTION

The Friendly Home (the “Home”) provides nursing care, rehabilitation and related services that enhance the quality of life for older adults, and is committed to being the provider and employer of choice, continuing a tradition of not-for-profit service to the community. We recognize the complexities associated with the financing and delivery of our services and, as such, have established this Corporate Compliance and Ethics Program (Program), which includes the Standards of Conduct and Corporate Compliance and Ethics Plan, to assist in meeting the needs of those we serve in a fashion that complies with our own philosophy and values as well as laws, rules and regulations applicable to the provision of residential long and short term care services.

Our Program reflects the organization’s commitment to honest and ethical behavior in all aspects of service to our Residents and relations with third-party payors, employees, independent contractors and vendors. The Program is designed to provide guidance to our staff and medical professionals and to prevent fraud, waste and abuse while providing high quality care to our Residents.

We acknowledge that the Program is not fool proof and that it may not detect intentional or unintentional instances of noncompliance. However, we believe that by following all of these guidelines, we have an effective Program that will uphold our standards and enable us to utilize internal controls to efficiently strive for assurance to our standards, and the laws and regulations that govern us.

A copy of this Program document is available in the Administrative, Finance, Human Resources, and Nursing Administration offices and may be reviewed at any time upon request by employees, independent contractors, vendors and medical professionals. We recognize that ongoing monitoring, evaluation and revision to the Program may be necessary to achieve our objective of compliance with our standards.

Following initial training, there will be ongoing communication and training to maintain an appropriate level of awareness and understanding of the Program, its components and any additions or modifications.

The Board of Directors of the Home has adopted this Corporate Compliance and Ethics Program and has acknowledged its commitment to compliance and our ongoing process of implementation, monitoring and modification.

The success of any of our programs and services is dependent upon an open and collaborative relationship between our Board of Directors, staff, medical professionals, and outside relationships. I appreciate everyone’s commitment to quality and to honest and ethical behavior as we work to carry out our mission of service to older adults.

Glen Cooper

President/Chief Executive Officer

II. PURPOSE STATEMENT

The Friendly Home is committed to maintaining a Corporate Compliance and Ethics Program that supports our priority of providing high quality care to our Residents. Our compliance efforts are designed to prevent, detect, and resolve conduct that does not conform to the Home's ethical and business practices; Federal and State law; or Federal, State and private payor health care program requirements. Our Program includes standards of conduct, provides a structure for Corporate Compliance and Ethics training, requires internal audits, and facilitates communication regarding overall compliance.

The Program includes not only the policies and standards described in this document, but also those established by Federal and State laws and regulations, and other policies and procedures of the Home, including, but not limited to policies on internal control, employment, Residents' rights, patient abuse and neglect, sexual harassment, and billing.

We are committed to conducting our business affairs with integrity based on sound ethical and moral standards. We will not tolerate fraud, waste, or abuse and will strive to always deliver medically necessary services in the most efficient and prudent manner, while providing compassionate and high quality care. We hold our employees, medical professionals, independent contractors and vendors, and others that we conduct business with to these same standards.

To ensure effective compliance and ethics throughout the Home, we will provide timely and ongoing education for our employees and medical professionals. We promote self-monitoring of our activities and provide oversight to reach the goal of compliance with our standards. We seek to provide an atmosphere that is safe, encourages open discussion of compliance and ethics matters without fear of retribution, and provides prompt identification and resolution of issues.

All Home employees, contract staff, vendors and independent contractors shall report compliance or ethics concerns to the Home Corporate Compliance and Ethics Officer. Failure to report suspected problems, assisting or participating in fraud, abuse or other non-compliant behavior, or encouraging, directing, permitting or facilitating such activities whether actively or passively will result in disciplinary action which may include termination.

The Friendly Home will not penalize, discriminate, or retaliate against anyone who, in good faith (1) reports a practice that the person believes in good faith may violate any law, regulation, or program requirement, (2) initiates, cooperates or participates in an investigation, or (3) objects to or refuses to participate in any activity, policy or practice that the person believes in good faith may violate any law, regulation, or program requirement.

The objectives of this Corporate Compliance and Ethics Program are to:

1. Demonstrate our commitment to provide high quality of care in an honest and ethical manner, in conformance with regulatory and our organization's standards
2. Prevent, detect, resolve, and respond to accidental and intentional noncompliance and/or problems
3. Reinforce standards of conduct through education and training
4. Identify oversight responsibility for compliance and ethics
5. Provide a structure for educating employees and medical professionals, and communicating to independent contractors and vendors, regarding compliance and ethics standards
6. Encourage open communication without fear of retribution

7. Establish a reporting and response system for problems and suspected noncompliance
8. Discipline those involved in non-compliant behavior including termination
9. Provide guidelines for auditing and monitoring compliance

III. STANDARDS OF CONDUCT

These Standards of Conduct are divided into seven sections and reflect general policies of the Home. We recognize that they are not all-inclusive, and may supplement or overlap policies already in place. The information below is a summary for each section.

All persons associated with The Friendly Home are required to comply with the following standards of conduct. Violations of these Standards of Conduct or other policies and procedures of the Home will result in necessary corrective and disciplinary actions, up to and including termination, which will be enforced in a timely manner.

A. General – For All Employees

1. Notify the Corporate Compliance and Ethics Officer, supervisor, or, if necessary, President/CEO or Board member, of any questions, problems, or suspected instance of noncompliance.
2. Maintain high standards of business and ethical conduct in accordance with the Home's standards and applicable Federal, State, and local laws and regulations.
3. Deal honestly with all persons associated with the Home and in all business transactions.
4. Prohibit discrimination because of age, race, creed, religion, gender, color, marital status, disability, sexual preference, national origin, or sponsor.
5. Be a prudent purchaser and user of services and supplies that avoid waste.
6. Comply with Federal and State laws concerning antitrust and unfair competition including price fixing, collusion with competitors, rigging of bids, boycotts, and unfair trade and business practices.

B. Quality of Care

1. Accept and retain only those individuals to whom the Home can provide adequate care.
2. Prepare a comprehensive, accurate assessment of each resident's functional capacity and a comprehensive care plan that includes measurable objectives to meet the resident's medical, mental, and psychosocial needs.
3. Provide care to our Residents necessary to attain and maintain their highest practicable physical, mental, and psychosocial well-being.
4. Respond promptly to survey deficiencies, provide corrective action when necessary, and incorporate the corrective procedure into the Home's policies and educational programs as appropriate.
5. Provide appropriate and sufficient treatment and services to address Residents' clinical conditions in accordance with their plans of care and professional standards of practice.
6. Take proactive measures to identify, anticipate, and respond to quality of care risk areas.

7. Provide a clean, safe environment and an adequate and sufficiently trained staff to provide medical, nursing, and related services to the Residents.
8. Ensure that a physician supervises the medical care of each Member.
9. Properly prescribe, administer, and monitor the Residents' drug medication usage. Ensure that medication records are complete and readily accessible.
10. Provide Residents with appropriate therapy services and provide assistance with activities of daily living such as feeding, dressing, bathing, etc.
11. Promptly report incidents of mistreatment, neglect, or abuse of Residents to the administrator or Corporate Compliance and Ethics Officer and to other officials as required by law.
12. Prepare and maintain adequate records and documentation in compliance with relevant laws, regulations, rules, and professional standards of practice. The documentation shall support medical necessity of items and services ordered and provided. It shall reflect the clinical condition of the resident and appropriate follow-up as defined by current professional standards of practice.

C. Residents' Rights

1. Adhere to the standards defined in the Home's Bill of Resident Rights.
2. Refrain from verbal, mental, or physical abuse of any resident. If mistreatment or abuse is suspected, the administrator or designee, or the Corporate Compliance and Ethics Officer, shall be notified immediately and investigation shall be conducted promptly.
3. Practice non-discriminatory admission policies by offering to care for any potential resident that is eligible in accordance with Federal and State laws governing admissions.
4. Maintain non-discriminatory identical policies for transfer, discharge, and provision of services for all Residents, regardless of payment source.
5. Properly safeguard the Residents' financial affairs. Residents shall have the right to choose to manage their own financial affairs or permit the facility to manage personal funds. The facility shall ensure that Residents' personal funds are not used to pay for items or services paid for by Medicare or Medicaid.
6. Residents shall have the right to access their personal records upon request. The facility shall preserve the confidentiality of those records and make no unauthorized disclosures.
7. Residents shall have the right to privacy in personal communications including the right to receive mail that is unopened and to use the telephone in private.
8. Residents shall have the right to participate in their care and treatment decisions, including the right to choose a personal physician and the right to refuse treatment, unless adjudged incompetent or incapacitated. The facility shall ensure that Residents are fully informed of their health status and that they and their designated representatives receive information regarding diagnosis, treatment, prognosis, and treatment options in a language they can understand. There shall be no inappropriate use of physical or chemical restraints.
9. Residents will be treated with dignity and respect and have freedom of choice, self-determination, and reasonable accommodation of individual needs.

D. Billing and Financial Activities

The standards of conduct contained in this section apply to employees who work in the financial and clinical departments of the facility.

1. Ensure uniformity in the billing of services regardless of source of payment.
2. Remit timely bills to Residents and third-party payors for reasonable and medically necessary services and items provided in accordance with billing procedures and medical record documentation. Ensure that genuinely signed orders exist where appropriate before submitting claims for reimbursement.
3. Address and resolve billing questions from Residents or third-party payors expeditiously and courteously.
4. Respond promptly to situations that result in inaccurate billing, including refunds for duplicate or overbilling.
5. Identify and resolve credit balances, providing refunds when appropriate.
6. Ensure Residents' eligibility for Medicare Part A coverage for claims submitted to Medicare Part A.
7. Ensure that care provided to Residents is adequate and not substandard, before submitting claims for reimbursement.
8. Provide accurate information about a resident's medical condition on the Minimum Data Set (MDS) to ensure a proper reimbursement.
9. Select the appropriate billing code that accurately describes the service, item, or condition to prevent upcoding.
10. Do not bill separately for items or services that are included in the per diem rate or may not be unbundled.
11. Do not bill Residents for items or services that are included in the per diem rate or otherwise covered by a third-party payor.
12. Ensure that cost reports are prepared as accurately as possible, documentation exists to support reported information, non-allowable costs are appropriately identified and removed, and related party transactions are treated properly.
13. Do not routinely waive coinsurance or deductible amounts without good faith effort to collect or determine that the resident is in financial need.
14. Perform purchasing and vendor selection functions independently of fundraising activities.
15. Adhere to compliance requirements regarding billing, coding, claim submission, and cost reporting.

E. Employee and Independent Contractor/Vendor Screening

1. Employees, medical professionals, and certain independent contractors and vendors shall acknowledge that they are not excluded from Federal health care programs.

2. Employees, medical professionals, and independent contractors and vendors shall immediately notify their administrative contact who shall then notify the Corporate Compliance and Ethics Officer if subjected to an investigation, convicted of a crime, subjected to civil penalties, excluded from Federal health care programs, or if their license, certification or registration is revoked, suspended, curtailed, or is otherwise no longer in good standing.
3. Regarding employment and contracting, the Home shall:
 - Require that applicants disclose criminal convictions and exclusions from participation in Federal health care programs.
 - Upon initial hire or engagement and, regularly thereafter, conduct background investigations on employees and medical professionals and applicable independent contractors and vendors, sources including the Office of Inspector General's List of Excluded Individuals/Entities (LEIE), the General Service Administration's System for Award Management (SAM) exclusion database and the Office of Medicaid Inspector General's (OMIG) Medicaid Exclusion List
 - Evaluate and periodically re-evaluate the credentials of employees and medical professionals to verify that requisite licenses, certifications and registrations exist.
 - Prohibit employment of and execution of contracts with individuals or companies that have been convicted of a criminal offense related to health care, convicted of resident abuse, or excluded or otherwise ineligible for participation in Federal health care programs.

F. Conflicts of Interest

A conflict of interest may exist when an action or activity results in personal gain or advantage or has an adverse effect on The Friendly Home, its Residents and/or staff. The Home's Board of Directors has adopted a resolution concerning conflicts of interest. The resolution is contained in the Administrative Policy manual. In addition to it, all staff shall adhere to the following:

1. Report actual or potential conflicts of interest to the Corporate Compliance Officer.
2. Comply with the anti-kickback statute, which states that it is illegal to knowingly offer, pay, solicit, or receive bribes, kickbacks, or other remuneration in order to induce business reimbursable by Federal health care programs.
3. Comply with the Stark physician self-referral law, which generally prohibits a physician from making a referral for health services to an entity with which the physician or any member of his immediate family has a financial relationship.
4. Avoid inducement, solicitation of referrals, or other similar arrangements to other health care providers, suppliers, and Residents.
5. Do not disclose or use confidential and/or privileged information relating to the Home.

G. Records Retention

The Friendly Home will retain records per policy and governmental guidelines for records retention including:

1. Maintain appropriate and thorough medical records for each resident. Ensure that documentation supports medical necessity issues and clinical condition of the Residents.

2. Maintain records and documentation required for participation in Federal, State, and private health care programs and other governmental institutions, including the resident assessment instruments, comprehensive care plans, and survey information.
3. Maintain records, documentation, and audit data that support and explain financial activity, cost reports, and internal and external compliance monitoring activities.
4. Maintain records necessary to demonstrate that the facility has an effective Corporate Compliance and Ethics Plan including acknowledgement forms, Corporate Compliance and Ethics training materials, Corporate Compliance and Ethics report logs, results of investigations, audit results, corrective actions, and disciplinary actions.
5. Maintain correspondence files between the facility and fiscal intermediaries, Medicare, Medicaid, private payor insurers, other carriers, CMS, and State survey and certification agencies.
6. Maintain a log of oral inquiries between the facility and third parties that will document attempts at compliance.
7. Ensure that all informational systems are secure, in working order, and can access Federal and State databases.
8. Prohibit falsification and backdating of records.
9. Limit appropriate access to information and documents to help avoid accidental or intentional fabrication or destruction of records.