



Corporate Compliance Plan & Whistleblower Policy

Highlights

Policy Statement

United Methodist Retirement Communities, Inc. (“Corporation”), including the UMRC Foundation (UMRC), is committed to conducting its business in a manner that facilitates quality, efficiency, honesty, integrity, respect and full compliance with applicable laws and regulations. In order to achieve this goal, the Corporation recognizes that it must require its employees to maintain a standard of behavior that is, at a minimum, both lawful and ethical. Since the scope of compliance with applicable laws and regulations is extensive and since the regulations are complex, United Methodist Retirement Communities, Inc. has adopted this formal Corporate Compliance Plan (“Plan”) to address potential compliance concerns. The provisions of this Plan apply to all clinical, business and legal activities performed by United Methodist Retirement Communities, Inc. as well as to any third parties when such parties are engaged in the provision of services on behalf of the Corporation. Third parties may include volunteers, agents and independent contractors of United Methodist Retirement Communities, Inc.

Policy Interpretation and Implementation

The purpose of this Plan is to achieve the following goals:

1. To provide a lawful and ethical environment for residents, employees, medical professionals, allied health professionals, visitors and volunteers.
2. To identify and monitor those persons or areas with a high risk of liability exposure.
3. To integrate the quality improvement and safety programs with the Compliance activities of the Corporation.
4. To provide continuing education to all Corporation staff in the identification and prevention of non-compliance and applicable legal and regulatory requirements. Education will include information on the specific legal and regulatory requirements relevant to an employee’s work assignment.
5. To protect and preserve the resources of the Facility.
6. To develop and support monitoring and auditing systems and procedures to comply with applicable federal and state law and regulation.
7. To develop and uniformly enforce standards for the discipline



of employees related to noncompliance with the Plan.

8. To provide a workplace that enables and encourages residents, employees, physicians, allied health professionals, visitors and volunteers to report any known or suspected violations of the Plan or United Methodist Retirement Communities, Inc. rules, policies and procedures.

Compliance Officer

The UMRC Director of Quality and Education is appointed as the Compliance Officer for UMRC. The Compliance Officer (CO) will be responsible for the following:

1. Assisting with the formulation and revision of appropriate departmental policies and procedures that will meet the objective of United Methodist Retirement Communities, Inc. to guide employees in compliance activities.
2. Monitoring staff education in regards to the compliance program, specific policies and procedures, and the legal requirements relevant to their work.
3. Monitoring the process whereby all independent contractors, volunteers, vendors and agents who furnish services to the Corporation are made aware of the Corporation's Compliance Plan and Code of Conduct and agree to comply with these standards in the provision of services to the Corporation.
4. Assisting United Methodist Retirement Communities' financial management personnel in coordinating internal compliance review and monitoring activities.
5. Responding to and investigating all reports of alleged misconduct; reporting suspected violations to the UMRC Strategic Team and others as appropriate, monitoring the development of a corrective action plan, and documenting that corrective action has been taken.
6. Assisting with the development, implementation and maintenance of a structure to facilitate the reporting by employees of suspected fraud and other improprieties without retaliation.
7. Function as a contact person to communicate current issues and practices from legal counsel.

Training and Education

United Methodist Retirement Communities, Inc. recognizes that the proper education and training of employees is a significant element of an effective compliance program. Attendance at an annual training program shall be



mandatory for each employee. Training and education sessions will be designed to review United Methodist Retirement Communities' Compliance Plan, Code of Conduct and to delineate with specific employees any changes in current law or policies that affect their specific position. Specific employees may be required to attend additional training sessions on particular issues that are relevant to their job responsibilities.

Participation in training and education programs shall be a condition of continued employment with United Methodist Retirement Communities, Inc. Failure to comply with the training and education requirements of United Methodist Retirement Communities, Inc. will result in disciplinary action. Adherence to the provisions of the Plan will be a factor in each employee's annual evaluation. United Methodist Retirement Communities, Inc. shall retain attendance logs and materials distributed at training sessions.

Reportable Violations

All individuals including, but not limited to, directors, officers, employees, shareholders, auditors or other interested parties are encouraged to promptly report either orally or in writing all evidence of activity by the Corporation, department, director, officer or employee that may constitute any of the following:

- Discrepancies in Accounting and Auditing Matters
- Conflict of Interest
- Discrimination or Harassment
- Embezzlement
- Falsification of Contracts, Reports or Records
- Misconduct or Inappropriate Behavior
- Sabotage or Vandalism
- Substance Abuse
- Theft
- Unsafe Working Conditions
- Violation of Policy
- Violence or Threat
- Suggestion



**Reporting and
Investigating
Compliance Issues**

If any person believes that any employee or person acting on behalf of UMRC has engaged in any questionable activity the person may report it to the supervisor of the person who is thought to have committed the questionable activity. If an employee believes that in a particular situation it would not be appropriate to report such a possible violation to that supervisor, the employee may report the possible violation to a representative of the Human Resources Department or to any other officer or member of the Company's senior management team whom the person believes it would be appropriate to report the possible violation.

In order for United Methodist Retirement Communities, Inc. to achieve the goals of its Plan, and conduct business within the letter and spirit of the law and its Code of Conduct, employees and contractors are required to report possible violations of law or improper activity. United Methodist Retirement Communities, Inc. will provide for open lines of communication with the CO. Employees who report on possible compliance issues in good faith will not be subjected to retaliation or harassment. The CO will make every effort to maintain the confidentiality of reports.

UMRC reserves the right to discipline any employee who makes an accusation without a reasonable, good faith belief in the truth and accuracy of the information or who knowingly provides false information or makes false accusations, and such discipline may result in termination of a director, officer or employee and, if warranted, legal proceedings.

Anyone can make a report of a potential compliance issue in one of several ways. The reporting party may contact our outside monitoring agency at 1-888-315-3965 or via a link to the outside monitoring agency available on our website at www.UMRC.com. In addition, a report can be received by the CO via phone at 734-433-1000, extension 7564 or an in-person meeting at a mutually agreeable time can be arranged. In any case, the reporting party can choose to remain anonymous.

The CO will initiate an investigation of all reports. The CO will maintain a record of all reports he/she receives. The CO shall contact legal counsel when appropriate to assist in the investigation of a complaint. If an investigation finds that the conduct complained of does not violate laws, regulations or policies or that such conduct did not occur, the investigation shall be closed. Unless allegedly involved, the UMRC President and CEO or UMRC Chief Operating Officer will be made aware of any reports or ongoing investigations.

If the initial investigation concludes that a problem may exist, a further investigation shall occur. Unless allegedly involved, the UMRC President



and CEO or UMRC Chief Operating Officer will assist the CO with necessary resources and assistance involving outside counsel in developing an action plan when needed.

The CO shall report any findings of wrongdoing on the part of United Methodist Retirement Communities, Inc. to the Quality First Board Committee at each meeting.

If the Compliance Officer is alleged to be involved in any compliance issue, the matter will be investigated by the UMRC President and CEO unless he or she is allegedly involved.

If the UMRC President and CEO is allegedly involved in any compliance issue, the UMRC Board Member Quality First Committee Co-Chair would conduct the investigation.

Any incident designated by the state health code as “reportable” or any investigation conducted by the state health department, whether substantiated or not, shall be routinely reported to the Quality First committee.

To the extent possible, the outcomes of the investigation will be reported back to the reporting party.

Corrective Action Plans and Reporting of Noncompliance

Whenever a compliance issue has been identified and determined to be a problem through monitoring the receipt of reports of possible issues, investigations or otherwise, the CO will monitor the development of a plan to address that issue (the corrective action plan). The UMRC Strategic Team will review and approve all corrective action plans. All corrective action plans will be reported to the Quality First Committee of the Board of Trustees. Corrective action plans should be designed so that the specific issue is addressed and similar problems do not reoccur.

If the Corporation discovers that there has been a material violation of a law or regulation United Methodist Retirement Communities, Inc. will take appropriate action to report such violation to the appropriate authority. Such reporting may include an immediate referral to criminal and/or civil law enforcement authorities, reports to the government and the submission of any overpayments, if applicable.

United Methodist Retirement Communities, Inc. has formulated guidelines regarding the consequences and disciplinary action for employees who have failed to comply with United Methodist Retirement Communities’



**Disciplinary
Accountability and
Consequences**

policies and procedures, federal and state laws, or this Plan. The disciplinary measures will vary depending on the severity of the transgression. Sanctions could range from an oral warning to suspension, to termination. The employee’s supervisor and Human Resources will work with the CO to determine appropriate disciplinary measures in accordance with current policies.

Disciplinary actions will be taken in a fair, equitable, appropriate and consistent manner. All employees will be subject to the same disciplinary action for the commission of similar offenses.

| Regulatory Reference Sources and Revision Dates | |
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| OBRA Regulatory Reference Numbers | None Applicable |
| Survey Tag Numbers | None Applicable |
| Policy Created | Date: 1/20/06 By: Michelle Horazdovsky_____ |
| Reviewed/Revised | Date: 4/3/09 By: John Thorhauer |
| | Date: 2/4/2011 By: John Thorhauer |
| | Date: 2-14-13 By: John Thorhauer /2/14/14 UMRC Board |