

Purpose

To establish uniformity in the conduct of our employees under the Compliance Program.

Policy

The Agency has established Standards of Conduct with which all employees are expected to comply as a condition of employment to ensure that individual conduct conforms to the highest ethical standards and is consistent with all applicable laws, rules, and regulations.

Procedure

- I. The Governing Body will adopt the Standards of Conduct and review annually thereafter.
- II. The Agency will educate staff regarding the Standards of Conduct upon hire and annually thereafter and provide a copy to every employee.
- III. Employees will sign a Compliance Pledge upon initial employment. This statement certifies that the employee has read and understands the Standards of Conduct and the Compliance Program and agrees to abide by it during the term of employment. On a yearly basis and in conjunction with in-service training, employees will be updated on the Compliance Program and sign a Compliance Pledge.
- IV. The Compliance Pledge will be maintained in the employee's personnel file.
- V. Employees will be informed of the method of communication and of the right to remain anonymous when reporting a suspicion of fraud, abuse, or any form of misconduct or improper activity.
- VI. Standards of Conduct:
 - A. Compliance with All Laws and Regulations
 1. Agency employees must comply with all federal, state, and local laws and government regulations.
 2. An employee must immediately and directly report to the supervisor or the Compliance Officer any actual or suspected violation of the Standards of Conduct, any related law or regulation, the Compliance Program, or any other Agency policy.
 3. An employee must comply with all licensure laws and regulations.
 4. Ignorance of the law will not be tolerated.
 5. Employees are expected to attend all mandatory programs.
 - B. Compliance with All Agency Policies and Procedures

1. Agency employees must comply with all agency policies and procedures, including those related to billing, administration, human resources, and clinical procedures. These policies may include, but are not limited to:
 - a. Equal Employment Opportunity
 - b. Family Medical Leave Act
 - c. Americans with Disabilities Act
 - d. Occupational Safety and Health Administration (OSHA) regulations
 - e. Compensation
 - f. Sexual harassment
 - g. Fair Labor Standards Act
 - h. Medicare, Medicaid, and other payor regulations
 - i. Accreditation programs, as applicable
- C. Proper Claim Development and Reimbursement Documentation
 1. The Agency makes every effort to reconcile and submit accurate bills to the appropriate payor sources by implementing processes for proper claim development and reimbursement documentation.
 2. Employees are expected to submit accurate and factual documentation for services rendered.
 3. Actions that could violate the federal False Claim Act and other false billing laws include:
 - a. Filing a claim for services that were not rendered as described on the claim form:
 - (1) Services never provided
 - (2) Services provided that were not covered by the payor
 - b. Filing a claim for services that were rendered, but were medically unnecessary:
 - (1) Lack of medical necessity
 - (2) Lack of compliance to payor eligibility
 - c. Submitting a claim containing information you know to be false:
 - (1) Forged MD signatures
 - d. Misusing Social Security or Medicare symbols, emblems, or names in marketing.

4. Billing and Reimbursement
 - a. The Agency is committed to ensuring that:
 - (1) Billing and reimbursement practices comply with all federal and state laws, regulations, guidelines, and policies.
 - (2) All bills are accurate and reflect current payment methodologies.
 - (3) That patients/clients and customers receive timely bills, when applicable, and that all questions regarding billing are answered.
5. Cost Reports
 - a. The Agency will develop and submit a Medicare cost report annually to the Centers for Medicare & Medicaid Services (CMS), to include:
 - (1) Costs based on appropriate and accurate documentation
 - (2) Allocation of costs to various cost centers that are accurate with verified and audited data
 - (3) Allowable cost claims
 - (4) Properly classified costs
 - (5) Prior year audit adjustments by the fiscal intermediary are implemented and if claimed are clearly identified as protested amounts
 - (6) Identified related parties on Form 339 and all related party charges are reduced to cost
6. Government Customers
 - a. The Agency has government contracts or subcontracts wherein the Agency supplies services to or on behalf of the Medicare and Medicaid programs.
 - (1) All employees must be knowledgeable of, and comply with, applicable laws, rules, and regulations of these government agencies.
 - (2) Billing personnel should comply with the Agency's policy on reimbursement and billing policies and procedures.
 - (3) Employees with concerns or questions regarding compliance with any government contract should contact the supervisor or the Compliance Officer.

- (4) Employees must obtain prior approval from the Compliance Officer to provide or pay for any meal, refreshment, entertainment, travel, or lodging expenses for government employees.
7. Accurate Books and Accounts
- a. Agency payments and other transactions must be properly authorized by management to include, but not be limited to:
 - (1) Accurately and completely recording in the Agency's books.
 - (2) Records in accordance with generally accepted accounting principles and established corporate accounting policies.
 - b. Assets must be regularly compared with actual assets and action taken to reconcile any variances.
 - c. No undisclosed or unrecorded corporate funds will be established for any purpose, nor will the Agency's funds be placed in any personal or non-corporate account.
 - d. All assets must be properly protected.
- D. Referral Source Relationships
1. The Agency prohibits activities that would compensate for increased referrals or provide incentives for obtaining more referrals from any referral source that could relate to any kickback issue.
 2. Anti-Kickback Issues:
 - a. Federal and state laws prohibit the Agency and its employees from offering a "kickback" to any person or organization to induce them to purchase services from or to refer a patient/client to the Agency.
 - b. Employees must take special care in this area, and refer questions to the Compliance Officer, who may refer to legal counsel.
 - c. Examples of actions that could violate the federal Medicare/Medicaid anti-kickback statute include, but are not limited to:
 - (1) Offering or paying anything of value to induce someone to refer a patient/client to the Agency
 - (2) Offering or paying anything of value to anyone (patient/client or referral source) in marketing the Agency

(3) Soliciting or receiving anything of value for the referral of agency patients/clients to others

(4) Receiving free goods of a kind other than the same good when purchasing products

E. Dealing Honestly with All Internal and External Customers

1. Quality of Service

a. The Agency is committed to providing services that meet all contractual obligations and the Agency's quality standards.

2. Contract Negotiations

a. The Agency has a duty to disclose current, accurate, and complete cost and pricing data where such data is required under appropriate federal or state law or regulation.

b. Employees involved in pricing or negotiation of contracts must ensure the accuracy, completeness, and currency of all data generated and given to supervisors and other employees, and all representation made to customers and suppliers, both government and commercial.

c. False, incomplete, or misleading submission can result in civil and/or criminal liability for the Agency, the employee involved, and any supervisors who condone such a practice.

3. Marketing and Advertising Activities

a. Agency employees involved in marketing and advertising activities may offer factual information or documented evidence to the general public.

b. Agency employees will not distort the truth, make false claims, engage in comparative advertising, or attack or disparage another provider.

4. Competitive Analysis

a. Antitrust laws prohibit competitors from entering into agreements to fix prices or to reduce price competition.

b. Employees should not provide business information to a competitor unless information is necessary to the customer/supplier relationship, or to jointly serve particular customers.

c. Employees should not obtain information about a competitor's business directly from the competitor unless the information is necessary to the customer/supplier relationship, or to jointly serve particular customers.

- d. Employees may obtain information about a customer from public sources or from competitors.
 - e. In conducting a market analysis, employees should not accept or use information known to be proprietary to a competitor.
 - f. Supervisors must ensure that information is not improperly obtained or used in any improper fashion.
5. Antitrust Issues
- a. Employees may encounter antitrust issues in the areas of pricing, boycotts, and trade association activity which could include, but not be limited to:
 - (1) Entering into or negotiating an agreement with one or more competitors to:
 - (a) Fix prices at any level or to fix other terms of service
 - (b) Allocate customers or markets
 - (c) Boycott a supplier or customer
 - (2) Employees must refrain from engaging in unfair practices that might restrict competition.
- F. Employee/Employer Performances
- 1. Charging of Costs / Timecard Reporting
 - a. Employees must submit complete, accurate, and timely timesheets, being careful to ensure that hours worked, and costs incurred are applied to the account for which the effort was required.
 - b. Employees will sign the timesheet as representation that hours worked are accurate.
 - c. The supervisor's signature is a representation that the timesheet has been reviewed and steps have been taken to verify the validity of the expenses.
 - 2. Hiring of Federal and State Employees
 - a. Agency employees must obtain prior clearance from the Compliance Officer to discuss possible employment with, make offers to, or hire (as an employee or consultant) any current or former government employee (military or civilian).
- G. Compliance with the Agency's Patient/Clients Rights Policy
- 1. Patients'/Clients' Rights

- a. Agency employees must comply with all standards set forth in the Patients'/Clients' Rights and Responsibilities statement.
 - b. Employees must also comply with all patient/client care policies governing patient/client care practices and documentation.
2. Advance Directives and Right to Die
 - a. Employees will comply with all agency policies and procedures, and federal and state laws and regulations governing Advance Directives and right to die issues.
 3. Confidential Information
 - a. Employees must strictly safeguard all confidential information with which they are entrusted and not discuss information outside the normal and necessary course of agency business. This includes patient/client records and the information contained in the record.
 - b. Employees have an obligation to respect and protect the confidential nature of records regarding drug abuse, alcoholism or alcohol abuse, or other personal information of other employees.
- H. Using Agency Resources Properly
1. Making Political Contributions
 - a. Employees may not contribute or donate the Agency's funds, products, services, or other resources to any political cause, party, or candidate without advance written approval of the Compliance Officer.
 - b. Employees may make voluntary personal contributions to any lawful political causes, parties, or candidate.
 2. Providing Business Courtesies to Customers or Sources of Customers
 - a. The Agency does not offer business courtesies such as entertainment, meals, transportation, or lodging to customers, referral sources, or purchasers of agency services, thus seeking to gain an improper advantage.
 - b. Employees must not provide any referral source or purchaser with gifts or promotional items of more than nominal value (such as pens or calendars).
 3. Charitable Contributions
 - a. All charitable contributions received from vendors must directly benefit the Agency. No check may be made out to an individual.

- b. The Agency will not accept any donations that are in conjunction with a marketing effort or sales promotion.
 - c. The Agency will not accept any donations that require the Agency to use the donation to purchase supplies from the vendor making the contribution.
- I. Avoiding Abuses of Trust
- 1. Conflict of Interest
 - a. No full-time employee of the Agency may have any employment, consulting, or other business relationship with a competitor, customer, or supplier, or invest in any competitor, customer, or supplier unless written advance permission is granted by the Compliance Officer.
 - b. Advance written permission is also required before an employee may invest in any privately held company or entity that performs services for the Agency, or that employs providers who may refer patients/clients to the Agency or to which agency patients/clients may be referred.
 - c. Per diem employees may be employed by competitors but agree to keep patient/client information confidential and agree to non-disclosure of proprietary agency information.
 - d. Each employee will sign a conflict of interest statement upon hire and as potential conflicts arise. If the employee has no conflict, they will indicate this on the form.
 - 2. Insider Trading
 - a. No employee of the Agency will trade in the securities of any company, or sell any property or assets, on the basis of non-public information acquired through employment at the Agency, whether such information comes from the Agency or from another company with which the Agency has a confidential relationship.
 - 3. Acceptance of Business Courtesies
 - a. Employees may not accept any gifts or promotional items of more than nominal value as it may appear to be offered in exchange for any type of favorable treatment or advantage.
 - b. Gifts of more than \$20 value must be reported to the Compliance Officer.
 - 4. Safeguarding the Agency's Restricted Information

- a. Employees may not disclose to any outside party any non-public business, financial, personnel, commercial, or technological information unless authorized in writing by management.
- b. Upon termination/end of employment, an individual may not copy, take, or retain any documents containing the Agency's restricted information.
- c. The prohibition of disclosing the Agency's restricted information extends beyond the period of employment as long as the information is not in the public domain.

KLARUS HOME CARE LLC - 1225308067