



Methodist Home

for Nursing & Rehabilitation

4499 Manhattan College Parkway • Riverdale • NY • 10471

Compliance Manual

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INTRODUCTION

The Methodist Church Home for the Aged d/b/a the Methodist Home for Nursing and Rehabilitation herein after referred to as Methodist Home is dedicated and committed to meeting high ethical standards and compliance with all applicable laws in all activities regarding the operation of The Methodist Home. This commitment and dedication is essential to The Methodist Home meeting its mission and is critically important because a significant portion of The Methodist Home's services are reimbursed through governmental programs which require that Methodist Home's business be conducted with complete integrity.

To assure that Methodist Home's operations are being conducted in compliance with applicable law and the highest ethical standards, Methodist Home has established a Compliance Program ("Program") under the direction of a Compliance Officer. A Compliance Committee has been established to oversee the implementation and operation of the Program. As is detailed within this Manual, it is the duty of all Methodist Home employees to comply with the codes of ethical conduct and health care compliance policies applicable to their individual areas of employment. This Manual also advises all employees of the procedures to be used in educating staff and for employees to educate themselves regarding such standards and how violations are to be reported within the framework of a compliance protocol.

COMPLIANCE COMMITTEE AND COMPLIANCE OFFICER

The Compliance Officers are:

<u>Name</u>	<u>Position</u>	<u>Extension</u>
Kristen Johnson	Board Member	237
Maria E. Perez	Executive Director	221

The Members of the Compliance Committee are:

<u>Name</u>	<u>Position</u>	<u>Extension</u>
1. Kristen Johnson	Board Member, Compliance Committee Chair	
2. Maria E. Perez	Executive Director	221

The following personnel are reporters to the committee as needed:

<u>Name</u>	<u>Position</u>	<u>Extension</u>
1. Ilana Avinari	Chief Financial Officer	228
2. Genevieve Castillo	Director of Nursing	223
3. Mary O'Shea	HIPAA Officer	232
4. Bindhu Thomas	Medical Director	269

GENERAL POLICY

It is the policy of Methodist Home to provide services in compliance with all state and federal laws governing its operation and consistent with the highest standards of business and professional ethics. This policy is a solemn commitment to our residents, to our community, to those governmental agencies that regulate The Methodist Home and to ourselves.

All Methodist Home employees, as well as those professionals who enjoy professional staff privileges, must carry out their duties for Methodist Home in accordance with this policy. To assist employees and professional staff with their obligation to comply with this policy, this Manual includes statements of Methodist Home's policy in a number of specific areas. Conduct that does not comply with these policy statements is not authorized by Methodist Home and is outside the scope of employment or professional staff membership at Methodist Home.

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Any violation of applicable law, the policy statements contained in this Manual, or deviation from appropriate ethical standards, will subject an employee or independent professional to disciplinary action, which may include oral or written warning, disciplinary probation, suspension, demotion, dismissal from employment or revocation of privileges. These disciplinary actions also may apply to an employee's supervisor who directs or approves the employee's improper actions, or is aware of those actions but does not act appropriately to correct them or who otherwise fails to exercise appropriate supervision.

If, at any time, an employee or professional staff member becomes aware of any apparent violation of Methodist Home's policies, he or she must report it in accordance with the reporting requirements of this Manual. All persons making reports are assured that such reports will be treated as confidential to the extent permissible and that such reports will be shared only on a bona fide need to know basis. To the extent possible, Methodist Home will take no adverse action against persons making such reports in good faith and without malicious intent whether or not the report ultimately proves to be well founded. If an employee or professional staff member does not report conduct violating Methodist Home's policies, the employee or professional staff member may be subject to disciplinary action up to and including termination of employment or revocation of privileges.

The laws affecting the operation of Methodist Home's activities are varied and complex. In addition, this Manual addresses, in general terms, only several of the more important legal and ethical principles affecting Methodist Home's activities. Their mention in this Manual is not intended to minimize the importance of other applicable laws, professional standards, or ethical principles. It is not expected that each employee will be fully versed in all laws of permissible activities involved in their work. Therefore, if an employee has a question regarding the legality or propriety of a course of action, the employee should seek guidance from his or her supervisor or from the Compliance Officer before taking any action.

CODE OF ETHICS AND STANDARDS OF CONDUCT

Methodist Home has always been strongly committed to a policy of compliance with the law and the maintenance of high ethical standards. This is of critical importance not only to our mission, but to our society. By following this policy, Methodist Home has achieved a reputation for honesty and integrity. As employees, volunteers, vendors Board Members and medical staff we all share in the continuing responsibility to maintain this reputation.

The purpose of this Code of Ethics and Standards of Conduct (the "Code") is to present some of the standards that Methodist Home expects its employees to follow in their daily conduct on behalf of the Home. Please read this document carefully and retain it for future reference. Please remember that our Standards of Business Conduct are applicable to all employees, volunteers, vendors Board Members and medical staff of Methodist Home.

The Code is distributed to all management and supervisory personnel, as well as all employees, volunteers, vendors Board Members and medical staff. It is the responsibility of supervisory staff to help communicate the contents hereof to applicable recipients and to impress upon them our commitment to these policies. The respect we have for the Home reflects the respect we have for our Residents.

A. LEGAL AND ETHICAL STANDARDS

The policy of the Home is one of strict observance of, and compliance with, all laws governing the conduct of our business. Laws affecting the operation of our business continue to grow in number and complexity. It is not expected that each employee will be fully versed in all laws of permissible activities involved in their work. If there is a question regarding the legality of any action, the employee should seek guidance from his superior or the Executive Director.

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It is also our policy to comply with the highest standards of business ethics. This imposes a standard of ethical conduct of a higher order than that required by mere compliance with the law. In all of our dealings with others we must exercise the highest degree of honesty and integrity.

B. CONFLICTS OF INTEREST – (A Summary)

No employee should place himself or herself or allow himself or herself to be placed in a situation where the employee's personal interests might conflict with the interests of Methodist Home. Methodist Home recognizes and respects an individual employee's right to invest or participate in activities outside of his/her employment provided that these in no way conflict with Methodist Home's interests or welfare and do not interfere with the employee's responsibilities to Methodist Home or the effectiveness of the employee's job performance.

Although it is difficult to set forth all possible situations which might be considered as conflicting with Methodist Home's interests, the following are examples of situations which employees, including members of their immediate families, and Board Members must avoid:

1. No employee should perform any outside employment or engage in any outside activities which interfere with the effective performance of the employee's duties as a Methodist Home employee;
2. No employee shall have a financial interest in a firm or entity which is doing, or seeking to do, business with Methodist Home or which is a competitor of Methodist Home. However, ownership of less than 1% of the securities of a publicly traded Home shall not be considered significant or contrary to this policy;
3. No employee should render services in any capacity, such as a director, officer, employee or consultant to any person or firm that is competitive with Methodist Home, provides services to Methodist Home or is a third-party payor with regard to services provided at Methodist Home;
4. No employee should use their position at Methodist Home for personal gain such as by soliciting or accepting for personal benefit business opportunities that might otherwise accrue to the benefit of Methodist Home;
5. No employee should use for his or her personal benefit, or disclose to unauthorized persons, any confidential or proprietary information about Methodist Home or its operation;
6. No employee should borrow money from individuals or firms (other than banks and/or lending institutions) doing, or seeking to do, business with Methodist Home;
7. No employee should compete with Methodist Home by selling or leasing or offering to sell or lease services or products similar to those services or products offered by Methodist Home;
8. No employee should purchase services or products for Methodist Home from their family members or from business organizations with which they or their family members are associated, without first obtaining written permission from the Compliance Officer;
9. No employee or member of their immediately family should accept significant gifts, discounts or other preferred personal treatment from any person associated with a present or prospective customer, competitor or supplier of Methodist Home;
10. No employee should have outside employment or business interests that place the employee in a position of appearing to represent Methodist Home; and
11. No employee may use Methodist Home's assets for personal benefit or personal business purposes.

Any personal or business activities by an employee or Board Member that may raise concerns along these lines must be reviewed with and approved in advance and in writing by the Compliance Officer. Consult with your department head or supervisor for the full conflict of interest policy.

C. RESTRICTIONS ON CONFIDENTIAL INFORMATION

Employees and professional staff members possess sensitive, privileged information about residents and their care. Residents properly expect that this information will be kept confidential. Methodist Home takes very seriously any violation of a resident's confidentiality. Discussing a resident's medical condition or providing any information about a resident to anyone other than hospital personnel who need the information for business purposes or other authorized persons will result in disciplinary action. Employees and professional staff should not discuss residents outside Methodist Home or with their families.

The Methodist Home is required to maintain the confidentiality of each resident's medical record. In this regard, medical records may not be released except with the consent of the resident or in other limited circumstances as required by law. Special confidentiality requirements apply with regard to medical records including but not limited to HIV infection and AIDS (please refer to the HIPAA manual and applicable policies). Medical records should not be physically removed from the Methodist Home, altered or destroyed. Employees who have access to medical records must exercise their best efforts to preserve their confidentiality and integrity and no employee is permitted access to the medical record of any resident without a legitimate reason for doing so. If a question arises as to the permissibility of the release of a resident's medical record or any information contained therein, the employee should seek guidance from his/her supervisor or the Compliance Officer.

Additionally, employees are to treat as confidential Methodist Home's proprietary business assets including but not limited to: marketing plans, business plans, and other information about The Methodist Home's business. Methodist Home's employees should respect Methodist Home's assets as they would their own. No employee shall divulge to unauthorized persons, either during or after their employment, any information of a confidential nature connected with the business of The Methodist Home. Examples of confidential business information include: personnel information, such as job title, level, duties, skill or salary; or an information disclosure which may adversely affect the business interests of The Methodist Home.

Confidentiality obligations for employees must also be maintained even after the employee separates from employment at The Methodist Home. It is expected that former employees will not disclose confidential information unless required to do so by law.

D. ACCURATE REPORTING AND ACCOUNTING PRACTICES

Most employees report data of some kind in connection with their job. All reporting of information should be a fair presentation of the facts. Some forms of inaccurate reporting are illegal (e.g., listing a fictitious expense on an expense account or petty cash voucher or reporting overtime hours not actually worked).

It is of critical importance to the Home that its employees shall at all times comply with Methodist Home accounting rules and internal control policies. These rules and policies include but are not limited to the following:

1. No false or misleading entries shall be made in Methodist Home's books or records.
2. No payment on the Home's behalf shall be made without adequate supporting documentation or for any purpose other than as described in the documentation.
3. No undisclosed or unrecorded Methodist Home account or fund shall be established for any purpose.
4. No Methodist Home resources shall be used for any unlawful, improper purpose or personal use, whether or not disclosed.

5. All clinical records shall accurately reflect the care, services and supplies provided to Methodist Home residents and patients and shall be entered onto the records in accordance with standard health care practice. Where documentation errors are noted or modifications to clinical records are required, the modification and correction, along with the date of the correction and identity of the person making such change.

In general, all transactions should be conducted so as to be recorded and traceable in the normal course of business.

E. ENTERTAINMENT AND BUSINESS GIFTS

Payments of any kind to government officials, suppliers and others are strictly prohibited. Methodist Home recognizes that business dealings may include shared meals or other similar social occasions which may be proper business expenses and activities. In rare instances, more extensive entertainment is consistent with the Methodist Home's policy and must be reviewed and approved in advance by the Compliance Officer before the activity or event occurs.

As per Human Resource policy # 21: Soliciting, Gifts or Gratuities, employees may not receive any gift under circumstances that could be construed as an improper attempt to influence The Methodist Home's decisions or actions. Moreover, employees may not receive any gift from any vendor who provides services to The Methodist Home or is seeking to provide services to The Methodist Home or from any actual or potential patient referral sources. When an employee receives a gift that violates this policy, the gift should be returned to the donor and reported to the Compliance Officer. Gifts may be received by employees when they are of such nominal value that they would not reasonably be perceived by anyone as an attempt to effect the judgment of the recipient, for example, token promotional gratuities from suppliers, such as advertising novelties marked with the donor's name, are not prohibited under this policy.

No employee may make a cash gift or non-cash gift of more than nominal value to any officer, director or employee of a firm or entity or any individual that is an actual or prospective vendor of Methodist Home or an actual or potential source of referrals.

Under no circumstances may an employee of The Methodist Home pay for the meals, refreshment, travel, lodging expenses or give anything of value to a government employee state, federal or local.

Moreover, no employee may charge, solicit, accept or receive a gift, money, donation or other consideration from a resident or organization or person related to a resident as a pre-condition of admission or as a requirement for continued stay at The Methodist Home.

If an employee has any question as to whether (1) the receipt of a gift or offering of a gift or (2) the participation in an entertainment event or the offering to another the opportunity to participate in an entertainment event violates this policy, the employee is required to seek guidance from the Compliance Officer.

F. POLITICAL CONTRIBUTIONS

Political contributions by The Methodist Home are prohibited. Political contributions are considered direct or indirect payments in support of political candidates, officeholders or political parties. In addition to cash payments, these include the use of personnel during paid working hours, the purchase of tickets to fund-raising events, or the payment for advertisements, printing or other campaign expenses.

G. COMMUNICATION WITH NEWS MEDIA

With the exception of the Executive Director and the President of the Board of Directors, no employee should discuss any aspect of Methodist Home's business activities or internal operations with news media without prior coordination, and approval with the Executive Director.

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H. SUBPOENAS, INQUIRIES AND INVESTIGATIONS

From time to time, government agencies may wish to subpoena business records and information from health care organizations, including The Methodist Home. It is the Methodist Home's policy to cooperate with such government requests through the Compliance Officer, Executive Director and counsel. In order to do so in a way that both acknowledges the government's legitimate need for information and the Methodist Home's own rights and the rights of organizations served by The Methodist Home, all subpoenas, as well as other requests for information, must be referred to the Compliance Officer. In addition to subpoenas, this includes requests for information, whether formal or informal (e.g., by telephone), from investigators or investigative agencies. By referring all requests to the Corporate Compliance Officer, the Methodist Home will have the opportunity, where appropriate, to consult legal counsel to help assure that the rights of all parties are respected and that appropriate and correct responses are submitted.

The same procedure must be followed with respect to any request for information from a third party that is not a routine part of the ordinary course of business.

HEALTH CARE COMPLIANCE STANDARDS

In addition to general ethical practices and standards of conduct, Methodist Home is also obligated to follow many Federal and State rules and regulations which assure that health care services are furnished to residents and patients properly and that reimbursement under health care benefit programs is properly made. This section of the manual sets forth some of the more significant program areas involved in the delivery and billing for services and supplies offered by Methodist Home. In addition to the areas noted below, all employees, volunteers and medical staff are expected to follow the approved policies and procedures set forth in their own individual departments and within their scope of responsibilities.

A. Referrals

Federal and state law prohibit Methodist Home and its employees from (1) soliciting or accepting or (2) offering or paying remuneration in exchange for referrals of patients eligible for Medicare, Medicaid or another federal health care program. Federal and state law also prohibit (1) the offering or payment or (2) the soliciting or receipt of remuneration in return for directly purchasing, leasing, ordering, or recommending the purchase, lease or ordering of any goods, facilities, services or items covered under the benefits of Medicare, Medicaid or other federal health programs. The term "remuneration" broadly covers the transferring of anything of value in any form or manner whatsoever. Remuneration is not limited to bribes, kickbacks and rebates. These federal and state laws are broadly written to prohibit Methodist Home and its employees from knowingly and wilfully offering, paying, asking or receiving any money or other benefit, directly or indirectly, overtly or covertly, in cash or in kind. These laws are violated even if only one purpose of a payment arrangement is to influence referrals or the procuring of goods or services.

There are many transactions that may violate these laws. It is impossible to list each and every potential violation of these laws. If you are unsure about a transaction, ask your supervisor or the Corporate Compliance Officer. For your benefit, the following examples illustrate prohibited activities under these laws:

1. Receiving free goods or services from a vendor in exchange for the purchase of other goods and services for example, tickets to a major league sporting event.
2. The routine waiver of co-insurance payments and deductibles;

3. The offering or making of gifts, loans, rebates, services or payments of any kind to an individual or entity that is an actual or prospective referral source;
4. Entering into a professional service, management service or consulting service agreement where payment is not based on fair market value or is based on the volume of referrals, i.e., a percentage of revenue generated.

Federal regulations known as the "Safe Harbor" regulations provide that certain payment practices will not violate these laws if the regulatory requirements for such payment practices are followed. The "Safe Harbor" regulations are intended to help providers protect against abusive payment practices while permitting legitimate ones. If an arrangement fits within a "Safe Harbor" it will not create a risk of criminal penalties and exclusion from the Medicare, Medicaid or other federal health care programs. "Safe Harbor" protection is available for the following payment practices:

1. Investment interest;
2. Space rental;
3. Equipment rental;
4. Personal service and management contracts;
5. Sale of practice;
6. Referral services;
7. Warranties;
8. Discounts;
9. Payments to employees;
10. Group purchasing organizations;
11. Certain waivers of beneficiary co-insurance and deductible amounts by hospital;
12. Increased coverage, reduced cost sharing amounts or reduced premium amounts offered by health plans;
13. Price reductions offered to health plans.

Analysis of payment practices under these laws and the "Safe Harbor" regulations is complex and depends on the specific facts and circumstances of each transaction. Employees should bring concerns to the attention of the Compliance Officer for appropriate.

All contracts and arrangements with actual or potential referral sources and all contracts and arrangements with vendors must comply with applicable state and federal laws and regulations. All personal service, management service and consulting service agreements must comply with applicable state and federal laws and regulations. Additionally, any other financial or other business arrangement between The Methodist Home and other health care professionals or providers must be structured to comply with all applicable state and federal laws and regulations.

If questions arise regarding whether a proposed business arrangement, financial arrangement, or contract is in compliance with federal or state law, an employee is required to seek guidance from the Compliance Officer who in turn may seek appropriate guidance from legal counsel.

B. Billing and Claims; Cost Reports

The Methodist Home has an obligation to its residents, third party payors and the state and federal government to exercise diligence, care and integrity when submitting claims for payment. The right to bill the Medicare and Medicaid programs carries a responsibility that may not be abused. The Methodist Home is committed to maintaining the accuracy of every claim it processes and submits. Many employees have responsibility for entering charges and procedure codes. Each of these individuals is expected to monitor compliance with applicable billing rules. Any false, inaccurate, or questionable claims should be reported immediately to the employee's supervisor or the Compliance Officer.

Inaccurate billing is a serious offense. Medicare and Medicaid rules prohibit knowingly and willfully making or causing to be made any false statement or representation of the material fact in submission of a claim for benefits or payment. It is also unlawful to conceal or fail to disclose the occurrence of an event affecting the right to payment with the intent to secure payment that is not due. Examples of false claims include:

1. Claiming reimbursement for services that have not been rendered;
2. Filing duplicate claims;
3. "Upcoding" a resident's condition to a higher RUGs category;
4. Inappropriate or inaccurate costs on cost reports to be submitted under the Medicare or Medicaid programs;
5. Billing for services or items that are not medically necessary;
6. Failing to provide medically necessary services or items;
7. Billing excessive charges.

With respect to the submission of claims to the Medicare or Medicaid program, it is Methodist Home's policy that claims must: (1) be accurate and timely submitted; and (2) be only for items or services that (a) are medically necessary, (b) fall within the coverage guidelines contained in applicable laws, rules and regulations, and (c) are documented in the resident's medical record. In this regard:

1. Prior to submitting a claim for payment, it is necessary to verify that all documentation for services reflected on the claim, such as physician orders and certificates of medical necessity have been completed properly and are available in a proper and timely manner;
2. Claims may only be submitted when appropriate documentation supports the claim and only when such documentation is maintained and available for audit and review;
3. Documentation which serves as the basis for a claim must be appropriately organized in legible form so that such documentation may be audited and reviewed;
4. Diagnosis and procedures reported on reimbursement claims must be based on the medical record and other documentation;
5. Documentation necessary for accurate code assignment must be made available to all employees with coding responsibility; and

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6. Compensation for billing department coders and billing consultants shall not provide for any financial incentive to improperly upcode claims.

With regard to the filing of cost reports, it is Methodist Home's policy that all Medicare and Medicaid cost reports must be prepared utilizing generally accepted accounting principles based upon documents and reports that are maintained in Methodist Home's day to day business. Cost reports must document only those costs which Methodist Home's employees and/or agents believe in good faith are allowable. Employees and agents must provide accurate and complete documentation and reports to the business office in connection with the preparation of cost reports.

With regard to claim submissions and cost reporting, the following conduct is specifically prohibited:

1. Claims for payment or reimbursement of any kind that are false, fraudulent, inaccurate or fictitious;
2. Falsified medical records, time cards or other records used as the basis for submitting claims;
3. For services that must be coded, use of a code that does not accurately describe the documented service when there is a more accurate code that could have been used. This includes post-dating orders or signatures. Late entries should include an explanation of reason for delay in entry;
4. Bills submitted to Medicare, Medicaid or applicable insurance plan for items or services which we know are not covered by Medicaid, Medicare or applicable insurance plan;
5. Filing claims for the same item or service to more than one payor source whereby Methodist Home will receive duplicate or double payments;
6. Submission of claims without the availability of adequate documentation;
7. Falsification of any report or document used to document the cost of utilization of services by payor source;
8. Failure to report a known error or inaccuracy in any cost report or underlying document used to prepare a cost report; and
9. Recording inappropriate, inaccurate, or non-allowable costs on a cost report.

Any employee or professional staff member who discovers an error or inaccuracy in any claim for payment for health care services that has been submitted or will be submitted should alert his or her supervisor, the Chief Fiscal Officer or the Compliance Officer. Any employee who discovers an error or inaccuracy in any cost report that has been submitted or will be submitted should alert his or her supervisor, the Chief Financial Officer or the Compliance Officer.

C. Non-Discrimination in Resident Services and Charges

It is The Methodist Home's policy, as required by state and federal law, not to discriminate in the admission, retention and care of residents because of race, color, disability, national origin, sex, sexual orientation, religion, sponsorship or source of payment. Each resident will receive medically necessary items and services that, in the opinion of the interdisciplinary care group and as set forth in the resident's plan of care, are required to assure the resident attains or maintains the highest practicable physical, psychosocial and mental well-being.

Such medically necessary items and services shall be offered to the resident regardless of the resident's source of payment. Charges for all items and services provided shall be based upon Methodist Home's usual and

customary charges. Nothing of value, including but not limited to the offer of free of services, shall be offered to residents or prospective residents to induce them to utilize Methodist Home's services.

Under appropriate circumstances, Methodist Home may provide financial accommodation (such as allowing monthly payments over time) or may waive resident co-insurance payments or deductible amounts based on an assessment of the individual resident's financial condition and a determination that the payment of such co-insurance payment or deductible amount would cause a financial hardship for the resident. Financial accommodations must be based on financial hardship, documented in writing and approved by Methodist Home's Chief Financial Officer and the Compliance Officer. Any approved waiver of resident co- insurance payment or deductible amounts must be appropriately disclosed to all third party payors responsible for the resident's bill.

As required by state and federal law, it is Methodist Home's policy to not charge money or other consideration at a rate in excess of the Home's established Medicaid reimbursement rate for any services provided to a resident whose sole payor is Medicaid. Moreover, it is Methodist Home's policy not to charge, solicit, accept or receive in addition to any amount otherwise required to be paid under Medicaid any gift, money, donation or other consideration (other than a charitable, religious, or philanthropic contribution from an organization or from a person unrelated to the patient) - (a) as a precondition of admitting a resident or (b) as a requirement for the resident's continued stay at Methodist Home.

The following activities are specifically prohibited under this Policy Statement:

1. Failure to provide services that are either (a) ordered by the resident's physician; (b) indicated as necessary by the resident's most recent MDS assessment; and/or (c) contained in the resident's plan of care.
2. Rendering care based upon the resident's payor source without regard for the resident's needs and/or state of preferences;
3. Waiver of resident deductibles and/or co-insurance payments without advanced written approval of the Compliance Officer;
4. The offering or payment of anything of value, including but not limited to free services, to any resident or prospective resident to induce such individual to utilize Methodist Home's services;
5. Discounts, credits, charity care or other arrangements that have not been approved in writing by the Compliance Officer;
6. Discriminating in the admission, retention and care of residents on the basis of race, color, disability, national origin, sex, sexual orientation, religion, sponsorship or source of payment;
7. Charge a Medicaid resident for Medicaid covered services provided by Methodist Home any money or consideration at a rate in excess of Methodist Home's established Medicaid rate; and
8. Charge, solicit, accept or receive any gift, money, donation or other consideration as (a) a precondition of admitting a resident to Methodist Home or (b) as a requirement for a resident's stay at Methodist Home, except for charitable, religious or philanthropic contributions from an organization or a person unrelated to the resident.

EDUCATION AND TRAINING

To ensure that all employees and professional staff members are familiar with their responsibilities under Methodist Home's Compliance Program, Methodist Home has implemented an ongoing education and training

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program. All employees are required to participate in initial and annual training sessions. Additionally, periodic training sessions will be required, as determined by the Compliance Committee, for employees of certain departments with responsibilities for purchasing, billing and coding or any other responsibilities that the Compliance Committee determines appropriate for periodic training.

A. Initial and Annual Training

Initial and annual training sessions focus on the requirements of Methodist Home's Compliance Program as set forth in this Manual and the legal and ethical standards generally required of all employees. Each employee is required to sign a certification acknowledging attendance at the initial and each annual Compliance Training Session which certification is maintained by the Compliance Officer, with a copy maintained in the employee's personnel file.

B. Periodic Training

Periodic Training Sessions as warranted, highlight federal and state laws that affect the employees' area of responsibility. For example, periodic training will be held in areas involving: federal and state anti-kickback statutes; federal and state False claims Act including administrative remedies for false claims and civil or criminal penalties for false claims and statements; whistleblower protections; current billing requirements; and current coding requirements. Employees required to attend periodic training sessions will be required to sign a certification of attendance which will be maintained by the Compliance Officer, with a copy to be maintained in the employee's personnel file.

C. Failure to Attend Required Training

Any employee who fails to attend a training session for which the employee is required to attend, will result in disciplinary action. Repeated failures to attend required training sessions will result in termination of employment.

D. Ongoing Communication and Changes in Compliance Manual

The Compliance Officer will distribute in writing and/or post in conspicuous places, any modifications of or amendments to the Compliance Manual. The Compliance Officer will also provide employees and professional staff members with written explanations of any substantial changes in the Compliance Manual or, if the Compliance Officer determines that written materials are insufficient, interim training sessions will be conducted.

Employees and professional staff will be provided periodic information about Methodist Home's Compliance Program, changes in applicable laws or ethical standards that may affect an employee's responsibilities through written memoranda, newsletters, periodic training sessions or other appropriate forms of communication.

REPORTING REQUIREMENTS

A. Reporting

It is the responsibility of every employee to report any known instances of or reasonable suspicions of any violation of applicable state or federal law, ethical standards or Methodist Home's policies, including the policy statements contained in this Manual. To report a suspected violation, an employee is required to notify, either verbally, or in writing, or to the Compliance Officer or the employee's immediate supervisor. Any supervisory staff personnel receiving a report of a suspected violation is required to immediately notify the Compliance Officer. If the suspected violation involves the employee's immediate supervisor, the employee should make the report directly to the Compliance Officer. If the suspected violation involves the Compliance Officer, the report should be made directly to Methodist Home or a member of the Compliance Committee. An employee may make a report of

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a suspected violation anonymously via Hotline at Ext. 237. Employees can also complete the online form accessible in the Department section of the Methodist Home for Nursing and Rehabilitation website: (<http://www.MethodistHome.org>) or the employee can fill out a report form at any suggestion box. Failure to report a suspected violation may result in disciplinary action.

B. Examples of Activities to be Reported

The following list of activities that should be reported is not an all-inclusive list but is designed to illustrate the types of conduct that should be reported:

- (1) information where an employee has reason to believe that another employee, professional staff member or contractor is engaged in or plans to engage in any conduct prohibited by applicable law, ethical standards or the policies of Methodist Home, including the policy statements contained in this document (also known as "Standards");
- (2) if you have information that indicates any other person or entity associated with Methodist Home plans to violate any of the foregoing Standards; and
- (3) if you, as an employee are instructed, directed or requested to engage in conduct which violates any of the foregoing Standards.

C. Confidentiality

To the extent permissible, Methodist Home shall treat all reports of suspected violations of Standards as confidential. However, it must be recognized that under certain circumstances the name of the individual making the report will be communicated to the Compliance Officer, if the report is made originally to the employee's supervisor, to an individual responsible for conducting an investigation of the suspected violation or to a governmental agency investigating any such suspected violation. Any such disclosure will only be made on a real need to know basis.

Employees and vendors are encouraged to use the Reporting Form attached to this Manual in order to ensure proper assessment of alleged violations.

D. Investigations

It is important to the integrity of Methodist Home's operation that all suspected violations of Standards be reviewed and investigated so that appropriate action can be taken as necessary. The Methodist Home will promptly and thoroughly investigate any suspected violation and take appropriate disciplinary action if warranted. Investigations may be conducted internally by the Compliance Officer or externally by professionals engaged by The Methodist Home. Employees are required to cooperate with the individual or individuals conducting an investigation of a suspected violation. Cooperation may involve being interviewed by the individual or individuals conducting the investigation or supplying with requested documentation. Failure to cooperate in an investigation of a suspected violation may result in disciplinary action being taken.

E. Non-Retaliation

To ensure employee cooperation, neither Methodist Home nor its respective employees shall take any retaliatory action or retribution against any employee who has submitted a report of a suspected violation or who has participated in an investigation of a suspected violation. Any employee who takes retaliatory action or retribution against another employee who has either reported a suspected violation or participated in an investigation of a suspected violation will be subject to disciplinary action.

DISCIPLINARY PROCEDURES

All employees and professional staff members are required to comply with applicable state and federal law, ethical standards and Methodist Home's policies, including the policy statements contained in this Manual (hereinafter collectively "Standards"). Any employee or professional staff member who violates any g Standard(s) will be subject to disciplinary action, up to and including termination of employment or termination of professional staff privileges.

Disciplinary action will be taken against an employee or professional staff member who:

- A. Authorizes or participates directly in a violation of a Standard;
- B. Deliberately fails to report a violation of a Standard;
- C. Deliberately withholds relevant and material information concerning a violation of a Standard;
- D. Deliberately fails to cooperate in an investigation of a suspected violation of a Standard;
- E. Retaliates, or seeks or causes retribution against any employee or professional staff member who has either reported a suspected violation of a Standard or participated in an investigation of a suspected violation of a Standard; and
- F. Encourages, directs, facilitates or permits either actively or passively non-compliant behavior;
- G. Fails to participate in required training programs.

The employee or Professional Staff member must participate in missed training within 30 days of returning from their pre-approved leave of absence (LOA).

Disciplinary action may also be taken against any supervisory personnel who direct or approve an employee's actions which result in a violation of a Standard, is aware that an employee's actions which violate a Standard but fails to take appropriate corrective action or who otherwise fails to exercise appropriate supervision.

Disciplinary action may include oral or written warning, probation, suspension, demotion, termination from employment or suspension or termination of staff privileges. Disciplinary action will be taken in accordance with Methodist Home's personnel policies and procedures. Disciplinary action will be taken on a fair, equitable and consistent basis. Disciplinary action will be appropriate to the level of the employee's culpable conduct, that is, the more serious the level of culpable conduct (intentional conduct or reckless non-compliance) will result in more significant disciplinary action. Notwithstanding the foregoing, this statement is not a guaranty of progressive discipline and Methodist Home reserves the right to terminate an employee at any time for any lawful reason.

MONITORING AND AUDITING

The Methodist Home has a system for routinely identifying compliance risk areas and for self-evaluation, which includes internal and external audits as needed. It is intended that this process will result in continuous improvement in professional, business and operational practices of the Methodist Home.

The Centers for Medicare and Medicaid Services ("CMS"), the Office of the Inspector General ("OIG"), the New York State Department of Health ("DOH") and the New York Sate Office of the Medicaid Inspector General ("OMIG") have made information on the Medicare and Medicaid programs available to providers and the

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Methodist Home utilizes these resources in operating its compliance program and continuing to monitor the progress of the compliance program.

The internal review and monitoring system includes: i) documented standard operating procedures; (ii) resolution of deficiencies; (iii) corrective action; (iv) record retention; (v) audits and necessary billing adjustments; and (vi) trend analysis.

All employees, vendors, and agents of the Methodist Home are required to cooperate with the compliance responsibilities of the Methodist Home.

Methodist Home for Nursing and Rehabilitation

STATEMENT OF COMPLIANCE

I have read Methodist Home's Compliance Manual, along with the Code of Ethics entitled Code of Ethics and Standards of Business Conduct and Health Care Compliance Policies. I certify that I have received the Compliance Manual and that Methodist Home's Compliance Program has been explained to me.

I promise to comply with the terms of Methodist Home's Compliance Program and I understand that violation of these terms may lead to disciplinary action, up to and including the termination of my employment or the termination or non-renewal of staff privileges.

I hereby affirm to the best of my knowledge and information that there have been no violations of any of the provisions of the Manual.

Signature: _____

Name (typed): _____

Date: _____

***** List any exceptions below, omitting any previously reported by you in your Statement of Compliance.**

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CONFIDENTIAL AND PRIVILEGED INFORMATION

Information and materials included herein must be maintained by the Compliance Committee as confidential and filed in a manner which will not result in the release of such information to third parties or other employees except as may be determined necessary to meet Compliance Program requirements or as authorized or mandated by Law.

METHODIST HOME FOR NURSING AND REHABILITATION

Complaint/Violation Report

1. Complainant Information:

Name _____
Date _____
Address: _____
City _____
State _____
Zip _____
Email _____
Telephone (_____) _____

2. Anonymous Complaints:

• If you are an Employee, Vendor or Agent and wish to remain anonymous, please detail your complaint or allegation of violation below without including the identifying information requested in Box 1.
Please be aware that the failure to provide specific information may impede the full and complete investigation of this matter.

To ensure employee cooperation, the Methodist Home will not take any retaliatory action or retribution against any employee who has submitted a report of a suspected violation or who has participated in an investigation of a suspected violation in good faith. Any employee who takes retaliatory action or retribution against another employee who has either reported a suspected violation or participated in an investigation of a suspected violation will be subject to disciplinary action.

3. Summary of Complaint/Violation:

4. Additional Detail

(provide dates, location and/or other specifics regarding the complaint or allegations)

Names of Individuals or Entities Involved

(provide names, if known of alleged violators or those individuals or entities who you may know have information about the matter)

