

Independent Living Association, Inc.
And
ILA Case Management Services, Inc.
CORPORATE COMPLIANCE PROGRAM
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I. INTRODUCTION

Corporate Compliance, also known as Corporate Ethics, for Not-for-Profit Agencies that utilize public funds is mandated by law, most specifically the Social Security Law §363-d of New York State. In the for-profit sector, the concept of corporate compliance is defined in the Public Company Accounting Reform and Investor Protection Act of 2002. This act is commonly referred to Sarbanes-Oxley, and serves as the model for corporate compliance for all business entities.

Within New York State, not-for-Profit corporate compliance is monitored and enforced by the New York State Attorney General, and for corporations that are the recipients of Medicaid funds corporate compliance is additionally monitored and enforced by the New York State Office of the Medicaid Inspector General (OMIG). Under New York State law, the consequences of not adopting a system of corporate compliance can be fines, penalties and possibly criminal charges.

For Independent Living Association, Inc. And ILA Case Management Services, Inc. (ILA), the essence of Corporate Compliance lies in the prevention, detection and reporting of Medicaid fraud, abuse and waste which includes the misuse of company resources for non-company purposes. In addition, as a recipient of public funds, ILA has an obligation to operate within the highest of ethical standards, which it has always done. However, with the advent of regulations detailing Corporate Compliance regulations, refinements of ILA's practices became necessary. To achieve Corporate Compliance as defined by these new laws, ILA has enhanced its policies and procedures to address all possible contingencies and remedies wherein funds received from Medicaid might be misused, where billing might not be accurate or where errors might not be detected due to inadequate monitoring systems. This requirement extends to ILA's responsibility to implement systems that assure that the aforementioned policies and procedures are put into practice, and that agency staff are well trained in its utilization.

Towards the development and implementation of Corporate Compliance policies and procedures, this manual is the culmination of the deliberations of ILA's Board of Directors, executive and administrative staff, as well as legal and program consultants who are experts in the field of corporate compliance. These deliberations have resulted in the development of mechanisms for detecting and reporting allegations of Medicaid fraud, waste and abuse, and sets forth a system to train staff in its implementation and to track staff training. The policies developed announce methods for reporting Medicaid fraud waste and abuse in a manner that assures anonymity and non-retaliation. The policies also designate an ILA Corporate Compliance Officer and a Corporate Compliance Committee, the purpose of which is to assure abidance with the Agency's Corporate Compliance Policies and Procedures. Together these efforts are known as the Corporate Compliance Plan.

II. THE CORPORATE COMPLIANCE PLAN

ROLE AND DESIGNATION OF THE CORPORATE COMPLIANCE PERSONNEL

The personnel whose responsibility is corporate compliance are as follows:

The Corporate Compliance Officer

The Compliance Officer (CO) is the Chair of the Corporate Compliance Committee (explained below.) The CO has direct lines of communication to the Chief Executive Officer, the Board of Directors and Agency counsel. An Organization Chart is attached at Attachment #1.

Job Duties: The CO is directly obligated to serve the best interests of ILA, its consumers and employees. Responsibilities of the CO include, but are not limited to:

- Developing and implementing compliance policies and procedures (P&P).
- Overseeing and monitoring the implementation of the compliance program.
- Directing Agency internal audits established to monitor effectiveness of compliance standards
- Providing guidance to management, medical/clinical program personnel and individual departments regarding P & P and governmental laws, rules and regulations.
- Updating, periodically, the Compliance Plan as changes occur within Independent Living Association, Inc., and/or in the law and regulations or governmental and third party payers. Overseeing efforts to communicate awareness of the existence and contents of the Compliance Plan
- Coordinating, developing and participating in the educational and training program.
- Guaranteeing independent contractors (consumer care, vendors, billing services, etc.) are aware of the requirements of Agency's Compliance Plan.

- Actively seeking up-to-date material and releases regarding regulatory compliance.
- Maintaining a reporting system (hotline) and responding to concerns, complaints and questions related to the Compliance Plan.
- Acting as a resourceful leader regarding regulatory compliance issues.
- Investigating and acting on issues related to compliance
- Coordinating internal investigations and implementing corrective action.

The Corporate Compliance Specialist

The Corporate Compliance Specialist (CCS) CCS is responsible for auditing and monitoring the Agency's abidance with the principles of Corporate Compliance and forwarding the results of the audits to the CO. Audit results will serve as the basis for corrective measures. The CCS is also responsible for training all staff hired prior to the promulgation of Corporate Compliance regulations and all new staff upon hire. The CCS will retrain staff annually thereafter.

Job Duties: The CCS reports to the CO.

- Assists in the development and coordination of educational and training programs regarding elements of ILA's compliance program such as appropriate documentation and accurate coding.
- Enforces ILA's Corporate Compliance Plan as per OMIG regulations
- Conducts regular audits and coordinates ongoing monitoring of coding accuracy and documentation adequacy in order to identify systemic and process problems.
- Provides feedback on the results of auditing and monitoring activities to appropriate department personnel.
- Conducts internal investigations of allegations of corporate compliance violations within the Agency.
- Initiates corrective action plans to ensure resolution of problem areas identified during an internal investigation or auditing/monitoring activity.
- Reports non-compliance issues detected through auditing and monitoring, nature of corrective action plan implemented in response to identified problems and results of follow up audits to the Corporate Compliance Officer.
- Recommend disciplinary action for violations of the compliance program or coding policies and procedures to the Human Resources Department.

- Ensures the appropriate dissemination and communication of all regulation policy and guideline changes to affected personnel.
- Serves as a resource for Residential Managers and Clinicians to obtain information or clarification on accurate and appropriate documentation standards.
- Revises ILA's corporate compliance program in response to changing organizational needs or new revised regulations policies and guidelines.
- Serves on the Corporate Compliance Committee.
- Recommends revisions to the ILA's Corporate Compliance program to improve its effectiveness.
- Prepares a gap analysis of specific records and examines violations for systemic trends
- Disseminates audit information to executives, program administrators, and the Corporate Compliance Committee
- Train all staff on the principles of Corporate Compliance

The Structure, Duties and Role of the Corporate Compliance Committee

Corporate Compliance Committee (CC) members are senior management of the Agency, all of whom are well-versed with Corporate Compliance and its impact upon the functions of the Agency within their locus of responsibility. The CC's purpose is to advise and assist the CO with the implementation of the Compliance Plan. Compliance issues are reported to the CC by the CO, and then by the CC to the CEO and when appropriate to the Board.

The roles of the Compliance Committee include:

- Analyzing the environment where the Agency does business, including legal requirements with which it must comply.
- Reviewing and assessing existing Policies & Procedures (P&P) that address risk areas for possible incorporation into the Compliance Plan.
- Working with departments to develop standards and P & P that address specific risk areas and encourage compliance according to legal and ethical requirements.
- Advising and monitoring appropriate departments relative to compliance matters.

- Developing internal systems and controls to carry out compliance standards and policies.
- Monitoring internal and external audits to identify potential non-compliant issues.
- Implementing corrective and preventive action plans.
- Developing a process to solicit, evaluate and respond to complaints and problems.

The personnel assigned to each of these positions is contained in attachment # 2

ASSESSING RISK

Policy: On an annual basis, the CC will convene and, as part of that meeting, will review the Agency's performance regarding Corporate Compliance in the prior year and set forth future compliance efforts. In considering future compliance efforts, the committee's deliberations are to be based upon an assessment of the areas that present a risk for non-compliance. Said risk assessment will be based upon a report from the CCS regarding the prior year's experience and the results of an annual audit performed by the CCS, as described below under "Audit and Monitoring". The CC's deliberations will be documented and serve as the roadmap for Corporate Compliance for the upcoming year.

Procedure: The Committee is to convene during June of each year, discuss and decide upon the risk areas, and publish its findings so that at the beginning of the next fiscal year the risk areas can be incorporated into the Corporate Compliance efforts. Current areas at risk for inaccurate or fraudulent billing to Medicaid, and at risk for all of the other principles of Corporate Compliance are contained in Attachment # 3 of this manual, which is to be updated annually.

AUDIT AND MONITORING

Policy: Within the realms of the Corporate Compliance regulations, risk areas in general and those contained in the annual assessment of risk, periodic internal audits of records will be conducted by the CCS. Through the on-going audit of records, the CCS can proactively determine what, if any, problem areas exist and focus on the further risks areas that are associated with those problems. The CCS can also recommend remedial measures that will avoid future problems. The CCS will audit programs on a rotating basis and will audit vehicle logs, E-Z Pass records, and related documents to assure that staff are abiding by policies governing the use of Agency resources.

Procedure: Each calendar year, an “initial audit” will be performed to reveal areas of risk, but also to serve as a baseline audit with which to benchmark future compliance performance. This initial audit will be submitted to the CC as described above.

During each audit, a randomly selected number of consumer records will be reviewed to ensure compliance with regulations relative to documentation and reimbursement. Examples include, but are not limited to:

- Service planning and review (Existence, timing, quality and content)
- Progress notes (Existence, quality, content)
- Physician authorization
- Admission eligibility/criteria
- Discharge planning
- Quality assurance and utilization review
- General case record documentation
- Medical necessity (Delivery of appropriate services)
- Billing for services not actually rendered
- Duplicate billing

A basic guide is five or more records per risk area. Sample audit forms are contained in the forms section of this manual.

The CCS will also periodically review records related to staff use of Agency resources.

In all cases, if problems are identified, the CO will determine whether a focused review should be conducted on a more frequent basis. When audit results reveal areas needing additional information or education of employees and/or providers, the Agency, through the CCS, CO and CC will analyze whether these areas should be incorporated into the training and education program.

An important component of a successful compliance audit is an appropriate response to the problems identified. In case of the review of consumer records, the Agency's response may generate a repayment with an appropriate explanation to the payer. Any uncovered use of an Agency resource by a staff member will result in repayment to ILA or an equivalent tax liability to the employee, and, as appropriate, disciplinary action which can include termination of employment.

The CO will review audit results and recommend remedies to the CC, which ultimately will be presented by ILA's Executive Director to ILA's Board of Directors for final action.

STANDARDS AND RELATED PROCEDURES

These standards, compliance policies, and practices were developed under the direction of the Compliance Officer and Compliance Committee and other legal and programmatic experts, and were approved by ILA's Board of Directors. Documents related to these standards and practices will be distributed to all individuals who are affected by the particular policy at issue, including the provider's agents and independent contractors.

Standards of Conduct

The members of the Board of Directors of ILA believe that not-for-profit agencies serving individuals with mental retardation and developmental disabilities have specific responsibilities to their consumers, to the public, and to those who provide financial support for their programs. The responsibilities center upon the delivery of high ethical standards in regard to the quality and appropriateness of services being provided and compliance with all legal standards.

ILA ensures that all aspects of consumer care and business conduct are performed in compliance with our mission/vision statement, policies, and procedures, professional standards and applicable governmental laws, rules and regulations, and other payer standards. ILA expects that every person who provides services to consumers must adhere to the highest ethical standards and to promote ethical behavior. Any person whose behavior is found to violate ethical standards will be disciplined appropriately. Similarly, any contractor that violates the standards of conduct places at risk their business relationship with ILA.

Policies and Procedures Related to Standards and Conduct

- Applicability

The Code of Conduct is applicable to all employees. Each employee or contractor is required to review the Code of Conduct and comply with the Corporate Compliance Program. ILA will take disciplinary action for those who participate in non-compliant behavior, fail to report a suspected violation of the Corporate Compliance, encourage, direct, facilitate or permit non-compliant behavior and/or engage in retaliatory behaviors directed at those who report non-compliant behavior.

- Legal Consequences

The Federal False Claims Act (see explanation below) authorizes the use of civil penalties of between \$5,000 and \$10,000, plus three times the amount of damages the government sustains, where a person knowingly presents, or causes to be presented, a false or fraudulent claim; knowingly makes, uses or causes to be made or used, a false record or statement to get a false or fraudulent claim paid; or conspires to defraud the government in connection with the payment of a false or fraudulent claim. In addition, under New York State law it is a crime to knowingly and willfully provide false information or omit material information when billing for services. Submitting or causing a false claim to be submitted is an unacceptable practice under the New York State Medicaid Program, which can lead to fines and exclusion from the Medicaid program. In addition, there are both Federal and State laws related to kickbacks and inappropriate referrals that impose criminal and civil penalties for violations. Further, Agency resources must be used for approved business purposes.

- Conflict of Interest

Policy: ILA Board Members and employees may not engage in any conduct that conflicts – or is perceived to conflict – with the best interest of ILA. Board Members and employees must disclose any circumstances where the employee or his or her immediate family member, or similar relationship, is an employee, consultant, owner, contractor or investor in any entity that (i) engages in any business or maintains any relationship with ILA; (ii) provides to, or receives from, ILA any consumer referrals; or (iii) competes with ILA. Board members and employees may not without the notification to the CO accept, solicit or offer anything of value from anyone doing business with ILA. .

Procedure: All current and newly elected members of the Board, and all current and newly hired employees who have influence over the Agency’s business, will sign an attestation of no Conflicts of Interest, or sign a statement that discloses any actual or possible Conflict, and do so annually thereafter. Actual or perceived Conflicts will be brought to the Board for vote of support or other action appropriate for the circumstance. Conflict of Interest disclosure forms are contained in the Forms section of this manual.

- Authenticity of Records

Policy: Employees are expected to maintain complete, accurate and contemporaneous records as required by ILA. The term “records” includes all documents, both written and electronic, that relates to the provision of Agency services or information that provides support for the billing of Agency services.

Procedure: Records must reflect the actual service provided. Any records to be appropriately corrected must reflect the date of the correction, the name, signature and title of the person correcting the document and the reason for the correction if not apparent. No person shall ever sign the name of another person to any document. Signature stamps shall not be used. Backdating and predating documents is unacceptable and will lead to disciplinary action up to and including termination.

- Reporting

Policy: When any person knows or reasonably suspects that the expectations above have not been met, this must be reported to immediate supervisors, the Compliance Officer (CO) or the Chief Executive Officer (CEO) so that each situation may be addressed appropriately.

Procedure: All staff will be trained in the components of their job, the principles of corporate compliance and medicaid rules and regulations. Once trained, staff will be prepared to recognize any breach of corporate compliance. If observed, or allegedly so, staff will report any impropriety utilizing the reporting procedures outlined below in the **“REPORTING OF COMPLIANCE CONCERNS AND NON-RETALIATION”** .

- Reporting of Criminal Background and Sanctions

Policy: As part of ILA’s compliance program, every employee who is convicted of a felony or misdemeanor must immediately make a confidential report of such conviction to the Human Resources Director. Note: ILA personnel who have direct unsupervised consumer contact who were hired after April 2005 are subject to New York State criminal background checks and laws. For those staff, all past criminal activity will be known upon hire, as will all arrests subsequent to hire.

Practice: Employees and contractors not subject to the criminal background checks

must notify the HR Department of any felony or misdemeanor conviction subsequent to hire or engagement. Any employee or contractor who is excluded from or sanctioned by either the Medicare or Medicaid program must immediately report that fact to the Compliance Officer. In all cases, failure to comply will result in disciplinary action up to and including discharge.

- **Business Courtesies**

Policy: ILA recognizes that there are legitimate and lawful reasons to accept or provide reasonable business courtesies. However, in healthcare, business courtesies pose a risk for conflict of interest or fraud and/or abuse related to anti-kickback laws and regulations. The Anti-Kickback law prohibits the offer of payment, solicitation or receipt of any form of remuneration for business contracts or for the referral or solicitation of Medicare or Medicaid recipients.

The purpose of this policy is to assure that ILA complies with federal Anti-Kickback laws. The policy provides guidance for providing and receiving business courtesies.

For the purpose of this policy, the following definitions apply:

- **Business Courtesies:** Business courtesies include items of value given to another free of cost. Examples include gifts, entertainment, and /or hosted social events.
- **Immediate Family Member:** An immediate family member of a person includes: The person's spouse, or similar co-habitation; Natural or adoptive parent, child or sibling; Stepparent, stepchild, stepbrother or stepsister; Father-in-law, mother-in-law; son-in-law; daughter-in-law; brother-in-law; or sister-in-law; Grandparent or grandchild; and Spouse of a grandparent or grandchild
- **Potential Referral Source:** A potential referral source includes a physician, dentist, chiropractor or contractor who could reasonably be a source of referral of patients to ILA for services or treatment or benefit from providing a service to ILA.
- **A contractor is defined as any third party provider of service be it clinical, construction or good and services.**

It is the policy of ILA that gifts, entertainment, and other benefits will not be provided to, solicited or accepted from potential referral sources, contractors and/or to his or her immediate family, except as permitted by this policy. These guidelines only pertain to relationships with individuals and entities outside ILA; it does not pertain to actions between ILA and its employees or actions among ILA employees. Any business courtesy involving physicians or other individuals or entities in a position to refer patients or services to ILA must strictly follow ILA policies and be in conformance with all federal and state laws, regulations, and rules regarding these practices.

ILA employees may not offer or accept from a potential referral source or contractor and his or her immediate family members business courtesies unless the following criteria are met:

- The business courtesy is not based, directly or indirectly, on the volume or value of referrals or other business generated by the potential referral source or contractor;
- The business courtesy does not consist of cash or the equivalent of cash;
- The business courtesy is not solicited by the potential referral source or contractor or the referral source's practice, or the referral source's or contractor's employees;
- The business courtesy must not exceed \$322 in value or cause the total value of business courtesies extended to or from the potential referral source, contractor or immediate family to exceed \$322 for the calendar year;
- The business courtesy does not violate the federal Anti-Kickback statute or any state or federal law governing claims submission; and
- The business courtesy is not extended to a physician group.

Procedure: All employees must receive prior approval from the Compliance Committee before accepting or extending business courtesies to potential referral sources and contractors and/or their immediate family members. The Compliance Officer will record any business courtesy extended to or accepted from a potential or

actual referral source, potential and actual contracted business and his/her immediate family members. The Compliance Officer will ensure that the total value of business courtesies to or from one entity does not exceed \$322 in a calendar year.

- Employee and Contractor Exclusion and Credential Checks

Policy: ILA is committed to maintaining high quality care and service as well as integrity in its financial and business operations. Therefore, ILA will conduct appropriate screening of key providers, employees, independent contractors, and business vendors to ensure that they have not been sanctioned by a federal or state law enforcement, regulatory, or licensing agency.

It is the policy of ILA not to employ, contract with, or conduct business with an individual or entity excluded from participation in federally sponsored health care programs, such as Medicare and Medicaid.

Procedure: ILA's Human Resources Department will conduct exclusion (sanction) screening of all current and proposed employees and independent clinical/program contractors. ILA's Purchasing Department will conduct exclusion (sanction) screening of vendors.. If the exclusion check indicates that any individual or entity has been excluded from federal healthcare programs, the individual or entity cannot be employed by or conduct business with ILA.

ILA will verify that entities and businesses that provide and/or perform services for the Agency have not been the subject of adverse governmental actions and/or excluded from the federal healthcare programs.

In addition to exclusion checks, the credentials of medical/healthcare professionals employed by ILA, or with whom ILA establishes a contractual business relationship, will be verified with the appropriate licensing and disciplining authorities, including any adverse actions taken against the individuals that might impair his or her performance of duties, or fiduciary responsibilities on behalf of the Agency. The process will include, but not be limited to, physicians and other health care practitioners for which the license is required for the performance of their duties. The screening and verification will be conducted as part of the hiring process or prior to entering into a contractual agreement, and annually thereafter.

ILA will conduct exclusion checks to verify that all employees and independent contractors have not been excluded from federal healthcare programs. An exclusion

check is a search of the following to determine if the individual or entity's name appears on either list:

- U. S. Department of Health and Human Services, Office of Inspector General (OIG)'s List of Excluded Individuals and Entities (LEIE) available on the website at <http://oig.hhs.gov/fraud/exclusions> and
- The General Services Administration (GSA)'s Excluded Parties List System available on the GSA website at <http://www.epls.gov/>

An exclusion check will be performed on all applicants for employment as part of the pre-employment screening process. The Human Resources Department designee shall be responsible for conducting exclusion checks prior to hiring an applicant

The Human Resources Department designee shall be responsible for conducting exclusion checks before the Agency enters into an agreement with an independent contractor.

The Human Resources Department designee shall be responsible for conducting credential checks of all employees who require a license to practice before the Agency hires the applicant.

For all contracted clinical services, the vendor will provide proof of licensure of any clinician who will provide a service to ILA. Likewise, the vendor will provide evidence that any clinician/consultant performing a service for ILA is not excluded from Medicaid participation.

ILA's accounting/business office will assure that contracts with business vendors will contain a certification from the the vendor and its employees are not excluded by the federal government.

The Compliance Officer will assure that exclusion checks of all employees and independent contractors are conducted at least annually.

The Compliance Officer shall maintain the results of all exclusion checks.

An annual audit of employment applications and business entities with which ILA enters into a business relationship will be conducted by the Compliance Officer, or designate, to verify that this policy is enforced. A report of this audit will be made to the Corporate Compliance Committee and the Board of Directors, along with any

recommendations for remedial actions or improvement to the process as part of the annual compliance report.

- Distribution of the Standards of Conduct

Policy: Upon hire or upon the engagement of a contract and annually thereafter, ILA staff/contractors will receive standards of conduct appropriate to their job responsibilities or assignment, to which staff/contractors must attest to receipt and understanding.

Procedures: The CC will identify which policies are to be distributed to specific job titles and the entities that require participation in this Corporate Compliance program. It is the responsibility of the Director of Human Resources to assure that all personnel are in possession of the appropriate standards and that they are trained. It is the responsibility of the Director of Purchasing to assure that designated vendors are in possession of the appropriate standards, and by virtue of their actions, that they maintain compliance. And it is the responsibility of the Director of Residential Services to assure that clinics and clinical consultants are in possession of the appropriate standards and by virtue of their actions, are in compliance. Annually, all third party providers must sign an attestation to their compliance with Corporate compliance principles to maintain their business relationship with ILA.

An attestation form is contained in the forms section of this manual.

Retention of Records

Policy: Consistent with various New York State and Federal regulations, all ILA records that contain information regarding services to a consumer are complete, accurate, and completed according to various time requirements, as well as retained safely and destroyed only after legal time limits. These records are kept confidential and released only to persons and entities that are on a “need to know” basis, or released by court order. In addition to maintaining appropriate and thorough consumer medical records, all records, documentation, and audit data that support and explain cost reports and other financial activity, including any internal or external compliance monitoring activities, and all records necessary to demonstrate the integrity of the Agency’s compliance process and to confirm the effectiveness of the program, are also maintained as per regulations and good practice. As

there are many types of records that reflect consumer services and related expenses, the time frames for completion of each are too numerous to note within these policies. For specific information, please refer to the ILA Individualized Residential Alternative Policies and Procedures Manual and the ILA Manual of Accounting Policies and Procedures. All privacy policies and procedures are contained in Health Insurance Portability and Accountability Act (HIPAA) manual. To assure the timeliness, accuracy protection of records, staff are provided with training within each of those domains that are relevant to the execution of their job responsibilities.

In addition, regarding Corporate Compliance activities, the CCS will document audit efforts that are conducted to assure compliance with regulations. Those records must be retained as well.

Procedure: All Medicaid and associated original records will be kept on file for seven (7) years beyond the date of occurrence, as will all documentation relative to a request for CC information from a third-party agency and the Agency's written response. This is important because ILA intends to rely on responses as a guide for future decisions, actions, or claim reimbursement requests or appeals. In addition, a log of oral inquiries between the Agency and third parties regarding CC information will be maintained by the CO so that ILA can document its attempts toward achieving compliance.

Other compliance program documentation include: (a) documentation that employees were adequately trained, which will be maintained by the HR department; (b) reports from the confidential line of communication, including the nature and results of any investigation that was conducted, which will be maintained by the CO; (c) documentation of corrective action, including disciplinary action taken and policy improvements introduced, in response to any internal investigation or audit, which will be maintained by the CO and disciplinary action will also be maintained by the HR Department; (d) modifications to the compliance program, which will be reflected in on-going revisions to the compliance manual which will be maintained by the CC; and (e) results of the Agency's auditing and monitoring efforts, which will also be maintained by the CCC. These record too are subject to the seven (7) year retention rule.

All Agency records that are no longer germane to the then current year's operation, but have not reached the seven (7) year threshold, will be securely stored. Depending upon the department and need for quick reference, those records may be stored on or off premises in secure locked cabinets or an off-site storage facilities. As a general rule, consumer records

that are one (1) to three years old will be stored in the program, and are done so under the supervision of the house supervisor. Older records may be moved off-premises which too will be the responsibility of the house supervisor in conjunction with the Director of Purchasing who has the responsibility of arranging for secure storage space. Accounting records can be moved off-premises after one year of the occurrence.

Once records have surpassed the age of seven (7) years, they will be destroyed by shredder so as to protect privacy.

To avoid accidental or intentional fabrication or destruction of records, and to conform to document retention and destruction policies, access to stored records is limited to the following personnel:

Consumer related documents

The house supervisor

The case manager

Expense/Accounting related documents

The chief financial officer

The comptroller

Corporate Compliance documents

The corporate compliance officer.

Compliance as an Element of a Performance Appraisal

Policy: The compliance program requires the promotion of, and adherence to, the elements of the compliance plan, as well as disciplinary action for failure to do so. As such, a staff member's performance within this realm is incorporated into the annual evaluation of all employees. Similarly, the continued business relationship between the Agency and all vendors will be based upon that vendor's abidance with the principles of Corporate Compliance and the success of corrective measures if compliance issues had been noted.

Procedure: Employee performance evaluations contain a section that references Corporate Compliance. *See forms section. Evaluations will be conducted in the manner that is described in the ILA Employee Handbook.

As part of the evaluation process, managers will:

- Discuss with all supervised employees the compliance policies and legal requirements applicable to the employee's function.
- Remind all supervised personnel that strict compliance with these policies and procedures is a condition of employment and, as such, for violation of these policies or requirements subjects the employee to disciplinary action, up to and including termination.
- Disclose to all supervised personnel any violations of policy and corrective measures, as well as note and reward successes.

In addition to making performance of these duties an element in evaluations, a manager's/supervisor's failure to adequately instruct and evaluate their subordinates regarding the subordinate's responsibilities regarding Corporate Compliance or a failure to observe obvious noncompliance with applicable Compliance regulations will subject the manager/supervisor to disciplinary action.

For vendors, the ILA staff member with whom the vendor has management responsibilities will conduct annual discussions regarding the principles of compliance and evaluate the vendor's prior year's adherence. These discussions and evaluations are to be documented. See forms section. Continued engagement by ILA is contingent upon the vendor's satisfactory performance.

TRAINING AND EDUCATION

General

The proper education and training of agency officers and administration, managers, employees, and clinical staff are significant elements of an effective compliance program. As part of a compliance program, ILA requires personnel to attend specific training on a periodic basis, including appropriate training in federal and state regulations, guidelines, corporate ethics, and any other topic that has been deemed at risk for non-compliance with the Principles of Corporate Compliance. Corporate Compliance sessions are designed to

emphasize the organization's commitment to compliance with these legal requirements and internal policies and procedures. Compliance training specific to identified risk areas is also incorporated into in-service training.

Policy: All employees are required as a condition of employment to attend Corporate Compliance training upon hire, or as soon as practicable if hired prior to the promulgation of these regulations, and annually thereafter.

Corporate Compliance training which is contained in Attachment #4 includes:

- Introduction of the Agency Compliance Program;
- Documentation issues relative to government payer regulations, including the requirement that documentation must include the identity and title or professional certification of the individual providing or ordering the service;
- Risk areas specific to the Agency;
- Standards of conduct; and
- Duty to report misconduct and the non-retaliation policy.

Procedures: As designed by the CFO and CO, and as monitored by the HR Department, all employees will receive training in the above listed areas. Certification of training will be contained in the staff member's personnel folder. The HR Department will schedule all training.

Training Regarding Reimbursement Practices and Billing

Policy: ILA is committed to accuracy and integrity in all its billing, coding, and other reimbursement operations. Further, ILA prohibits the intentional submission for reimbursement any claim that is false, fraudulent, or fictitious. Through staff training, and other methods, the Agency is committed to ensuring against Agency personnel submitting any claim that is accidentally false, fraudulent or inaccurate. The Chief Financial Officer is responsible for general oversight of billing, coding, and other reimbursement operations in accordance with this policy. The Compliance Officer will assist in the accuracy of billing through periodic audit and recommendations.

To assure accuracy in billing, the Agency's business office personnel will receive training specific to all of the elements of billing and the importance of accuracy along with the consequences of inaccurate billing.

Procedures: Each Agency program type has and maintains written procedures for the documentation of services upon which billing to Medicaid is based. (For complete billing procedures, see the Manual of Accounting Procedures). Procedures include the following:

- Maintenance of attendance records
- Receipt and maintenance of service plans, including but not limited to ISP, IEP, Treatment Plans, and Habilitation Plans, as appropriate.
- Service documentation requirements specific to the respective program
- Definition of contemporaneous documentation
- Attestation and review prior to submission to billing personnel
- The forms used for documentation and billing purposes.

So that business office staff are aware of these principles, the CO, is responsible for ensuring that training regarding services and billing practices that offers guidance towards accurate billing is conducted. In this manner, billing procedures contained in this policy are integrated into the operations of the organization.

At a minimum, training for billing staff, which is contained in attachment #5 includes:

- IRA billing procedures that includes consumer attendance and participation requirements.
- Case Management billing requirements that includes the minimum number of consumer/case manager contacts, including face-to face-visits, and the requirements for contemporaneous case notes.
- Appropriate use of Agency resources.

In addition, training that focuses upon the Corporate Compliance Code of Conduct will be provided to each business office staff member. These training modules are to be provided to business office employees upon hire, to business office employees hired prior to the date of the promulgation of these policies, and for all annually thereafter. A record of attendance at each training program will be maintained by the HR Department in the employee's personnel file. The HR department will also notify staff of and assure their attendance in all

needed training modules. The Director of HR will recommend for suspension without pay any staff member who does not attend mandatory training within prescribed time frames. The CFO will suspend said employees, who for continued non-compliance will be terminated from the Agency's employ.

The Compliance Officer is responsible for responding, in a timely manner, to all problems, concerns, or questions related to training regarding reimbursement practices. The Compliance Officer is also responsible for ensuring that appropriate remedial actions are taken that will assure accurate training. (See reporting procedures below)

On an annual basis, the Compliance Officer will consult with the Chief Financial Officer to verify that all reimbursement and billing manuals, materials and training are current and accurate. The Chief Financial Officer and the Compliance Officer must approve any revisions to the billing and documentation training before implementation.

So as to assure that training is effective, the Compliance Officer, or designee, will conduct an annual audit and review of a sample of reimbursement activities to evidence that all billing staff have been trained in proper billing and coding procedures and validate the effectiveness of training. A report on the results of this review will be submitted annually to the Corporate Compliance Committee for further remedial action, if warranted.

REPORTING OF CONCERNS THROUGH EFFECTIVE LINES OF COMMUNICATION AND OPEN ACCESS TO THE COMPLIANCE OFFICER

Reporting

Policy: Any ILA employee, contractor or agent who has any reason to believe that anyone is engaging in false billing practices or false documentation of services is expected to report the practice according to ILA's "**REPORTING OF COMPLIANCE CONCERNS AND NON-RETALIATION**" procedures outlined below. Toward that end, for the purposes of the ease of reporting any alleged Medicaid impropriety, procedures are established so that

ILA employees have direct and, as desired, anonymous communication with the CO and, if preferred, with the appropriate governmental agencies. In all cases, the CO will protect the anonymity of the staff member, to the greatest extent practicable, and regardless to whom the alleged impropriety is reported, staff can report alleged improprieties without the fear of retribution.

Procedures: There are several methods through which the report of an alleged impropriety can occur. First and foremost is that the CO has an “open door” policy to all ILA personnel. Through training, staff members are advised that any staff member can call or visit or call the CO. This is designed so that staff are encouraged to report alleged improprieties as soon as the staff member becomes concerned.

For full reporting procedures, please see “**REPORTING OF COMPLIANCE CONCERNS AND NON-RETALIATION**” below.

REPORTING OF COMPLIANCE CONCERNS AND NON-RETALIATION

Policy: ILA recognizes that a critical aspect of its compliance program is the establishment of a culture that promotes prevention, detection, and resolution of instances of conduct that do not conform to federal and state requirements, as well as the organization’s ethical and business policies. To promote this culture, ILA has established a compliance reporting process and a strict non-retaliation policy to protect employees and others who report problems and concerns in good faith.

All employees have an affirmative duty and responsibility for promptly reporting any known or suspected misconduct, including actual or potential violations of laws, regulations, policies, and procedures, Agency’s Corporate Compliance Plan or the Agency’s Code of

Conduct. The CO maintains an “open-door policy” so as to encourage employees to report problems and concerns.

ILA also has an Anonymous Reporting Hotline . Employees may report their compliance concerns confidentially to the Compliance Officer through use of the Anonymous Reporting Hotline. Any form of retaliation against any employee who reports a perceived problem or concern in good faith is strictly prohibited. Any employee who commits or condones any form of retaliation will be subject to discipline up to, and including, termination. However, employees cannot exempt themselves from the consequences of their own misconduct by reporting the issue, although self-reporting may be taken into account in determining the appropriate course of action. Staff can also report their concerns directly to appropriate governmental agencies.

Staff can report a suspected breach of conduct or false claim as follows, but in no preferential order, but which must be posted in all of ILA’s programs:

1. To the CO in person at 110 York Street, Brooklyn, or
2. To the CO at 718.852.2000, which can be anonymous, or
3. To the ILA Anonymous Reporting Hotline at 718.858.1204, or
4. To the New York State Office of the Medicaid Inspector General at 1-877-87FRAUD or by completing an online complaint form at: www.omig.state.ny.us

Procedures that apply to all employees:

- Knowledge of misconduct, including actual or potential violations of laws, regulations, policies, procedures, or the organization’s Code of Conduct, must be immediately reported to management, Director of Human Resources, the Compliance Officer, or the Compliance Hotline.
- Confidentiality will be maintained to the extent that is practical and allowable by law. Employees should be aware that ILA is legally required to report certain types of crimes or potential crimes and infractions to external governmental agencies.
- Employees may report their compliance concerns confidentially to the ILA Anonymous Reporting Hotline and provide his or her identity. Callers should be aware, however, that it may not be possible to preserve anonymity if they identify

- themselves, provide other information that identifies them, the investigation reveals their identity, or if they inform others that they have called the Compliance Hotline.
- If the caller wishes to make the report anonymously to the Hotline, no attempt will be made to trace the source of the call or identify of the person making the call.
 - The Compliance Hotline number is contained within this manual and is visibly posted in locations frequented by Agency employees.
 - ILA will not impose any disciplinary or other action in retaliation against individuals who make a report or complaint in good faith regarding a practice that the individual believes may violate the Agency's Corporate Compliance Plan, Code of Conduct, its Compliance Policies and Procedures, or any of the laws, rules or regulations by which the Agency is governed. "Good faith" means that the individual believes that the potential violation actually occurred as he or she is actually reporting.
 - ILA strictly prohibits its employees from engaging in any act, conduct or behavior which results in, or is intended to result in, retaliation against any employee for reporting his or her concerns relating to a possible violation of the Agency's Corporate Compliance Plan, Code of Conduct, its Compliance Policies and Procedures, or any of the laws, rules or regulations by which the Agency is governed.
 - If an employee believes in good faith that he has been retaliated against for reporting a compliance complaint or concern or for participating in any investigation of such a report or complaint, the employee should immediately report the retaliation to the Compliance Officer or the Hotline. The report should include a thorough account of the incident(s) and should include the names, dates and specifics events, the names of any witnesses and the location or name of any document that supports the alleged retaliation.
 - Knowledge of a violation or potential violation of this policy must be reported directly to the Compliance Officer or the Hotline.

Procedures that apply to management (includes executives, directors, managers, and supervisors):

Management must take appropriate measures to ensure that all levels of management support this policy and encourage the reporting of problems and concerns. At a minimum, the following actions should be taken and become an ongoing aspect of the management process:

- Meet with department staff and discuss the main points within this policy; and
- Provide all department staff with a copy of this policy.

Procedures that apply to the Compliance Officer:

- The Compliance Officer will be responsible for the investigation and follow-up of any reported retaliation against an employee for reporting a compliance concern or participating in the investigation of a compliance concern.
- The Compliance Officer will report the results of an investigation into suspected retaliation to the governing entity deemed appropriate, such as the Corporate Compliance Committee or the Board of Directors.

Whistle Blower Provision

False Claims Act and Whistleblower Provisions

Policy

ILA is committed to prompt, complete and accurate billing of all services provided to individuals. ILA and its employees, contractors and agents shall not make or submit any false or misleading entries on any claim forms. No employee, contractor or agent shall engage in any arrangement or participate in such arrangement at the direction of another person, including any supervisor or manager, that results in the submission of a false or misleading entry on claims forms or documentation of services that result in the submission of a false claim.

It is the policy of ILA to detect and prevent fraud, waste and abuse in federal healthcare programs. This Policy explains the Federal False Claims Act (31 U.S.C. §§ 3729 – 3733), the Administrative Remedies For False Claims (31 USC Chapter 38 §§3801-3812), the New York State False Claims Act (State Finance Law §§187-194) and other New York State laws concerning false statements or claims and employee protections against retaliation. This policy also sets forth the procedures ILA has put into place to prevent any violations of federal or New York State laws regarding fraud or abuse in its health care programs.

This policy applies to all employees, including management, contractors and agents.

For purpose of this policy, a contractor or agent is defined as:

- Any contractor, subcontractor, agent, or other person which or who, on behalf of the ILA, furnishes, or otherwise authorizes the furnishing of Medicaid health care items or services, performs billing or coding functions; or
- Is involved in the monitoring of health care provided by the ILA.

Overview of Relevant Laws

I. Federal

The False Claims Act (31 U.S.C. §§ 3729-3733) is a federal law designed to prevent and detect fraud, waste and abuse in federal healthcare programs, including Medicaid and Medicare. Under the False Claims Act, anyone who “knowingly” submits false claims to the Government is liable for damages up to three times the amount of the erroneous payment plus mandatory penalties of \$5,000 to \$10,000 for each false claim submitted.

The law was revised in 1986 to expand the definition of “knowingly” to include a person who:

- Has actual knowledge of falsity of information in the claim;
- Acts in deliberate ignorance of the truth or falsity of the information in the claim;
- and
- Acts in reckless disregard of the truth or falsity of the information in a claim.

False Claims suits can be brought against individuals and entities. The False Claims **Act** does not require proof of a specific intent to defraud the Government. Providers can be prosecuted for a wide variety of conduct that leads to the submission of a false claim.

Some examples include:

- Knowingly making false statements;
- Falsifying records;
- Submitting claims for services never performed or items never furnished;
- Double-billing for items or services;
- Using false records or statements to avoid paying the Government;
- Falsifying time records used to bill Medicaid; or
- Otherwise causing a false claim to be submitted.

Whistleblower or “Qui Tam” Provisions:

In order to encourage individuals to come forward and report misconduct involving false claims, the False Claims Act contains a “Qui Tam” or whistleblower provision.

The Government, or an individual citizen acting on behalf of the Government, can bring actions under the False Claims Act. An individual citizen, referred to as a whistleblower or “Relator,” who has actual knowledge of allegedly false claims may file a lawsuit on behalf of the U.S. Government. If the lawsuit is successful, and provided certain legal requirements are met, the whistleblower may receive an award ranging from 15% - 30% of the amount recovered.

Employee Protections:

The False Claims Act prohibits discrimination by ILA against any employee for taking lawful actions under the False Claims Act. Any employee who is discharged, demoted, harassed, or otherwise discriminated against because of lawful acts by the employee in False Claims actions is entitled to all relief necessary to make the employee whole. Such relief may include reinstatement, double back pay, and compensation for any special damages, including litigation costs and reasonable attorney fees.

Administrative Remedies for False Claims (31 USC Chapter 38. §§3801-3812).

This federal statute allows for administrative recoveries by federal agencies including the Department of Health and Human Services, which operates the Medicare and Medicaid Programs. The law prohibits the submission of a claim or written statement that the person knows or has reason to know is false, contains false information or omits material information. The agency receiving the claim may impose a monetary penalty of up to \$5,500 per claim and damages of twice the amount of the original claim.

Unlike the False Claims Act, a violation of this law occurs when a false claim is submitted, not when it is paid. Also unlike the False Claims Act, the determination of whether a claim is false, and imposition of fines and penalties is made by the administrative agency, and not by prosecution in the federal court system.

II. New York State Laws

A. Civil and Administrative Laws

New York State False Claims Act (State Finance Law §§187-194).

The New York State False Claims Act closely tracks the federal False Claims Act. It imposes fines on individuals and entities that file false or fraudulent claims for payment from any state or local government, including health care programs such as Medicaid. The penalty for filing a false claim is \$6,000 - \$12,000 per claim and the recoverable damages are between two and three times the value of the amount falsely received. In addition, the false claim filer may be responsible for the government's legal fees.

The Government, or an individual citizen acting on behalf of the Government (a "Relator"), can bring actions under the New York State False Claims Act. If the suit eventually concludes with payments back to the government, the party who initiated the case can recover 15% - 30% of the proceeds, depending upon whether the government participated in the suit. The New York State False Claims Act prohibits discrimination against an employee for taking lawful actions in furtherance of an action under the Act. Any employee who is discharged, demoted, harassed, or otherwise discriminated against because of lawful acts by the employee in furtherance of an action under the False Claims Act is entitled to all relief necessary to make the employee whole.

Social Service Law §145-b False Statements

It is a violation to knowingly obtain or attempt to obtain payment for items or services furnished under any Social Services program, including Medicaid, by use of a false statement, deliberate concealment or other fraudulent scheme or device. The State or the local Social Services district may recover up to three times the amount of the incorrectly paid claim. In the case of non-monetary false statements, the local Social Service district or State may recover three times the amount incorrectly paid. In addition, the Department of Health may impose a civil penalty of up to \$2,000 per violation. If repeat violations occur within five years, a penalty up to \$7,500 may be imposed if they involve more serious violations of the Medicaid rules, billing for services not rendered, or providing excessive services.

Social Service Law §145-c Sanctions

If any person applies for or receives public assistance, including Medicaid, by intentionally making a false or misleading statement, or intending to do so, the person's and the person's family needs are not taken into account for a period of six months to five years, depending upon the number of offenses.

B. Criminal Laws

Social Service Law §145 Penalties

Any person who submits false statements or deliberately conceals material information in order to receive public assistance, including Medicaid, is guilty of a misdemeanor.

Social Service Law § 366-b, Penalties for Fraudulent Practices

Any person who, with intent to defraud, presents for payment any false or fraudulent claim for furnishing services or merchandise, knowingly submits false information for the purpose of obtaining Medicaid compensation greater than that to which he/she is legally entitled to, or knowingly submits false information in order to obtain authorization to provide items or services shall be guilty of a Class A misdemeanor.

Any person who obtains or attempts to obtain, for himself or others, medical assistance by means of a false statement, concealment of material facts, impersonation, or other fraudulent means is guilty of a Class A misdemeanor.

Penal Law Article 155, Larceny

The crime of larceny applies to a person who, with intent to deprive another of property, obtains, takes or withholds the property by means of a trick, embezzlement, false pretense, false promise, including a scheme to defraud, or other similar behavior. This law has been applied to Medicaid fraud cases.

Penal Law Article 175, Written False Statements

There are four crimes in this Article that relate to filing false information or claims. Actions include falsifying business records, entering false information, omitting material information, altering an agency's business records, or providing a written instrument (including a claim for payment) knowing that it contains false information. Depending upon the action and the intent, a person may be guilty of a Class A misdemeanor or a Class E felony.

Penal Law Article 176, Insurance Fraud

This Article applies to claims for insurance payment, including Medicaid or other health insurance. The six crimes in this Article involve intentionally filing a false insurance claim. Under this article, a person may be guilty of a felony for false claims in excess of \$1,000.

Penal Law Article 177, Health Care Fraud

This Article establishes the crime of Health Care Fraud. A person commits such a crime when, with the intent to defraud Medicaid (or other health **plans**, including non-governmental plans), he/she knowingly provides false information or omits material information for the purpose of requesting payment for a health care item or service and, as a result of the false information or omission, receives such a payment in an amount to which he/she is not entitled. Health Care Fraud is punished with fines and jail time based on the amount of payment inappropriately received due to the commission of the crime.

New York Labor Law §740

An employer may not take any retaliatory personnel action against an employee if the employee discloses information about the employer's policies, practices or activities to a regulatory, law enforcement or other similar agency or public official.

This law offers protection to an employee who:

- discloses, or threatens to disclose, to a supervisor or to a public body an activity, policy or practice of the employer that is in violation of law, rule or regulation that presents a substantial and specific danger to the public health or safety, or which constitutes health care fraud (knowingly filing, with intent to defraud, a claim for payment that intentionally has false information or omissions);
- provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into any such violation of a law, rule or regulation by the employer; or
- objects to, or refuses to participate in any such activity, policy or practice in violation of a law, rule or regulation.

The employee's disclosure is protected under this law only if the employee first brought up the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation. The law allows employees who are the subject of a retaliatory action to bring a suit in state court for reinstatement to the same, or an equivalent position, any lost back wages and benefits and attorneys' fees. If the employer is a health care provider and the court finds that the employer's retaliatory action was in bad faith, it may impose a civil penalty of \$10,000 on the employer.

New York Labor Law §741

Under this law, a health care employer may not take any retaliatory action against an employee if the employee discloses certain information about the employer's policies, practices or activities to a regulatory, law enforcement or other similar agency or public official. Protected disclosures are those that assert that, in good faith, the employee believes constitute improper quality of patient care.

The employee's disclosure is protected under this law only if the employee first brought up the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation, unless the danger is imminent to the public or patient and the employee believes in good faith that reporting to a supervisor would not result in corrective action. If the employer takes a retaliatory

action against the employee, the employee may sue in state court for reinstatement to the same, or an equivalent position, any lost back wages and benefits and attorneys' fees. If the employer is a health care provider and the court finds that the employer's retaliatory action was in bad faith, it may impose a civil penalty of \$10,000 on the employer.

Procedures

1. ILA will provide training in this policy and procedure to all its employees, contractors and agents. This training will be provided to all new employees as part of the new employee orientation.
2. ILA will perform billing activities in a manner consistent with the regulations and requirements of third party payors, including Medicaid and Medicare.
3. ILA will conduct regular auditing and monitoring procedures as part of its efforts to assure compliance with applicable regulations.
4. Any employee, contractor or agent who has any reason to believe that anyone is engaging in false billing practices or false documentation of services is expected to report the practice according to ILA'S Reporting of Compliance Concerns and Non-Retaliation Policy and Procedure.
5. Any form of retaliation against any employee who reports a perceived problem or concern in good faith is strictly prohibited.
6. Any employee who commits or condones any form of retaliation will be subject to discipline up to, and including, termination.
7. The Compliance Officer will ensure that all employees and agents receive training related to the contents of this policy and the False Claims Act. The Compliance Officer will ensure that records are maintained to document the receipt of training.
8. The Compliance Officer will assure that this policy and procedure is attached to any contract with outside contractors or agents (as defined by this policy).

INVESTIGATION OF COMPLIANCE ISSUES

ILA has implemented a Corporate Compliance Program in an effort to establish a culture within the organization that promotes prevention, detection and resolution of misconduct. This is accomplished, in part, by establishing communication channels for employees to report problems and concerns. Employees are encouraged to report issues via the traditional chain of command, Human Resources, Compliance Hotline, or directly to the Compliance Officer. Therefore, the Compliance Officer is responsible for responding to compliance issues that are raised through the various communication channels. This policy is designed to establish a framework for managing and responding to compliance issues that are raised to the Compliance Officer.

Policy: ILA will respond to reports or reasonable indications of suspected non-compliance with the rules and regulations of Medicaid and Medicare and other principles contained herein by commencing a prompt and thorough investigation of the allegations to determine whether a violation has occurred.

Note: The Compliance Officer is only responsible for resolving compliance-related issues; however, employees should not be discouraged from using any specific communication channel. Employees who report non-compliance related issues or concerns to the Compliance Officer or the Compliance Hotline will be politely

redirected to the appropriate department or individual. In instances where the employee seeks confidentiality or reports anonymously, the Compliance Officer shall redirect the report to the appropriate department or individual.

Procedures:

1. The Compliance Officer, in concert with executive staff, will conduct or oversee all internal investigations involving compliance-related issues and shall have the authority to engage [inside legal counsel/outside legal counsel] or other consultants, as needed. Before conducting an investigation of any compliance-related issue, the Compliance Officer shall have a full understanding of the relevant laws, regulations, and government issuances.
2. Upon report or notice of alleged non-compliance, the Compliance Officer will conduct an initial inquiry into the alleged situation. The purpose of the initial inquiry is to determine whether there is sufficient evidence of possible non-compliance to warrant further investigation. The initial inquiry may include documentation review, interviews, audit, or other investigative technique. The Compliance Officer should: (a) conduct a fair impartial review of all relevant facts; (b) restrict the inquiry to those necessary to resolve the issues; and (c) conduct the inquiry with as little visibility as possible while gathering pertinent facts relating to the issue.
3. If, during the initial inquiry, the Compliance Officer determines that there is sufficient evidence of possible noncompliance of any criminal, civil, or administrative law to warrant further investigation, the issue should be referred to legal counsel. A memorandum to this effect should be directed to legal counsel with a copy to the Executive Director. The memorandum should state whether legal counsel or the Compliance Officer will be leading the investigation. All documents produced during the investigation by legal counsel to be possibly protected from disclosure should include the notation: "Privileged and Confidential Document; Subject to Attorney-Client Privileges; Attorney Directed Work Product."
4. For investigations that do not involve legal counsel, the Compliance Officer will determine what personnel possess the requisite skills to examine the particular issue(s) and will assemble a team of investigators, as needed. The Compliance Officer will also decide whether the Agency has sufficient internal

resources to conduct the investigation or whether external resources are necessary.

5. The Compliance Officer shall work with the investigation team to develop a strategy for reviewing and examining the facts surrounding the possible violation. The Compliance Officer will consider the need for an audit of billing practices and determine the scope of interviews.
6. The Compliance Officer will maintain all notes of the interviews and review of documents as part of the investigation file. The Compliance Officer should ensure that the following objectives are accomplished:
 - Fully debrief complainant;
 - Notify appropriate internal parties;
 - Identify cause of problem, desired outcome, affected parties, applicable guidelines, possible regulatory or financial impact;
 - Provide a complete list of findings and recommendations;
 - Determine the necessary corrective action measures, (e.g., policy changes, operational changes, system changes, personnel changes, training/education);
 - Document the investigation
7. Upon receipt of the results of the investigation, depending upon the scope and severity of the identified violations, the Compliance Officer should consult with the Executive Director, the Corporate Compliance Committee and as directed by the aforementioned consult with inside/outside legal counsel to determine: (a) the results of the investigation and the adequacy of recommendations for corrective actions, (b) the completeness, objectivity and adequacy of recommendations for corrective actions; and/or (c) further actions to be taken as necessary and appropriate, the results of which will be submitted to the Board of Directors for review.

8. Upon conclusion of the investigation, the Compliance Officer will organize the information in a manner that enables the Agency to determine if an infraction did, in fact, occur. The Corporate Compliance Officer will track the investigation, responsible parties and due dates in a compliance log. The log will include the resolution of the investigation as closed or fully resolved.
9. The Compliance Officer will be responsible for reporting the results of all investigations to the Executive Director, Corporate Compliance Committee and to the Board.

ENFORCEMENT OF COMPLIANCE STANDARDS

Disciplinary Actions

Policy: ILA is committed to conducting its business ethically and in conformance with all federal and state laws, regulations, interpretations thereof, and the Agency's Code of Conduct. To support this commitment, ILA has developed procedures for disciplinary actions to be taken for violations of the Corporate Compliance Program and/or Code of Conduct by employees and/or independent contractors.

Employees and independent contractors who, upon investigation, are found to have committed violations of applicable laws and regulations, the Corporate Compliance Program, the Code of Conduct, or the Agency's policies and procedures will be subject to appropriate disciplinary action, up to and including termination of employment or contract.

The following actions may result in disciplinary action:

1. Authorization of or participation in actions that violate the law, regulations and Corporate Compliance Program, including the Code of Conduct, and all related policies and procedures;
2. Failure to report a violation by a peer or subordinate;

3. Failure to cooperate in an investigation;
4. Retaliation against an individual for reporting a possible violation or participating in an investigation;
5. Failure to act as an honest, reliable and trustworthy service provider; and.
6. any other infraction.

Discipline will be appropriately documented in the disciplined employee's personnel file (or in the independent contractor's file), along with a written statement of reason(s) for imposing such discipline. Such documentation will be considered during regular and promotional evaluations.

The Compliance Officer and Director of Human Resources will be responsible for assuring that disciplinary actions related to non-compliance with the law, regulations and Corporate Compliance Program, including the Code of Conduct, are consistent with actions taken in similar instances of non-compliance.

Procedures: The Corporate Compliance Officer, or designee, will conduct periodic audits of the Agency's compliance with Medicaid rules and the corporate compliance in accordance with standards set forth herein. So as to uncover any infraction, the Corporate Compliance Officer, or designee, shall investigate all complaints of non-compliance. Based upon the results of audits and investigations, for any uncovered infraction, progressive discipline will be implemented as decided by the ILA Director of Operations, based upon input from the Corporate Compliance Officer and/or other Agency administrative personnel, which will be reported to the Corporate Compliance Committee and the Board of Directors.

The Agency shall apply progressive discipline consistent with the violation and consistent with other disciplinary actions for similar infractions. Examples of the disciplinary action that may be taken in accordance with the nature and scope of the infraction include but are not limited to: (a) verbal counseling or warning; (b) counseling with written warning; (c) retraining; (d) reassignment or demotion; (e) suspension without pay; and (f) termination of employment, or in the case of an independent contractor, termination of the agreement/contract.

To the extent possible, disciplinary action will be taken in accordance with the Agency's Human Resource Manual.

When the determination is made that a compliance violation has occurred, the Compliance Officer will notify the Director of Operations, and the individual's supervisor, or for independent contractors, the contractor's representative. The Compliance Officer will notify the Compliance Committee before the next regularly scheduled CC meeting when a full report of compliance-related disciplinary actions would normally be presented. The Executive Director will notify the Board of Directors of the violation.

The Compliance Officer and Director of Human Resources shall work in collaboration with the appropriate supervisor/manager in determining disciplinary action related to an instance of non-compliance. The Compliance Officer shall have the discretion to recommend a disciplinary process or disciplinary action other than the normal disciplinary procedures and actions, as deemed necessary.

The Compliance Officer and/or Director of Human Resources shall consult with the Director of Operations, legal counsel, as necessary to determine the appropriate disciplinary action to be taken.

The Director of Human Resources is responsible for assuring that disciplinary action(s) taken as a result of the violation(s) of ILA's Code of Conduct and/or Corporate Compliance Program is maintained in the staff member's personnel file, and considered during the evaluation process..

The Compliance Officer will maintain a written record of all disciplinary actions of infractions including verbal warnings, and will reference these records when necessary to ensure consistency in the application of disciplinary measures and to determine trends of infraction, if any, to assess future risk. The record of all infractions will be reported regularly to the Corporate Compliance Committee and not less than annually to the Board of Directors.

RESPONDING TO DETECTED OFFENSES AND IMPLEMENTING CORRECTIVE ACTION INITIATIVES

Violation Detection: The CO, CEO and the CC shall determine whether there is any basis to suspect that a violation of the Compliance Plan has occurred.

If it is determined that a violation *may have occurred*, the matter shall be reviewed with legal counsel, who will advise the Corporate Officer regarding a more detailed investigation. This investigation may include, but is not limited to, the following:

- Interviews with individuals having knowledge of the facts alleged;
- A review of documents; and
- Legal research and contact with governmental agencies for the purpose of clarification. If advice is sought from a governmental agency, the request and any written or oral response shall be fully documented.

Reporting: At the conclusion of an investigation the Corporate Officer, Chief Executive Officer, and Corporate Compliance Committee summarizing the findings, conclusions and recommendations and will render an opinion as to whether a violation of the law has occurred. Legal counsel will be obtained at the discretion of the Chief Executive Officer and/or ILA's Board of Directors. The report will be reviewed with legal counsel. Any additional action will be on the advice of counsel. The Corporate Officer shall report to the Compliance Committee regarding each investigation conducted.

Rectification: If ILA identifies that an overpayment was received from any third party payer, the appropriate regulatory (funder) and/or prosecutorial (attorney general/police) authority will be appropriately notified with the advice and assistance of counsel. It is our policy to not retain any funds which are received as a result of overpayments. In instances where it appears an affirmative fraud may have occurred, appropriate amounts shall be returned after consultation and approval by involved regulatory and/or prosecutorial authorities. The overpayment shall be repaid to the affected payer. Systems shall also be put in place to prevent such overpayments in the future.

Record Keeping: Regardless of whether a report is made to a governmental agency, the Corporate Officer shall maintain a record of the investigation, including copies of all pertinent documentation. This record will be considered confidential and privileged and will not be released without the approval of the Chief Executive Officer or legal counsel.

III. FORMS

CONFLICT OF INTEREST DISCLOSURE STATEMENT

The principles of corporate compliance and conflict of interest includes provisions which set forth expected standards of conduct and requires Board members, management, and employees to disclose all interests which could result in a conflict.

In accordance with the Agency's Conflict of Interest Policy, a conflict of interest is defined as: Any situation in which financial or other personal considerations may compromise or appear to compromise (1) an employee's business judgment; (2) delivery of services; or (3) ability for an employee to do his or her job. An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of business dealings.

Please complete and return the enclosed statement. Please be assured that the disclosure requirements are intended to provide the Board and management with a systematic and ongoing method of disclosing and ethically resolving potential conflicts of interest. Although it is impossible to list every circumstance giving rise to a possible conflict of interest, the following will serve as a guide:

1. Outside Interests

- A. To hold, directly or indirectly, a position or a financial interest in any outside

concern from which the individual has reason to believe the Agency secures goods or services (including the services of buying or selling stocks, bonds, or other securities), or that provides services competitive with the system.

B. To compete, directly or indirectly, with the Agency in the purchase or sale of property or property rights, interests, or services.

2. Outside Activities

To render directive, managerial, or consultative services to any outside concern that does business with, or competes with the services of the Agency, or to render other services in competition with the Agency.

3. Inside Information

To disclose or use information relating to the Agency's business for the personal profit or advantage of the individual or his/her immediate family.

4. Gifts, Gratuities, and Entertainment

To accept gifts, excessive entertainment, or other favors from any outside concern that does, or is seeking to do, business with, or is a competitor of, the Agency - under circumstances from which it might be inferred that such action was intended to influence or possibly would influence the individual in the performance of his/her duties.

() I have been provided with a copy of ILA's Conflict of Interest Policy. I hereby state that I, or members of my immediate family, have the following affiliations or interest and have taken part in the following transactions that, when considered in conjunction with the position with or relation to the Agency, might possibly constitute a conflict of interest. (Check "None" where applicable)

1. Outside Interests

Identify any interests, other than investments, of yourself or your immediate family, as described in the first numbered paragraph of the accompanying document.

() Describe

None

2. Investments

List and describe, with respect to yourself or your immediate family, all investments that might be within the category of “financial interest”, as described in the first numbered paragraph of the accompanying document.

List

None

3. Outside Activities

Identify any outside activities, of yourself or your immediate family, as described in paragraph number 2 of the accompanying document.

List

None

4. Other

List any other activities in which you or your immediate family are engaged that may be regarded as constituting a conflict of interest, giving particular attention to the paragraphs numbered 2 and 3 of the accompanying document.

List

None

5. I hereby certify that neither I nor any member of my immediate family has accepted gifts, gratuities, or entertainment that might influence my judgment or actions concerning the business of the Agency, except as listed below:

List

None

6. The following circumstances may possibly violate the Code of Conduct:

List

None

I hereby agree to report to management or the Compliance Officer any future situation that may result in a conflict of interest.

Name (Printed or typed)

Title

Signature

Date

THE CODE OF CONDUCT AND ACKNOWLEDGMENT

ILA's code of conduct has been specifically designed to assist ILA's employees in understanding ILA's Corporate Compliance plan and the policies and procedures that were developed to support ILA's Corporate Compliance Plan. The plan was designed to assure that all staff, officers and directors act in a manner that is consistent with ILA's Corporate Compliance plan as well as with the prevailing local, state and federal laws.

ILA's Code of Conduct (the Code) applies to all employees and independent contractors.

The Code of Conduct was approved by ILA's Board of Directors and is a formal statement of the Agency's commitment to the standards and rules of ethical conduct.

ILA is committed to preventing the occurrence of unethical or unlawful behavior, stopping such behavior as soon as possible after discovery, and to discipline employees who violate the Code, including employees who neglect to report a violation.

All employees must comply with this Code, immediately report any alleged violations of wrongdoing, and assist management and compliance personnel in investigating allegations of wrongdoing.

While these standards addressed in the Code of Conduct are intended to guide employees in the course of their day-to-day responsibilities, they do not replace any Agency or program policies and procedures. There may be instances that are not addressed by the Code of Conduct or existing policies and procedures, or activities that may conflict with these standards. Employees must seek direction from their supervisor, other Agency management staff or the Compliance Officer in these instances.

It is the policy of ILA to observe all laws and regulations applicable to its business and to conduct business with the highest degree of integrity. To accomplish this, all employees and contractors must obey the laws and regulations that govern their work and always act in the best interest of the people we serve, their families and the Agency.

Guidelines for employees and contractors:

- You are expected to keep management staff informed of what you are doing; to document or record all services or transactions accurately; and to be honest and forthcoming with the Agency, regulatory agencies, and internal and external auditors.
- You are expected to comply with the Agency's policies and procedures, accounting rules and internal controls.
- You are expected to function with honesty in your work for the Agency and with people we serve, providers, suppliers and all others with whom the Agency does business.

ETHIC STANDARDS

Business Courtesies for Referrals and Business Transactions

It is the policy of ILA that gifts, entertainment, and other benefits will not be provided to or accepted from potential referral sources and entities with which the agency conducts business including immediate family, except as permitted by this policy.

These guidelines only pertain to relationships with individuals and entities outside ILA; it does not pertain to actions between the ILA and its employees or actions among ILA employees.

Any business courtesies involving physicians or other individuals or entities in a position to refer patients or services to ILA must strictly follow ILA policies and be in conformance with all federal and state laws, regulations, and rules regarding these practices.

ILA employees may not offer a potential referral source or contracted business including immediate family members business courtesies unless the following criteria are met:

- The business courtesy is not based, directly or indirectly, on the volume or value of referrals or other business generated by the potential referral source;
- The business courtesy does not consist of cash or the equivalent of cash;
- The business courtesy is not solicited by the potential referral source or the referral source's practice or employees;
- The business courtesy must not exceed \$322 in value or cause the total value of business courtesies extended to the potential referral source or immediate family to exceed \$322 for the calendar year;

- The business courtesy does not violate the federal Anti-Kickback statute or any state or federal law governing claims submission; and
- The business courtesy is not extended to a physician group.

- All employees must receive prior approval from the Compliance Officer before extending business courtesies to potential referral sources and/or their immediate family members. The Compliance Officer will record any business courtesy extended to a potential referral source or his/her immediate family members. The Compliance Officer will ensure that the aggregate value of business courtesies does not exceed \$322 in a calendar year.

Fair Dealing

Conducting business with providers, contractors, suppliers, people we serve, and competitors may pose ethical problems. Employees and contractors are expected to deal fairly with providers, contractors, people we serve, and competitors.

The Code of Conduct and the following guidelines are intended to help you make appropriate, responsible and correct decisions in these and all matters:

Kickbacks and Rebate:

- Kickbacks and rebates in cash, credit or other form are prohibited. They are not only unethical, but in many cases, illegal.

Gifts and Gratuities and Entertainment:

- You may not solicit money, gifts, gratitude or any other personal benefits or favors of any kind from providers, contractors, producers, accounts, or people we serve and their families.
- You must not offer or accept entertainment that is not a reasonable addition to a business relationship but is primarily intended to gain favor or to influence a business decision.
- Unsolicited gifts from people served and their families of nominal value and/or unsolicited non-monetary gifts from business associates/partners are acceptable. Nominal is defined as a value of less than \$150.

Agreements with Contractors and Vendors:

- ILA must assure that any agreements with contractors and vendors clearly and accurately describe the services to be performed or items to be purchased. Performance standards, and the applicable compensation, if any, must be reasonable in amount, not be excessive in terms of industry practice and must

equal the value of the services rendered.

Improper Use of Funds or Assets:

- Use of the Agency's funds or assets for any improper purpose is strictly prohibited. If you are aware of or have reason to believe that funds or assets are being improperly used, you must report this immediately to your supervisor or the Compliance Officer.

Conflict of Interest

All employees and members of the Board of Directors (BOD) of ILA have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy is established to ensure that services and business activities are conducted in an objective manner and are not motivated by desire for personal or financial gain.

Conflict of Interest is defined as any situation in which financial or other personal considerations may compromise or appear to compromise (1) an employee's business judgment; (2) delivery of services; or (3) ability for an employee to do his or her job. An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of business dealings. For the purpose of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

Employees and BODs are required to disclose any actual or potential conflict of interest and seek guidance on how to handle the situation.

Business dealings with outside entities should not result in unusual gain for those entities, ILA, its BODs or an employee. Unusual gain refers to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the employer, the employee, the BOD or all.

The materials, products, designs, plans, ideas, and data are the property of ILA and should never be given to an outside firm or individual except through normal channels with appropriate prior authorization. Any improper transfer of material or disclosure of information, even though it is not apparent that an employee has personally gained by such action, is prohibited.

An employee or director with questions or concerns about potential conflicts of interest will promptly address the issue with appropriate management staff and/or the Compliance Officer. Management staff will consult with the Compliance Officer before responding to a concern or question about a potential conflict of interest.

Actual or potential conflicts of interest must be disclosed to appropriate management personnel, human resources, or the Compliance Officer, and as required to governmental agencies.

Employees and Directors must disclose any potential conflicts of interest upon hire and when a potential conflict arises.

Employees and Directors will complete a Conflict of Interest Disclosure Form, or appropriate substitute as defined in other ILA Policies, to report any potential conflict of interest. Copy attached.

Employees, Directors and contractors must not allow any outside financial interest, or competing personal interest to influence their decisions or actions taken on behalf of the Agency.

Employees, Directors and contractors must avoid any situation where a conflict of interest exists or might appear between their personal interests and those of the Agency. The

appearance of a conflict of interest may be as serious as an actual conflict of interest.

Guidelines for Employees and Directors:

- It is a conflict of interest for you to personally take for yourself opportunities that are discovered through the use of Agency property, information or position with the Agency; to use Agency property or information for personal gain; or to compete with the Agency.
- There are many types of situations where potential conflicts may arise. You must promptly report any actual or potential conflicts of interest to your immediate supervisor or directly to the Compliance Officer or Board designate.

Outside Activities and Employment

Employees may not conduct outside activities during work time. Such activities interfere with regular duties and negatively impact the quality of work.

You are a representative of the Agency in your everyday life and must represent the Agency positively in the community.

For employees, outside employment must not conflict in any way with your responsibilities to the Agency or its consumers. Employees may not compete against ILA, work for its competitors, or have any ownership interest in a competitor, unless disclosed to the Compliance Officer and approved by Agency Management.

Use of Agency Funds and Resources

The Agency's assets are to only be used for the benefit of the Agency and the people we serve. Assets include funds, equipment, inventory and office supplies, but also concepts, business plans and strategies, information about people served, financial information, computer property rights, and other business information about the Agency.

You may not use Agency assets for personal gain or give them to any other persons or entities, except in the ordinary course of business as part of an approved transaction.

Confidentiality

During your employment, you may acquire confidential information about ILA, its staff and people served that must be handled in strict confidence and not discussed with outsiders. The protection of confidential business, staff and consumer information is very important.

Business Dealings between the Agency and Employees

ILA will not be inappropriately influenced with goods or services from any business in which you or your immediate family members have a substantial interest.

Property and resources of the Agency should only be used for the benefit of the Agency or the people we serve.

Members of management and the Board of Directors will complete a Conflict of Interest Disclosure Statement annually.

Employees must seek guidance and approval from appropriate management personnel prior to pursuing any business or personal activity that may constitute a conflict of interest.

The Compliance Officer will be responsible for investigating, either directly or through supervision, any violations of this policy.

Maintenance of Records

Employees and contractors must record and report all agency, consumer and financial information fully, accurately and honestly. Records include, but are not limited to records of the people served, documentation of services, accounting books or records, financial statements, time sheets or records, expense reports, vouchers, bills, payroll, claims payment records, correspondence and any other method of communication. Employees or contractors must not omit or conceal any relevant information.

Guidelines for employees and contractors:

Many of the Agency forms are legal documents used to prove that a service was provided, to bill for a service to a consumer, to record a job task, or to record specific happenings. You must document accurately and honestly, and only for those services that you provided or those events you were involved in.

Falsification of Records

You must not make any false entries in any of the Agency's records or in any public record for any reason.

You may not alter any permanent entries in the Agency's records.

You may only approve payments or receipts on behalf of the Agency that are described in documents supporting the transaction. "Slush funds" or similar off-the-books accounts, where there is no accounting for receipts or expenditures on the agency books, are strictly prohibited.

You may not create or participate in the creation of any records that are intended to mislead or to conceal anything that is improper.

Expense Records

You must always charge expenses accurately and to the appropriate cost center or account, regardless of the financial status of the program, project or contract, or the budget status of a particular account or line item.

Retention of Records

The retention, disposal or destruction of records of or pertaining to the Agency must always comply with legal and regulatory requirements and Agency policy.

You may not destroy records pertaining to litigation or government investigations or audit without express written approval of the Compliance Officer.

Code of Conduct: Protection of Confidential Information

The Agency has developed policies and procedures to assure that the confidentiality of Agency information and information about the people we serve is protected and released only with the appropriate authorization or for lawful reasons, in addition to purposes of treatment, payment and operations. All employees and contractors are required to comply with ILA's Privacy Policy. If you have any questions concerning confidential information or the Privacy Policy contact your immediate supervisor or the Compliance Officer.

Guidelines for employees and contractors:

- You must treat all Agency records and information as confidential.
- You may not release confidential information without the proper authorization. Confidential information includes not only information about the people whom we serve and their families, but also non-public information about the Agency that maybe of use to the Agency's competitors or harmful to the Agency or its customers if released.
- You must protect Agency information and avoid discussing or disclosing Agency information, purposefully or inadvertently (through casual conversation), to any unauthorized person inside or outside the Agency.

Furthermore, staff may not share confidential Agency information with anyone, except where required for a legitimate business purpose.

- Agency information may not be removed from Agency property without permission from a supervisor or administrator with proper authority over the information. Ask your supervisor if you are not sure whether certain information is confidential.

Termination of Employment

You may not use any confidential information gained from your employment with the Agency for your or another company's benefit. You may not take copies of any reports, documents or any other property belonging to the Agency.

Upon termination of employment with the Agency, you must return all Agency property including, but not limited to, copies of documents, notes, and other records containing confidential information; computer disks; Agency ID; keys and credit cards, petty cash, keys, etc.

Information Security (Also See Computer Usage Policies)

You are responsible for properly using information stored and produced by all of the Agency's computer systems.

Computers, Internet access, email, or other office communications systems are intended for business-related purposes only and not for uses that may be disruptive, offensive, harassing or harmful to others.

Do not share your system user name or password with another person or allow another to access the computer with your password.

All employees and contractors are required to comply with ILA's information technology policy and procedures. If you have any questions concerning information security, contact your immediate supervisor or Compliance Officer.

Employee Compliance Training

ILA is committed to assuring that all of its employees are knowledgeable and well trained on all aspects of ILA's corporate compliance plan. The development and implementation of regular, effective education and training seminars for employees is an integral part of the compliance program. Compliance education is divided into two general components. First, all employees must receive an introduction to the compliance program. Second, employees whose work is linked to identified risk areas should receive specialized compliance education pertaining to their function and responsibilities.

1. All employees, including new hires, will receive training related to the organization's overall compliance program. Thereafter, all employees will receive annual recertification training.
2. Employees in identified risk areas and members of the Board of Directors will receive more detailed education related to their function and responsibilities.
3. Attendance at training sessions is mandatory and is a condition of continued employment or contracting.

Enforcement of Compliance Standards

ILA is committed to conducting its business ethically and in conformance with all federal and state laws, regulations, interpretations thereof, and the Agency's Code of Conduct. To support this commitment ILA has developed procedures for disciplinary actions to be taken for violations of the Corporate Compliance Program and/or Code of Conduct by employees and/or independent contractors.

1. Employees and independent contractors who, upon investigation, are found to have committed violations of applicable laws and regulations, the Corporate Compliance Program, the Code of Conduct, or the Agency's policies and procedures will be subject to appropriate disciplinary action, up to and including termination.
2. The following actions may result in disciplinary action:
 - Authorization of or participation in actions that violate the law, regulations and Corporate Compliance Program, including the Code of Conduct, and all related policies and procedures;
 - Failure to report a violation by a peer or subordinate;

- Failure to cooperate in an investigation;
 - Retaliation against an individual for reporting a possible violation or participating in an investigation; and
 - Failure to act as an honest, reliable and trustworthy service provider.
3. Discipline will be appropriately documented in the disciplined employee's personnel file (or in the independent contractor's file), along with a written statement of reason(s) for imposing such discipline. Such documentation will be considered during regular and promotional evaluations.
4. The Compliance Officer and Director of Human Resources will be responsible for assuring that disciplinary actions related to non-compliance with the law, regulations and Corporate Compliance Program, including the Code of Conduct, are consistent with actions taken in similar instances of non-compliance.

False Claims Act and Whistleblower Provisions

ILA is committed to prompt, complete and accurate billing of all services provided to individuals. ILA and its employees, contractors and agents shall not make or submit any false or misleading entries on any claim forms. No employee, contractor or agent shall engage in any arrangement or participate in such arrangement at the direction of another person, including any supervisor or manager that result in the submission of a false or misleading entry on claims forms or documentation of services that result in the submission of a false claim.

It is the policy of ILA to detect and prevent fraud, waste and abuse in federal healthcare programs in accordance with the False Claims Act. This policy applies to all employees, including management, and all contractors and agents.

- Any employee, contractor or agent who has any reason to believe that anyone is engaging in false billing practices or false documentation of services is expected to report the practice according to ILA's "Reporting of Compliance Concerns and Non-Retaliation Policy and Procedure."

- Any form of retaliation against any employee who reports a perceived problem or concern in good faith is strictly prohibited.
- Any employee who commits or condones any form of retaliation will be subject to discipline up to, and including, termination.

Internal Auditing and Monitoring

ILA has developed and implemented a compliance program in an effort to establish, in part, effective internal controls that promote adherence to applicable federal and state laws and requirements. An important component of the compliance program is the use of audits and/or other evaluation techniques to monitor compliance and assist in the reduction of identified problem areas.

ILA recognizes the need for internal controls, and has implemented and monitors compliance with internal controls to the greatest extent possible. To do so, effective and efficient internal auditing occurs.

- All ILA employees are required to fully cooperate during an Agency sanctioned internal Audit.
- Audits may be announced or unannounced, full cooperation is expected
- Failure to fully cooperate during the course of an Agency sanctioned audit will lead to disciplinary action, which can include termination.

Federal and State Programs

ILA is committed to complying with the laws and regulations that govern the federal and state programs that it administers. Policies and procedures, the Compliance Program and this Code of Conduct are developed to provide guidance in your day-to-day work. You must abide by the policies and procedures and the standards set by the Agency.

Governmental Investigations:

There may be times that the Agency is asked to cooperate with an investigation by a federal or state governmental agency, or to respond to a request for information. A request may be formally addressed to the Agency or an individual within the Agency. Employees and contractors must report any requests for information or cooperation with an investigation to the Compliance Officer immediately.

Political Activities and Contributions:

Because the Agency is a non-profit organization, it is prohibited from engaging in any political campaign activities and a “substantial” amount of lobbying.

Guidelines for Employees and Contractors:

- Agency funds and resources, including your work time, may not be used for political contributions or activities.
- You may not act as a representative of the Agency in any political campaign activity. In expressing your personal political views or support or opposition of a candidate for public office, it must be very clear that you are expressing your personal view, support or opposition as an individual and not a representative of the Agency.
- Laws and regulations prohibit a “substantial” amount of lobbying. There are allowances for the Agency to advocate its position on public issues. To assure that the Agency does not violate any laws or regulations, or risk losing its tax-exempt status, you must seek prior approval from the Compliance Officer before engaging in any lobbying activities. The Compliance Officer may need to consult with legal counsel on the matter and will need to record the amount of time spent in lobbying activities.

Employment Environment

Independent Living Association, Inc. and Independent Living Association Case Management Services, Inc. is committed to creating a safe and professional workplace where employees and others are treated with respect and without regard to their race, sex, age, religion, national origin, color, marital status, disability, or other protected characteristics. Business

integrity, teamwork, trust and respect are the Agency's most important values. Unlawful discrimination or harassment of any sort violates these values. All Agency employees must exhibit and promote respect, integrity, trust and teamwork in the workplace and must comply with this policy prohibiting discrimination and harassment in all facets of the Agency's work

Guidelines for Employees and Contractors:

- All employees are required to support the Agency's commitment to a safe and professional work environment and to demonstrate appropriate behavior in the workplace.
- All employees are prohibited from joking about another employee's race, sex, age, religion, national origin, color, marital status, disability, or other protected characteristics.
- All employees are prohibited from considering someone's race, color, religion, sex, national origin, age, disability, or other protected characteristic in making decisions about hiring, placement, assignment of duties, training, promotion, termination, compensation, benefits and other work terms.
- Sexual harassment is prohibited. Sexual harassment includes any form of unwelcome sexual advance, request for sexual favors or other verbal or physical conduct of a sexual or sex-based nature.

The principles contained within this Code of Conduct are standards to which all of ILA's employees must abide. By my signature below, I acknowledge that I received the Code of Conduct and understand all of the information and attest that I will abide by these principles throughout my employment with ILA. I also understand that to do otherwise will have consequences.

Name	Signature	Date
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Billing & Claiming Review Forms

MSC:

ILA CASE MANAGEMENT SERVICES, INC.

**Medicaid Service Coordination (MSC)
Billing & Claiming Review**

AGENCY/CASE RECORD INCLUDES:	YES	NO
1. Individual Service Plan (ISP) for the individual which is effective on the date of service		
2. An ISP which identifies the claimant as the MSC service provider		
3. An ISP which identifies the type of service to be provided (i.e. MSC)		
4. An ISP which includes all of the elements above which is signed by at least one MSC agency staff person		
5. Name of individual on service documentation record/ service coordination notes		
6. Documentation of required monthly face-to-face service meeting		
7. Location of required face-to-face meeting		
8. The MSC Service Coordinator's signature on the monthly face-to-face service meeting note/documentation		
9. The date of the Service Coordinator's signature is contemporaneous with the monthly face-to-face service meeting		
10. Verification that the correct MSC rate code was billed		

Residential Audit

Consumer:		Res hab plan (Date):		Is IL res h Provi (Y/N)
Date of review:		COQ: (Date)		Is the and cl
Program:		Annual ISP (Date):		Physic Off: (
NOD (Date):		Semi-Annual ISP (Date):		Have a signed

Objective(title or Number)	Check the box on each day of the month t provided																			
Month/year :	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Check for each day on which at least 2 services were provided																				

Total Days Billed for month: _____ Monthly Review? (Y/N) _____ ~~Spotted~~
 by Med records/data sheets (Y/N) _____