



*isabella*

Welcome to our family.

# ***Compliance Manual***

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## **INTRODUCTION**

Isabella Geriatric Center, Inc., Isabella Visiting Care, Inc., and future affiliates (Hereinafter "Isabella") are dedicated and committed to meeting high ethical standards and compliance with all applicable laws in all activities regarding their respective operations. This commitment and dedication is essential to Isabella meeting its mission and is critically important because a significant portion of Isabella's services are reimbursed through governmental programs which require that Isabella's business be conducted with complete integrity.

To assure that Isabella's operations are being conducted in compliance with applicable law and the highest ethical standards, Isabella has established a Compliance Program ("Program") under the direction of a Compliance Officer. A Compliance Committee has been established to oversee the implementation and operation of the Program.

## COMPLIANCE COMMITTEE AND COMPLIANCE OFFICER

The Compliance Officer is:

<u>Name</u>	<u>Position</u>	<u>Extension</u>
Ellen Parish	V. P. Quality	1360

The Members of the Compliance Committee are:

<u>Name</u>	<u>Position</u>	<u>Extension</u>
Mark Kator	President / CEO	1300
Mnsgr Fahey	Board Member	
Eileen Casey	V.P. Human Resources	1593
Arthur Lennon	V.P. of Medical Services	1496
Rocco Meliambro	V.P. of Finance	1308
Hope Miller	V.P. of Care Services	1304
Dana Nolan	V.P. of Housing	1305
Tracey Sokoloff	Administrator, Home Care	1525
John Zeiss	V.P. of Operations	1302

Corporate Compliance Hotline Number (877) 342-9533.

## **CODE OF CONDUCT**

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

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

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

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

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

## STANDARDS OF CONDUCT

### A. Client Care and Client Rights

It is Isabella's policy to provide the highest quality of care to its residential health care facility residents and home care patients (hereinafter collectively "Clients"). Isabella believes that state and federal regulations governing Isabella's operation provide a minimum baseline of care standards, which Isabella strives to exceed in the provision of care and services to Isabella's clients.

Each client will receive services in accordance with a comprehensive plan of care developed by an interdisciplinary care team based on periodic comprehensive assessments of the client's condition. Each plan of care is designed to ensure that Isabella provides the necessary care and services to attain or maintain a client's highest practicable physical, mental and psychosocial well-being.

Each client is entitled to a dignified existence, self-determination and the provision of care and services in a manner and in an environment that promotes the maintenance or enhancement of a client's quality of life. It is Isabella's policy to protect, promote and foster for each resident his/her rights as a client of the Isabella.

Isabella has developed policies and procedures to ensure quality of care and the protection and promotion of client rights, which are to be adhered to by Isabella's staff. It is not the intent of this Manual to set forth all such policies and procedures but to identify several of the more significant ones, which are:

1. Comprehensive assessments for each client will be conducted in accordance with applicable federal and state laws and regulations;
2. All client plans of care will be developed by an interdisciplinary care team based upon the periodic comprehensive assessment of the client's condition which shall include measurable objectives and timetables to meet the client's medical, nursing, mental and psychosocial needs;
3. All services and care required by a client's plan of care will be provided to the client by qualified staff;
4. Clients are free from verbal, mental, sexual or physical abuse, corporal punishment or involuntary seclusion.

Isabella's policies and procedures with regard to client rights and client care are available from the Compliance Officer, and with respect to residential health care facility clients the Administrator's office, the Director of Social Services or the Director of Nursing and with respect to long term home health care program patients the long term home health care program administrator, and with respect to licensed home care agency clients the Isabella Visiting Care Director of Patient Services.

## **B. Referrals**

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

There are many transactions that may violate these laws. It is impossible to list each and every potential violation of these laws. For your benefit, the following examples are illustrative of prohibitive activity under these laws:

1. Receiving free goods or services from a vendor in exchange for the purchase of other goods and services;
2. The routine waiver of co-insurance payments and deductibles;
3. The offering or making of gifts, loans, rebates, services or payments of any kind to an individual or entity that is an actual or prospective referral source;
4. Entering into a professional service, management service or consulting service agreement where payment is based on other than fair market value or is based on the volume of referrals, i.e., percentage of revenue generated.

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

1. Investment interest;
2. Space rental;
3. Equipment rental;

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

Analysis of payment practices under these laws and the "Safe Harbor" regulations is complex and depends on the specific facts and circumstances of each transaction. Employees should not make unilateral judgments on the availability of a "Safe Harbor" for a payment practice, investment, discount or other arrangement. These situations should be brought to the attention of the Compliance Officer for review with legal counsel.

As a result of the foregoing, all contracts and arrangements with actual or potential referral sources and all contracts and arrangements with vendors must comply with applicable state and federal laws and regulations. All personal service, management service and consulting service agreements must comply with applicable state and federal laws and regulations. Moreover, any other financial or other business arrangement between Isabella and other health care professionals or providers must be structured to comply with all applicable state and federal laws and regulations.

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

### **C. Billing and Claims; Cost Reports**

Isabella has an obligation to its clients, third party payors and the state and federal government to exercise diligence, care and integrity when submitting claims for payment. The right to bill the Medicare and Medicaid programs carries a responsibility that may not be abused.

Isabella is committed to maintaining the accuracy of every claim it processes and submits. Many employees have responsibility for entering charges and procedure codes. Each of these individuals is expected to monitor compliance with applicable billing rules. Any false, inaccurate, or questionable claims should be reported immediately to the employee's supervisor or the Compliance Officer.

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

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

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

1. Prior to submitting a claim for payment, it is necessary to verify that all documentation for services reflected on the claim, such as physician orders and certificates of medical necessity are available in a proper and timely manner;
2. Claims may only be submitted when appropriate documentation supports the claim and only when such documentation is maintained and available for audit and review;
3. Documentation, which serves as the basis for a claim must be appropriately organized in legible form so that such documentation may be audited and reviewed;

4. Diagnosis and procedures reported on reimbursement claims must be based on the medical record and other documentation;
5. Documentation necessary for accurate code assignment must be made available to all employees with coding responsibility; and
6. Compensation for billing department coders and billing consultants shall not provide for any financial incentive to improperly upcode claims.

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

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

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

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

#### **D. Non-Discrimination in Client Services and Charges**

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

Such medically necessary items and services shall be offered to the client regardless of the client's source of payment. Charges for all items and services provided shall be based upon Isabella's usual and customary charges. Nothing of value, including but not limited to the offer of free of services, shall be offered to clients or prospective clients to induce them to utilize Isabella's services.

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

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

The following activities are specifically prohibited under this Standard of Conduct:

1. Failure to provide services that are either (a) ordered by the client's physician; (b) indicated as necessary by the client's most recent MDS assessment; and/or (c) contained in the client's plan of care.

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

#### **E. Confidentiality**

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

Isabella is required to maintain the confidentiality of each client's medical record. In this regard, medical records may not be released except with the authorization of the client, unless otherwise required or permitted by law. Special confidentiality requirements apply with regard to medical records relating to HIV infection and AIDS. Medical records should not be physically removed from Isabella, altered or destroyed. Employees who have access to medical records must exercise their best efforts to preserve their confidentiality and integrity and no employee is permitted access to the medical record of any client without a legitimate reason for doing so. If a question arises as to the permissibility of the release of a client's medical record or

any information contained therein, the employee should seek guidance from the employee's supervisor or the Compliance Officer.

Additionally, employees are to treat as confidential Isabella's proprietary business assets including: valuable ideas, business plans, and other information about Isabella's business. Isabella's employees should respect Isabella's assets as they would their own. No employee shall divulge to unauthorized persons, either during or after their employment, any information of a confidential nature connected with the business of Isabella. Examples of confidential business information include: personnel information, such as job title, level, duties, skill or salary; or any information disclosure of which could adversely affect the business interests of Isabella.

#### **F. Business Entertainment or Gifts**

Isabella recognizes that business dealings may include shared meals or other similar social occasions which may be proper business expenses and activities. More extensive entertainment, however, only rarely will be consistent with Isabella's policy and should be reviewed and approved in advance by the Compliance Officer before the employee may partake of or offer such entertainment.

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

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

Under no circumstances may an employee of Isabella pay for the meals, refreshment, travel, lodging expenses or give anything of value to a government employee (state, federal or local) who in the course of his or her official conduct may investigate, survey or otherwise deal with Isabella.

Moreover, no employee may charge, solicit, accept or receive, in addition to any amount otherwise required to be paid by third party payors, any gift, money, donation or other consideration from a client or organization or person related to a client as a pre-condition of admission or as a requirement for continued stay at Isabella.

Further, no employee may request and/or accept any remuneration, tip or gratuity in any form from a client, the client's family or sponsor for any services provided or arranged for or for

denial of services by Isabella other than specified fees ordinarily paid for care excluding donations, gifts and legacies given in behalf of Isabella.

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

## **G. Conflicts of Interest**

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

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

1. No employee should perform any outside employment or engage in any outside activities, which interfere with the effective performance of the employee's duties as an Isabella employee;
2. No employee shall have a financial interest in a firm or entity, which is doing, or seeking to do, business with Isabella or which is a competitor of Isabella. However, ownership of less than 1% of the securities of a publicly traded company shall not be considered significant or contrary to this policy;
3. No employee should render services in any capacity, such as a director, officer, employee or consultant to any person or firm that is competitive with Isabella, provides services to Isabella or is a third-party payor with regard to services provided at Isabella;
4. No employee should use their position at Isabella for personal gain such as by soliciting or accepting for personal benefit business opportunities that might otherwise accrue to the benefit of Isabella;
5. No employee should use for his or her personal benefit, or disclose to unauthorized persons, any confidential or proprietary information about Isabella or its operation;
6. No employee should borrow money from individuals or firms (other than banks and/or lending institutions) doing, or seeking to do, business with Isabella;

7. No employee should compete with Isabella by selling or leasing or offering to sell or lease services or products similar to those services or products offered by Isabella;
8. No employee should purchase services or products for Isabella from their family members or from business organizations with which they or their family members are associated, without first obtaining written permission from the Compliance Officer;
9. No employee or member of their immediately family should accept significant gifts, discounts or other preferred personal treatment from any person associated with a present or prospective customer, competitor or supplier of Isabella;
10. No employee should have outside employment or business interests that place the employee in a position of appearing to represent Isabella; and
11. No employee may use Isabella's assets for personal benefit or personal business purposes.

Any personal or business activities by an employee that may raise concerns along these lines must be reviewed with and approved in advance and in writing by the Compliance Officer.

## **H. Governance**

Isabella is committed to being compliant with applicable laws pertaining to its governance, including, but not limited to, the New York Not-for-Profit Corporation Law, the New York Public Health Law, the rules and regulations of the New York State Department of Health, the Internal Revenue Code and the pertinent regulations of the Internal Revenue Service. Isabella's directors and officers will to adhere to conduct which is compliant with such laws and regulations. Moreover, Isabella's directors and officers will adhere to and comply with all applicable Isabella policies pertaining to governance, including Isabella's conflict of interest policy pertaining to its directors and officers.

## **I. Credentialing**

Professional staff subject to Isabella's credentialing requirements will comply with Isabella's credentialing policies and procedures, including, but not limited to, the timely submission of all documentation, information, waivers and releases required for the credentialing/recredentialing of professional staff members. Professional staff members shall comply with all applicable laws pertaining to the practice of their profession, including, but not limited to, the New York Education Law and the Department of Education's regulations, and will avoid any actions or omissions that would constitute an unacceptable practice under either the New York Education Law or the Department of Education's regulations. Professional staff members will immediately notify Isabella's medical director of any events or circumstances that would adversely impact upon the member's professional privileges or professional practice,

including, but not limited to, the initiation of any professional disciplinary action by, as the case may be, the Office of Professional Medical Conduct or the New York Education Department.

## **EDUCATION AND TRAINING**

To ensure that all employees, professional staff members, executives and directors are familiar with their responsibilities under Isabella's Compliance Program, Isabella will implement an ongoing educational and training program. All employees, professional staff members, executives and directors will be required to participate in initial and annual training sessions. Additionally, periodic training sessions will be required, as determined by the Compliance Committee, for employees of certain departments with responsibilities for purchasing, billing and coding or any other responsibilities that the Compliance Committee determines appropriate for periodic training.

### **A. Initial and Annual Training**

Initial and annual training sessions will focus on the requirements of Isabella's Compliance Program as set forth in this Manual and the legal and ethical standards generally required of employees, professional staff members, executives and directors. Each employee, professional staff member, executive and director will be required to sign a certification acknowledging attendance at the initial and each annual Compliance Training Session which certification will be maintained by the Compliance Officer, and, as to employees, a copy being maintained in the employee's personnel file.

### **B. Periodic Training**

Periodic Training Sessions will highlight federal and state laws that affect the employees' area of responsibility. For example, periodic training will be held in areas involving: federal and state anti-kickback statutes; current billing requirements; and current coding requirements. Employees required to attend periodic training sessions will be required to sign a certification of attendance which will be maintained by the Compliance Officer, with a copy to be maintained in the employee's personnel file.

### **C. Failure to Attend Required Training**

Any employee or professional staff member or executives who fails to attend a training session, for which the employee or professional staff member or executive is required to attend, will result in disciplinary action. Repeated failures to attend required training sessions will result in termination of employment and/or loss of professional privileges. Directors who fail to attend required training sessions may be subject to removal from the Board of Directors.

### **D. Ongoing Communication and Changes in Compliance Manual**

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

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

## **REPORTING REQUIREMENTS**

### **A. Reporting**

It is the responsibility of every employee, professional staff member, executive and director to report any known instances of or reasonable suspicions of any violation of applicable state or federal law, ethical standards or Isabella's policies, including the code of conduct and standards of conduct contained in this Manual. To report a suspected violation, an individual is required to notify, either verbally or in writing, the Compliance Officer or the individual's immediate supervisor, if an employee or professional staff member. Any supervisory staff personnel receiving a report of a suspected violation is required to immediately notify the Compliance Officer. If the suspected violation involves the employee's immediate supervisor, the employee should make the report directly to the Compliance Officer. If the suspected violation involves the Compliance Officer, the report should be made directly to Isabella's administrator or a member of the Compliance Committee. An individual may make a report of a suspected violation anonymously. Failure to report a suspected violation may result in disciplinary action.

### **B. Examples of Activities to be Reported**

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

- (1) The acquisition of any information that gives an individual reason to believe that an employee, professional staff member or contractor is engaged in or plans to engage in any conduct prohibited by applicable law, ethical standards or the policies of Isabella, including the Standards of Conduct contained herein (hereinafter collectively "Standards");
- (2) The acquisition of any information indicating that any other person or entity associated with Isabella plans to violate any of the foregoing Standards; and
- (3) An employee is instructed, directed or requested to engage in conduct, which violates any of the foregoing Standards.

### **C. Confidentiality**

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

#### **D. Investigations**

It is important to the integrity of Isabella's operation that all suspected violations of Standards be thoroughly reviewed and investigated so that appropriate action can be taken as necessary. Isabella will promptly and thoroughly investigate any suspected violation and take appropriate disciplinary action if warranted. Investigations may be conducted internally by the Compliance Officer or externally by either accountants or lawyers engaged by Isabella. Employees, professional staff members, executives and directors are required to cooperate with the individual or individuals conducting an investigation of a suspected violation. Such cooperation may involve being interviewed by the individual or individuals conducting the investigation or supplying such individual or individuals with requested documentation. Failure to cooperate in an investigation of a suspected violation may result in disciplinary action being taken.

#### **E. Non-Retaliation**

To ensure cooperation, neither Isabella nor its respective employees, professional staff members, executives or directors shall take any retaliatory action or retribution against any individual who has submitted a report of a suspected violation or who has participated in an investigation of a suspected violation. Any employee, professional staff member, executive or director who takes retaliatory action or retribution against an individual who has either reported a suspected violation or participated in an investigation of a suspected violation will be subject to disciplinary action or, as to a director, removal from the Board of Directors.

## **DISCIPLINARY PROCEDURES**

All employees, professional staff members, executives and directors are required to comply with applicable state and federal law, ethical standards and Isabella's policies, including the standards of conduct contained in this Manual (hereinafter collectively "Standards"). Any employee or professional staff member or executive who violates any of the foregoing Standards will be subject to disciplinary action, up to and including termination of employment or termination of professional staff privileges. Any director who violates any of the foregoing Standards may be subject to removal from the Board of Directors.

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

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

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

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

## **MONITORING AND AUDITING**

Isabella will have in place a system for routinely identifying compliance risk areas and for self evaluation including internal and external audits as needed. It is intended that this process will result in continuous improvement in professional, business and operational practices of Isabella.

The Centers for Medicare and Medicaid Services, the Office of the Inspector of General, the New York State Department of Health and the New York State Office of the Medicaid Inspector General, have made information on the Medicare and Medicaid programs available on their respective websites and Isabella will utilize such resources in operating its compliance program and continuing to monitor the progress of its compliance program.

Employees, professional staff members executives, directors, and, to the extent applicable, vendors and agents will be required to cooperate with the compliance responsibilities and activities of Isabella.

# **COMPLIANCE PROTOCOL**

## **GOVERNING BOARD AUTHORIZATION**

Isabella's respective Boards of Directors have authorized the adoption of a compliance program consisting of: (1) the compliance manual, (2) the compliance protocols; and (3) appropriate policies and procedures affecting any risk areas in Isabella's operations. Together, these documents constitute Isabella's compliance program.

## **COMPLIANCE COMMITTEE**

**A. Composition:** The Compliance Committee shall consist of Isabella's:

1. Compliance Officer;
2. President / CEO;
3. Board Member;
4. V.P. of Care Services;
5. V.P. of Finance;
6. V.P. of Housing;
7. V.P. of Human Resources;
8. V.P. of Medical;
9. V.P. of Operations;
10. Administrator, Home Care

**B. Meetings.** The Compliance Committee shall meet quarterly and more frequently if deemed necessary. Prior to such meetings, the Compliance Officer shall submit to each member of the Committee an agenda enumerating matters to be reviewed by the Committee. The CEO or the Compliance Officer may call special meetings of the Compliance Committee. Members of the Compliance Committee may participate in meetings either in person or by telephonic communication.

**C. Quorum:** The presence of at least a majority of the members of the Compliance Committee shall constitute a quorum. All actions by the Compliance Committee require a majority vote of the members present. The Compliance Officer shall be responsible for communicating the Compliance Committee's actions and recommendations to employees, when necessary or required.

**D. Duties and Functions:** The Compliance Committee's duties and functions are:

1. Analyzing Isabella's business environment, including the legal and regulatory requirements thereof, and identifying and determining specific areas of potential risk to be addressed in Isabella's Compliance Program;

2. Assessing existing internal systems and controls in these areas to determine if same are effective for detecting and preventing illegal or unethical conduct;
3. Under the direction of the Compliance Office and in conjunction with relevant department heads, revise internal systems and controls where necessary and develop internal systems and controls where needed and monitor compliance with such internal systems and controls;
4. Determine those departments or job responsibilities for which periodic training and education is necessary and, under the direction of the Compliance Officer, ensure that such periodic training and education is carried out;
5. Under the direction of the Compliance Office and in conjunction with relevant department heads, develop, establish and revise, as necessary, policies and procedures to promote compliance with applicable laws, regulations and ethical standards, including, but not limited to the standards of conduct set forth in the Compliance Manual, self disclosure policies and policies required under the Deficit Reduction Act of 2005 relating to educational requirements or the prevention of fraud, abuse and waste under the Medicaid program;
6. Under the direction of the Compliance Officer, ensure the development of internal auditing procedures with respect to specific areas of potential risk;
7. Under the direction of the Compliance Officer, ensure the development and implementation of initial, annual and periodic training and education sessions;
8. Under the direction of the Compliance Officer, review and investigate reported suspected violations of legal, regulatory or ethical standards and recommend to administration appropriate corrective actions, if required, including but not limited to disciplinary action and self-reporting to state or federal governmental agencies;
9. Review and revise, as necessary, the Compliance Program;
10. Submit for approval of the Board(s) of Directors any revisions or amendments to the Compliance Manual and/or the Compliance Protocols; and
11. Ensure that sufficient funding is available for the Compliance Officer to carry out the day-to-day operations of the Compliance Program.

**E. Reporting:** The Compliance Officer shall report, at least quarterly, to Isabella's governing authority with regard to activities of the Compliance Committee including, but not limited to, any investigations and responses thereto conducted during the reporting period.

## COMPLIANCE OFFICER

- A. Appointment:** The Compliance Officer must be an employee within high-level personnel of Isabella. The Compliance Officer will be appointed by Isabella's CEO subject to the approval of Isabella's governing authority. The CEO, subject to the approval of Isabella's governing authority, shall have the right to replace the Compliance Officer as warranted.
- B. Duties and Responsibilities:** The Compliance Officer is responsible for the day-to-day operation of Isabella's Compliance Program. The Compliance Officer shall be responsible for:
1. Reporting on a regular basis to Isabella's CEO and the Compliance Committee on the progress of the implementation, development and operation of the Compliance Program (see Section E under Compliance Committee for Reporting to Board(s) of Directors);
  2. Recommending to the Compliance Committee revisions to the Compliance Program when needed in light of changes in legal, regulatory and ethical standards;
  3. Developing and implementing, in conjunction with relevant department heads and outside consultants, if necessary, the initial, annual and periodic training and education program;
  4. Ensuring that independent contractors and agents who provide services or supplies to Isabella are aware of the requirements of Isabella's Compliance Program;
  5. Developing, implementing and placing in operation, in conjunction with relevant department heads and outside consultants, if necessary, internal audit and control systems with respect to departments or areas determined to be areas of potential risk, including annual or periodic reviews thereof;
  6. Investigating all reported suspected violations of legal, regulatory or ethical standards, report the results of such investigation to the Compliance Committee and recommend to the Compliance Committee appropriate follow up action, including but not limited to disciplinary action and self-reporting to appropriate state or governmental agencies. In undertaking an investigation, the Compliance Officer, subject to the approval of the Compliance Committee, may engage outside legal and/or accounting experts;
  7. Developing, implementing and placing in operation reporting mechanisms which can be utilized by Isabella's employees and professional staff to report suspected violations of legal, regulatory and ethical standards;

8. Developing and implementing a record keeping system with regard to:
  - i) Distribution to employees, professional staff and providers of supplies and services to Isabella of Isabella's Compliance Manual and all updates and revisions thereto;
  - ii) Employee and professional staff attendance at all required initial, annual and period education and training programs;
  - iii) Verification of receipt of reports of suspected violations of legal, regulatory or ethical standards;
  - iv) Conducting of investigations, including the results thereof and any corrective actions taken in response thereto;
9. Assemble a database of compliance information for use in education and training and updating and revising the Compliance Program, including but not limited to the Office of the Inspector General's Management Advisory Reports, Special Fraud Alerts issued by the Office of the Inspector General, Advisory Opinions issued by the Office of the Inspection General, the Inspector General's annual work plan, coding requirements and billing requirements of appropriate state and federal agencies, including those of their respective fiscal intermediaries. Such database should be updated on at least a quarterly basis.

**C. Access:** In carrying its responsibilities hereunder, the Compliance Officer shall have the authority to review all documents and other information that is relevant to compliance activities, including, but not limited to, medical records, billing records, employment and vendor contracts. The Compliance Office shall also have authority to access, as necessary, Isabella's employees, professionals staff members and vendors. The Compliance Officer will coordinate all internal compliance reviews, monitoring activities and act as liaison with applicable federal and state representatives in charge of compliance activities as needed.

**D. Outside Consultants and Experts:** The Compliance Officer, with the approval of the Compliance Committee, shall have the authority to engage outside consultants, including legal and accounting, when necessary for the Compliance Officer to fulfill his/her responsibilities hereunder.

**E. Governmental Contacts:** The Compliance Officer will also maintain a list of governmental contacts for purposes of implementing any reporting mandates or self disclosure requirements under the Compliance Program. The list will include the following and as updated regularly:

1. United States Department of Health and Human Services, Office of the Inspector General;

2. United States Department of Health and Human Services, Centers for Medicare and Medicaid Services;
3. New York State Office of Medicaid Inspector General Self Reporting Contact;  
and
4. New York State Department of Health contacts regarding Advisory Opinions.

## **EDUCATION AND TRAINING**

In developing the training and education component of Isabella's Compliance Program, the following principles will be adhered to:

1. Initial and annual training and education programs should concentrate on Isabella's Compliance Program as outlined in the Compliance Manual, ethical standards and conflicts of interest and basic federal and regulatory standards governing Isabella's business. Training and education shall include all affected employees and persons associated with Isabella, including executives and governing body members, on compliance issues, expectations and the Compliance Program operation; such training shall be made a part of the orientation for a new employee, professional staff member, executive and director.
  
2. In addition to those specific areas which the Compliance Committee has determined appropriate for periodic training, periodic training and education programs shall be developed in the following areas:
  - (a) Federal and state statutory and regulatory standards affecting Isabella's business;
  - (b) Policies and procedures of private payors;
  - (c) Coding requirements, including proper completion of PRI and MDS forms;
  - (d) Claim development and submission processes;
  - (e) Fraud and abuse;
  - (f) Governmental reimbursement principles;
  - (g) Alteration of medical records;
  - (h) Proper documentation for services rendered;
  - (i) Billing and payment issues;
  - (j) Medical necessity and quality of care;
  - (k) Governance;
  - (l) Mandatory reporting;
  - (m) Credentialing.

3. In developing the initial, annual and periodic training and education programs and sessions, the Compliance Officer is encouraged to seek the input from department heads and the in-service coordinator. In addition, the Compliance Officer is authorized to utilize the services of outside consultants, including provider associations, fiscal intermediaries and governmental agencies;
4. Documentation assembled by the Compliance Officer should be incorporated in the education and training program and sessions;
5. Periodic dissemination of information and/or training and education sessions should be undertaken as soon as practicable upon the receipt of information or documentation of new or revised standards affecting the Compliance Program (for example, in the event a special fraud alert is issued by the Office of the Inspector General affecting the nursing home industry, the Compliance Officer should undertake as soon as practicable thereafter to disseminate the information to affected employees and staff and, if determined necessary, schedule an appropriate periodic training session).
6. Deficit Reduction Act 2005 Educational Requirements. All employees, vendors, and agents doing business or providing services on behalf of Isabella must receive a summary of applicable statutes and regulations concerning false claims, administrative and civil penalties relating to health care programs. Such summaries will include both federal and state requirements as well as a summary of whistleblower protections relating thereto. The Compliance Committee will update and revise such summaries in accordance and in compliance with applicable state and federal laws. The Compliance Officer will ensure that such summaries and any revisions thereto are distributed to all employees, vendors and agents of Isabella.

## EMPLOYMENT

- A. Prohibition:** Isabella is prohibited from employing any individual who has been:
1. Convicted of a criminal offense relating to health care, including conviction for a criminal offense relating to delivery of an item or service under Medicare or a state health care program, conviction for a criminal offense relating to neglect or abuse of residents in connection with the delivery of a health care item or services, conviction for an offense relating to health care fraud and conviction for an offense relating to obstruction of an investigation of a criminal offense related to the delivery of an item or service under Medicare or a state health care program; and
  2. Debarred, excluded or otherwise ineligible for participation in a federal health care program which is defined as any plan or program that provides health benefits, whether directly, through insurance, or otherwise, which is funded directly, in whole or in part, by the United States government or any state health care program.
- B. Employment Application:** Isabella's employment application will, to the extent necessary, be modified to require each applicant to disclose any conviction for a criminal offense related to health care or any debarment, exclusion or ineligibility of the applicant for participation in a federal health care program. Similarly, Isabella's application for staff privileges will, to the extent necessary, be modified accordingly.
- C. Background Checks:** With regard to applications for employment for positions with discretionary authority to make decisions that may involve compliance with law or compliance oversight, Isabella shall do an appropriate reference check and, prior to offering employment to such individual, review appropriate and available resources to assure that the individual is not disqualified from serving in such positions. Isabella will review information maintained on-line by the Federal General Services Administration and the New York State Office of the Medicaid Inspector General containing a monthly listing of debarred individuals. Internet access is as follows:
1. US GSA <http://www.epls.gov>
  2. OIG <http://hhs.gov/fraud/exclusions.html>
  3. NY OMIG <http://www.emedny.org/info/disqualify.html>
- In addition, Isabella will conduct criminal history background checks on prospective employees, as required by law, in accordance with New York State laws and regulations.
- D. Evaluations:** Promotion of and adherence to compliance shall be an element in evaluating the performance of administrative and supervisory staff. Annual evaluation

reports for administrative and supervisory staff will be modified to incorporate a compliance component.

**E: Subcontractor Credentialing and Training Certifications:**

The provision of contracted services shall be in accordance with contracting standards set forth in applicable state and federal laws and regulations. Documentation standards shall also be maintained for all outside contractors who must be professionally licensed in order to assure that Isabella is utilizing properly licensed and trained independent contractors or contracted staff.

## VENDOR AND PROFESSIONAL CONTRACTS

**A. Prohibition:** Isabella is prohibited from entering into a contract with any individual, company or entity, which has been:

1. Convicted of a criminal offense relating to health care, including conviction for a criminal offense relating to delivery of an item or service under Medicare or a state health care program, conviction for a criminal offense relating to neglect or abuse of residents in connection with the delivery of a health care item or services, conviction for an offense relating to health care fraud and conviction for an offense relating to obstruction of an investigation of a criminal offense related to the delivery of an item or service under Medicare or a state health care program; and
2. Debarred, excluded or otherwise ineligible for participation in a federal health care program which is defined as any plan or program that provides health benefits, whether directly, through insurance, or otherwise, which is funded directly, in whole or in part, by the United States government or any state health care program.

**B. Background Checks:** Before entering into any vendor or professional service contract, Isabella will require each vendor and professional provider to sign a certification to the effect that the vendor has not been convicted of a criminal offense relating to health care or been debarred, excluded or otherwise found ineligible to participate in a federal health care program. Such certification shall be maintained in appropriate files and may be updated on an annual basis. In addition, Isabella will access any applicable state or federal data base to determine whether a prospective vendor or professional provider has been excluded or otherwise found ineligible to participate in federal health care programs, including the data base operated by the General Services Administration containing a monthly listing of debarred contractors. Internet access shall be as follows:

1. US GSA      <http://www.epls.gov>
2. OIG         <http://hhs.gov/fraud/exclusions.html>
3. NY OMIG    <http://www.emedny.org/info/disqualify.html>

## MONITORING AND AUDITING

- A. Internal Control Systems:** In those areas where the Compliance Committee has determined the need for internal control systems, the Compliance Officer, in conjunction with the appropriate department head, shall develop and establish internal control mechanisms designed to detect and prevent violations of legal and regulatory and ethical standards. Where internal control mechanisms and procedures are in place, the Compliance Officer, in conjunction with the appropriate department head, shall review such procedures to determine their effectiveness and revise such procedures if necessary. The Compliance Officer may engage outside consultants to assist in this process.
- B. Internal Auditing:** Periodically, but not less than twice per year, the Compliance Officer, or his or her designee, will conduct audits of those areas where internal control mechanisms and procedures have been required to determine compliance therewith. In particular, the Compliance Officer, in conjunction with appropriate facility staff, shall develop both pre-submission and post-submission claim audit procedures. Pre-submission claim audits shall include:
1. Random sampling of Medicaid and Medicare claims prior to submission;
  2. Obtaining the physician's order for services reflected therein or other documentation or certificate of medical necessity;
  3. Obtaining the patient care plan and medical records;
  4. Comparing codes billed with documentation provided in the medical record;
  5. Ensuring that all appropriate medical documentation is available and documented to support the claim;
  6. Ensuring that the medical necessity of services billed is appropriately documented in the care plan and medical record.
- Post-submission review will involve:
1. Random sampling of claims submitted for billing over a specified period with regard to both Medicare and Medicaid;
  2. Reviewing the claims with the medical record to ensure that all documentation necessary to support the claim is contained in the medical record and that the medical record establishes the medical necessity for the claimed services.
- C. External Audits:** The Compliance Officer shall arrange and coordinate with outside consultants, as needed in the determination of the Corporate Compliance Committee, for the external audit of those departments and areas involving compliance issues.

**D. Reports and Corrective Action:** The Compliance Officer shall provide the Compliance Committee with appropriate reports with regard to internal and external audits. In the event an internal or external audit discovers a violation of legal, regulatory or ethical standards, the report will recommend appropriate corrective action, including revision of internal control mechanisms and procedures, disciplinary action, submission of revised claims or billings, self-reporting and refunding of overpayments. The Compliance Officer will develop periodic reports on the ongoing monitoring of the compliance efforts as well as follow-up reports regarding identified risk areas. These reports will be maintained in the compliance files and shared with the compliance committee and the Board(s) of directors

**E. Self-Disclosure Policy:**

The self disclosure of overpayments, violations and other matters affecting Isabella's participation in Medicaid, Medicare and other public health care programs will follow the published guidances issued by the Office of the Medicaid Inspector General, the Office of the Inspector General within the federal Department of Health and Human Services and all other duly promulgated guidelines and regulations pertaining to such matters.

## **INVESTIGATION**

The Compliance Committee, under the direction of the Compliance Officer, will investigate all reports of suspected violations of legal, regulatory and ethical standards. All reports of alleged violations of such standards received by supervisory personnel shall be immediately forwarded to the Compliance Officer who will then forward same to the Compliance Committee. All reports of suspected violations of such standards received by the Compliance Officer shall be reported to the Compliance Committee.

Recommended components of an investigation are as follows:

1. Interview the individual filing the report, unless anonymously filed, as soon as possible after the report has been filed. Such interview shall be conducted in private and in as confidential a manner as possible. The individual should be encouraged to disclose all facts and other relevant information regarding the alleged violation and the individual should be encouraged to sign a written summary of his/her complaint, as prepared by the Compliance Officer. The individual should be reminded that Isabella will not tolerate any form of retaliation or retribution against the individual for making the complaint;
2. Interview any witnesses or other individuals with knowledge regarding the reported suspected violation, including residents, vendors and other providers. Such interviews shall be conducted in private and in as confidential manner as possible. Such witnesses should be encouraged to provide all pertinent information and facts and encouraged to sign a summary statement. Witnesses should be reminded that Isabella does not tolerate retaliation or retribution against any individual who has participated in an investigation of a report of a suspected violation;
3. Assemble and review all appropriate documentation;
4. Interview any alleged wrongdoer. Such interview should be conducted in private and in an as confidential manner as possible. Explain to the alleged wrongdoer that a complaint has been made concerning a possible compliance violation and that no conclusions or decisions have been and will not be made until the matter has been fully investigated. Remind the alleged wrongdoer that failure to cooperate, untruthfulness and omission of pertinent information will result in disciplinary action. Remind the alleged wrongdoer that retaliation or retribution against the individual filing the report of the suspected violation or any individual who has participated in the investigation will not be tolerated and will result in appropriate disciplinary action being taken.
5. If necessary, internally perform or engage outside experts to conduct any required auditing functions required as part of the investigation.

Upon the completion of the investigation, the Compliance Officer will cause a report to be filed with the Compliance Committee detailing the substance of the alleged violation, the evidence discovered during the investigation, the Compliance Officer's findings and recommended corrective action. Isabella will follow appropriate Self Disclosure guidelines as required based on the results of any particular investigation.

The Compliance Committee will review the investigation report with the Compliance Officer and recommend to administration the appropriate form of corrective action to be taken. The administration, with the assistance of the Compliance Officer and Compliance Committee, will implement appropriate corrective action.

At any time during an investigation, the Compliance Committee may engage legal counsel to conduct the investigation, if, in the opinion of the Compliance Committee, such action is warranted. If legal counsel is engaged to conduct the investigation, the Compliance Officer will assist counsel in such investigation. When outside legal counsel is engaged to conduct the investigation, counsel shall prepare a report to the Compliance Committee setting forth the substance of the alleged violation, the evidence and findings of the investigation and recommended corrective action.

If at any time during an investigation, the Compliance Officer believes the integrity of the investigation may be at stake because of the presence of employees under investigation, such employees shall be removed from their current work activity until the investigation is completed (unless an internal or government led undercover operation is in effect). In addition, the Compliance Officer shall take appropriate steps to secure or prevent the destruction of documents or other evidence relevant to the investigation.

## **RESPONSE TO DETECTED VIOLATIONS**

Isabella will correct compliance problems promptly and thoroughly, implementing procedures, policies and systems as necessary to reduce the potential for reoccurrence.

The Compliance Officer shall initiate and supervise investigations into suspected violations. The Compliance Officer will take appropriate steps to secure the integrity of documents or other evidence relating to the investigation. Consultation with outside counsel and/or third party consultants will be obtained as needed.

Individuals involved in the suspected violation may be reassigned or placed on a temporary leave, during the investigation, as appropriate. Interim measures will be taken as necessary.

Isabella will report any violations to, as applicable, the Office of Inspector General or the Office of Medicaid Inspector General, if such violation is subject to a duty to report. Isabella will develop and maintain a system for refunding overpayments, as appropriate, in accordance with Self Disclosure guidances.

## FEDERAL DEFICIT REDUCTION ACT

### FEDERAL FALSE CLAIMS ACT

#### A. False Claims and Penalties

The Federal False Claims Act (“Act”) imposes civil liability upon any person (individual or entity) for knowingly making a false claim to the United States government (“Government”). Specifically, the Act sets forth seven circumstances for which civil liability will be imposed for false claims. These seven circumstances are:

1. To knowingly present, or cause to be presented, to the Government a false or fraudulent claim for payment or approval;
2. To knowingly make, use, or cause to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government;
3. To conspire to defraud the Government by getting a false or fraudulent claim allowed or paid;
4. To have possession, custody or control of property or money used, or to be used, by the Government and, intending to defraud the Government or to willfully conceal the property, to deliver or cause to be delivered, less property than the amount for which the person receives a certificate or receipt;
5. To authorize the making or delivery of a document certifying receipt of property used, or to be used, by the Government and, intending to defraud the Government, to make or deliver the receipt without completely knowing that the information on the receipt is true;

6. To knowingly buy, or receive as a pledge of an obligation or debt, public property from an officer or employee of the Government who lawfully may not sell or pledge the property; or
7. To knowingly make, use, or cause to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Government.

The civil monetary penalty that can be imposed for a false claim under the Act is not less than \$5,000.00 and not more than \$10,000.00, **PLUS** three times the amount of damages which the Government sustained because of the false claim. A Court may impose a lesser penalty of not less than two times the amount of damages sustained by the Government where the Court finds the following:

1. The person committing the violation furnished governmental officials responsible for investigating false claims with all information known to the person about the violation within thirty (30) days after the date on which the person first obtained the information;
2. The person fully cooperated with any governmental investigation of the violation; and,
3. At the time the person furnished the Government with the information about the violation, no criminal prosecution, civil action, or administrative action had been commenced with respect to the violation and the person did not have actual knowledge of the existence of an investigation into the violation.

The Act defines the term “Claim” and the terms “Knowing” and “Knowingly”. A

Claim is defined for purposes of the Act as follows:

Claim includes any request or demand, whether under a contract or otherwise, for money or property which is made to a contractor, grantee, or other recipient if the United States government provides any portion of the money or property which is requested or demanded or if the

Government will reimburse such contractor, grantee or other recipient of any portion of the money or property which is requested or demanded.

The terms “Knowing” and “Knowingly” are defined as:

That a person, with respect to information:

1. Has actual knowledge of the information;
  2. Acts in deliberate ignorance of the truth or falsity of the information; or
  3. Acts in reckless disregard of the truth or falsity of the information,
- and no proof of specific intent to defraud is required.

In essence, civil monetary penalties may be imposed upon a person for making a false claim to the Government where the individual knows the information in the claim is false, or acts in deliberate ignorance of the truth or falsity of the information in the claim or acts in reckless disregard of the truth or falsity of the information in the claim. Civil monetary penalties are imposed even where there is no specific intent to defraud the Government.

The Act applies to claims submitted under Medicare, Medicaid, other federal health care programs and other state health care programs funded, in whole or in part, by the federal government. Examples of false claims include, but are not limited to:

1. Filing a claim for payment knowing that the services were not provided or were medically unnecessary;
2. Submitting a claim for payment knowing that excessive charges are being billed;
3. Submitting a claim for payment knowing that a higher billing code which does not reflect the services provided is used;
4. Filing a claim knowing that the claim is for duplicate services.

The Act has been used as a basis to impose civil monetary penalties upon nursing homes in situations involving egregious substandard quality of care, that is, the resident's condition is so bad that the services billed for could not have been provided.

B. Civil Actions Under the Act

Enforcement of the Act is the responsibility of the United States Attorney General. However, private individuals have the ability to bring a civil action for a violation of the Act. These private actions are known as "Qui Tam" actions.

Qui Tam actions are brought by private individuals in the name of the Government. When the complaint in an action brought by a private individual is filed with the Court, it remains under seal for a period of sixty days and cannot to be served upon the defendants named therein until ordered by the Court. Under seal means that the action remains confidential and is not subject to disclosure. The private individual must serve a copy of the complaint and written disclosures of substantially all material evidence and information the individual possesses on the Government. Within sixty days of the Government's receipt of the complaint and written disclosures, the Government shall either intervene and proceed with the action, in which case, the action shall be conducted by the Government, or notify the Court that it declines to take over the action, in which case, the private individual bringing the action shall have the right to proceed with the action.

If the Government elects to proceed with the action brought by a private individual, the private individual shall receive at least 15% but not more than 25% of the proceeds of the action or settlement of the claim, depending upon the extent to which the private individual contributed to the prosecution of the action. If the Government does not proceed with the action, and the private individual is successful in the action or settles the action, the private individual is entitled

to an amount not less than 25% and not more than 30% of the proceeds of the action or settlement which shall be paid out of the proceeds of the action or settlement. In addition, the private individual is entitled to receive an amount for reasonable expenses necessarily incurred in the action plus reasonable attorneys' fees and costs. On the other hand, if the private individual is unsuccessful in prosecuting the action, the Court, upon a finding that the action was clearly frivolous, clearly vexatious or brought primarily for purposes of harassment, may award the defendant in the action its reasonable attorneys' fees and expenses. If the private individual in the action is a person who planned or initiated the violation of the Act, the Court, where appropriate, may reduce the amount of the award to the private individual. Moreover, if such private individual is convicted of a crime arising from his or her role in the violation, the person will not receive any share of the proceeds of the action.

A civil action under the Act may not be brought:

1. More than six years after the date on which the violation of the Act is committed; or
2. More than three years after the date when facts material to the right of action are known or reasonably should have been known by an official of the Government charged with responsibility to act in the circumstances but in no event more than 10 years after the date on which the violation is committed, whichever occurs last.

#### 31 U.S.C. §3801 Et. Seq.

31 U.S.C. §3801 imposes additional civil penalties for the filing of false claims or statements with the federal government. The term "Claim" is defined as:

Any request, demand or submission - -

- (A) Made to [the Government] for property, services or money (including money representing grants, loans, insurance or benefits);

- (B) Made to a recipient of property, services or money from [the Government] or to a party to a contract with [the Government] - -
  - (i) For property or services if the United States - -
    - (I) Provided such property or services;
    - (II) Provided any portion of the funds for the purchase of such property or services; or
    - (III) Will reimburse such recipient or party for the purchase of such property or services; or
  - (ii) For the payment of money (including money representing grants, loans, insurance or benefits), if the United States - -
    - (I) Provided any portion of the money requested or demanded; or
    - (II) Will reimburse such recipient or party for any portion of the money paid on such request or demand; or
- (C) Made to [the Government] which has the effect of decreasing an obligation to pay or account for property, services or money,

except that such term does not include any claim made in any return of tax imposed by the Internal Revenue Code of 1986.

The term "Statement" is defined as:

Any representation, certification, affirmation, document, record or accounting or bookkeeping entry made - -

- (A) With respect to a claim or to obtain the approval or payment of a claim (including relating to eligibility to make a claim); or
- (B) With respect to (including relating to eligibility for - -
  - (i) A contract with, or a bid or proposal for a contract with; or
  - (ii) A grant, loan or benefit from,

an authority, or any State, political subdivision of a State, or other party, if the United States Government provides any portion of the money or property under such contract or for such grant, loan or

benefit, or if the Government will reimburse such State, political subdivision or party for any portion of the money or property under such contract or for such grant, loan or benefit, except that such term does not include any statement made in any return of tax imposed by the Internal Revenue Code of 1986.

Specifically, civil monetary penalties under 31 U.S.C. §3801 et. seq. will be imposed against:

1. Any person (individual or entity) who makes, presents, or submits, or causes to be made, presented or submitted, a claim that the person knows or has reason to know:
  - (A) is false, fictitious or fraudulent;
  - (B) includes or is supported by any written statement which asserts a material fact which is false, fictitious or fraudulent;
  - (C) includes or is supported by any written statement that:
    - (i) omits a material fact;
    - (ii) is false, fictitious or fraudulent as a result of such omission; and
    - (iii) is a statement in which the person making, presenting or submitting such statement has a duty to include such material facts; or
  - (D) Is for payment for the provision of property or services which the person has not provided as claimed; or
2. Any person who makes, presents or submits, or causes to be made, presented or submitted, a written statement that:
  - (A) The person knows or has reason to know:
    - (i) asserts a material fact which is false, fictitious or fraudulent; or
    - (ii) is false, fictitious or fraudulent as a result of such omission;

- (B) in the case of a statement described in clause (ii) of subparagraph (A) is a statement in which the person making, presenting, or submitting such statement has a duty to include such material fact; and
- (C) contains or is accompanied by an express certification or affirmation of the truthfulness or accuracy of the contents of the statement.

The term “knows or has reason to know” means that:

A person, with respect to a claim or statement - -

- (A) has actual knowledge that the claim or statement is false, fictitious or fraudulent; or
- (B) acts in deliberate ignorance of the truth or falsity of the claim or statement; or
- (C) acts in reckless disregard of the truth or falsity of the claim or statement,

and no proof of specific intent to defraud is required.

Civil monetary penalties under 31 U.S.C. §3801 et. seq. are not more than \$5,000 for each false claim or statement. Also, in lieu of damages sustained by the federal government, an assessment of not more than twice the amount of such claim(s) may be imposed. An individual or entity against whom civil monetary penalties are sought under 31 U.S.C. §3801 et. seq. is entitled to notice, an opportunity for a hearing and judicial review.

#### ADDITIONAL CIVIL AND CRIMINAL PENALTIES AND EXCLUSIONS FOR FALSE CLAIMS

In addition to the Act and 31 U.S.C. §3801 et. seq., the federal government may, pursuant to 42 U.S.C. §1320a-7a, impose civil monetary penalties for false claims. Such additional civil monetary penalties may be up to but not exceed \$10,000 for each item or service, which is the subject of a false claim.

In addition to civil monetary penalties, the federal government may, pursuant to 42 U.S.C. §1320a-7, exclude an individual or entity from participation in federal and state health care programs (including Medicare and Medicaid) for certain false claims or actions. Generally, exclusion is mandatory in cases where the individual is convicted of a felony relating to health care fraud, otherwise, exclusion is permissive, that is, subject to the discretion of the Government.

Pursuant to 42 U.S.C. §1320a-7b, criminal sanctions may be imposed against an individual or entity for making or causing to be made false statements or representations. Specifically, criminal sanctions will be imposed against an individual or entity who:

1. Knowingly and willfully makes or causes to be made any false statement or representation of a material fact in any application for any benefit or payment under a federal health care program;
2. At any time knowingly and willfully makes or causes to be made any false statement or representation of a material fact for use in determining rights to such benefits or payments;
3. Having knowledge of the occurrence of any event affecting (1) his/her initial or continued right to any such benefit, or (2) the initial or continued right to any such benefit or payment of any other individual in whose behalf he/she has applied for or is receiving such benefit or payment, conceals or fails to disclose such event with an intent fraudulently to secure such benefit or payment either in a greater amount or quantity than is due or when no such benefit or payment is authorized;
4. Having made application to receive any such benefit or payment for the use and benefit of another and having received it, knowingly and willfully converts such benefit or

payment or any part thereof to a use other than for the use and benefit of such other person;

5. Presents or causes to be presented a claim for a physician's service for which payment may be made under a federal health care program and knows that the individual who furnishes the services was not licensed as a physician; or
6. For a fee knowingly and willfully counsels or assists an individual to dispose of assets (including by any transfer in trust) in order for the individual to become eligible for medical assistance under [Medicaid] if disposing of the assets results in the imposition of a period of ineligibility for such assistance.

In addition, criminal sanctions will be imposed against any individual or entity who knowingly and willfully makes or causes to be made, or induces or seeks to induce the making of, any false statement or representation of a material fact with respect to the conditions or operations of any institution, facility or entity in order that such institution, facility or entity may qualify (either upon initial certification or upon recertification) as a hospital, critical access hospital, skilled nursing facility, nursing facility, intermediate care facility for the mentally retarded, home health agency, or other entity for which certification is required under Medicare or a state health care program or with respect to information required to be provided under 42 U.S.C. §1320a-3a (disclosure requirements for other providers under Medicare Part B).

#### NEW YORK STATE FALSE CLAIMS LAWS

A. Social Services Law, Section 366-b

Section 366-b of the Social Services Law makes it a Class A misdemeanor for any person who, with intent to defraud, does any of the following:

1. presents for allowance or payment any false or fraudulent claim for furnishing services or merchandise;
2. knowingly submits false information for the purpose of obtaining greater compensation than that to which he/she is legally entitled for furnishing services or merchandise; or
3. knowingly submits false information for the purpose of obtaining authorization for furnishing services or merchandise under the Medicaid program.

B. Article 177 of the Penal Law

Article 177 of the Penal Law became effective November 1, 2006. Article 177 of the Penal Law establishes the crime of health care fraud. The crime of health care fraud in the fifth degree is a Class A misdemeanor and a person is guilty of this crime when:

With intent to defraud a health plan, [includes the State Medicaid program], he or she knowingly and willfully provides materially false information or omits material information for the purpose of requesting payment from a health plan for a health care item or service and, as a result of such information or omission, he or she or another person receives payment in an amount that he, she or such other person is not entitled to under the circumstances.

Health care fraud in the fourth degree is a Class E felony. A person is guilty of health care fraud in the fourth degree when the person commits the crime of health care fraud in the fifth degree on one or more occasions and the payment or portion of payment wrongfully received from a single health plan [including Medicaid] in a period of not more than one year, exceeds \$3,000 in the aggregate.

Health care fraud in the third degree is a Class D felony. Health care fraud in the third degree is committed where the wrongful payments exceed \$10,000 in the aggregate in a one-year period. Health care fraud in the second degree is a Class C felony and is committed where the

wrongful payments exceed \$50,000 in the aggregate in a one-year period. Health care fraud in the first degree is a Class B felony and is committed where the wrongful payments exceed more than \$1,000,000 in the aggregate one-year period.

Article 177 of the Penal Law provides for an affirmative defense for individuals serving as a clerk, bookkeeper, or other employee of a health care provider who, without personal benefit, was merely executing the orders of his or her employer or a superior employee generally authorized to direct his or her activities. The affirmative defense is not available to any employee charged with the active management and control, in an executive capacity, of the affairs of the corporation.

C. 18 NYCRR Section 515.2

It is an unacceptable practice under the Medicaid program for an individual or entity to submit false claims or false statements to Medicaid. False claims include:

1. Submitting, or causing to be submitted, a claim or claims for:
  - (i) unfurnished medical care, services or supplies;
  - (ii) an amount in excess of established rates or fees;
  - (iii) medical care, services or supplies provided at a frequency or in amount not medically necessary; or
  - (iv) Amount substantially in excess of the customary charges or costs to the general public; or
2. Inducing, or seeking to induce, any person to submit a false claim.

False statements are:

1. Making, or causing to be made, any false, fictitious or fraudulent statement or misrepresentation of material fact in claiming a medical assistance payment, or for use in determining the right to payment; or
2. Inducing or seeking to induce the making of any false, fictitious or fraudulent statement or misrepresentation of a material fact.

Individuals who have engaged in unacceptable practices under the Medicaid program are subject to one or more of the following sanctions:

1. Exclusion from the program for a reasonable time;
2. Censure;
3. Conditional or limited participation, such as requiring pre-audit or prior authorization of claims for all medical care, services or supplies, prior authorization of specific medical care, services or supplies, or other similar conditions or limitations.

In addition, the Department of Health may require the repayment of overpayments determined to have been made as a result of the unacceptable practice.

## WHISTLEBLOWER PROTECTION

### A. Federal False Claims Act

No employee because of lawful acts done by the employee in furtherance of a civil action under the Act, whether brought by the Government or a private individual, including investigation for, initiation of, testimony for, or assistance in any such action maybe discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of such actions. Any employee who has been discharged, demoted, suspended, threatened, harassed or in any other manner discriminated against in the terms and conditions of employment because of such lawful acts shall be entitled

relief necessary to make the employee whole, including, reinstatement with the same seniority status such employee would have had but for the discrimination, two times the amount of back pay, interest on the back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees.

B. State Laws

Article 20-C of the New York Labor Law prohibits retaliatory action by employers. Section 740 of Article 20-C applies to all employers. Section 741 of Article 20-C applies to health care employers, including, but not limited to, providers licensed under Article 28 (i.e., hospitals, nursing homes and diagnostic and treatment centers) and Article 36 (i.e., long term home health care programs, certified home health care agencies, and licensed home care service agencies) of the Public Health Law.

I. Section 740

Under Section 740 an employer is prohibited from taking any retaliatory personnel action (discharge, suspension, demotion or other adverse employment action taken against an employee in terms and conditions of employment) against an employee because the employee does any of the following:

- (i) 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 which violation creates and presents a substantial and specific danger to the public health or safety or which constitutes health care fraud;

- (ii) 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
- (iii) Objects to, or refuses to participate in any such activity, policy or practice in violation of a law, rule or regulation.

With respect to disclosures to a public body only, protection against retaliatory personnel actions is unavailable unless the employee has first brought the activity, policy or practice in violation of law, rule or regulation, to the attention of a supervisor of the employer and afforded the employer a reasonable opportunity to correct the activity, policy or practice.

An employee who has been subject to a retaliatory personnel action may institute a civil action for the following relief within one year after the alleged retaliatory personnel action was taken:

- (i) An injunction to restrain continued violation of Section 740;
- (ii) Reinstatement of the employee to the same position held before the retaliatory personnel action, or to an equivalent position;
- (iii) Reinstatement of full fringe benefits and seniority rights;
- (iv) Compensation for lost wages, benefits and other remuneration; and
- (v) Payment by the employer of reasonable costs, disbursements and attorneys' fees.

If the Court determines that a civil action under Section 740 was without basis in law or fact, the Court, in its discretion, may award reasonable attorneys' fees and court costs and disbursements to the employer.

## II. Section 741

Under Section 741, an employer is prohibited from taking retaliatory action (discharge, suspension, demotion, penalization or discrimination against an employee, or other adverse employment action taken against an employee in terms and conditions of employment) against an employee because the employee does any of the following:

- (i) Discloses or threatens to disclose to a supervisor, or to a public body an activity, policy or practice of the employer or agent that the employee, in good faith, reasonable believes constitutes improper quality of patient care (“improper quality of patient care” means any practice, procedure, action or failure to act of an employer which violates any law, rule, regulation or declaratory ruling adopted pursuant to law, where such violation relates to matters which may present a substantial and specific danger to public health or safety or a significant threat to the health of a specific patient); or
- (ii) Objects to, or refuses to participate in any activity, policy or practice of the employer or agent that the employee, in good faith, reasonably believes constitutes improper quality of patient care.

The protections under Section 741 are not available to an employee unless the employee has brought the improper quality of patient care to the attention of a supervisor and has afforded the employer a reasonable opportunity to correct such activity, policy or practice. However, the inapplicability of Section 741 for failure to provide an employer an opportunity to correct does not apply to disclosures or threatened disclosures to a supervisor or public body where the improper quality of patient care presents an

imminent threat to public health or safety or to the health of a specific patient and the employee reasonably believes in good faith that reporting to a supervisor would not result in corrective action.

An employee may bring a civil action under Section 740 for the relief identified in Section 740. However, instead of the one-year period in which to bring such action, a health care employee may bring such action within two years after the alleged retaliatory personnel action was taken. In addition to the specific relief identified in Section 740, if the Court determines that a health care employer acted in bad faith in a retaliatory action under Section 741, the Court may assess a civil penalty of an amount not to exceed \$10,000 against the health care employer which is to be paid to the Improving Quality of Patient Care Fund established under the State Finance Law.

**ISABELLA GERIATRIC CENTER**  
**POLICY PURSUANT TO**  
**THE FEDERAL DEFICIT REDUCTION ACT OF 2005**

Detection and Prevention of Fraud, Waste, and Abuse  
And Applicable Federal and State Laws

Summary

Isabella Geriatric Center (“Isabella”) is committed to complying with the requirements of Section 6032 of the Federal Deficit Reduction Act of 2005 and to preventing and detecting any fraud, waste or abuse in its organization. To this end, Isabella maintains a Corporate Compliance Program (“CCP”) and strives to educate our work force on fraud and abuse laws, including the importance of submitting accurate claims and reports to the Federal and New York State (NYS) governments. The elements of Isabella’s compliance program are set forth in the policy and procedure manual which is available within his/her department.

The essential elements that comprise the Program consist of the following documents: Policy and Procedure 100-20 [Corporate Compliance Program (“CCP”)], CCP Essential Element Chart, CCP Program Hotline and the Code of Conduct.

In furtherance of this policy and to comply with the Deficit Reduction Act, Isabella provides the following information about its policies and certain relevant Federal and NYS laws. Please note that guidance regarding the requirements of Section 6032 of the Deficit Reduction Act has not yet been promulgated. This policy is intended to comply with the requirements of the Deficit Reduction Act and will be modified as appropriate as further guidance is provided.

In particular, Isabella prohibits the knowing submission of a false claim for payment from a federally or NYS funded health care program. Such a submission is a violation of Federal and NYS law and can result in significant administrative and civil penalties under the Federal False Claims Act, a Federal statute that allows private persons to help reduce fraud against the United States government.

In addition, in NYS the submission of a false claim can result in civil and criminal penalties under portions of the NYS Social Services Law and Penal Law, among other NYS statutes.

**ISABELLA’S POLICIES AND PROCEDURES**

To assist Isabella in meeting its legal and ethical obligations, any employee who reasonably suspects or is aware of the preparation or submission of a false claim or report or any other potential fraud, waste, or abuse related to a federally or NYS funded health care program is required to report such information to his/her supervisor or Isabella’s Corporate Compliance Officer. Any employee of Isabella who reports such information will have the right and opportunity to do so anonymously and will be protected against retaliation for coming forward with such information both under Isabella’s internal compliance policies and procedures and Federal and NYS law. However, Isabella retains the right to take appropriate action against an employee who has participated in a violation of Federal or NYS law or facility policy.

As an organization, Isabella commits itself to investigate any suspicions of fraud, waste, or abuse swiftly and thoroughly and requires all employees to assist in such investigations. If any employee believes that Isabella is not responding to his or her report within a reasonable period of time, the employee shall bring these concerns about Isabella's perceived inaction to Ellen Parish, Vice President for Quality and Corporate Compliance Officer (212.342.9360 or e-mail at [eparish@isabella.org](mailto:eparish@isabella.org).) Employees may also report any suspicions of fraud through the Corporate Compliance hotline at 877.342.9533. Failure to report and disclose or assist in an investigation of fraud and abuse is a breach of the employee's obligations to Isabella and may result in disciplinary action.

## **FEDERAL AND STATE STATUTES**

The following is a list of the relevant Federal and NYS laws that seek to prevent, detect and eradicate fraud and abuse. More specific information regarding these laws is available in the Human Resources Department.

### **Federal False Claims Act**

The Federal False Claims Act establishes liability for any person who presents a false claim to the Federal Government for payment; it allows a private person, known as a whistleblower to file a *qui tam* lawsuit on behalf of the Federal Government.

The Federal Program Fraud Civil Remedies Act of 1986 establishes an administrative remedy against any person who presents a claim that the person knows or has reason to know is false.

### **New York State Law – prohibits false claims**

- Social Services Law – unlawful to knowingly make a false statement
- Social Services Law – unlawful for any person to present a false claim for payment
- Penal Law – establishes crime of health care fraud
- State Law – protects employees who report inappropriate activities under NYS Labor Law

To bring an action, as provided by the Federal Deficit Reduction Act of 2005, the employee must first bring the alleged violation to the attention of Isabella and give Isabella a reasonable opportunity to correct the allegedly unlawful practice. The law allows employees who are the subject of retaliatory action to bring a civil action in court and seek relief such as an injunction to restrain continued retaliation; reinstatement, back pay and compensation of reasonable costs. The law also provides that employees who bring an action without basis in law or fact may be held liable to Isabella for its attorney's fees and costs.

The information herein will be provided to all current Isabella employees during the annual Corporate Compliance in-service while new employees will receive the information as part of their new employee orientation. In addition, contractors will be provided with this information as required.

Isabella is committed to the prevention, detection and eradication of fraud, waste or abuse pursuant to the standards set forth by NYS and Federal laws and to that end Isabella has implemented a Corporate Compliance Program, the elements of which every employee is expected to be familiar.

Accordingly, all employees are required to acknowledge in writing that they have received a copy of this policy statement and they understand the importance of its contents.

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**ISABELLA GERIATRIC CENTER**  
**POLICY PURSUANT TO**  
**THE FEDERAL DEFICIT REDUCTION ACT OF 2005**

**ACKNOWLEDGEMENT FORM**

Isabella Geriatric Center

I acknowledge that on the date noted below I received a copy of Isabella's Policy statement pursuant to the Federal Deficit Reduction Act of 2005 regarding the "Detection and Prevention of Fraud, Waste and Abuse, etc." and understand its contents.

Print Name \_\_\_\_\_

Department \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

**EMPLOYEE/PROFESSIONAL STAFF MEMBER COMPLIANCE CERTIFICATION**

I certify that I have received the Compliance Manual and that Isabella's Compliance Program has been explained to me. I promise to comply with the terms of Isabella's Compliance Program and I understand that violation of these terms may lead to disciplinary action, up to and including the termination of my employment or the termination or non-renewal of staff privileges.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

(Print Name)

Date: \_\_\_\_\_