

AHE Corporate Compliance Program

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AHE

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Section 1

CODE OF CONDUCT

1. **Honesty and Integrity:** I will be honest and act with integrity, and will not compromise or abuse my position.
2. **Accuracy:** I will be accurate in my charting, coding, and billing practices and processes.
3. **Confidentiality of Residents:** I will uphold HIPAA and PHI laws and regulations.
4. **Confidentiality of Staff:** I will not give out personal information of my co-workers.
5. **Equality:** I will treat residents, staff, families of residents, and vendors with equal respect and dignity.
6. **Gifts:** I will not accept substantial monetary value gifts from residents or families of residents as a sign of equality and fair treatment.
7. **Fitness for Work:** I will ensure that I am physically, emotionally, and mentally fit for my work responsibilities.
8. **Work ethic:** I will provide optimal care in the extent possible to residents.

Section 2

AHE COMPLIANCE PROGRAM

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I. INTRODUCTION

Increasingly, the suppliers of health care products and services are being held accountable for adhering to the highest standard of ethics and compliance with accepted financial and legal regulations. Within this document, AHE sets forth its fundamental principles and ethics involved in the services it provides to its residents.

AHE's compliance program is designed to establish a culture within the company that promotes prevention, detection and resolution of instances of conduct that do not conform to federal and state law, and federal, state and private payer health care program requirements. Additionally, the compliance program serves as the company's ethical and business code of conduct. In practice, the compliance program will effectively articulate and demonstrate AHE's commitment to legal and ethical conduct.

Specifically, the compliance program will guide the company's governing body (e.g., board of directors), chief executive officer (CEO), chief financial officer (CFO), Directors of Operation, Administrators, clinicians, marketing personnel and other employees, in the efficient management and operation of the company. These guidelines are especially critical as an internal quality assurance control in reimbursement and payment areas, which historically have been the focus of government regulation, scrutiny and sanctions. This program has been developed for the guidance and protection of AHE, its' officers, employees, and residents.

A. Benefits of a Compliance Program

An effective compliance program provides a mechanism that brings the public and private sectors together to reach mutual goals of reducing fraud and abuse, improving operational quality, improving the quality of health care and reducing the costs of health care. Attaining these goals provides positive results to business, government and individual citizens alike. In addition to fulfilling its legal duty to ensure that it has taken appropriate and reasonable steps to avoid submitting false or inaccurate claims to government and private payers, AHE and its residents will gain numerous additional benefits by implementing an effective compliance program. These benefits may include:

- The formulation of effective internal controls to assure compliance with federal regulations, private payer policies and internal guidelines;

- Improved medical record documentation;
- Improved collaboration, communication and cooperation among health care providers and those processing and using health information;
- The ability to more quickly and accurately react to employees' compliance concerns and the capability to effectively target resources to address those concerns;
- A more efficient communications system that establishes a clear process and structure for addressing compliance concerns quickly and effectively;
- A concrete demonstration to employees and the community at large of AHE's strong commitment to honest and responsible conduct;
- The ability to obtain an accurate assessment of employee and contractor behavior relating to fraud and abuse;
- Increased likelihood of identification and prevention of criminal and unethical conduct;
- A centralized source for distributing information on health care statutes, regulations and other program directives regarding fraud and abuse and related issues;
- A methodology that encourages employees to report potential problems;
- Procedures that allow the prompt, thorough investigation of possible misconduct by AHE officers, Administrators, managers, employees, sales representatives, clinicians, independent contractors and other health care professionals; and
- Initiation of immediate, appropriate and decisive corrective action.

II. PROGRAM ELEMENTS

A. The program contains the following essential elements:

1. The development, distribution and implementation of written standards of conduct and written policies, procedures and protocols that promote AHE's commitment to compliance and address specific areas of potential fraud and abuse.
2. The designation of a chief compliance officer and other appropriate bodies, e.g. a corporate compliance committee responsible for developing, operating and monitoring the compliance program and who reports directly to the governing body or the provider's CEO.

3. The development and implementation of regular, effective education and training programs for all affected employees.
4. The creation and maintenance of an effective line of communication between the compliance officer and all employees, including a process for receiving complaints, and the adoption of procedures, which takes all steps appropriate and reasonable, to ensure reporter anonymity and protect callers from retaliation.
5. The use of audits and/or other risk evaluation techniques to monitor Compliance, identify problem areas and assist in the reduction of identified problem areas.
6. The development of policies and procedures regarding (a) the non-employment or retention of excluded individuals/entities and (b) discipline of employees or contractors who violate applicable law, Company policies or program standards.
7. The development of policies and procedures governing investigation and reporting of identified systematic problems, including a prompt and appropriate response to detected offenses (i.e., initiating corrective action, repayments and preventive measures).

B. Written Policies and Procedures

AHE's compliance program includes the development and distribution of written compliance policies, standards, and practices that identify specific areas of risk and vulnerability to each facility and its residents. These policies are developed under the direction and supervision of the corporate compliance officer ("CCO") and the compliance committee and are provided to all individuals who are affected by the particular policy at issue including AHE Employees, residents, agents and independent contractors. These documents are distributed to all Administrators, Human Resources, and affected employees, including clinical, financial, marketing, and administrative staff. Additionally, the documents may be shared with physicians, suppliers, and agents of the facility, contractors, and/or others who may affect or be affected by the company's billing and patient care functions.

1. Standards of Conduct

American Health Enterprises' standards of conduct for all affected employees include a clearly delineated commitment to compliance by senior management. The standards function in the same fashion as a constitution, as a foundational document that details the fundamental principles, values, and framework for action within the company. The standards clearly articulate AHE's commitment to take steps appropriate and reasonable to comply with federal and state standards,

with a strong emphasis on preventing fraud and abuse. The standards are directly related to AHE's mission, goals and ethical principles regarding compliance and clearly define the company's commitment to compliance and its expectations for all governing body members, officers, managers, employees and, where appropriate, contractors and other agents. The standards are designed to promote integrity, support objectivity and foster trust. The standards not only address compliance with statutes and regulations, but also set forth broad principles that guide employees in conducting business professionally and properly.

2. Specific Risk Areas

As part of its commitment to compliance, AHE has established a comprehensive set of policies that mandate adherence to applicable rules, regulations, and program instruction as appropriate to the functions the company performs. In contrast to the standards of conduct, which are designed to be a clear and concise collection of fundamental standards, a preliminary and subsequent review of risk areas assures AHE is taking all steps reasonable and appropriate to comply with federal health care programs as well as providing appropriate care to residents of the facilities.

Among the issues addressed in the policies are:

- The education and training requirements for all affected personnel, including a resource manual containing current and pertinent documents issued by HCFA and the OIG, orientation, continuing education, and inservice trainings;
- The risk areas for fraud, waste and abuse;
- The integrity of AHE's information system;
- The need for annual audits of identified risk areas along with review of any areas of deficiency noted during state or federal surveys which may require additional corrective action; and
- Corrective actions designed to minimize the activities which violate state and federal guidelines and negatively impact the quality of care provided to each resident which may require additional corrective action.

Specific risk areas to be addressed:

a. Quality of Care

A commitment to providing quality of care is designed to assure that each resident achieves physical, mental and psycho-social well-being in accordance with a comprehensive assessment and plan of care which takes

into account the resident's right to refuse treatment and the limits of recognized pathology and normal aging process. Performance in this area will be monitored by review of the results of previous state and federal surveys, compliance with Medicare Conditions of Participation and industry standards of practice, and each facility's monthly Quality Indicator report.

b. Specific areas of concern include:

- Absence of a comprehensive assessment of each resident's functional capacity and a comprehensive care plan with measurable objectives designed to meet the resident's physical, mental and psycho-social needs which takes into account the residents'/responsible parties' right to refuse treatment;
- The provision of treatment and services to address the residents' clinical conditions, including pressure ulcers, dehydration, malnutrition, incontinence and mental or psycho-social problems which do not conform to industry standards;
- Failure to properly prescribe, administer and monitor drug utilization, including psychotropic and antidepressant medications in accordance with industry standards and the residents'/responsible parties' right to refuse treatment;
- Providing medical, nursing and related services with a staff which has not been trained utilizing industry standards and/or engaging in a pattern of providing such services with inadequate numbers of staff as defined by state minimum staffing guidelines;
- Engaging in a pattern of behavior which would constitute a failure to provide therapy services in accordance with (1) a physician's order, (2) the resident and/or responsible person's right to refuse treatment and (3) medically necessary guidelines which are consistent with industry standards;
- Failure to provide in accordance with industry standards appropriate services to assist residents with activities of daily living such as feeding, dressing and bathing; and
- Failure to report incidents of abuse, neglect or mistreatment to the administrator or other officials as required by law.
- Resident's Rights policies address the rights of each resident to a dignified existence that promotes freedom of choice,

self-determination and reasonable accommodation of individual needs.

- Discriminatory admission or improper denial of access to care;
- Verbal, mental or physical abuse, including corporal punishment and involuntary seclusion;
- Inappropriate use of physical or chemical restraints;
- Failure to ensure that residents have access to their personal records and that those records are maintained in a private and confidential manner in accordance with industry standards and federal and state laws;
- Denial of a resident's right to participate in the care planning process; and
- Failure to take reasonable steps to safeguard the resident's financial affairs.

c. Billing and Cost Reporting

AHE is committed to a compliance program which requires employees to comply with applicable laws and regulations governing the billing of claims and the submission of cost reports. In view of the significant financial, civil and criminal penalties incurred, the following practices are specifically prohibited:

- Knowingly billing for items or services which do not meet industry standards/guidelines for medical necessity;
- Knowingly submitting claims to Medicare Part A for residents who are not eligible for Part A coverage;
- Knowingly submitting claims to third-party payers for items or services not ordered by the appropriate healthcare professional;
- Knowingly providing misleading information about a resident's medical condition on the MDS or otherwise providing inaccurate information used to determine the RUG assigned to the resident for the purpose of obtaining increased reimbursement;
- Knowingly upcoding the level of service provided for the purpose of obtaining increased reimbursement.

AHE Compliance Program will:

- Require all potential employees to certify that they have not been convicted of an offense that would preclude employment in a nursing facility and that they are not excluded from participation in the Federal health care program;
- Verify the employee's non-exclusion status by utilizing the OIG's list of excluded individuals and entities (www.hhs.gov/oig/cumsan/index.htm) and the GSA's list of debarred contractors (<http://epls.arnet.gov>). Require temporary employment agencies to ensure that temporary staff assigned to the facility have undergone background checks which verify that they have not been convicted of an offense that would preclude employment in the facility;
- Periodically check the OIG and GSA status of independent contractors and retain the record of the inquiry results; and
- Require current employees to report to the nursing facility if, subsequent to their employment, they are convicted of an offense that would preclude employment in a nursing facility or are excluded from participation in any Federal health care program.

e. Kickbacks, Inducements and Self-referrals

AHE is committed to taking necessary steps to assure that the policies governing its facilities' relationships with hospitals, physicians, hospices, vendors/suppliers and residents comply with applicable federal and state fraud and abuse laws. Thus, AHE's policies address the following areas:

- Soliciting, accepting or offering gifts or gratuity of more than nominal value to or from residents, potential referral sources, and other individuals and entities with which the nursing facility has a business relationship in violation of the anti-kickback or Stark laws;
- Routinely waiving coinsurance or deductible amounts without a good faith determination that the resident is in financial need, or absent reasonable efforts to collect the cost-sharing amount;
- Agreements between a hospital, home health agency or hospice that involve the referral or transfer of any residents to or from an AHE facility in violation of the anti-kickback or Stark laws;
- Conditioning admission or residency decisions on 3rd party payment guarantee or soliciting payment for services covered by Medicaid, in

addition to any amount required to be paid under the state Medicaid plan in violation of the Medicare/Medicaid laws governing admissions;

- Arrangements between AHE - facilities and hospitals under which the facility will only accept a Medicare beneficiary on the condition that the hospital pays the facility an amount over and above what the facility would receive through PPS;
- Financial arrangements with physicians, including the medical director, that do not meet the safe harbor provisions of the anti-kickback laws or the compensation exceptions of the Stark laws;
- Vendor arrangements that result in AHE's receiving free or discounted non-covered items in return for ordering Medicare reimbursed items;
- Soliciting or receiving items of value in exchange for providing access to medical records and other information needed to bill Medicare;
- Joint ventures with entities supplying goods or services which violate the anti-kickback laws; and
- Arrangements with suppliers that involve the supplier providing the nursing facility with discounts on Medicare Part A items and services in return for the referrals of Medicare Part B business.

In order to remain current with regulations relating to these areas, relevant information dispersed by HCFA and the OIG will be maintained in a manner that is easily accessible to appropriate employees.

Retention of Records

AHE has provided for the implementation of a records system. This system establishes policies and procedures regarding the creation, distribution, retention, storage, retrieval, and destruction of documents. The three types of documents protected under this system include:

- Records and documentation required for participation in Federal, State and private health care programs, including billing and claims documentation, as well as complete health records;
- Documentation and data supporting/explaining cost reports and other financial activity; and
- Documents necessary to demonstrate the integrity and effectiveness of AHE's compliance training materials, hotline logs, corresponding reports

of investigation outcomes, employee disciplinary actions, and correspondence with carriers, fiscal intermediaries, private health insurers, HCFA and state survey agencies.

AHE has established procedures for maintaining the integrity of its data collection systems. This includes procedures for regularly backing-up data to ensure the accuracy of data collected in connection with submission of claims. AHE will take steps reasonable and appropriate to assure a complete and accurate audit trail is in place. Additionally, the company has implemented a system to prevent the contamination of data by outside sources. This system includes regularly scheduled virus checks. Finally, AHE ensures that electronic data is protected against unauthorized access or disclosure.

4. Compliance as an Element of Performance

AHE's compliance program requires that the promotion of and adherence to the elements of the compliance program be a factor in evaluating the performance of employees. Employees will be periodically trained in new compliance policies and procedures. In addition, administrators, managers and supervisors should:

- Discuss with supervised employees and relevant contractors the compliance policies and legal requirements applicable to their function;
- Inform supervised personnel that strict compliance with these policies and requirements is a condition of employment; and
- Disclose to supervised personnel that the company will take disciplinary action up to and including termination for violation of these policies and requirements.

In addition to making performance of these duties an element in evaluations, the compliance officer will include a statement that managers and supervisors will be disciplined for failure to instruct adequately their subordinates. Additionally, failure on the part of managers or supervisors to detect noncompliance with applicable policies and legal requirements will result in disciplinary action where reasonable diligence should have led to the discovery of problems or violations.

C. Designation of a Compliance Officer

Compliance Officer

AHE will maintain a designated compliance officer to serve as the focal point for compliance activities. Designating a compliance officer with the

appropriate authority is critical to the success of the program, necessitating the appointment of an experienced individual with direct access to the company's governing body, the CEO and other senior management. Coordination and communication are the key functions of the compliance officer with regard to planning, implementing and monitoring the compliance program.

The compliance officer's primary responsibilities include:

- Overseeing and monitoring the implementation of the compliance program;
- Reporting on a regular basis to AHE's governing body and CEO on the progress of implementation, assisting management in establishing methods to improve the company's efficiency, quality of services and reduce vulnerability to fraud, abuse, and waste;
- Periodically revising the program in light of changes in the company's needs, changes in applicable laws and directives and/or program memorandums of government and private payer health plans;
- Reviewing employee files to assure certificates have been received verifying that the employees have read and understand the standards of conduct;
- Developing, coordinating and participating in a multifaceted educational and training program that focuses on the elements of AHE's compliance program and seeks to ensure that affected employees and management are knowledgeable of and compliant with pertinent federal and state standards;
- Coordinating personnel issues with the company's human resources/personnel office to ensure that the National Practitioner Data Bank has been accessed regarding medical staff and independent contractors, as appropriate, and the list of excluded individuals has been checked with respect to employees, medical staff and independent contractors;
- Assisting the company's financial management team in coordinating internal compliance review and monitoring activities, including annual or periodic reviews of departments;
- Independently investigating and acting on matters related to compliance, including the ability to design and coordinate internal investigations (e.g., responding to reports of problems or suspected violations) and resulting corrective action with regard to billing functions, quality of care issues or employee and community concerns;

- Ensuring that independent contractors and agents who provide services such as billing, patient care, cost reporting or referrals are aware of the requirements of AHE's compliance program specifically referencing coverage, billing, marketing, kickbacks and other issues;
- Developing policies and programs that encourage managers and employees to report suspected fraud and other improprieties without fear of retaliation; and
- Continuing the momentum of the compliance program and the accomplishment of its objectives in an ongoing manner.

The compliance officer will have the authority to review documents and other information that is relevant to compliance activities, including, but not limited to, patient records, billing records and records concerning the marketing efforts of the company. Additionally, the company's arrangements with other parties, including employees, professionals, independent contractors, residents, agents, supplemental staffing entities and physicians may be subject to review. The compliance officer is also allowed to review contracts and obligations that may contain referral and payment provisions that could violate statutory or regulatory requirements.

In addition, the compliance officer will be copied on the results of internal audit reports and work closely with key managers to identify aberrant trends in the patient care areas. The compliance officer will ascertain patterns that may require a change in policy and forward these issues to senior management for review and where appropriate to remedy the problem. The compliance officer will have full authority to stop the processing of claims that he or she believes are problematic until such time as the issue in question has been resolved.

2. Compliance Committee

AHE will establish and maintain a compliance committee to advise the compliance officer and assist in the implementation of AHE's compliance program. The compliance committee will include individuals with a variety of skills. The compliance officer will manage the compliance committee and the company will provide training to the committee regarding the policies and procedures of the compliance program.

The committee's responsibilities will include:

- Analyze the legal requirements together with the current regulatory environment with which AHE and its facilities must comply and identify specific risk areas;
- Assessing existing policies and procedures that address areas for possible incorporation into the compliance program;

- Develop standards of conduct and policies and procedures that promote allegiance to the facility's compliance program;
- Recommending and monitoring the development of internal systems and controls to carry out the facility's standards, policies and procedures as part of its daily operations;
- Determining the appropriate strategy/approach to promote compliance with the program and detection of potential violations, such as through hotlines and other fraud reporting mechanisms;
- Developing a system to solicit, evaluate and respond to complaints and problems; and
- Monitoring internal and external audits and investigations for the purpose of identifying troublesome issues and deficient areas experienced by the facility and implementing corrective and preventive action.

D. Training and Education

1. Initial Training in Compliance

The proper education and training of corporate officers, managers and health care professional employees, and continual retraining of current affected personnel at all levels are significant elements of an effective compliance program. All affected employees should attend training on compliance. In the development of a training program, AHE may consult with its referral sources and vendors to ensure that a consistent message is being delivered and avoid any potential conflicts in the implementation of policies and procedures.

a. Training Sessions

As part of the compliance program, AHE will require all affected personnel to attend training on an annual basis, including appropriate training in federal and state statutes, regulations and guidelines. The general training sessions will emphasize the company's commitment to compliance with these legal requirements and policies.

The training programs will include sessions highlighting AHE's compliance program, summarizing fraud and abuse statutes and regulations, federal, state and private payor health care program requirements, coding requirements, claim submission processes and marketing practices that reflect current legal and ethical standards. AHE will take steps reasonable and appropriate to communicate its standards and procedures to all affected employees, physicians,

independent contractors and other significant agents, by requiring participation in training programs or disseminating literature that explains specific requirements in a practical manner. Executive staff, Administrators, Supervisors, and HR are encouraged to assist the Corporate Compliance Officer by identifying areas that require training and in carrying out such training. New employees will be targeted for training early in their employment.

As part of the initial training, the standards of conduct will be distributed to all affected employees. At the end of the training session, every affected employee, as well as contracted consultants, will be required to sign and date a statement that reflects the employee's knowledge of and commitment to the standards of conduct. This attestation will be retained in the employee's personnel file. For contracted consultants, the attestation will become part of the contract and remain in the file that contains such documentation.

In addition to specific training in the risk areas identified in the general training session, training to appropriate staff will include such topics as:

- Specific government and private payor reimbursement principles;
- General prohibitions regarding paying or receiving remuneration to induce referrals;
- Improper alterations in documentation or failing to obtain proper authorization;
- Submitting a claim for items or services not rendered or provided as claimed or which do not meet industry standards and/or guidelines for medical necessity;
- Proper documentation of services rendered, including the correct application of official rules and guidelines;
- Signing a form for a physician without the physician's authorization; and
- Duty to report misconduct

Clarifying and emphasizing these areas of concern through training and educational programs is particularly relevant to AHE's marketing and financial personnel, in that the pressure to meet business goals may render these employees particularly vulnerable to engaging in prohibited practices, such as:

- Paying or receiving remuneration to induce referrals;
- Routine waiver of deductibles and copayments;
- Offering free items or services to induce referrals;
- High pressure marketing of non-covered or unnecessary services or items;
- Improper patient solicitation; and
- Failure to report misconduct.

2. Format of the Training Program

All affected personnel will be required to have a minimum of two educational hours per year related to topics associated with the AHE compliance plan and appropriate reimbursement and ethical issues. Additionally, certain affected employees may be required to attend periodic training in applicable reimbursement coverage and documentation of records.

A variety of teaching methods will be implemented so that all affected employees are knowledgeable about the standards of conduct and procedures for alerting senior management to problems and concerns. Targeted training will be provided to corporate officers, managers and other employees whose actions affect the accuracy of the claims submitted to the government, such as employees involved in the patient care, billing and marketing processes. All training materials will be designed to take into account the skills, knowledge and experience of the individual trainees, including language diversity when appropriate.

Attendance and participation at training programs is a condition of continued employment and failure to comply with training requirements will result in disciplinary action, including possible termination. Adherence to the provisions of AHE's compliance program, such as training requirements, will be a factor in the annual evaluation of each employee. AHE will retain adequate records of employee training, including attendance and material distributed at training sessions.

3. Continuing Education on Compliance Issues

It is essential that compliance issues remain at the forefront of AHE's priorities. In particular, the company will ensure that personnel receive annual professional training on the updated regulations for the current year.

In order to maintain a sense of seriousness about compliance in the company's operations, AHE will continue to disseminate the compliance message. Ongoing training will allow AHE to address specific examples of problems encountered during audits and risk analysis, while reinforcing the company's firm commitment to the general principles of compliance and ethical conduct. Ongoing training will also include the risk areas published by the OIG in its Special Fraud Alerts and address areas of ambiguity.

E. Lines of Communication

1. Access to the Compliance Officer

An open line of communication between the compliance officer and AHE personnel is integral to the successful implementation of a compliance program and the reduction of any potential for fraud abuse and waste. Confidentiality and non-retaliation policies are available to all employees to encourage communication and the reporting of incidents of potential fraud. The compliance committee will also develop several independent reporting paths for an employee to report fraud, waste or abuse so that such reports cannot be diverted by supervisors or other personnel.

AHE has established procedures for personnel to seek clarification from the compliance officer or members of the compliance committee in the event of any confusion or question regarding a policy, practice, or procedure. Questions and responses will be documented and dated and, if appropriate, shared with other staff so that standards, policies, practices and procedures can be updated and improved to reflect any appropriate changes or clarifications.

2. Hotline and Other Forms of Communication

AHE has developed and will maintain the use of a hotline, as well as access via e-mails, written memoranda or other forms of information exchange to ensure open lines of communication with the compliance officer and senior management. The hot line telephone number will be readily available to all employees and independent contractors. Employees will be encouraged to report matters on an anonymous basis. Matters reported through the hotline or other communication channels that suggest substantial violations of compliance policies, federal, state or private payer health care program requirements or statutes will be documented and investigated promptly to determine their veracity. A log will be maintained by the compliance officer to track calls and whether any investigation was undertaken. The number of calls, the nature of any investigation and its results will be included in reports to the governing body, the CEO and compliance committee. While AHE will always strive to maintain the confidentiality of an employee's identity, it will also explicitly communicate that there may be a point where the individual's identity may become known or may have to be revealed.

F. Enforcing Standards

1. Discipline Policy and Actions

AHE's compliance program provides guidance regarding disciplinary action for corporate officers, managers, and employees who have failed to comply with the standards of conduct, policies, and procedures.

Additionally, AHE will investigate (1) violations of federal, state or private payor health care program requirements; (2) violations of federal and state laws; and (3) individuals who have engaged in wrongdoing, which has the potential to impair AHE's status as a reliable, honest and trustworthy organization.

AHE's compliance program includes a written policy statement setting forth the degrees of disciplinary actions that may be imposed upon corporate officers, managers and employees for failing to comply with the company's standards and policies and applicable statutes and regulations. Intentional or reckless noncompliance will subject transgressors to significant disciplinary actions. Such disciplinary actions will reflect existing personnel policies regarding progressive discipline and will range from verbal warnings to suspension, termination, or financial penalties, as appropriate. Each situation will be considered on a case-by-case basis to determine the appropriate discipline. The existing personnel policies contain the procedures for handling disciplinary problems and identify who will be responsible for taking appropriate action. As appropriate, disciplinary actions will be handled by department managers, while others may be resolved by senior management. Disciplinary action will also be appropriate when an employee's failure to detect a violation is attributable to his or her negligence or reckless conduct. Personnel will be advised that disciplinary action will be applied in a fair and equitable basis. Administrators and supervisors will be aware that they have a responsibility to discipline employees in an appropriate and consistent manner. The consequences of noncompliance will be consistently applied and enforced in order for the disciplinary policy to have the required deterrent effect.

2. New Employee Policy

For all new employees who have discretionary authority to make decisions that may involve compliance with the law or compliance oversight, AHE will conduct a reasonable and prudent background investigation, including a reference check, as part of every such employment application. The application will specifically require the applicant to disclose any conviction of a health care offense that would preclude employment in a nursing facility or an exclusion action from a federal health care program. AHE will not participate in the employment of individuals who have been recently convicted of a health care offense that would preclude employment in a nursing facility or who are

listed as debarred, excluded or otherwise ineligible for participation in federal health care programs. In addition, pending the resolution of any criminal charges or proposed debarment or exclusion, such individuals will be removed from direct responsibility for, or involvement in, any federal health care program. Similarly, with regard to current employees or independent contractors, if resolution of the matter results in conviction, debarment, or exclusion, AHE will remove the individual from direct responsibility for involvement with all federal health care programs during the period of debarment or exclusion.

G. Auditing and Monitoring

An ongoing evaluation process is critical to the success of American Health Enterprises' compliance program. Compliance reports include the results of ongoing monitoring and reports of suspected noncompliance, which will be maintained by the compliance officer and reviewed with senior management and the compliance committee. The evaluation will be performed at least annually and more often if directed by senior management or the compliance officer.

The annual evaluations or audits will focus on AHE's programs, including external relationships with third-party contractors, specifically those with substantive exposure to government enforcement actions. At a minimum, the audits will address each facility's compliance with laws governing patient care, kickback arrangements, billing practices, claim submission, reimbursement and marketing. In addition, the audits will examine compliance with specific rules and policies that have been the focus of particular attention on the part of Medicare fiscal intermediaries or carriers and law enforcement as evidenced by OIG Special Fraud Alerts, OIG audits and evaluations and law enforcement initiatives.

Monitoring techniques may include sampling protocols that permit the compliance officer to identify and review variations from an established baseline. Significant variations from the baseline will trigger a reasonable inquiry to determine the cause of the deviation. If the inquiry determines that the deviation occurred for legitimate, explainable reasons, the compliance officer or manager may want to limit any corrective action or take no action. If it is determined that the deviation was caused by improper procedures, misunderstanding of rules, including fraud or systemic problems, AHE will take prompt steps to correct the problem. Any overpayments discovered as a result of such deviations will be reported in a timely manner to the appropriate reimbursement source, in compliance with federal health care program requirements.

AHE's compliance program will also incorporate annual reviews of whether the program's compliance elements have been satisfied, i.e. whether there has been appropriate dissemination of the program's standards, training, ongoing educational programs and disciplinary actions. This process will verify actual conformance by employees, supervisors and officers with the compliance program. Such reviews

will verify that appropriate records have been created and maintained to document the implementation of an effective program. If monitoring discloses deviations that were not detected in a timely manner due to program deficiencies, appropriate modifications will be implemented. Such evaluations, with the support of each facility's management, will ensure compliance with the facility's policies and procedures.

As part of the review process, the compliance officer or reviewers may utilize the following techniques and/or resources such as:

- On-site visits;
- The results of past surveys and audits, including corrective action plans
- Testing staff regarding their knowledge of quality of care and appropriate utilization issues by presenting hypothetical scenarios of situations experienced in daily practice;
- Unannounced mock surveys, audits and investigations;
- Examination of the complaint logs;
- Reviewing personnel records to determine whether any individuals who have been reprimanded for compliance issues in the past are among those currently engaged in improper conduct;
- Interviews with personnel involved in management, operations, billing, patient care and other related activities;
- Questionnaires developed to solicit impressions of a broad cross-section of the facility's employees and staff,
- Review physician orders and documentation that support reimbursement claims;
- Validate the qualifications of the physicians and others who are authorized to order supplies and services;
- Reviews of written materials and documentation prepared by the different supervisors of the company; and
- Trend analyses or longitudinal studies that seek deviations, positive or negative, in specific areas over a given period.

The reviewer(s) will:

- Possess the qualifications and experience necessary to adequately identify potential issues with the subject matter to be reviewed;
- Be objective and independent of line management;
- Have access to existing audit and health care resources, relevant personnel and relevant areas of operation;
- Present written evaluative reports on compliance activities to the compliance officer, CEO, governing body and members of the compliance committee on a regular basis, but not less than annually; and
- Specifically identify areas where corrective actions are needed.

Management will use these reports to take whatever steps are reasonable and appropriate to correct any past problems which may have been identified and if necessary to develop corrective action plans in an attempt to prevent identified problems from recurring. In certain cases, subsequent reviews or studies may be undertaken to ensure that the recommended corrective actions have been implemented successfully.

AHE will document its efforts to comply with applicable statutes, regulations, and Federal health care program requirements including maintaining (1) a copy of requests for advice from a government agency charged with administering a Federal health care program together with any written or oral response and (2) a log of oral inquiries between AHE and third parties and/or governmental agencies. In addition, the Organization will maintain records of procedures which were developed to implement the advice and/or address the particular area/subject matter of the inquiry.

H. Detected Offenses and Corrective Actions

1. Violations and Investigations

Violations of AHE's compliance program, failures to comply with applicable federal or state law, rules, program instructions and other areas of misconduct threaten the facility's status as a reliable, honest and trustworthy company. Detected but uncorrected misconduct can seriously endanger the mission, reputation and legal status of the facility. Consequently, upon reports or reasonable indications of suspected noncompliance, it is important that the corporate compliance officer or other management officials promptly investigate the conduct in question to determine whether a material violation of applicable law, rule, program instruction or the requirements of AHE's compliance program has occurred. If such an action has occurred, steps must be taken to correct the problem. As appropriate, such steps may include an immediate referral to criminal and or civil law enforcement authorities, a corrective action plan, a report to the government, and the notification to the

reimbursement source of discrepancies or overpayments, if applicable.

Depending upon the nature of the alleged violations, an internal investigation may include interviews and a review of relevant documents. Records of the investigation may contain documentation of the alleged violation, a description of the investigative process (including the objectivity of the investigators and methodologies utilized), copies of interview notes and key documents. Additionally, a log of the witnesses interviewed and the documents reviewed, the results of the investigation, any disciplinary action taken and any corrective action implemented may be included. Although any action taken as the result of an investigation will necessarily vary depending upon the situation, AHE will strive for consistency by utilizing sound practices and disciplinary protocols. Further, after a reasonable period, the compliance officer will review the circumstances that formed the basis for the investigation to determine whether similar problems have been uncovered or modifications of the compliance program are appropriate to prevent and detect other inappropriate conduct or violations.

If an investigation of an alleged violation is undertaken and the compliance officer believes the integrity of the investigation may be at stake because of the presence of employees under investigation, those subjects will be removed from their current work activity until the investigation is completed. In addition, the compliance officer will take appropriate steps to secure or prevent the destruction of documents or other evidence relevant to the investigation. If the facility determines disciplinary action is warranted, it should be prompt and imposed in accordance with written standards of disciplinary action.

2. Reporting

If the compliance officer, compliance committee or a management official discovers credible evidence of misconduct from any source and inquiry has demonstrated that the misconduct may violate criminal, civil or administrative law, then AHE will confer with legal counsel to take all steps reasonable and appropriate to evaluate the potential misconduct and, if appropriate, report the existence of misconduct to the appropriate Government authority within a reasonable period, but not more than sixty (60) days after determining that there is credible evidence of a violation. Prompt reporting will demonstrate the facility's good faith and willingness to work with governmental authorities to correct and remedy the problem.

When reporting misconduct to the government, AHE will provide all evidence relevant to the alleged violation of applicable federal or state law(s) and the potential cost impact. The compliance officer, with guidance from the governmental authorities, may be requested to continue to investigate the reported violation. Throughout any such investigation the CCO will be required to continue to cooperate with the government in consultation with legal counsel and the compliance committee.

Corrective Actions will take appropriate corrective action, including prompt imposition of proper disciplinary action, if applicable. Failure to notify authorities of an overpayment within a reasonable period of time could be interpreted as an intentional attempt to conceal the overpayment from the government. This assumption may be used in establishing an

independent basis for a criminal violation with respect to the facility as well as individuals who may have been involved. For this reason, AHE's compliance program ensures that overpayments are identified quickly and promptly returned to Medicare or other federal health care programs.

III. ASSESSING THE PROGRAM EFFECTIVENESS

In evaluating the effectiveness of the compliance program, AHE's management will ensure that the following actions occur:

- Government instructions, revisions and special fraud alerts will be made available to appropriate staff;
- All employees will receive documented training regarding fraud and abuse and the correct reporting channels;
- Hotline activities will be reviewed monthly for the purpose of identifying systemic problems or the need for additional staff education;
- Activities related to patient care, fraud and abuse issues will be audited at least annually by the compliance officer and a written report will be prepared for management's review;
- On an annual basis the compliance officer will review the status of the compliance program, including documentation of activities, staff training, hotline activities, employment of excluded individuals or entities any contracts or marketing protocols that may represent a violation. A report will be prepared for senior management and will contain recommendation for improvement in the program; and
- On a continuing basis the senior management of AHE will demonstrate a daily commitment to ethical business practices, accuracy in claims submission and channels of communication designed to allow employees to discuss concerns regarding possible misconduct.

Section 3: Corporate Compliance Program Policies & Procedures

1. 001 Compliance Policy
2. 002 Compliance Communication & Reporting Policy
3. 003 Compliance Hotline Policy
4. 004 Compliance Hotline Auditing & Monitoring Policy
5. 005 Compliance Issue Resolution
6. 006 Compliance Risk Assessment Policy
7. 007 Performance Improvement Policy - Compliance
8. 008 Internal Auditing & Monitoring Policy
9. 009 Internal Investigating & Self-Reporting Policy
10. 010 Policy on Billing, Coding & Charging
11. 011 Compliance Information & Records Retention Policy
12. 012 Policy on the Accuracy & Storage of Records
13. 013 Compliance Training & Education Policy
14. 014 Sanction Screening
15. 015 Fair Treatment Policy
16. 016 Noncompliance Disciplinary Action Policy
17. 017 Confidentiality Policy
18. 018 Conflict of Interest Policy
19. 019 Government Investigations Policy
20. 020 Subpoenas
21. 021 Search Warrants
22. 022 Leasing Agreements With Physicians

Purpose:

It is the intent of this policy to aid those associated with AHE in the realization of the highest standards of integrity and quality service to our residents. The leadership of American Health Enterprises is dedicated to compliance with laws, regulations, and the requirements of federal, state, and private payer plans with which we work - as well as to the standards of professional responsibility. We adhere to the principles that patients are to be treated with respect and dignity, that each resident has the right to determine his or her choice of providers and institutions, and that all residents are to be equally and fairly treated in the provision of care.

Statement of Policy:

American Health Enterprises hereby establish a Compliance Policy containing standards for **all** employees and associated providers, with the specific intent of identifying and correcting actions that may be considered fraudulent or abusive.

Procedure:

Note: Employees and others associated with American Health Enterprises must sign the Employee Attestation Form regarding this policy and the Code of Conduct.

1. **Payments and Discounts:** The receipt of payments, discounts, or gifts that may be considered remuneration is barred by law for the purchase, lease, ordering, or recommending of any goods, facilities, services, or items.
2. **Kickbacks:** Any payment or receipt of payments that can be considered kickbacks for the use or recommendation of supplies, services, goods, facilities, or items is prohibited. This includes knowingly or willfully offering, paying, asking, or receiving money or other benefits, directly or indirectly, in return for favorable terms or treatment.
3. **Loans, Rebates, and Services:** The offer or delivery of loans, rebates, or services, or payment of any kind, in any way connected to patient referrals, is prohibited.

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4. **Entertainment:** Business dealings may include a shared meal or similar social occasions, which may be proper business activities. More extensive entertainment will only rarely be consistent with organizational policy and should be reviewed and approved by the compliance officer and/or legal counsel.
5. **Gifts:** Employees of the organization may not receive any gift they believe is offered in an attempt to influence decisions or actions. Employees should return such gifts and report the incident to the compliance officer. Token promotional items, such as key chains, pens, or pencils marked with the donor's name, are not considered inappropriate when given in individual or limited quantities.
6. **Billing:** Our organization bears a great responsibility to the public to accurately bill for actual services rendered in a timely fashion. Those dealing with billing and claims are expected to maintain the highest standard of integrity, honesty, and diligence in the performance of these important duties. Our organization is committed to accuracy in our financial dealings. False, inaccurate, or questionable claims, coding, or billing should be reported immediately to the billing supervisor or compliance officer. The Office of Inspector General identifies specific areas of risk in the billing and cost reporting process. This list attempts to incorporate areas of concern in both a prospective payment system (PPS) and consolidated billing, and during a transition period to a prospective payment system. A comprehensive discussion of these issues appears in the draft *OIG Compliance Programs Guidance for Nursing Facilities*. The following list is produced as it appears in the *Compliance Program Guidance*. Examples of practices that may be considered fraudulent or abusive include:
 - a) Claiming reimbursement for services that were not rendered or provided as claimed;
 - b) Submitting claims for equipment, medical supplies, and services that are medically unnecessary;
 - c) Submitting claims to Medicare Part A for residents who are not eligible for Part A coverage;
 - d) Filing duplicate claims;
 - e) Failure to identify and refund credit balances;
 - f) Submitting claims for items or services not ordered;
 - g) Knowingly billing for inadequate or substandard care;
 - h) Providing misleading information about a resident's medical condition on Minimum Data Sets or otherwise providing inaccurate information used to determine the Resource Utilization Group (RUG) assigned the resident;
 - i) Upcoding the level of service provided;
 - j) Billing for individual items or services when they are included in the facility's per diem rate or are the type of item or service that must be billed as a unit and may not be unbundled;
 - k) Billing residents for items or services that are included in the per diem rate or otherwise covered by the third party payer;
 - l) Forging physician or beneficiary signatures on documents used to verify that services were ordered and/or provided;
 - m) Failing to maintain sufficient documentation to establish that the services were ordered and/or performed;
 - n) Submitting false cost reports.

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7. **Patient Referrals:** Our organization is in the business of providing the delivery of appropriate nursing and long-term care services. Residents served by our organization may be referred to other organizations or providers as is medically necessary for the treatment of their condition. The resident or the resident's guardian or other responsible party should make the choice of providers, with guidance from his or her physician as to which providers are qualified and medically appropriate.
- a. Referrals to or from our organization by providers who have a financial relationship with the organization may be made only if specific provisions of law (the Stark Acts and Safe Harbor Provisions) are met. Referrals, or patterns of referrals that are questionable should be brought to the attention of the compliance officer, who is obligated to review that action with the advice of the organization's legal counsel.
8. **Use of Company Property:** Property owned by the organization should be used for business purposes, and should not be used for personal benefit. This includes owned, rented, or leased property, equipment, vehicles, supplies, computer systems or software, office supplies, facilities, services, or other forms of property. The assets of individuals or companies with which we do business, while in our care or use, should be treated with the same respect as property owned by the organization.
9. **Reporting Abuse:** It is the responsibility of each employee of our organization to attempt to recognize fraudulent or abusive occurrences or situations and to report them promptly to their supervisors or the organization's compliance officer.
10. **Retaliation or Retribution:** Retaliation or retribution against those reporting fraudulent or abusive activity or the possibility of such activity will not be tolerated. Employees who feel they are the targets of retaliation or retribution should report such conduct immediately to their supervisor, follow grievance procedures in the organization's Human Resources Policy and Procedure manual, and/or contact the compliance officer to file a formal report that will be reviewed by administration.

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Purpose:

An effective means of communicating with the compliance officer and reporting compliance issues is hereby established and made available to all American Health Enterprises employees, physicians, and independent contractors.

Statement of Policy:

It is the policy of AHE, Inc. to set up a line of compliance communication for employees, physicians, and independent contractors to inform the compliance officer of potential compliance fraud and abuse.

1. All employees, physicians, and independent contractors will be notified that they have free and unrestrained access to the compliance officer for the reporting of legitimate and appropriate concerns with regard to compliance and integrity in the organization.
2. The identity of those reporting compliance and integrity issues or concerns will be kept confidential within the organization. The compliance officer and legal counsel shall have access to the identify of those reporting compliance issues.
3. Staff may report anonymously by verbal or written means.
4. Staff reporting compliance issues will be informed that regardless of the organization's internal policy of protecting identities, their identity may have to be released to federal or state agencies conducting investigations, and may become public in the process of those investigations from federal and state sources.
5. Staff members reporting compliance issues are entitled to be informed as to the correction or investigation of the issues they report, and may be so informed by the compliance officer in confidential meetings.
6. The compliance officer will maintain regular office hours during which reports may be made in person.
7. The organization will establish a compliance hotline, which will be available 24 hours per day. The hotline will allow reports to be made anonymously regarding specific concerns and will ask the caller to provide his or her name and telephone number only if the caller wants to speak with the compliance officer personally. Callers will be instructed as to the specific information required to conduct a meaningful investigation. The hotline number will be posted conspicuously and provided in writing to each employee, associated medical care provider, and others as appropriate.
8. Managers receiving complaints from staff should forward those to the compliance officer and maintain anonymity of the complainant if asked to do so. Managers should also seek to resolve and answer any concerns.
9. A log shall be maintained by the compliance officer listing all complaints, the nature of the complaint, date and time received; receipt by call, personal visit, or written means, the nature of the investigation to be performed; and results of the investigation. Copies of this log shall be made available in regular reports to the Corporate Compliance Committee.
10. As appropriate, based on the nature and scope of complaints received, the compliance officer shall seek the guidance of senior management and the legal counsel of the organization.

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Purpose:

AHE is committed to the timely identification and resolution of all issues that may adversely affect employees, patients, or the organization. Therefore, AHE has established communication channels to report problems and concerns including a phone number and e-mail address. Employees are encouraged to report problems or concerns either anonymously or in confidence via the hotline when they deem appropriate. The hotline establishes an avenue for employees or interested parties to report suspected criminal activity, and illegal or unethical conduct occurring within the organization in the event other resolution channels are ineffective or the caller wishes to remain anonymous.

Statement of Policy:

It is the policy of AHE, Inc. to have in place a compliance hotline for employees, physicians, and independent contractors to report compliance issues.

1. AHE will establish and maintain a telephone hotline that employees may use to report problems and concerns either anonymously or in confidence.
2. Employees who report problems and concerns in good faith via the hotline will be protected from retaliation or retribution.
3. Those who are employed in the hotline operation are expected to act with utmost discretion and integrity in assuring that information received is acted upon in a reasonable and proper manner.
4. The Corporate Compliance Officer (CCO) is responsible for the operation of the employee hotline.
5. The CCO's general responsibilities related to the hotline operation include ensuring that hotline calls are addressed in an appropriate and timely manner.

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SUBJECT: AHE - Compliance Hotline Auditing & Monitoring

NO. 004

POLICY:

It is the policy of AHE, Inc., that the hotline is audited and monitored at least annually to ensure the hotline is being used properly.

PROCEDURE:

1. The hotline will be audited at least annually by the compliance committee or their designee.
2. Audits can include up to, but not limited to, voicemails responded to, calls answered, calls missed, calls received, investigations, and calls made from the compliance phone.
3. The hotline may be audited periodically when a claim is made about abuse of the hotline.
4. The hotline will be monitored by the compliance officer and/or the compliance committee or their designee.

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SUBJECT: AHE - Compliance Issue Resolution

NO. 005

POLICY:

It is the policy of Winning Wheels, Inc., and American Health Enterprises (AHE), Inc. that when a compliance issue arises, there will be a resolution by the compliance committee, after an investigation.

PROCEDURE:

1. The compliance committee will resolve an issue after an investigation has concluded.
2. The committee shall determine the resolution to either founded investigations or appealed investigations.
3. The committee will give a determination to the appropriate parties in a timely manner.

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POLICY:

It is the policy of Winning Wheels, Inc., and American Health Enterprises (AHE), Inc. that the compliance officer will compile a risk assessment that will be done at least annually or when significant changes happen including up to, but not limited to, changes in regulations, major staffing changes, changes in personnel roles and responsibilities, contractual changes, and building changes.

PROCEDURE:

1. The compliance officer will compile a risk assessment.
2. The risk assessment will be used as a tool to help the compliance committee determine the direction of the company.
3. The compliance officer will give additional reports the committee requests.
4. The assessment will give risk values for each section and an overall risk value for the assessment.

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SUBJECT: AHE - Compliance Performance Improvement

NO. 007

POLICY:

It is the policy of AHE, Inc. that the compliance officer offers input into performance improvement in regards to compliance.

PROCEDURE:

1. The compliance officer will report trends to the facilities periodically for updates on compliance performance improvement.
2. The compliance officer will report on issues including up to, but not limited to, compliance investigation allegations, compliance findings, and regulation updates. The compliance officer will not hand out full investigations to facilities but just the allegations and findings. Names must not be used.
3. The compliance officer will make recommendations where necessary for performance improvement. The facility may or may not follow recommendations.
4. If a recommendation is not followed and it later comes to light that the recommendation was better than not following the recommendation, then the facility will be required to implement recommendations. Failure to do so may result in disciplinary action on administration.

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POLICY:

It is the policy of AHE, Inc. to have an internal auditing and monitoring process for compliance.

PROCEDURE:

1. The compliance officer will oversee the auditing and monitoring process
2. The compliance officer will give recommendations and will facilitate looking at risk areas including but not limited to, laws and regulations, organizational policies and procedures, and the Code of Conduct. The audit may also look at internal controls, data integrity, financial statements, and resident records.
3. The compliance officer will verify the completion of the audit and give their report with the completed audit to the compliance committee for review, approval, and recommendations for action that may need to be taken to correct an issue.
4. The compliance officer and committee will maintain confidentiality for information received to them, unless the information is legally criminal. In cases where the law has been broken, the compliance officer and committee may need to break confidentiality with law enforcement.
5. Information that is requested for the audit must be given to the compliance officer within ten (10) business days, or at a time designated by the compliance officer. Failure to do so may result in investigations into departments and personnel.
6. The department head or designee may ask the compliance officer for an extension for extenuating circumstances. The compliance officer will make the determination for additional time.
7. In cases where severe issues are detected for a department, the committee may have the compliance officer or their designee oversee the department until the issues are remedied.

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SUBJECT: AHE - Internal Investigating & Self-Reporting

NO. 009

POLICY:

It is the policy of AHE, Inc. that internal investigations will be done in a timely manner and employees, physicians, and independent contractors can report a compliance issue.

PROCEDURE:

1. Employees, physicians, and independent contractors may report a compliance issue.
2. If the report is anonymous, the individual who reports the situation will not be privy to the outcome of the investigation. Individuals who report will not be privy to disciplinary action, but rather the outcome of the investigation (i.e. founded or unfounded).
3. Investigations will be done in a timely manner and the results of the investigation will be sent to the committee who will determine the proper course of action in regards to the investigation.

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SUBJECT: AHE - Billing, Coding, & Charging

NO. 010

POLICY:

It is the policy of AHE, Inc., that the facilities will practice accurate billing and coding, and will charge appropriately for services rendered.

PROCEDURE:

1. If a complaint is lodged towards financial compliance, the compliance officer will initiate an investigation.
2. The investigation may include up to, but not limited to, laws and regulations, policies and procedures, resident records, and billing statements.

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POLICY:

It is the policy of Winning Wheels, Inc., and American Health Enterprises (AHE), Inc. that the compliance officer will retain the records of compliance investigations.

PROCEDURE:

1. The compliance officer will retain the records of compliance investigations.
2. Records will be kept for a minimum of five (5) years.
3. An investigation may be kept for a longer period if it is part of a legal case or is deemed of special importance for AHE, Inc.
4. The compliance officer will keep a list of investigations that are not to be destroyed. The compliance committee will determine if certain investigations should be kept longer than their 5 year mark.

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SUBJECT: AHE - Accuracy & Storage of Records

NO. 012

POLICY:

It is the policy of Winning Wheels, Inc., and American Health Enterprises (AHE), Inc. that the records will be accurate for the investigation and the storage will be kept in a manner that will be kept confidential by the compliance officer (CO).

PROCEDURE:

1. The compliance officer will act to ensure the accuracy of the investigation.
2. The officer will keep relevant files with the investigation.
3. The CO will store the investigation and relevant files for the investigation in a manner that the CO can retrieve said information for the compliance committee.
4. Failure to properly store investigations will result in disciplinary action up to and including termination of employment.
5. Failure to promote accuracy of investigations will result in disciplinary action up to and including termination of employment.

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SUBJECT: AHE - Education & Training

NO. 013

POLICY:

It is the policy of Winning Wheels, Inc., and American Health Enterprises (AHE), Inc. that training and education on the compliance manual will be done by the compliance officer (CO) and/or a representative of the compliance officer.

PROCEDURE:

1. Training and education on compliance will be done at least annually.
2. The CO and/or their representative will train staff on compliance.
3. Training will include up to, but not limited to, fraud, misappropriation of funds, abuse, laws and regulations, and how to contact the CO.
4. Training will be appropriate for employees involved. Training will vary depending on positions held in the facilities.
5. Administration may contact the CO for compliance training and education.
6. Staff that are not administration should go through administration for their compliance inquiries.

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POLICY:

1. Winning Wheels, Inc., and American Health Enterprises (AHE), Inc. will not employ or engage in a business relationship with anyone who is currently under sanction or exclusion by the Department of Health and Human Services Office of Inspector General (OIG) and any other duly authorized enforcement agency or licensing and disciplining authority.
2. Winning Wheels, Inc., and AHE, Inc. shall not employ any individuals who have been recently convicted of a criminal offense related to healthcare or who are listed as excluded or otherwise ineligible for participation in federal healthcare programs.
3. Winning Wheels, Inc., and AHE, Inc. shall remove individuals with direct responsibility for or involvement in any federal healthcare program, as well as those pending the resolution of any criminal charges or proposed exclusion sanction. Contractors under pending criminal charges shall be suspended from continued work until the matter is resolved in a Court of Law.

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POLICY:

It is the policy of AHE, Inc., that employees undergoing a compliance investigation will be given fair treatment, regardless of race, color, creed, religion, ancestry, national origin, gender, sexual orientation, physical disability, age, marital status, and status in the company.

PROCEDURE:

1. Employees will be treated fairly in compliance investigations.
2. The compliance officer (CO) will investigate based upon the allegations.
3. The CO may regard characteristics of people involved in the investigation if the investigation does involve their characteristics in a central way.
4. Individuals involved in the case can appeal the decision if they believe that their characteristics were used to alter the investigation. It does not guarantee the compliance committee will overturn their decision.
5. It may be determined that the CO was influenced by characteristics not part of the case, and the committee may still determine that the investigation is still founded. Situations like these will be handled on a case-by-case basis.
6. If it is determined that the CO was influenced by characteristics not part of the case, then the CO may be subject to disciplinary action up to and including termination of employment.

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SUBJECT: AHE - Noncompliance Disciplinary Action

NO. 016

POLICY:

It is the policy of AHE, Inc., that when people are founded to be in noncompliance they should be disciplined.

PROCEDURE:

1. The compliance committee will make the determination on disciplinary action for founded investigations.
2. The compliance officer (CO) does not make the determination for disciplinary action.
3. The committee can discipline up to and including termination of employment.
4. The committee may involve law enforcement depending on severity of the noncompliance.
5. An employee may appeal the decision. If the appeal is successful, disciplinary action may be removed from their personnel file.
6. An employee may have a partial successful appeal. These are case-by-case instances and will be treated with special sensitivity.

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SUBJECT: AHE - Confidentiality

NO. 017

POLICY:

It is the policy of Winning Wheels, Inc., and American Health Enterprises (AHE), Inc. that the compliance officer (CO) and committee will keep investigations confidential to their extent.

PROCEDURE:

1. Throughout the investigation, the CO will keep investigations confidential to their extent.
2. The CO and committee cannot and do not guarantee people involved in the investigation will be kept confidential. The CO and committee can only keep investigations confidential to their extent.
3. Depending on severity of the investigation, law enforcement may be informed.

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POLICY:

It is the policy of AHE, Inc. to have a check and balance in place for when conflicts of interest arise for investigations.

PROCEDURE:

1. The compliance officer (CO) will inform the committee of potential conflicts of interest when they have an investigation.
2. Conflicts of interest include up to, but not limited to, personal relationship with parties involved, personal gain, and personal advantages whether in actuality or by appearance.
3. If the CO is unsure whether a particular investigation would be a conflict of interest, the committee will determine if the CO is able to investigate or not.
4. When a conflict of interest does happen, the committee will appoint a designee for the investigation.

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SUBJECT: AHE - Government Investigations

NO. 019

POLICY:

It is the policy of Winning Wheels, Inc., and American Health Enterprises (AHE), Inc. that when a compliance investigation requires government involvement, the compliance committee and the compliance officer will cooperate with the law to the extent possible.

PROCEDURE:

1. Depending on the severity of the investigation, the compliance committee may have to contact law enforcement.
2. When law enforcement becomes involved, the parties involved in the investigation will be notified.
3. The CO and the committee will cooperate with government involvement.

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SUBJECT: AHE - Subpoenas

NO. 020

POLICY:

It is the policy of Winning Wheels, Inc., and American Health Enterprises (AHE), Inc. that when a valid subpoena is issued, Winning Wheels and AHE will comply with said subpoena.

PROCEDURE:

1. When a subpoena is issued, AHE will check to see if it's a valid subpoena.
2. A valid subpoena may include up to, but not necessarily limited to:
 - a. The name of the court or administrative body that issued it.
 - b. The caption/title of the proceeding along with the case number.
 - c. Provide information necessary to allow an adequate response. Information includes: date, time and location when the appearance is required and/or documents that must be provided. Documents should be sufficiently described so that the witness knows what to bring.
 - d. It must be served to the witness either in person or via mail.
 - e. A witness fee for the appearance. Provide reimbursement to the witness for the mileage necessary to travel to the location of the deposition, trial or hearing.
3. AHE or the parties involved in the subpoena will have seven (7) days before the date of the court appearance to respond to the subpoena.
4. If it is determined that a subpoena is invalid, AHE will appeal the subpoena.

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SUBJECT: AHE - Search Warrants

NO. 021

POLICY:

It is the policy of AHE, Inc. that valid search warrants will be complied.

PROCEDURE:

1. AHE, Inc., and their facilities will adhere to a valid search warrant.
2. The search warrant must be signed by a judge.
3. When a search warrant is served, AHE, Inc. And their facilities will comply and assist law enforcement according to the warrant. Areas and items that are not included in the search warrant will not be subject to searching.
4. Administration may call AHE, Inc.'s lawyer if a question arises that cannot be adequately answered by corporate.

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SUBJECT: AHE - Leasing Agreements with Physicians

NO. 022

POLICY:

It is the policy of AHE, Inc. that their personnel facilitate agreements with physicians and independent contractors.

PROCEDURE:

1. AHE, Inc. personnel will facilitate leasing agreements and contracts with physicians and independent contractors.
2. Leasing agreements and contracts are to be negotiated and agreed upon by respective personnel.
3. The CFO must be able to read through leasing agreements and contracts before being signed.
4. If there are compliance questions, then the compliance officer will look over the leasing agreement and edit where appropriate.
5. Personnel include up to, but not necessarily limited to, the CEO, the CFO, Administrators, and other administration.
6. Non-AHE staff may negotiate a leasing agreement if it's approved by authorized AHE staff.
7. Staff that negotiate a leasing agreement without approval from AHE, Inc. or do not follow proper procedure will result in a compliance investigation and/or disciplinary action up to and including termination of employment.

Approved:

Effective
Date:

Revision
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