



Corporate Compliance Plan

Revised February 2011

Federation of Organizations receives funds to operate programs that provide services to vulnerable individuals. This Corporate Compliance Plan has been developed to protect clients from abuse and to prevent fraud within the agency. Federation of Organizations will only conduct business in an ethically acceptable manner and will comply with regulations that have been identified by State, Local and Federal government.

Corporate compliance is a systematic effort to prevent, detect, and report violations of law throughout the organization. The purpose of corporate compliance is to ensure that employees, consultants, business associates, vendors and contractors of Federation conduct themselves in conformance with all applicable legal requirements.

This compliance plan is reviewed by the Compliance/Quality Management Department on at least an annual basis to determine if revisions are necessary. This Plan can be viewed on Federation of Organizations' website, www.fedoforg.org, on Federation's intranet, Ericom, on all employees' desktops by clicking on the icon entitled, "Compliance," and on Federation's Knowledge Management System (KMS).

Federation's corporate compliance plan consists of eight core elements:

- ❑ Code of Conduct/Code of Ethics
- ❑ Assignment of a Compliance Officer/Corporate Compliance Committee
- ❑ Education and Training for employees including education/training regarding federal and state false claims acts and acceptable Medicaid documentation
- ❑ Communication with Corporate Compliance Officer, which includes anonymous and confidential reporting
- ❑ Discipline for failure to report suspected fraud, which permits non-compliant behavior
- ❑ Routine identification of compliance risk areas, including auditing and monitoring
- ❑ System for responding to compliance issues as they are raised; how to correct such non-compliance, and reporting non-compliance to Medicaid, Medicare and other appropriate governmental agencies, and refunding overpayments
- ❑ Non-retaliation (whistleblower protection)

Element 1

This section addresses federal, state, and local laws that the organization and its employees must comply with. All agency employees are given their own copy of the “Employee Handbook” at new hire orientation. This handbook contains information on all policies and procedures that must be adhered to by all employees, as well as information on detecting and preventing fraud, waste and abuse.

At the start of employment, each employee receives a copy of the employee handbook and the Compliance Plan by a human resources representative. Employees sign an acknowledgement that specifies their receipt of these documents. A copy of these transactions is kept in the employee’s personnel file in the human resources department.

Every employee is expected to adhere to Federation of Organizations’ Code of Conduct:

Agency Code of Conduct

To function effectively, every organization has policies and procedures to protect persons receiving services and to ensure that the rights of co-workers and the Organization are respected. Generally, no conduct that is disruptive, unproductive, immoral, unethical or illegal will be tolerated. Types of behavior and conduct that Federation considers inappropriate include, but are not limited to, the following:

- ❑ Negligence or mistreatment of consumers, co-workers or organization colleagues.
- ❑ Intimidating, coercing, discriminating, or sexually harassing persons receiving services, co-workers or other organization colleagues.
- ❑ Mishandling confidential information.
- ❑ Falsification of records (persons receiving services and personnel records)
- ❑ Unauthorized solicitation of gifts and/or loans from persons receiving services, co-workers or other organization colleagues.
- ❑ Accepting gifts in excess of \$50.00 from family members, contractors and vendors. It is never acceptable for a staff person to accept money as a gift from a contractor or vendor.
- ❑ All financial transactions with consumers are prohibited, including giving or receiving money or gifts (unless approved prior by Administration).
- ❑ Abandonment of position; leaving assigned work area during working hours without permission or doing work for another organization during scheduled work at Federation.
- ❑ Theft.
- ❑ Unauthorized use of organization vehicles.
- ❑ Unauthorized use of organization equipment and supplies (This includes computers).
- ❑ Destruction or misuse of Federation’s or any other individual’s property.
- ❑ Insubordination including refusal to perform assigned duties.
- ❑ Refusal to accept changes in work assignment within job category.

- ❑ Use or possession of alcohol, narcotics or intoxicating drugs during work hours or on organization's property.
- ❑ Reporting to work after using or being under the influence of alcohol, narcotics or intoxicating drugs.
- ❑ Fighting or illegal gambling on organization property.
- ❑ Conduct unbecoming of a Federation employee, including disregard of personal appearance, dress or hygiene.
- ❑ Signing in or out for another employee.
- ❑ Excessive absenteeism or lateness (As identified in Human Resources Policy Manual).
- ❑ Failure to properly notify supervisor of absence.
- ❑ Sleeping on the job. Staff members assigned to work in a 24 hour facility that work overnight sleep positions are exempt from this item.
- ❑ Possession of unlawful or dangerous weapons.
- ❑ Conviction of a crime or felony while employed at Federation.
- ❑ Violation of smoking policy.
- ❑ Solicitation or distribution of literature or items in violation of Federation's policies.
- ❑ Violation of safety rules in the performance of responsibilities.
- ❑ Unacceptable job performance.

Disciplinary actions to be imposed should any of the aforementioned codes not be followed vary dependent upon the offense (please see section on Discipline).

CODE OF ETHICS

Federation accepts the role as a leader in the field of mental health and rehabilitation by continuously improving our services. It is our goal to provide an example for other human service organizations by establishing and maintaining a high standard of performance, professionalism, and ethical practice. Our Code of Ethics sets forth values, ethical principles and ethical standards to which our staff aspire and by which their actions can be judged.

Federation's Code of Ethics is a central guide and reference for employees in support of day-to-day decision making. It is meant to clarify the standards of professional conduct. Our Code of Ethics is an open disclosure of how we operate. This Code of Ethics provides employees with visible guidelines for behavior.

It is the intent of the Board of Directors that Federation of Organizations operates within the highest moral and ethical standard. It is expected that all employees of Federation of Organizations will conduct themselves in a professionally competent manner that provides the highest example for persons receiving its services, other agencies, employers, and the community.

Federation and its employees recognize that persons with disabilities and other service recipients must always be treated with dignity and respect. Our services are centered on a person's individualized needs, preferences, and desired outcomes, and, they must be given continuous opportunities for input into the services that they receive.

Definition: Code of Ethics

A Code of Ethics is an explicit statement of the values, principles, and rules of a profession or organization that regulate the conduct of its members and employees.

Purpose:

The purpose of Federation's Code of Ethics is to inspire ethical imagination, legitimize dialogue about ethics, encourage ethical decision making, prevent and hold individuals accountable for misconduct, and provide a basis for disciplining employees when necessary.

This Code of Ethics is important because Federation recognizes that through our services, we make an impact on the lives of the people we serve. We acknowledge that some of the individuals that participate in our programs and that use our services are vulnerable individuals who trust that their experience with Federation will influence the quality of their life. Therefore, we must conduct ourselves in a professional and moral manner at all times.

Objectives:

- To establish high standards of conduct
- To identify prohibited conduct
- To provide a frame of reference for decision making.

The Board of Directors of Federation are selected to represent diversity in our community, our values, and our beliefs. The Board of Directors is responsible for establishing the governing policies and demonstrating exceptional leadership for the organization. This is attained by attending meetings, representing the organization in the community, remaining current on issues of concern to Federation and its mission, and monitoring the operations of the organization.

The Board of Directors understands and acknowledges the importance and purpose of corporate compliance and this Plan and has regular direct interaction with the Corporate Compliance Officer who provides monthly updates in writing as well as bi-annual summaries of compliance issues. They also receive a copy of the Compliance Plan and annual compliance plan/program self-assessment and work plan designed to address Federation's risk areas. Further, the Board of Directors is educated at least annually on

Corporate Responsibility and Corporate Compliance and receive regular updates on billing irregularities, audits, corrective action, disciplinary action for non-compliance, compliance concerns, and status of compliance training.

Federation maintains its status as a state of the art mental health organization by providing quality services at all times. We value our reputation and work closely with other stakeholders, such as funding sources, employers, family members, other service organizations and their staff, and the communities in which we are located. We provide education to stakeholders on the stigma of mental illness and other issues concerning the people that we serve.

Federation maintains a financial solvency by properly allocating funds, developing annual budgets, and continuously providing quality services at the most competitive rate. Employees within the fiscal department are knowledgeable and skilled in not-for-profit law and etiquette. Our financial practices are governed by specific policies covering the way we collect funds, distribute funds, and allocate funds.

Code of Ethics

Scope:

To ensure that the staff members of Federation:

- ✓ shall believe in the dignity and respect of each human being receiving services;
- ✓ shall strive to uphold the responsibilities of psychiatric rehabilitation:

Federation of Organizations makes the following commitment to persons receiving services. Federation shall:

- Provide persons receiving services with professional services in a non-discriminatory manner and consistent with best practices known to Federation.
- Respect the constitutional rights of all persons.
- Take reasonable measures to protect the health, safety, and emotional well-being of persons receiving services.
- Recognize that each individual has the right to participate in and make informed consent decisions about services and treatment and that individuals have the right to refuse any service provided by Federation.
- Have the right to present a grievance and such grievance will be addressed according to the grievance procedure.
- Have reasonable access to view their records at Federation in accordance with the agency's policy and procedures.
- Have full protection of their rights as defined by the Mental Hygiene Law.
- Have the right to utilize Federation's services as a means of achieving individual goals within the program and service structure.

Employees of Federation

As an employee at Federation I will:

- Perform my designated job duties, responsibilities and functions.
- Do my best to ensure that Federation of Organizations meets the needs of the persons receiving services.
- Respect the human rights, integrity and dignity of all individuals.
- Do my best to create and maintain a environment of loyalty, trust, and mutual respect.
- Strive to communicate with everyone in a professional, positive, enthusiastic, and courteous manner.
- Support the decision of management. I may state my opinion in an appropriate manner at the appropriate time, but ultimately, as an employee of Federation, I will follow management's final decision.
- Respect the confidentiality of persons receiving services, the organization, and my fellow employees.
- Not become intimately involved with a person receiving services by Federation.
- Report to management any unethical behavior of and by another employee.
- Abide by organization confidentiality guidelines and policies.
- Be loyal to the organization. I will refrain from any behavior or action that might damage the reputation of the organization.
- Carefully consider the public perception of my personal and professional actions, and the effect that my actions could have on Federation's reputation in the community and elsewhere.
- not accept any gift, money, or payment (outside of approved and required payment for services) from a person receiving services or from their family.
- not borrow money from persons receiving services.
- not misuse personal information of persons receiving services and co-workers for my personal gain.
- not participate in, condone, or be associated with dishonesty, fraud, or deception.

Financial Practices

- All financial practices of Federation shall be handled in accordance with the applicable federal, state, and local laws.
- All financial matters shall be conducted within the standards of commonly accepted, sound financial management practices.

Management/Supervisory Staff

As a member of the management team I will:

- Do my best to see that Federation is operated in a manner that upholds the agency's integrity, adhere to its policies and procedures, and merits the trust and support of the community.
- Take my responsibilities as a leader seriously and conduct myself in a manner that is professional and appropriate.
- Make myself available to employees and provide supervision and guidance.
- Represent the organization internally and externally in a professional manner.
- Treat others with dignity and respect.
- Take no actions that could benefit me personally at the expense of Federation.
- Strive for personal growth to improve my effectiveness as a manager at Federation.

Element 2

Corporate Compliance Officer

Lisa Weiss, LMSW, CHC; Director of Quality Management, is the assigned Corporate Compliance Officer for Federation of Organizations. She can be contacted at the Irving Berkowitz Residence located at: 998 Crooked Hill Road, Building #55, West Brentwood, NY 11717; telephone number: (631) 236-4325, extension 3117; email: lweiss@fedoforg.org. The Corporate Compliance Officer is responsible for overseeing the compliance program at Federation. She will receive all compliance concerns and is responsible for responding to these concerns in a professional and timely manner. She will report such concerns to the Chief Executive Officer and the Chief Operating Officer. The Board of Directors will also be made aware by one of the aforementioned parties. The Corporate Compliance Officer is expected to act as a liaison with consultants and governmental agencies in the event of an audit or investigation. The Corporate Compliance Officer, in conjunction with the Quality Management Department, is responsible for assessing program risk areas, trending, assisting in the implementation of corrective action plans, investigating non-compliance and assisting with determining when Medicaid or Medicare overpayments may have occurred, communicate these concerns, and assist in the decision-making towards resolution of the issue.

Corporate Compliance Committee

The Corporate Compliance Committee will meet on a quarterly basis or more often if necessary and is chaired by the Corporate Compliance Officer. Committee members include: Chief Executive Officer, Chief Operating Officer, Chief Administrative Officer, Chief Medical Officer, Chief Financial Officer, Director of Human Resources and the Corporate Compliance Officer/Director of Quality Management. Program Directors will be asked to attend when appropriate. Committee members will review all investigations or claims of abuse and fraud, make recommendations and initiate education and training efforts to address these issues and concerns. The committee will be responsible for updating employees on current compliance issues and the Corporate Compliance Plan.

Element 3

Education and Training for Employees; False Claims and Medicaid/Medicare Documentation

False Claims

I. Introduction

Federation of Organizations is committed to assisting individuals and families to meet their own needs through participation in its services and to grow by empowering them to help themselves to become active participants in their journey. Federation of Organizations is committed to ensuring that it operates under the highest ethical and moral standards and that all its activities comply with applicable federal and state laws.

Federation of Organizations focuses on the prevention of fraud in federal and state health care plans by protecting against noncompliance, accidental or deliberate. We seek to promote full compliance with all legal duties applicable to it, to foster and ensure ethical conduct, and to provide guidance and education to each employee of Federation of Organizations on his/her conduct noting that Federation of Organizations is paid from the State Medicaid/Medicare Agency for services provided and therefore must comply with stringent regulations. We intend to detect noncompliance if it occurs, to discipline those involved in such noncompliance, to remedy the effects of noncompliance, and to prevent future noncompliance. All employees will be educated about compliance requirements in the health care industry as it relates to guidance provided by the Center for Medicare and Medicaid Services (CMS); United States Department of Health and Human Services-Office of Inspector General (HHS-OIG); and the New York State Office of the Medicaid Inspector General (NYS OMIG).

II. Compliance Standards and Procedures

Numerous federal and state laws and regulations define and establish obligations for the health care industry which Federation of Organizations must comply. Any Federation of Organizations employee who violates these laws and/or regulations risks individual criminal prosecution and penalties, civil actions for damages and penalties, and subjects Federation of Organizations to these same risks and penalties. Any Federation of Organizations employee who violates these laws may be subject to immediate termination of his/her employment.

A. Discussion of Applicable Legal Standards

Below are some major federal and state statutes specifically applicable to health care providers, which are not all inclusive. They are designed to effectively combat all Federal Health Care Program fraud. Any employee who is uncertain about applicable laws should always consult with the Corporate Compliance Officer with specific questions.

1. New York State False Claims Act (modeled on the federal False Claims Act)- signed into law April 2007

Any person who (1) knowingly presents, or causes to be presented, to an officer or employee of the United States Government a false or fraudulent claim for payment or approval; (2) knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government; (3) conspires to defraud the Government by getting a false or fraudulent claim paid or approved by the Government; (4) knowingly makes, uses, or causes 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,

...is liable to the U.S. Government for a civil penalty of not less than \$5,000 and not more than \$10,000, plus 3 times the amount of damages which the Government sustains because of the act of that person.

This means that the person has actual knowledge of the information, acts in deliberate ignorance of the truth or falsity of the information, and acts in reckless disregard of the truth or falsity of the information.

In sum, the False Claims Act imposes liability on any person who submits a claim to the federal government that he/she *knows or should know* is false. It was signed into law to comply with the Deficit Reduction Act (signed into law in February 2006).

2. Civil Monetary Penalties Act

Federation of Organizations employees shall not knowingly present a claim to any federal health care program or health care benefit program for an item or service the person *knows or should have known*, was not provided, was fraudulent, or was *not medically necessary*.

B. Billing Issues and Risk Areas

The following are some specific risk areas for which Federation of Organizations employees will receive training and supervision.

- Billing for items or services not actually rendered.

- Billing for medically unnecessary services. Federal Health Care Programs will not pay for services that they do not believe are medically necessary and they may also make a determination after remitting to Federation of Organizations to recover monies after conducting an audit.
- Duplicate billing.
- Insufficient documentation to evidence that services were performed and were medically necessary and that warrants reimbursement from any Federal Health Care Program.
- Billing for services which were provided by unqualified or unlicensed clinical personnel (in programs where applicable).
- Treatment plans/treatment plan reviews that are not completed in appropriate time frames, without measurable objectives or methods, and that are not signed or agreed upon by the client receiving the services.

1. Medical Necessity Medicaid Criteria

The only health interventions that will meet Medicaid's criteria for medical necessity are those that are recommended by a treating physician or other appropriate licensed medical professional. The health intervention must serve the purpose of treating a medical condition (also inclusive of psychiatric condition), must provide the most appropriate supply or level of service, be known to be effective as well as cost effective.

The intervention is utilized with the intention of restoring the individual to the best possible functional level. The person must carry a reimbursable diagnosis and must exhibit current symptoms and are not yet functioning at his/her highest level. All services provided must correlate to the appropriate diagnosis.

(a) Medical necessity is based on each client's assessment, which provides information for treatment planning (service planning) and level of need in each functional area. Assessments should clearly summarize recommendations for treatment, taking into account a client's diagnosis, their functioning level, and their readiness to work on such issues.

(b) All services must be provided according to and correlating to an individualized treatment plan (or service plan) and a client's signature, which indicates his/her agreement with the plan and understanding of the plan, must be indicated on the plan for it to be utilizable. Every client must be an active participant in their treatment. In the case of outpatient mental health clinics, a medical doctor's signature (psychiatrist) must also be present on the plan. All plans must indicate short-term goals and must be concrete and all objectives and methods must be measurable.

(c) Services must be delivered at the appropriate level of care individual to each client serviced. Appropriate referrals, transfers, and discharges must be documented demonstrating good faith efforts to place clients where appropriate for their level of functioning. Services should be in the least restrictive setting available and safe. In addition, it needs to be evident that a client is benefiting from the services being provided.

(d) Progress notes discussing objectives that are not in the current treatment plan can be disallowed. All progress notes should therefore correlate to the current treatment plan objectives and specify which objective the progress note is correlating to. In addition, progress notes should indicate the specific services that were rendered, the interventions provided, the date and time of the service, indicate who rendered the service, the setting, the amount of time it took to render the service, and discuss the client's progress.

III. Training and Education

All existing Federation of Organizations employees providing health care services, items or billing shall receive this document and information to ensure compliance with the aforementioned standards. All new Federation of Organizations employees will be provided with a copy of this document at orientation. Each new employee will be required to review this document and sign the attached acknowledgement form and return it to the Human Resources Department. All existing employees must too sign the attached acknowledgement form. Department Program Managers are responsible for forwarding all signed acknowledgement forms to the Human Resources Department to be placed in each employee's personnel file. All employees will receive copies of any changes in these policies as they occur. Should any employee have any questions or concerns regarding this document, they should direct his/her questions to the Corporate Compliance Officer, Lisa Weiss, LMSW, CHC, at (631) 236-4325, extension 3117.

In addition, employees will receive training on an ongoing annual basis within their department. Documentation must be forwarded to the Quality Management Department that such training has occurred. The Compliance/Quality Management Department will assist with providing training if called upon by any department.

Element 4

Communication with Corporate Compliance Officer; Anonymous and Confidential Reporting

Communication is the key to effective compliance. Communication will flow in both directions between the Compliance Officer and employees of Federation. It is important that each employee at Federation is knowledgeable in how to report suspected incidences of abuse and fraud.

All staff is responsible to report anyone who is suspected of violating compliance. Reports shall be made to your direct supervisor who will then in turn be responsible for reporting any misconduct or non-compliance to the next chain of command (Program Manager, Director, Executive Team, etc.) until the report reaches the Corporate Compliance Officer. The Corporate Compliance Officer is then responsible to inform all appropriate parties about the potential non-compliance. A report may be made directly to the Corporate Compliance Officer should staff not be comfortable reporting it to their supervisor.

In addition, Federation of Organizations will provide all staff with an outside anonymous and confidential toll-free 24-hour supervised hotline telephone number which will be operated by an external consulting agency (**HOTLINE #: (1-866-580-2736)**). All staff will be provided training and education related to appropriate contact with the hotline. Hotline representatives (non-employees of Federation) will contact the Corporate Compliance Officer immediately should there be a high risk concern related to compliance or fraud and will provide the Compliance Officer with consultation on the most effective manner in which to respond to the situation. In addition, in non-imminent situations, the consulting agency will provide the Corporate Compliance Officer a monthly report indicating and detailing all calls made to the Hotline and their content.

In addition, staff may report suspected incidences of fraud and abuse via email, which is also operated by an external consulting agency. This method of communication is confidential, but not anonymous:

(EMAIL ADDRESS: FEDORGCOMPLIANCE@PMALLP.ORG)

Upon staff reporting suspected incidences of fraud and abuse, an investigation will commence within 24 hours by the Corporate Compliance Officer and other appropriate persons and the appropriate follow-up and/or disciplinary action will be taken and documented appropriately.

Element 5

Discipline for Failure to Report Suspected Fraud; Permitting Non-Compliant Behavior

Any employee suspected of violating or committing fraud, or who receives a report of a possible violation or fraud, shall be responsible for immediately reporting the alleged violation to their immediate supervisor. However, if an employee is uncomfortable with speaking to his/her supervisor, or feels his/her supervisor may be involved in suspected fraud, he/she may make a report directly to the Corporate Compliance Officer. He/she may also contact the anonymous hotline number which has been provided to all employees in order to report the suspicion or may submit an email to the hotline email address, which is not anonymous. Failure to report illegal, unethical, or activities of non-compliance will result in appropriate corrective and disciplinary action.

Once the information reaches the Corporate Compliance Officer, she will report such to members of the Corporate Compliance Committee. It will be determined whether an internal investigation is warranted. If so, an investigation will commence within 24 hours to be conducted by the Compliance/Quality Management Department and will continue until the matter is closed. The Corporate Compliance Committee will receive the results of the investigation. Employees' identities will be kept confidential to the extent permitted by law, unless doing so prevents the Compliance/Quality Management Department from fully and effectively investigating the violation which was reported. Once the investigation is complete, the Corporate Compliance Committee will determine the course of follow-up and/or disciplinary action in conjunction with the Human Resources Department. All disciplinary action will be documented in personnel files.

The level of disciplinary action to be taken is dependent upon the offense. Federation of Organizations has adopted a policy of progressive discipline which can be reviewed in the agency policy and procedure manual.

Federation recognizes there are certain types of employee infractions (fraud) that are serious enough to justify either probation/suspension or, in extreme situations, termination of employment, without going through the usual progressive discipline steps. Due to the severity of the aforementioned offense, the least severe course of disciplinary action to be taken would be suspension and/or probation of employment. The suspension notice will include a final warning indicating termination, which will be the next step in the process and documentation will be placed in employee's personnel file.

In certain cases, an employee may be placed on disciplinary probation instead of being suspended. Probation is a final resolution attempt made to correct a marginal performance or conduct problem. Failure to achieve the specified results within the probation period will result in discharge. When progress reviews are satisfactory, employee will be removed from probation on or before the end of the probation period.

Although employees are employed at-will and can resign or be terminated at any time without cause, the following conduct may result in immediate termination:

- Falsification of documents
- Unethical Conduct
- Fraud or Dishonesty

Element 6

Routine Identification of Compliance Risk Areas; Monitoring and Auditing

The Office of Inspector General (OIG) identifies internal monitoring and auditing among the fundamental components of an effective compliance program. At a minimum, annual audits will be conducted to determine whether: (1) Federation of Organizations' policies and procedures are current and complete and (2) Federation of Organizations' claims submission practices comply with applicable requirements (that bills are accurately coded and accurately reflect the services provided, documentation is being completed correctly, that services provided are reasonable and necessary, and if any incentives for unnecessary services exist).

Other Audit Areas

The Compliance Officer will conduct a review of Federation of Organizations' compliance program on an annual basis, at a minimum, to evaluate its effectiveness, and to identify problems or weaknesses in its design and/or implementation. The review will include an examination of whether the compliance program's various elements have been satisfied.

Audits will be conducted on an annual basis, at a minimum, to determine whether Human Resources practices are consistent with applicable law and with Federation of Organizations' written policies and procedures.

Federation of Organizations' finance policies and procedures will be audited on an annual basis, at a minimum, by appropriate outside financial auditors.

Monitoring and Auditing of Consumer Records and Documentation

Utilization Review

The process of utilization review systematically determines and documents a consumer's eligibility for continued stay in a particular program based upon consumer's reason for

admission into program and progress towards achievement of goals. Utilization review will be conducted at intervals that comply with specific regulations set forth for each particular program (see individual program policy and procedure manuals for detail).

Monitoring

Characteristics of interest shall be reviewed on a quarterly basis, which are chosen to be critical indicators of compliance. A chosen characteristic of interest shall be reviewed in a random sample of consumer records to determine if deficiencies exist in this area. This will serve as an early warning system to determine if such deficiencies may exist on a larger scale. The area of focus or risk area to be reviewed is determined by historical patterns/trends of deficiency within program.

Said characteristics of interest will be reviewed on a continuous quarterly basis until corrective action has occurred and deficiency no longer exists or is at an acceptable level. Characteristics of interest to be reviewed will alternate quarterly when an area of risk is not determined to be deficient. This process will occur until all necessary and critical areas of importance have been reviewed and will assist in identifying risk areas for further and more detailed auditing. This process will however not provide specific information on the reasons behind what is being observed.

A compilation of results completed via monitoring process will be forwarded to the Compliance/Quality Management Department for review who will review the results and determine if deficiencies exist. If so, the Department will request a written plan of corrective action from the particular program within a specified time frame. The said characteristic of interest will be reviewed again in the future to ensure that corrective action has taken place.

Auditing

The process of auditing is conducted by the Compliance/Quality Management Department upon the receipt of compiled results completed through monitoring, which demonstrates trends of deficiency or serious risk within a particular characteristic of interest. Such deficiencies therefore require a more detailed review across a larger sample of consumer records to determine the reasons such deficiencies are occurring and assist in determining where corrective action is necessary. Audit findings shall be completed expeditiously and forwarded to appropriate program and administrative personnel by the Compliance/Quality Management Department in request of a plan for correction.

Program Self-Auditing

Program Managers are required to conduct full chart reviews on a random sample of 25% of their consumer records (or on a number of records approved by the Compliance/Quality Management Department) to determine areas of deficiency on a bi-annual basis. In addition, Program Managers will review only their areas of deficiency in

the quarters in which full charts are not being reviewed. This will also occur on a bi-annual basis. Program Managers submit these reports to their Program Directors who are responsible to summarize the results and find any trends in deficiencies that exist and submit in writing to the Compliance/Quality Management Department and Chief Operating Officer. The Corporate Compliance Officer and Chief Operating Officer will intervene if necessary to assist with ensuring corrective action is taking place or if assistance is needed or requested by Program Directors.

Excluded Individuals

Federation will not willingly employ any individual that has been excluded from Medicaid. The Human Resources Department shall conduct exclusion checks for all newly hired employees as well as conduct monthly checks thereafter of all current employees to determine if the employee has ever been excluded from Medicaid. Each new employee will be asked to indicate any Medicaid-related frauds, arrest, or sanctions. Employment will be determined based on this information.

In addition, the Human Resources Department will conduct exclusion checks for all Business Associates on a monthly basis.

These exclusion checks shall be conducted on the following websites: <http://oig.hhs.gov> and <http://omig.state.ny.us>. Documentation is maintained with the Human Resources Department as evidence that these exclusion checks take place.

Element 7

System for Responding to Compliance Issues; Corrective Action; Refunding Overpayments

Once a report of suspected non-compliance is made, an investigation will commence within 24 hours. Employees' identities will be kept confidential to the extent permitted by law, unless doing so prevents the Committee from fully and effectively investigating the violation which was reported. Once the investigation is complete, the Corporate Compliance Committee will determine the course of follow-up necessary and/or disciplinary action to take place. All disciplinary actions will be documented in personnel files.

All efforts will be made to observe the following timeframes with regard to the investigation of violations:

- ❑ The initial investigation will begin within 24 hours of receiving a report of alleged violation (unless the report is filed on a Friday or day prior to the agency being closed for a holiday).
- ❑ The initial investigation will be completed within 5 business days of receiving the report (to the extent possible).
- ❑ Results of investigation are shared with the Chief Executive Officer and Chief Operating Officer who will inform the Board of Directors as well as other applicable Corporate Compliance Committee members.

- At the end of the investigation, the Corporate Compliance Committee will convene. The investigation will be presented by the Corporate Compliance Officer and a course of action will be decided upon by the committee.
- If the investigation continues beyond the initial investigation, a final investigation should be completed no later than two weeks after the additional report is made. A full explanation of the delay in the investigation must be documented in the investigation.

All verified violations of the Compliance Plan will be subject to corrective action. No employee will be subject to any punishment or reprisal for good faith reporting of compliance concerns to their supervisor or to the Corporate Compliance Officer.

Federation takes all reports of known or suspected violation seriously. Good faith reporting is considered loyal and professional and no employee will be subjected to retaliation. However, reports of non-compliance, which is known to be false when they are made will not be tolerated and will be subject to corrective action up to and including termination.

Corrective Action

In the event an employee is found to have violated any part of the Corporate Compliance Plan, company policy, or code of conduct/ethics, the employee will be subject to corrective action. The corrective action will take into consideration the nature, severity and frequency of the violation.

Federation is committed to complying with all applicable federal, state, and local laws, rules and regulations.

Investigations

The purpose of the investigation is to determine how the potential problem came to light, how it occurred, review relevant policies and procedures, identify and interview employees, analyze past claims history, and to determine a course of action/corrective plan. It is also believed that investigations will assist in reviewing and revising agency policy and procedures and determine where further staff training is necessary.

Conducting an Investigation

- The Compliance Officer and Committee will immediately review Federation's established policy and procedure that has allegedly been violated.
- Identification of timeframes for responding to the complaint will be discussed and committed to by those conducting the investigation.
- A decision will be made whether and to what extent an internal investigation is warranted.
- A decision will be made as to if employee interviews are needed to continue the investigation. If so, which members of the committee will interview which employees will also be made.

- It will be determined which relevant documents need to be reviewed and by whom and when.
- A decision will be made as to if outside counsel and/or auditors be utilized to assist in the investigation.

Corrective Action

In the event that the Corporate Compliance Committee has concluded that a violation has occurred, corrective action must be taken.

Disciplinary action will take into consideration the nature, severity and frequency of the violation. The Committee will consider a range of disciplinary action recommendations and the Human Resources Department will ultimately make a decision of the disciplinary action to take place.

Other Considerations

The committee will also take action to correct the violation. Committee members will consider if the violation requires or warrants a report to the Government and/or referral to law enforcement authorities as well as determine if the violation resulted in overpayment or other billing issues which need to be corrected.

Once the investigation is completed, the Corporate Compliance Committee will review details of the allegation and/or violation and identify and implement measures to prevent future occurrence.

Element 8

Non-Retaliation; Whistleblower Protection

An internal whistleblower is an employee, former employee, or member of Federation of Organizations, who reports misconduct, in this case, health insurance fraud, to those that have the power to take corrective action (a superior within Federation of Organizations).

An external whistleblower is any private party outside of Federation of Organizations that may report fraud to outside persons or entities on behalf of the United States government.

Any person may bring a qui tam action (a person who brings a suit on behalf of the government). The False Claims Act provides protection to any person who brings a qui tam action on behalf of the government and who may be, as a result, discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of their employment as a result of whistleblowing. Remedies include reinstatement of one's employment with comparable seniority, two times the amount of any back pay, interest on back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees.

Definitions

1. **Abuse-** Improper behavior intended to cause physical, psychological, or financial harm to an individual or group.
2. **Corporate Compliance Program-** Initiatives designed to detect and prevent problems of noncompliance as well as identify areas, based on the organization's line of business and where the organization may be vulnerable to these problems.
3. **Fraud-** Health care fraud is an intentional deception or misrepresentation that the individual or entity makes knowing that the misrepresentation could result in some unauthorized benefit to the individual, or the entity or to some other party.

The most common kind of fraud involves a false statement, misrepresentation or deliberate omission that is critical to the determination of benefits payable. Fraudulent activities are almost invariably criminal, although the specific nature or degree of the criminal acts may vary from state to state.

The most common fraudulent acts include, but are not limited to:

1. Billing for services, procedures and /or supplies that were not provided.
2. The intentional misrepresentation of any of the following for purposes of manipulating the benefits payable:
 - a. The nature of services, procedures and/or supplies provided;
 - b. The dates on which the services and/or treatments were rendered;
 - c. The medical record of services and/or treatment provided;
 - d. The condition treated or diagnosis made;
 - e. The charges or reimbursement for services, procedures, and /or supplies provided;
 - f. The identity of the provider or the recipient of services, procedures and or supplies.
3. The deliberate performance of unwarranted/non-medically necessary services for the purpose of financial gain.
4. **Medicaid-**The means –tested program established in 1965 that provides payment for hospital and medical services to people who cannot afford them. Funding comes from federal and state governments under auspices of the Health Care Financing Administration (HCFA).
5. **Qui tam-**“Whistle Blower” someone internal or external to the agency that reports a claim of fraud or abuse.

ACKNOWLEDGEMENT FORM

I, the undersigned employee of Federation of Organizations, do hereby acknowledge that I have received the attached Corporate Compliance Plan. I understand the content of the False Claims Policy and will / have (please circle one) receive(d) further training on the entire content of the Corporate Compliance Plan. I understand this document as it applies to me and I am aware that I must comply with the standards set forth in this document.

Name (please print): _____

Signature: _____

Department: _____

Position: _____

Date (mm/dd/yy): _____

Please return this signed form to the Human Resources Department. This form will be placed in your personnel file.