

**United Church Homes and Services
and
Lake Prince Center, Inc.**

CORPORATE COMPLIANCE HANDBOOK

Statement of Values

Our code of ethics is built on a foundation of widely shared values. The values of United Church Homes and Services include:

- Commitment to the public good;
- Accountability to the public;
- Commitment beyond the law;
- Respect for the worth and dignity of individuals;
- Inclusiveness and social justice;
- Respect for pluralism and diversity;
- Transparency, integrity and honesty;
- Responsible stewardship of resources; and,
- Commitment to excellence and to maintaining the public trust.

These values lead directly to our Code of Ethics. The values inform and guide the actions that we take in developing our policies and our practices.

Code of Ethics

- **Personal and Professional Integrity**
All staff, board members and volunteers of the organization act with honesty, integrity and openness in all their dealings as representatives of the organization. The organization promotes a working environment that values respect, fairness and integrity.
- **Mission**
The organization has a clearly stated mission and purpose, approved by the board of directors, in pursuit of the public good. All of its programs support that mission and all who work for or on behalf of the organization understand and are loyal to that mission and purpose. The mission is responsive to the constituency and communities served by the organization and brings value to society as a whole.
- **Governance**
The organization has an active governing body that is responsible for setting the mission and strategic direction of the organization and oversight of the finances, operations, and policies of the organization. The governing body:
 - Ensures that its board members have the requisite skills and experience to carry out their duties and that all members understand and fulfill their governance duties acting for the benefit of the organization and its public purpose;
 - Has a conflict of interest policy that ensures that any conflicts of interest or the appearance thereof are avoided or appropriately managed through disclosure, recusal or other means;
 - Is responsible for the employment, termination, and performance review of the Chief Executive Officer (CEO), and ensures that the compensation of the CEO is reasonable and appropriate;
 - Ensures that the CEO and appropriate staff provide the governing body with timely and comprehensive information so that the governing body can effectively carry out its duties;
 - Ensures that the organization, its staff, board members and volunteers conduct all transactions and dealings with integrity and honesty;
 - Ensures that the organization promotes working relationships with program beneficiaries, board members, staff and volunteers that are based on mutual respect, fairness and openness;
 - Ensures that the organization is fair and inclusive in its employment and promotion policies and practices for all staff and volunteer positions;
 - Ensures that policies of the organization are in writing, clearly articulated, officially adopted, and periodically reviewed for necessary revisions;

- Ensures that the resources of the organization are responsibly and prudently managed; and,
- Ensures that the organization has the capacity to carry out its programs effectively.

- **Legal Compliance**
The organization is knowledgeable of and complies with all applicable laws and regulations.

- **Responsible Stewardship**
The organization and its subsidiaries manage organizational resources responsibly and prudently. This includes the following considerations:
 - Spends a reasonable percentage of its annual budget on programs pursuant to its mission;
 - Spends an adequate amount on administrative expenses to ensure effective accounting systems, internal controls, competent staff, and other expenditures critical to professional management;
 - Compensates staff, and any others who may receive compensation, reasonably and appropriately;
 - Has reasonable fundraising costs, recognizing the variety of factors that influence fundraising expenses;
 - Does not accumulate operating funds excessively;
 - Prudently draws from endowment funds consistent with donor intent and to support the public purpose of the organization;
 - Ensures that all spending practices and policies are fair, reasonable and appropriate to fulfill the mission of the organization; and,
 - Produces financial reports that are factually accurate and complete in all material respects.

- **Openness and Disclosure**
The organization provides comprehensive and timely information to the public, the media, and all stakeholders and provides timely response to reasonable requests for information. All information about the organization will fully and honestly reflect the policies and practices of the organization. Basic informational data about the organization, such as the Form 990, reviews, compilations and audited financial statements will be posted on the organization's website or otherwise be made available to the public. All solicitation materials accurately represent the organization's policies and practices and reflect the dignity of program beneficiaries. All financial, organizational and program reports will be complete and accurate in all material respects.

- **Program Evaluation**
The organization regularly reviews program effectiveness and has mechanisms to incorporate lessons learned into future programs. The organization is committed to improving program and organizational effectiveness and develops mechanisms to promote learning from its activities through application of industry best practices. The organization is responsive to changes in its field of activity and is responsive to the needs of its constituencies.

- **Inclusiveness and Diversity**
The organization has a policy of promoting inclusiveness of its staff. Board and volunteers reflect diversity in order to enrich its programmatic effectiveness. The organization takes meaningful steps to promote inclusiveness in its employment, retention, promotion, board recruitment and constituencies served.

- **Fundraising**
This organization is truthful in its solicitation materials. The organization respects the privacy concerns of individual donors and expends funds consistent with donor intent. The organization discloses important and relevant information to potential donors.

In raising funds from the public, the United Church Homes and Services Foundation will respect the rights of donors, as follows:

- To be informed of the mission of the organization, the way resources will be used and the organization's capacity to use donations effectively for their intended purposes;
- To be informed of the identity of those serving on the organization's governing Board and to expect the board to exercise prudent judgment in its stewardship responsibilities;
- To have access to the organization's audited financial statements;
- To be assured their gifts will be used for the purposes for which they were given;
- To receive appropriate acknowledgement and recognition of their donations;
- To be assured that information about their donations is handled with respect and confidentiality to the extent provided by the law;
- To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature;

- To be informed whether those seeking donations are volunteers or employees of the organization;
- To have the opportunity for their names to be deleted from mailing lists and to receive no further solicitations related to fundraising efforts of the organization; and
- To have the freedom to ask questions when making a donation and to receive prompt, truthful and forthright answers.

Overview of the Compliance Program

The organization is committed to operating as a good corporate citizen of our community, state, and nation. In a resolution dated February 10, 2001, our Board of Directors reiterated the organization's mission statement and commitment to comply with all laws that affect its various operations. In order to assure that its operations are being conducted in compliance with the law, the Board established the Compliance and Education Department and appointed a Compliance Officer to oversee the Compliance program.

The Compliance Officer is charged with the responsibility of meeting the organization's compliance objectives. In cooperation with key executives and department heads within the organization, the Compliance Officer has implemented the Code of Conduct and a set of Compliance policies to uphold the high standards our Board of Directors has established for our organization. In an effort to prevent fraud, abuse and waste, compliance programming includes training on state and federal false claims acts and applicable whistleblower protections. A reporting system has been established to allow any individual, whether employee, agent or client to bring issues to the attention of the Compliance Officer. A mandatory reporting policy has been implemented to ensure that suspected violations of our Code of Conduct, Compliance policies, Operational policies or any other law or regulation are brought to the Compliance Officer's attention so that they can be investigated and corrected as necessary. An extensive educational program has been established to properly train Board members, staff members, agents, the clients we serve, their family members and members of the wider community.

In order to ensure compliance with the laws and regulations that govern our business, the Compliance Officer will review and revise Compliance policies as necessary. The organization will audit its operations in an effort to ensure that its Code of Conduct and Compliance policies are adhered to; and investigate any reports of suspected non-compliance. The organization will take disciplinary action up to and including termination of staff or contracts with agents, if it finds that employees or agents have failed to fulfill the objectives of this program.

The Compliance Officer will work closely with employees to establish systems which enhance each employee's ability to understand and adhere to the complex laws and regulations that govern our business. In doing so, the Compliance Officer will report his or her activities directly to the President/CEO and will routinely present Compliance reports to the Board of Directors.

Reporting System

The organization has both a voluntary and mandatory reporting system. The organization's Hotline is a voluntary reporting system which can be accessed by anyone, including employees, agents, residents and referring health care practitioners. The organization has established a mandatory reporting policy that requires employees and agents to report any suspected violations of the Code of Conduct, Compliance policies, Operational policies or any law or regulation.

Integrity Hotline 1-800-826-6762

The organization has established an Integrity Hotline, a toll-free service that allows employees and consumers to report any issues or concerns regarding adherence to our compliance program. This service allows callers to report their concerns confidentially or anonymously without fear of retaliation. The Integrity Hotline is available for calls 24 hours a day, 7 days a week.

Mandatory Reporting Policy

Any employee who suspects that another employee or agent has violated the Code of Conduct, Compliance policies, Operational policies, or any law or regulation, should immediately report his/her suspicion to the Compliance Officer, the Center Executive, the Human Resources Director or the employee's direct supervisor. An employee, who for any reason is uncomfortable reporting a suspected violation to any of the above-referenced individuals, is encouraged to call the Integrity Hotline. All reports of suspected violations will be treated confidentially.

The organization will promptly and thoroughly investigate any suspected violation in as confidential manner as

possible, and take appropriate disciplinary action if warranted.

No employee who reports a suspected violation of the Code of Conduct, Compliance policies or who participates in an investigation of an alleged violation will suffer any retaliation or reprisal for such report or participation.

It is important to the integrity of our operation that all claims of suspected violations be thoroughly reviewed and investigated so that appropriate action can be taken as necessary.

Compliance Policies

Copies of the following compliance policies are available for review in the administrative offices:

- Abuse and Neglect
- Accounts Receivable
- Admissions
- Agreements with Actual or Potential Referral Sources
- Billing
- Chaplain Honorariums
- Compliance Audits by External Agency
- Conflict of Interest
- Cost Reports
- Electronic Signatures
- False Claims Act
- Financial Relationships with Referral Physicians
- Gifts and Gratuities
- HIPAA/HITECH Act
- Human Resources
- Identity Theft Prevention
- Informed Consent for Rehabilitative Services
- Marketing
- MDS Assessment
- Medical Record
- Medicare Part B Billing
- Medicare Part B Claims for Physician Services
- Non-Discrimination in Resident Services & Charges
- Plan of Care
- Quality of Care
- Reporting Misconduct and Disorders by Health Care Practitioners (VA Only)
- Reporting to the Board of Directors
- Service Delivery
- Vendor and Supplier Relationships
- Whistleblower Protection

False Claims Act and Whistleblower Protection

False Claim Act Policy

United Church Homes and Services shall provide to employees and agents, information on the Federal and State False Claims Acts and whistleblower protection in accordance with section 6032 of the Deficit Reduction Act of 2005. Annual compliance training shall address False Claims Act provisions and whistleblower protections, and such information shall appear in the Employee Handbook.

United Church Homes and Services is committed to its role in preventing health care fraud and abuse and complying with applicable state and federal laws related to health care fraud and abuse. The Deficit Reduction Act of 2005 requires information about both the federal False Claims Act and other laws, including state laws, dealing with fraud, waste, and abuse and whistleblower protections for reporting those issues. To ensure compliance with such laws, United Church Homes and Services, through its corporate compliance program, has policies and procedures in place to detect and prevent fraud, waste, and abuse, and also supports the efforts of federal and

state authorities in identifying incidents of fraud and abuse.

This document sets forth information concerning our existing policies and procedures, including avenues for reporting concerns internally, and an overview of the Federal Civil False Claims and Program Fraud Civil Remedies Acts and applicable state laws.

United Church Homes and Services will not submit or cause to be submitted false claims. Furthermore, employees of United Church Homes and Services can be held liable for filing or causing to be filed false claims. United Church Homes and Services strictly prohibits the submission or participation in the submission of any false claims. Our policies and procedures are intended to detect and prevent fraud, waste, and abuse in our system, including fraud, waste, and abuse in the Federal and State health care programs.

All employees are required to attend mandatory compliance training upon hire and annually thereafter. Employees are provided with more detailed information about the compliance program, the disclosure program and United Church Homes and Services' reporting requirements during that training. The Federal False Claims Act and the state laws provide whistleblower protections, which are included in our written policies. Individuals with specific knowledge of false claims submissions have the right to file a claim and will be protected under the False Claims Act for doing so. Under United Church Homes and Services' Compliance Program, employees are required to report suspected or known violations to the Compliance Officer to another member of management, or report it to the hotline for investigation.

United Church Homes and Services takes health care fraud and abuse very seriously. It is our policy to provide information to all employees, contractors and agents about the federal and state false claims acts, remedies available under these provisions and how employees and others can use them, and about whistleblower protections available to anyone who claims a violation of the federal or state false claims acts. We also advise our employees, contractors and agents of the steps we have in place to detect health care fraud and abuse.

1. FEDERAL AND STATE FALSE CLAIMS LAWS

The False Claims Act ("FCA") provides, in pertinent part, that:

(a) Any person who (1) knowingly presents, or causes to be presented, to an officer or employee of the United States Government or a member of the Armed Forces of the United States 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; . . . or (7) 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 United States 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

(b) For purposes of this section, the terms "knowing" and "knowingly" mean that a person, with respect to information (1) has actual knowledge of the information; (2) acts in deliberate ignorance of the truth or falsity of the information; or (3) acts in reckless disregard of the truth or falsity of the information, and no proof of specific intent to defraud is required.

31 U.S.C. § 3729. While the False Claims Act imposes liability only when the claimant acts "knowingly," it does not require that the person submitting the claim have actual knowledge that the claim is false. A person who acts in reckless disregard or in deliberate ignorance of the truth or falsity of the information, also can be found liable under the Act. 31 U.S.C. 3729(b).

In sum, the False Claims Act imposes liability on any person who submits a claim to the federal government that he or she knows (or should know) is false. An example may be a physician who submits a bill to Medicare for medical services she knows she has not provided. The False Claims Act also imposes liability on an individual who may knowingly submit a false record in order to obtain payment from the government. An example of this may include a government contractor who submits records that he knows (or should know) is false and that indicate compliance

with certain contractual or regulatory requirements. The third area of liability includes those instances in which someone may obtain money from the federal government to which he may not be entitled, and then uses false statements or records in order to retain the money. An example of this so-called "reverse false claim" may include a hospital that obtains interim payments from Medicare throughout the year, and then knowingly files a false cost report at the end of the year in order to avoid making a refund to the Medicare program.

In addition to its substantive provisions, the FCA provides that private parties may bring an action on behalf of the United States. 31 U.S.C. 3730 (b). These private parties, known as "qui tam relators," may share in a percentage of the proceeds from an FCA action or settlement. Section 3730(d)(1) of the FCA provides, with some exceptions, that a qui tam relator, when the Government has intervened in the lawsuit, shall receive at least 15 percent but not more than 25 percent of the proceeds of the FCA action depending upon the extent to which the relator substantially contributed to the prosecution of the action. When the Government does not intervene, section 3730 (d)(2) provides that the relator shall receive an amount that the court decides is reasonable and shall be not less than 25 percent and not more than 30 percent.

The FCA provides protection to qui tam relators who are discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of their employment as a result of their furtherance of an action under the FCA. 31 U.S.C. 3730(h). Remedies include reinstatement with comparable seniority as the qui tam relator would have had but for the discrimination, two times the amount of any back pay, interest on any back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees.

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For more information, read the complete text, THE FEDERAL FALSE CLAIMS ACT 31 U.S.C. §§ 3729-3733 as amended by S. 386, the Fraud Enforcement and Recovery Act of 2009 signed into Law by the President on May 20, 2009.

2. FEDERAL PROGRAM FRAUD CIVIL REMEDIES ACT OF 1986

The **Program Fraud Civil Remedies Act of 1986** ("Administrative Remedies for False Claims and Statements" at 38 U.S.C. §3801 *et seq.*) is a statute that establishes an administrative remedy against any person who presents or causes to be presented a claim or written statement that the person knows or has reason to know is false, fictitious, or fraudulent due to an assertion or omission to certain federal agencies (including the Department of Health and Human Services).

The term "**knows or has reason to know**" is defined in the Act as a person who has actual knowledge of the information, acts in deliberate ignorance of the truth or falsity of the information, or acts in reckless disregard of the truth or falsity of the information. No proof of specific intent to defraud is required.

The term "**claim**" includes any request or demand for property or money, e.g., grants, loans, insurance or benefits, when the United States Government provides or will reimburse any portion of the money.

The authority, i.e., federal department, may investigate and with the Attorney General's approval commence proceedings if the claim is less than one hundred and fifty thousand dollars. A hearing must begin within six years from the submission of the claim. The Act allows for **civil monetary sanctions** to be imposed in administrative hearings, including penalties of five thousand five hundred dollars per claim and an assessment, in lieu of damages, of not more than twice the amount of the original claim.

3. STATE CRIMINAL, MEDICAID, CIVIL OR ADMINISTRATIVE FALSE CLAIMS AND WHISTLEBLOWER PROVISIONS

The state of North Carolina (§108A-63; §108A-70.12; General Assembly SL 2009-554, HB 1135, Section I, Chapter I, Article 52, August 2009) and the Commonwealth of Virginia (§8.01-216.1 through 216.19) each have their own false claims laws. Those who violate the provisions of these state false claims laws will face civil penalties of not less than \$5000 and not more than \$10,000 per violation with the possibility of fines of three times the amount of damages sustained because of the act of the provider. Whistleblowers also are protected.

Examples of a possible false claim

- Making false statements regarding a claim for payment;
- Falsifying information in the medical record;
- Double-billing for items or services;
- Billing for services or items not performed or never furnished.

What should be done if a possible false claim has been made

- If an employee discovers an event that is similar to one of the examples of a false claim above, an employee is encourage to:
- Report to the Compliance Officer (828) 465-8022 for further investigation. If the employee is not comfortable doing this;
- The Employee should contact the hotline (800) 826-6762
- An employee is not required to report a possible FCA violation to the United Church Homes and Services first. A report may be made directly to the Department of Justice or applicable state authorities. However, in many instances United Church Homes and Services believes that the use of its internal reporting process is a better option because it allows our compliance office to quickly address potential issues. United Church Homes and Services encourages employees to consider first reporting suspected false claims to the Compliance Officer but the choice is up to the employee.
- United Church Homes and Services will not retaliate against any employee for informing us or the federal or state government of a possible FCA violation.

Whistleblower Protection Policy

Our Compliance Program including the Code of Ethics and Conduct (“Code”) requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Organization, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations, including federal and state false claims acts. It is the responsibility of all directors, officers and employees to comply with the Code and to report violations or suspected violations in accordance with this policy. The Organization shall protect individuals who report such violations from harassment or retaliation.

No Retaliation

No director, officer or employee who in good faith reports a violation of the Code shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Protection Policy is intended to encourage and enable employees and others to raise serious concerns within the Organization prior to seeking resolution outside the organization.

Reporting Violations

The Code addresses the organization’s open door policy and suggests that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee’s supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor’s response, you are encouraged to speak with someone in the Human Resources Department or anyone in management whom you are comfortable in approaching. Supervisors and managers are required to report suspected violations of the Code of Conduct to the Compliance Officer, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when you are not satisfied or uncomfortable with following the Organization’s open door policy, individuals should contact the Organization’s Compliance Officer directly.

Compliance Officer

The organization's Compliance Officer is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code and, shall advise the President and the board of directors. The Compliance Officer has direct access to the board of directors and is required to report to the board at regularly scheduled board meetings on compliance activities. The board has appointed the Vice President of Compliance and Education as the organization's Compliance Officer.

Accounting and Auditing Matters

The finance/audit committee of the board of directors shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Compliance Officer shall immediately notify the finance/audit committee of any such complaint and work with the committee until the matter is resolved.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense

Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously through the Hotline or to the Compliance Officer. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Handling of Reported Violations

All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation. The Compliance Officer will notify the complainant and acknowledge receipt of the reported violation or suspected violation at the end of the investigation.

Code of Conduct

(Failure to comply with any portion of this Code of Conduct may result in termination of employment or service agreements.)

CODE OF CONDUCT NO. 1

Our employees and agents shall strive to deliver quality health care services that are necessary to attain or maintain the residents' physical, psychosocial, mental, and spiritual well being.

- Our employees and agents shall respect a resident's dignity and will treat him or her with consideration, courtesy and respect, with recognition of the needs of the aged, cognitively impaired and dying.
- We shall only employ or work with persons who have proper credentials, experience and expertise. Employees and agents are expected to have those credentials and experience, and should expect other agents to have them.
- It is everyone's job to maintain the integrity and reputation of our organization and maintain truthful communications with residents.
- Residents have the right to choose what is done to their body, and by whom. This includes the choice of health care providers.
- Our employees and agents shall observe appropriate standards of informed consent and refusal of treatment.

- Residents have the right to know what they need to know to make intelligent decisions. That includes receiving information about our organization and our policies, procedures and charges, and who will provide services on behalf of our organization.
- Our employees and agents shall provide residents appropriate and sufficient treatment and services based upon an accurate comprehensive assessment and plan of care that address their clinical conditions.
- We shall assure our employees and agents have sufficient education, licenses, background experience, on the job training and supervision to render services to our residents.
- No deficiency or error should be ignored or covered up. A problem should be brought to the attention of those who can properly assess and resolve the problem.
- Any incident of resident mistreatment, neglect or abuse shall be reported to the Center Executive and other officials of our organization for investigating and reporting, as required by law.
- Employees and agents shall receive clear instructions about what is expected of them.
- Our highest priority is the health and safety of our residents and ourselves. We shall strive to do our jobs so that no harm is caused to ourselves, our residents, or the public.

CODE OF CONDUCT NO. 2

Our employees and agents shall strive to assure that each resident is provided a dignified existence that promotes freedom of choice, self-determination and reasonable accommodation of individual needs.

- Our employees and agents shall protect each resident from verbal, mental or physical abuse (including resident-on-resident abuse), corporal punishment and involuntary seclusion.
- Our employees and agents shall protect residents against the inappropriate use of physical or chemical restraints.
- Our employees and agents shall provide residents with personal privacy and access to their personal records.
- Our employees and agents shall safeguard each resident's financial affairs.

CODE OF CONDUCT NO. 3

Our employees and agents shall comply with all applicable laws and regulations that affect our various businesses.

- Employees and agents shall promptly report all suspected violations of the Code of Conduct, compliance policies, operational policies, laws or regulations.
- By and through our employees and agents we shall comply with all applicable laws, regulations, standards and other requirements imposed by any level of government. Without limiting the generality of that statement, our employees and agents shall comply with all requirements of the Medicare and Medicaid programs, the Health Insurance Portability and Accountability Act of 1996, Identity Theft and Red Flags regulations, and the Deficit Reduction Act of 2005.
- Our employees and agents shall not pursue any business opportunity that requires engaging in unethical or illegal activity.
- Neither our organization, nor our employees or agents shall pay employees, physicians, or other health care professionals, directly or indirectly, in cash or by any other means, for referrals of residents. Every payment to a referral source must also be supported by proper documentation that the services contracted for were in fact provided.

- No employee or agent is authorized to enter into any joint venture, partnership or other risk sharing arrangement with any entity that is a potential or actual referral source unless the arrangement has been reviewed and approved by our legal counsel.
- Employees or agents who perform billing and/or coding of claims must take every reasonable precaution to ensure that their work is accurate, timely, and in compliance with federal and state laws and regulations and our policies.
- No claims for payment or reimbursement of any kind that are false, fraudulent, inaccurate or fictitious may be submitted. No falsification of medical, time or other records that are used for the basis of submitting claims will be tolerated.
- We will bill only for services that are medically indicated, ordered by the resident's physician, actually rendered and which are fully documented in residents' clinical records. If the services must be coded, then only billing codes that accurately describe the services provided will be used.
- Our employees and agents shall only submit claims for covered items and services.
- We shall act promptly to investigate and correct the problem if errors in claims that have been submitted are discovered.
- We shall maintain complete and thorough clinical and billing records.
- Our employees and agents shall respect and protect the confidentiality of resident records and other personal information.
- All drugs or other controlled substances shall be maintained, dispensed and transported in conformance with all applicable laws and regulations.
- Our employees, agents and business associates have a responsibility to safeguard residents' protected health information in compliance with HIPAA and HITECH Act requirements. PHI violations must be reported to the Compliance Officer immediately so required breach notifications can be issued.
- Our employees, agents and business associates have a responsibility to safeguard residents from identity theft in compliance with the FTC Red Flags Rule, 16 CFR Section 681.2.

CODE OF CONDUCT NO. 4

Our employees and agents shall engage in ethical business relationships and practices.

- Our organization seeks positive relationships with government programs and third party payers. Positive relationships require ongoing communication about resident progress and billing.
- Employees or agents shall not use or reveal any confidential information concerning our organization or use, for personal gain, confidential information obtained as an employee or agent of our organization.
- Employees and agents shall be honest in doing their jobs; shall safeguard passwords, user ID codes, electronic signatures, and any other authorization they have that allows access to protected information.
- No employee or agent should subordinate his or her professional standards, judgment or objectivity to any individual. If significant differences of opinion in professional judgment occur, then they should be referred to management for resolution.
- Employees and agents should be honest and forthright in any representations made to residents, vendors, payers, other employees or agents, and the community. There should not be any business activities conducted between UCHS and other entities, which would give the appearance of corruption, bribery, facilitation payments or other types of inappropriate inducement.
- All reports or other information required to be provided to any federal, state or local government agency shall

be accurate, complete, and filed on time.

- Employees and agents must perform their duties in a way that promotes the public's trust in our organization.
- The source or amount of payment shall not determine the quality of care that we deliver.
- Employees and agents shall not accept a gift or gratuity from, or on behalf of, a resident that is cash, can be converted to cash, or has a value greater than \$25.00. Any gift accepted must be reported to management.
- If an employee or agent knows of or suspects a practice or incidents that may violate this Code of Conduct, our compliance policies, operational policies, any law or regulation, then he or she must report it to appropriate levels of management.

CODE OF CONDUCT NO. 5

Our employees and agents shall avoid either conflicts of interest or the appearance of an impropriety.

- Employees and agents should not have other jobs that interfere with their ability to perform their duties at our organization.
- Employees and agents should avoid any activity that conflicts with the interests of our organization or its residents. They should try to avoid even the appearance of an impropriety. If an employee or agent suspects that a conflict may exist or be created, then he or she should consult with management.
- Placing business with any firm in which there is a family relationship may constitute a conflict of interest. Advance disclosure and approval are required in such a situation.
- Employees and agents should not become involved, directly or indirectly, in outside commercial activities that could improperly influence their actions. For example, an employee or agent should not be an officer, director, manager or consultant of a potential competitor, customer, or supplier of our organization without first disclosing that relationship to management.
- Employees and agents should not accept or provide benefits that could be seen as creating conflict between their personal interests and our organization's legitimate business interests. This includes accepting expensive meals, gifts, refreshments, transportation, lodging or entertainment provided or received in connection with the job. The value of free passes provided by vendors for trade shows or educational programs may not exceed \$50.00 and may only be accepted if they are being offered to the vendor's other clients.
- Gifts and benefits to clinicians or referral sources are not appropriate. Occasional non-cash gifts that are limited to reasonable meal expenditures or entertainment or that are of nominal value, although not expressly prohibited, are discouraged.
- Employees and agents should report any potential conflicts of interest concerning themselves or their family members to management.
- Employees may not be appointed to serve as a resident's agent in a general power of attorney or a healthcare power of attorney, unless the employee is an immediate family member of the resident or has been appointed to serve as the resident's agent through legal proceedings. Employees may not serve as a witness in executing a general power of attorney, a healthcare power of attorney or any other document where there is potential for a conflict of interest.

CODE OF CONDUCT NO. 6

Our employees and agents shall protect our property, and respect the property rights of others with whom we do business.

- All employees and agents are personally responsible and accountable for the proper expenditure of our funds and for the proper use of company property.

- All employees and agents must obtain authorization prior to committing or spending our organization's funds.
- Medical waste or other hazardous materials shall be disposed of properly.
- Employees and agents may not use our resources or a resident's resources for personal or improper purposes, or permit others to do so.
- Surplus, obsolete or junked property shall be disposed of in accordance with our procedures. Unauthorized disposal of property is a misuse of assets.
- Employees and agents have a duty to be productive during the time that is paid for by our organization.
- Employees and agents may only use computer systems, networks, and software consistent with our license(s) and/or rights. They shall take all reasonable steps to protect computer systems and software from unauthorized access or intrusion.
- Any improper financial gain to the employee through misconduct involving misuse of our property or a resident's property is prohibited, including the outright theft of property or embezzlement of money.
- Our confidential and proprietary information is valuable, and should be protected from unauthorized use or exploitation. Employees and agents are expected to respect the intellectual property rights of others with whom we do business.
- Drugs and other pharmaceuticals shall be safely stored, secured, inventoried, and missing supplies shall be reported promptly to supervisors.
- Employees and agents are expected to report any observed misuse of our property or a resident's property to management.

CODE OF CONDUCT NO. 7

Our employees and agents shall respect each other as human beings and health care professionals.

- All employees and agents shall show proper respect and consideration for each other, regardless of position or station. Discriminatory treatment, harassment, abuse, or intimidation will not be tolerated.
- All employees and agents shall maintain confidentiality in the workplace among themselves, residents, family members and guests in an effort to maintain a harmonious work environment. Personal information about self or others should not be disclosed to individuals who do not have a "need to know" for conducting business in the workplace. When requesting or providing personal information, it should be limited to the minimum amount necessary to get the job done.
- Quality resident care can only be delivered through the use of qualified, competent staff. Our organization will contribute to an employee's or agent's competence by making available continuing job-related education and training, within the limits of its resources.
- Applicants and employees shall be afforded equal employment and advancement opportunities, pursuant to our policies.
- Employees and agents are expected to conform to the standards of their respective professions and exercise sound judgment in the performance of their duties. Any differences of opinion in professional judgment should be referred to appropriate management levels for resolution in accordance with standard grievance procedures.
- Work and safety rules were created to protect us all. Employees and agents are expected to comply with those rules.
- As defined further in our policies, we strive to maintain a working environment free from all forms of sexual harassment or intimidation. By way of example, unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature are serious violations of the standards of conduct and will not

be condoned or permitted.

- We promote a drug and alcohol free workplace in accordance with our policies.
- We shall not permit any action of retaliation or reprisal to be taken against an employee who reports a violation of law, regulation, standard, procedure, or policy. We maintain written policies and provide continuous training on false claims acts and whistleblower protection.

Board Approval: 2.10.01

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Compliance and Education Department
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