

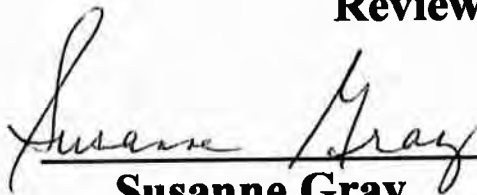
CHESAPEAKE HEALTH CARE

CORPORATE COMPLIANCE PLAN

June 25, 2013

Reviewed October 15, 2015

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**Susanne Gray
President/CEO**

Date *June 7, 2017*

TABLE OF CONTENTS

I.	Introduction.....	4
II.	Letter From Corporate Compliance Officer.....	5
III.	Code of Conduct.....	6
	A. Statement of Vision.....	6
	B. Statement of Mission.....	6
	C. Statement of Values.....	6
	D. Corporate Code of Conduct.....	6
	1. Quality of Patient Care and the Rights of Patients.....	6
	2. Fraud and Abuse Including Anti-Kickback and Self-Referral.....	7
	3. Contracting for Business Relations.....	8
	4. Financial Accounting Records –Integrity and Accuracy.....	8
	5. Accuracy of Books and Records.....	8
	6. Claims Development & submission Processing Including Billing and Collections.....	9
	7. Allocation of Department Costs.....	10
	8. Medical Necessity-Reasonable and Necessary Services.....	10
	9. Credit Balance.....	10
	10. Tax Responsibility and Compliance.....	10
	11. Antitrust and Trade Regulation.....	10
	12. Record Retention.....	11
IV.	Administration of the Plan.....	11
	A. Education and Training.....	12
	B. Auditing and Monitoring.....	13
	C. Developing Lines of Communication.....	13
	D. Enforcing Standards-Well Publicized Disciplinary Guidelines...	13

E. Responding to Detected Offenses & Developing Corrective Action Initiatives.....	14
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ATTACHMENTS

- A. Resolution of the Board of Directors
- B. Reporting Instances of Non-Compliance and Non Retaliation Policy
Whistleblower Protection Policy
- C. Code of Conduct
- D. Addressing Instances of Non-Compliance Through Appropriate
Disciplinary Actions
- E. Fraud Contact Reporting
- F. Constructive Counseling and Corrective Action Process

I. Introduction

It is the policy of Three Lower Counties Community Services, Inc. (the Center) that all of its business and other practices be conducted at all times in compliance with all applicable laws and regulations of the United States, the State of Maryland, all other applicable local laws and ordinances, as well as the ethical standards/practices of the industry and the Center.

The Board of Directors of the Center, at its regular scheduled meeting on November 29, 2011, adopted the resolution Endorsing and Authorizing the Development and Implementation of a Corporate Compliance Program (See attachment A).

This Corporate Compliance Plan (the Plan) serves as a guide to implement this policy of compliance with all applicable standards. The laws, regulations and ethical standards that govern healthcare are too numerous to list in the Plan. Fundamentally, all parties (as defined below) of the Center are expected to conduct all business activities honestly and fairly. Any form of lying, cheating, or misrepresentation is expressly prohibited.

This Plan applies to all employees, board members, clinical staff, independent contractors, consultants, and any others doing business with the Center (hereinafter "Employees and Contractors"). Each employee or contractor is responsible for his or her own conduct in complying with the Plan.

This Plan will be distributed to all employees and contractors (to contractors only as requested)*. In addition, supplemental data dealing with specific topics may be distributed to employees and/or contractors in certain areas as deemed appropriate. The Plan is monitored on a regular basis and reviewed no less than annually by the Corporate Compliance Officer (CCO). In coordination with the Corporate Compliance Committee and the Quality Improvement Committee, the CCO may edit as warranted.

*The Plan, with all current updates, is available to all staff on the Chesapeake Health Care (CHC) intranet site and available to everyone on the Center's internet website.

II. Letter from Corporate Compliance Officer

To: Center Employees and Contractors

The President/CEO named me as the Corporate Compliance Officer (CCO) for Chesapeake Health Care as of April 18, 2016. The specific duties, responsibilities and authority of the CCO are more fully set forth in this Corporate Compliance Plan. I will be responsible for corporate compliance training throughout the Center. That training includes instruction regarding the Center wide and department specific standards of conduct and the appropriate means of communicating or reporting known or suspected violations of the Plan. I will have responsibility for initiating appropriate reviews (in coordination with legal counsel and other experts if so warranted) or reports of violations.

This Plan provides a method for reporting violations of the Plan or other improper behavior. You, as employees, will be held personally responsible to report a known or suspected violation of the Plan using any of the methods therein described. There will be no retaliation or retribution against any employee solely for reporting a violation or suspected violation made in good faith. Anyone engaging in such retaliation or retribution for reporting will be subject to discipline up to and including termination.



Amy E. Ballard, MSM
Corporate Compliance Officer

III. Code of Conduct

A. Vision

The vision of the Center is to have a community that comes together in health, to eliminate the suffering of disease and social conditions of our neighbors by expanding services and decreasing disparities.

B. Statement of Mission

The Center's mission is to provide affordable, culturally competent, patient and family centered healthcare, leading to individual and community wellness to residents of the three lower counties of the Eastern Shore of Maryland, regardless of their ability to pay.

C. Values

The values of the Center are Value of Life, Affordability and Availability, Listening and Learning Skills, Unity and Empathy.

D. Corporate Code of Conduct

The Center has procedures to report compliance concerns to ensure compliance with appropriate legal standards.

The Center believes it is essential to let our employees know that a Compliance Program exists and the methods that may be used to report potential violations.

It is the goal of the Center to provide quality and superior service and that our employees adhere to a Code of Conduct (See attachment C) consistent with the Mission and Vision of the Center. The Center takes a proactive stance in conforming to all legal regulatory requirements and encourages all employees to report any actions/activities they deem might be in violation of the law. Employees may make a report by contacting the Corporate Compliance Officer.

1. Quality of Patient Care and the Rights of Patients

The Center's standards of patient care meet or exceed Federal and State laws and regulations, respective clinical practice guidelines, professional standards and accrediting body standards.

It is the responsibility of the staff at all service sites operated by the Center to respect and preserve patient rights for those who come to the Center for service. The Center is committed to maintaining or surpassing industry standards for protection of patient information.

2. Fraud and Abuse Including Anti-Kickback and Self-Referrals

It is the policy of the Center that staff will behave honestly and maintain accurate records concerning the provision of patient care services. Staff will never offer, pay, solicit or receive any money, gifts, premiums or services in return for the referral of consumers or to induce the purchase of items or services.

The following are policies and procedures of the Center with respect to compliance with Federal and State anti-kickback statutes, as well as the Stark Physician Self-referral Law.

- a. All of the Center's contracts and arrangements with referral sources comply with all applicable statutes and regulations.
- b. The Center does not submit or cause to be submitted to the Federal health care programs claims for patients who were referred to the Center pursuant to contracts and financial arrangements that were designed to induce such referrals in violation of the anti-kickback statute, Stark physician self-referral law, or similar Federal or State statute or regulation.
- c. The Center does not enter into financial arrangements with Center-based physicians that are designed to provide inappropriate remuneration to the Center in return for the physician's ability to provide services to Federal health care program beneficiaries at that Center.
- d. The following specific activities are prohibited by law and are not to be engaged in by any Party of the Center. No Party shall:
 - i. Make any statement of any kind in any claim or application for benefits which are known or should have been known to be false;
 - ii. Retain funds from any program for services not eligible or appropriately provided;
 - iii. Submit any claims for health care provider's services based on false qualifications;
 - iv. Submit any claim for services that he/she has reason to believe were not medically necessary;
 - v. Pay or offer to pay for referrals of individuals for services;
 - vi. Receive any payment for referrals of individuals for services;
 - vii. Make any false representations regarding service delivery or coverage of any consumer services;
 - viii. Conspire to defraud a health care entitlement program, governmental agency or any other responsible employee or contractor;
 - ix. Steal any funds or other assets;
 - x. In any way prevent or delay the communication of information or records related to a health care offense to the CCO.

3. Contracting for Business Relations

All business relations with vendors, contractors and other third parties, including physicians and other clinicians, are conducted at arms' length.

a. Gifts, Entertainment, and Favors

Employees must not accept entertainment, gifts, or personal favors that could, in any way, influence, or appear to influence, business decisions in favor of any person or organization with whom or with which the Center has, or is likely to

have, business dealings. Similarly, employees must not accept any other preferential treatment under these circumstances because their position with the Center might be inclined to, or be perceived to, place them under obligation.

b. Kickbacks and Secret Commissions

Regarding Center business activities, employees may not receive payment or compensation of any kind, except as authorized under Center remuneration policies. In particular, the Center strictly prohibits the acceptance of kickbacks and secret commissions from suppliers or others. Any breach of this rule will result in immediate termination and prosecution to the fullest extent of the law.

4. Financial Accounting Records – Integrity and Accuracy

All financial reports, accounting records, expense accounts, time sheets and other financial documents shall accurately represent performance of operations.

The Center shall preserve and protect its assets.

- a. The Center shall establish procedures to assure a system of internal controls that provides reasonable assurance that financial records are maintained in a manner consistent with Federal and State regulations and in compliance with accounting industry standards.
- b. All employees shall be trained to ensure asset accountability regarding the need to account for all financial transactions.
- c. The Center shall cause an outside audit to be performed annually.
- d. The accounting staff shall provide documents and other records of original entry to support asset acquisitions and disposals.
- e. Asset documentation and other such records shall be regularly maintained in accordance with the Center's policy, but no less frequently than monthly, to include, but not be limited to, Cash, Accounts Receivable, Fixed Assets, etc.
- f. Financial statements shall be provided to the Board of Directors on a periodic basis determined by the Board.
- g. The Center will establish a system of accountability for all assets. Employees, contractors or any person doing business with the Center shall not use assets in an unauthorized manner.

5. Accuracy of Books and Records

The Center's employees shall be trained and their work shall be monitored to assure maintenance of information to comply with the Center's policy, accreditation standards, and any other such laws, statutes, or regulations.

- a. The Center shall assure that all records are timely, accurate, and properly supported.
- b. The Center shall follow its policies and procedures in recording all its assets as well as those acquired through donations, wills or bequests.

- c. Books and records shall fairly and accurately reflect in reasonable detail the Center's business transactions, assets, acquisitions and deposits as well as all other financial activity.
- d. The Center shall protect and secure financial data from potential destruction, except as in accordance with approved document destruction policies and procedures.
- e. The Center shall maintain confidential access to sensitive data such as financial records, consumer data and personnel records.

6. Claims Development & Submission Processing Including Billing and Collections

The Center shall maintain honest, fair and accurate billing practices. Individuals involved in the billing functions of the Center shall have experience and knowledge and shall be trained to perform all the billing functions in accordance with Federal, State and local law.

The Center shall develop and maintain a detailed written billing policies and procedure manual to provide guidance to billing and coding staff. With respect to reimbursement claims, the Center's written policies and procedures will reflect and reinforce current Federal and State statutes and regulations regarding the submission of claims. The policies serve as a mechanism for the billing or reimbursement staff to communicate effectively and accurately with the clinical staff.

Billing policies shall include the following:

- a. Billing consumers or appropriate third-party payers for only those services provided, as supported by medical record documentation.
- b. Avoiding duplicate billing.
- c. Collecting those amounts not covered by a third-party payer such as deductibles, coinsurance and other non-covered items and as it relates to ability to pay guidelines.
- d. Abiding by the terms of all consumer or third-party payer agreements that include benefit assignments.
- e. Providing for proper and timely documentation of the services of staff.
- f. Ensuring that the diagnosis and procedures reported on the reimbursement claim are based on the medical record and other documentation.
- g. Ensuring that the written policies and procedures concerning proper coding reflect the current reimbursement principles set forth in applicable regulations and are developed in tandem with private payer and organizational standards. Particular attention should be paid to issues of medical necessity and use of appropriate diagnosis codes.
- h. Conducting periodic pre- and post-submission random testing to examine or re-examine previously submitted claims for accuracy.

Employees should advise the CCO of any incorrectly submitted or paid claims. The CCO, or their designee, will direct advisement to the fiscal intermediary or any other appropriate government fiscal agents in accordance with current regulation or program instructions. If appropriate, prompt reimbursement of the fiscal intermediary or the beneficiary in the amount of the claim paid by the government payer and/or any applicable deductibles or co-payments will be made as appropriate.

7. Allocation of Department Costs

The Center's employees shall maintain adequate data to support cost allocations to other departments. Cost allocations will be based on actual cost.

8. Medical Necessity – Reasonable and Necessary Services

The Center will ensure that claims are submitted only for services that the Center has reason to believe are medically necessary as determined by a physician or other appropriately licensed individual.

While licensed health care professionals are able to order any services that are appropriate for the treatment of their consumers, Medicare and other government and private health plans will only pay for those services that meet appropriate medical necessity standards (as in the case of Medicare, "reasonable and necessary services"). Providers may not bill for services that do not meet applicable standards. Upon request, the Center will be able to provide appropriate documentation, such as a consumer's medical record and physician orders, to support the medical necessity of a service that the Center has provided. The CCO, with the assistance of management staff, will ensure an understanding of medical necessity by clinical staff.

9. Credit Balances

The Center shall maintain procedures to provide for the timely and accurate reporting of Medicare and other federal health care program credit balances.

In addition, the Center will designate at least one person to assume the responsibility for the tracking, reporting, and recording of credit balances. The Chief Financial Officer or designee will review reports of credit balances and reimbursements or adjustments on a quarterly basis as an additional safeguard.

10. Tax Responsibility and Compliance

The Center is exempt from Federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code and engages only in those activities in furtherance of its charitable purpose. The Center must ensure that its resources are used in a manner which furthers the public good rather than the private or personal interest of any individual. The Center shall file or cause to have filed accurate reports and returns required by taxing authority.

11. Antitrust and Trade Regulation

It is the policy of the Center to avoid any activities that unfairly or illegally reduce or eliminate competition, control prices, allocate markets or exclude competitors. All Center employees or contractors shall comply with the letter and the spirit of all antitrust laws of the United States and the State of Maryland. No employee or contractor shall have any authority to engage in conduct that does not comply.

12. Record Retention

All records of the Center shall be retained according to Medicare, Medicaid and all Federal, State and local regulatory guidelines.

The Center will institute a document retention policy with which all employees will comply. Document retention and destruction must take place in accordance with established written policy.

The Center shall retain all potentially responsive documents if it has been served with a government subpoena. If the Center has reason to believe that there is an impending government review, it must retain all documents that may pertain to that review.

IV. Administration of the Plan

The Plan is directed by the Corporate Compliance Officer (CCO) with the assistance of the Corporate Compliance Committee. The CCO shall be an employee appointed by the President/Chief Executive Officer (CEO) with the approval of the Board of Directors. The CCO shall be a high level employee of the Center. The CCO shall report directly and be responsible to the CEO. The CCO shall have direct access to report to the Board of Directors in any instance where the CEO does not keep the Board of Directors informed of compliance issues brought to his/her attention in an appropriate or timely manner. In addition, any change in the personnel responsible for administering this Plan shall be approved by the Board of Directors.

The Corporate Compliance Officer's duties shall include:

1. Overseeing and directing the Compliance Program with assistance of the Corporate Compliance Committee.
2. Overseeing and monitoring the Center's compliance activities.
3. Reporting on a periodic basis to the CEO on the progress of implementation.
4. Assisting the CEO in establishing methods to improve the Center's efficiency and quality of services, and to reduce the Center's vulnerability to fraud, abuse, and waste.
5. Ensuring that the plan is being implemented and evaluating or directing evaluation of its progress.
6. Periodically reviewing the Plan and recommending revisions as necessary to meet changes in the business and regulatory environment.
7. Coordinating internal auditing and monitoring activities within the Center.
8. Receiving and directing independent review of reports of possible illegal conduct or other conduct that violates the Code of Conduct.
9. Directing action on matters related to compliance, including the flexibility to design and coordinate internal reviews (e.g., responding to reports or suspected violations) and any resulting corrective action plan.
10. Developing, coordinating, and participating in a multifaceted educational and training program that focuses on the elements of the compliance program and seeks to ensure that all appropriate employees and management are knowledgeable regarding the Plan and comply with pertinent Federal and State requirements.
11. Ensuring that independent contractors and agents who furnish medical services to the Center are aware of the requirements of the Center's compliance program.

12. Ensuring that the National Practitioner Data Bank and Medicare Cumulative Sanction Report have been checked with respect to all employees and contractors.
13. Receiving and investigating reports of possible illegal conduct or other conduct that violates the Code of Conduct. To independently investigate and act on matters related to compliance, including the authority to design and coordinate internal reviews (e.g., responding to reports or suspected violations) and any resulting corrective action plan.
14. Developing policies and procedures to ensure managers, employees and clinical staff report suspected fraud and other improprieties.
15. Ensuring that the plan has been effectively communicated to all employees and contractors of the Center.

Essential to the success of the Plan is its integration in the Center's operations. Accordingly, the CCO shall be a member of the Risk Management committee (RMC), which is staffed by representatives of various Center programs. Through the CCO, the RMC shall monitor compliance with the Plan and coordinate quality improvement initiatives in conjunction with the Plan's values, directives and initiatives.

The RMC's functions may include, but are not limited to:

1. Analyzing the Center's business, industry environment and legal requirements with which it must comply, including specific risk areas.
2. Assessing existing policies and procedures that address these areas for possible incorporation into the compliance plan.
3. Working with appropriate Center programs to develop standards of conduct, policies and procedures to promote compliance with the Center's policies.
4. Recommending and monitoring, in conjunction with the relevant programs, the development of internal systems of controls to carry out the Center's standards, policies and procedures as part of its daily operations.

A. Education and Training

Effective implementation and functioning of the Plan requires training and education for all employees so that each has a clear understanding of his or her responsibilities and rights under the Plan. Education and training emphasize the Center's commitment to compliance with all laws, regulations and guidelines.

It is not essential that every employee be educated concerning every aspect of the Plan. Accordingly, each employee shall receive a compliance training that covers material appropriate for his or her position.

1. Compliance Materials

Each employee shall receive compliance materials which contain the Code of Conduct as well as the issues-specific and or office-specific standards of conduct and policies that are pertinent to their position. In addition, the materials provided shall include procedures for reporting of possible noncompliance and information regarding possible corrective action and/or sanctions which might result from non-compliance.

2. Other Training and Education

In addition to the distribution of compliance material, the CCO shall facilitate the provision of additional training in the form of seminars, presentations, video presentations, or more detailed written material in specific sites or departments with respect to targeted issues.

3. Mandatory Attendance and Record Keeping

Attendance at scheduled training sessions shall be mandatory and only the CCO has the authority to excuse absences from such sessions. A written record of attendance shall be made and retained by the CCO. Attendance and participation in training programs is a condition of employment. Failure to comply with training requirements shall result in disciplinary action, up to and including termination.

4. Fraud and Abuse Education

Employees will be educated in what fraud and abuse are and their role in protecting the integrity of the Medicare and Medicaid Program or in business activities which may be subject to fraud and abuse laws.

B. Auditing and Monitoring

In order to detect noncompliance and improve quality of work, an ongoing evaluation process is critical to the success of the Center's compliance program.

1. There shall be periodic audits of compliance with procedures and the Code of Conduct established by this document.
2. Whenever possible, the audits will be conducted by in-house personnel; however, in appropriate circumstances, outside auditors may be engaged.
3. If an audit reveals noncompliant conduct or the reasonable possibility of noncompliant conduct, the procedures set forth in Attachment D of this Plan shall be followed.

C. Developing Lines of Communication

An open line of communication with the CCO and all employees or contractors subject to this Plan is critical to the successful implementation and operation of the Plan. The Corporate Compliance Officer has an "Open Door Policy" for all employees or contractor for any issues. (See Attachment E for Fraud Contact Reporting)

D. Enforcing Standards - Well-Publicized Disciplinary Guidelines

Disciplinary action for employees who have failed to comply with the Center's policies and procedures, including Federal and State laws, or those who have otherwise engaged in wrongdoing that has the potential of impairing the Center's status as a reliable, honest and trustworthy health care provider, is an important part of this Plan. The policies reflected in this plan are important to the Center, and therefore violations shall subject the offender to some manner of discipline or corporate action. (See Attachment F)

1. Management Responsible for Discipline

Under the direction of the CEO, the CCO shall ensure that procedures are established for the discipline of employees for violation of the Plan and the Code of Conduct contained in the Plan.

2. Persons Involved with Improper Activities

Any person who violates the Plan or the Code of Conduct (Attachment C) contained in this Plan shall be appropriately disciplined in accordance with the Center's policies and procedures. Violations include the failure to report suspected improper activity or the attempt to prevent the reporting of such activity.

3. Record and Reporting of Disciplinary Action

The CCO shall maintain a record of all disciplinary actions involving the Plan and will report annually to the CEO regarding such actions. The CEO will report to the Board of Directors annually with the CCO.

E. Responding to Detected Offenses & Developing Corrective Action Initiatives

1. Review

Upon the receipt of audit results or a report or other information suggesting a possible compliance issue in which the laws, rules or standards of the Medicare or Medicaid programs may not have been followed, the Medicare and Medicaid Review and Corrective Action Policy shall be followed.

Upon the receipt of audit results or a report or other information suggesting a possible compliance issue in which the laws, rules or standards of other third parties or entities may not have been followed, the CCO shall investigate as necessary.

2. Corrective Action

Corrective Action for issues involving the Medicare or Medicaid programs is set forth in the Medicare and Medicaid Review and Corrective Action Policy. If there is an identified compliance concern with an issue other than Medicare or Medicaid, then the CCO shall immediately investigate, formulate and implement a corrective action plan (if necessary).

1. If the review reveals possible criminal activity (conduct that is intentional, willfully indifferent, or with reckless disregard for the law), the Center shall:
 - ⌚ Immediately stop the activity related to the problem until the offending practice is corrected;
 - ⌚ Initiate appropriate disciplinary action;
 - ⌚ Make such notice to any regulatory authorities as legal counsel advises;
 - ⌚ Promptly undertake an appropriate program of education.

2. If the review reveals noncompliant conduct which does not appear to be criminal, the Center shall:
 - ⌚ Immediately stop the activity related to the problem until the offending practice is stopped;
 - ⌚ Initiate such disciplinary action as is appropriate;
 - ⌚ Promptly undertake an appropriate program of education.