



CORPORATE COMPLIANCE PLAN

PEOPLE INC.

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May 16, 2018

People Inc. and its affiliates (collectively, “the Agency”) have adopted a Corporate Compliance Program (“Compliance Program”) to further its mission, values and legal duty to promote adherence to all applicable state and federal statutes and regulations and to conduct business in a manner that supports integrity in operations. This Corporate Compliance Plan (“Plan”) describes the Agency’s Compliance Program. This Plan is not intended to set forth all of the substantive programs and practices of the Agency which are designed to achieve compliance in the many areas we operate. Rather, it is intended to establish internal controls in order to assure that business is conducted professionally and lawfully and to prevent, detect, correct and report fraud, waste, abuse and other improper conduct.

The Agency’s Compliance Program, Plan, and policies and procedures demonstrate the Agency’s commitment to honest and responsible corporate and provider conduct as it carries out its care-giving mission. This message is communicated through its Compliance Program to the individuals receiving services at the Agency, the Agency’s employees and independent contractors, and the community at large.

SCOPE

The Plan applies to all facilities under the operating certificates of the Agency and to all affected individuals, including employees, volunteers, independent contractors, “appointees”, vendors, and “persons associated with the Agency”, and Board members and officers of the Agency (“Affected Individuals”). The Compliance Program applies to: (1) billings; (2) payments; (3) medical necessity and quality of care; (4) governance; (5) mandatory reporting; (6) credentialing; and (7) other risk areas that are or could be identified by the Agency.

COMPLIANCE PROGRAM RESPONSIBILITY

Proper implementation of the Agency’s Compliance Program is the responsibility of all Affected Individuals. All Affected Individuals are responsible for acquiring sufficient knowledge, based on their level of responsibility, to recognize potential compliance issues related to their duties and to seek appropriate advice in dealing with those issues. All Affected Individuals are expected to be familiar and comply with the Compliance Program Standards of Conduct (“Standards of Conduct”), this Plan, and applicable policies and procedures that

describe the Agency's expectations. Affected Individuals are also expected to comply with all federal and state laws and regulations that govern their role within the Agency and conduct business, at all times, in a manner that supports integrity in its operations. Conduct contrary to this expectation is a violation of the Standards of Conduct, this Plan, and the related policies and procedures.

Each supervisor and manager is responsible for ensuring that the Affected Individuals within their supervision understand the importance of and act in accordance with the Standards of Conduct, this Plan, and all related compliance policies. The failure of supervisors and managers to so instruct their subordinates or to take reasonable measures to detect non-compliance or improper conduct of their subordinates may result in corrective action, up to and including termination.

Illegal acts or improper conduct may subject the Agency and Affected Individuals to severe criminal and civil penalties. All Affected Individuals **must** report any conduct that they believe violates this Plan, the Agency's policies, or laws or regulations to their supervisor(s), the Compliance Officer, the Agency's anonymous Compliance Hotline, or by using the Agency's Doing It Right form. Individuals who report such conduct in good faith shall not be retaliated against or intimidated for making such a report.

Employees who engage in fraud, waste, abuse or other improper conduct will be subject to disciplinary action in accordance with the Agency's corrective action policies, including, but not limited to, termination of employment. Volunteers, independent contractors, vendors, and members and officers of the Board of Directors will also face actions for their non-compliance and improper conduct. The Compliance Officer, in consultation with Human Resources, and, if necessary, outside counsel, will ensure that disciplinary mechanisms in place for verified instances of non-compliance or improper conduct are applied consistently and in a manner appropriate to the nature and extent of the non-compliance or improper conduct.

COMPLIANCE PROGRAM ELEMENTS

The Agency has established and maintained the following elements in its Compliance Program to assure its goal of lawful and responsible conduct in delivering quality services:

1. Written standards of compliance expectations as described in the Standards of Conduct (Section I), and the Agency's policies and procedures;
2. A Compliance Officer with high-level responsibility to operate and monitor the Compliance Program and a Compliance Committee to assist in these functions (Section II);
3. Effective, on-going education and training for Affected Individuals (Section III);

4. Open lines of communication for reporting compliance issues, including a method for anonymous and confidential good faith reporting (Section IV);
5. Disciplinary policies and procedures to encourage good faith participation and regarding the investigation of potential violations and the implementation of compliance corrective action and remediation (Section V);
6. Policies and procedures to identify and investigate risk areas specific to provider type, including internal audits, and evaluation of potential or actual non-compliance (Section VI);
7. Policies and procedures to investigate compliance problems, implement corrective measures, and communicate the results of the investigation (Section VII); and
8. A policy of non-intimidation and non-retaliation for good faith participation in the Compliance Program and for reporting of potential or actual misconduct (Section VIII).

I. POLICIES & PROCEDURES

A. Compliance Standards of Conduct. The following Standards of Conduct are reproduced in similar form in the Employee Handbook, in all Department policy manuals, on the Agency's intranet, and are made readily available to all Agency Affected Individuals. Failure to comply with the following may result in corrective action under the Agency's progressive disciplinary policies, including but not limited to, termination of employment in the case of an employee, termination of a contractual relationship in the case of an independent contractor, or removal from the Board in the case of a director or officer of the Board.

1. General Standards.

- a. The Agency and all Affected Individuals must adhere to all applicable laws and regulations, the Agency's policies and procedures, and the ethical and legal standards outlined in these Standards of Conduct. If Affected Individuals are unsure whether an action is lawful, then they should not do it until they have checked with their supervisor (if applicable) or the Compliance Officer.
- b. Affected Individuals, as applicable, must comply with the Policy Handbook specific to their department.
- c. Affected Individuals must be completely honest and truthful in all of their dealings, including dealings with government agencies and representatives.
- d. Affected Individuals shall cooperate fully with all inquiries concerning possible compliance issues and actively work to correct any improper practices that are identified.
- e. Affected Individuals must follow safe work practices and comply with all applicable safety standards and health regulations.

f. Affected Individuals, as applicable, must use the Agency's assets solely for the benefit and purpose of the Agency. Personal use of Agency assets is not allowed unless disclosed to and approved by the appropriate supervisor or manager.

g. The Agency and Affected Individuals shall not discriminate based on the recipient's or employee's race, color, religion, creed, sex, gender identity, age, national origin, citizenship status, ethnicity, pregnancy, childbirth or related medical conditions, marital status, military or veteran status, disability (including use of a guide dog, hearing dog or service dog), sexual orientation, gender expression, genetic information (including predisposing genetic characteristics), source of payment or any other protected class under federal or state law.

2. Billing and Payment Standards.

a. All Affected Individuals involved in documenting and billing the government and other payors for health care or other services must ensure that they comply with all applicable laws, regulations, rules, conditions of participation and interpretive guidance relating to billing.

b. Claims submitted for payment must be accurate and truthful, reflect only those services and supplies which were ordered and provided, and be based on documentation to support the services and supplies which is in accordance with applicable laws, regulations and third party payor requirements. Cost reports must be prepared accurately and truthfully, based only on allowable costs, and supported by adequate documentation in accordance with applicable laws, regulations and third party payor requirements. Deliberate or reckless misstatements to the government or other payors and misrepresentations, false bills and false requests for payment are strictly prohibited.

c. Affected Individuals shall not knowingly submit claims for items or services furnished by a provider that has been excluded from participation in a federal or state health care program, such as Medicaid or Medicare.

3. Medical Necessity and Quality of Care and Services.

a. Medical care and services must be based on medical necessity and professionally recognized standards of care. Non-medical services must be based on the programmatic requirements for those services.

b. All individuals served by the Agency shall be given the respect and dignity that is extended to others regardless of race, religion, national origin, creed, age, gender, ethnic background, sexual orientation, developmental disability or other handicap, health condition or HIV/AIDS diagnosis or related illness.

c. The Agency shall have processes to measure and improve the quality of its care and services and the safety of the individuals served. To the extent possible, the Agency's quality assessment and improvement processes shall be coordinated with the Agency's Compliance Program.

4. Governance and Conflicts Standards.

a. The Agency's Board of Directors shall exercise reasonable oversight over the implementation of the Compliance Program and ensure that appropriate information regarding compliance with applicable laws is timely received by the Board as is necessary and appropriate.

b. All Affected Individuals must be free from any undue influence that conflicts with or appears to conflict with their legal duties and responsibilities. With the exception noted below, Employees and certain Affected Individuals may not receive or accept any payment, gift, or anything of value from any person or entity that has or seeks to have a business relationship with the Agency. However, it is permissible to accept gifts of nominal value, meals, and social invitations that are consistent with law and good business ethics and practices and do not obligate the recipient to take or refrain from taking any action or decision on behalf of the Agency.

If possible, Affected Individuals are encouraged to make such nominal gifts available to the individuals receiving services, the People, Inc. Foundation, and/or specific Agency departments. If Affected Individuals have a question about whether they can accept a gift, payment, or anything of value, they are instructed to contact the Compliance Officer for guidance before accepting it.

c. Employees must not have any financial or other personal interest in a transaction between the Agency and a vendor, supplier, provider, or customer. Employees must not engage in financial, business or other activity which competes with the Agency's business or which, actually or in appearance, interferes with the performance of their job duties. Affected Individuals may not give anything of value, including bribes, kickbacks, or payoffs, to any government representative, fiscal intermediary, carrier, contractor, vendor, or any other person in a position to benefit the Agency in any way. If Affected Individuals have a question about whether a relationship violates this subsection, they are instructed to contact the Compliance Officer for guidance.

d. Affected Individuals must not engage in unfair competition or deceptive trade practices that misrepresent the Agency's services or operations.

e. Affected Individuals must comply with all antitrust laws and not engage in discussions or agreements with competitors regarding pricing, prices paid to suppliers or providers, or joint actions or boycotts, unless such activity is protected by law.

f. The Agency is a charitable organization that has been granted exemption from federal and state tax. In order for it to maintain its tax exempt status, the Agency's Affected Individuals must not, in the name of or on behalf of the Agency, carry on propaganda or otherwise attempt to influence legislation (except as permitted by the Internal Revenue Code) or participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office. Affected Individuals must not entertain government representatives in connection with Agency business. This does not prevent Affected Individuals acting in their individual capacity from engaging in political activity.

g. Certain Affected Individuals must notify and obtain the approval of the Compliance Officer of any proposed contracts or agreements (or amendments thereto) with physicians, health

care businesses, patients, providers, third party payors, vendors, or suppliers to the Agency prior to entering into such contracts or agreements.

5. Mandatory Reporting.

a. Individuals served by the Agency shall be free from abuse, neglect and mistreatment. Affected Individuals shall immediately report all allegations of abuse, neglect or mistreatment to his/her supervisor or his/her designee and said supervisor or designee shall report such allegations to government officials as required by law.

b. The Agency and Affected Individuals shall comply with other mandatory reporting requirements in accordance with its policies and applicable laws and regulations.

6. Credentialing.

a. All prospective employees, volunteers, contractors and Board directors and officers shall be screened by the Human Resource Department prior to engaging their services against websites which provide information on excluded individuals and entities, criminal backgrounds, and professional licensure and certification in accordance with the Agency's policies and procedures and applicable laws and regulations.

b. Thereafter, such screening shall be done on a regular basis to ensure such individuals and entities have not been excluded, convicted of a disqualifying offense, or had their licensure or certification suspended, revoked or terminated since the prior screening.

7. Confidentiality.

a. Affected Individuals must hold the information concerning the individuals they serve and the Agency's employees in the strictest of confidence. Such information shall not be disclosed to anyone unless authorized by the individual or his/her representative or unless permitted or required by law.

b. Affected Individuals must maintain the confidentiality of the Agency's business information, including financial information, incidents, lawsuits and legal proceedings, pending or contemplated business transactions, trade secrets, and information relating to the Agency's vendors, suppliers, providers, and customers.

c. All Affected Individuals who use the Agency's information systems, including computers, laptops, servers, printers, software and cell phones assume the responsibility for using these resources in an appropriate manner and in accordance with the Agency's policies and procedures.

8. Government Audits and Investigations.

a. **If contacted by a government official, all Affected Individuals are required to obtain the person's name, title, agency, and contact information and immediately inform his/her supervisor (as applicable) and the Compliance Officer or designee of the contact.** While Affected Individuals may voluntarily speak with such officials, Affected Individuals must **first** contact their supervisor or the Compliance Officer. The Compliance Officer will attempt to

obtain additional information from the government official which will be useful in deciding how to respond to the official's request. **In no event may any Affected Individuals release the Agency's documents before speaking to the Compliance Officer and receiving his/her approval to release such documents.**

b. Affected Individuals may not alter, destroy, mutilate, conceal, cover-up, falsify or make false entries in any record with the intent to impede, obstruct or influence an audit or investigation of any governmental agency or third party payor. Affected Individuals certifying to the correctness of records submitted to government agencies must believe that the information is true, accurate and complete to the best of their knowledge.

B. Other Compliance Related Policies and Procedures. Departments and programs within the Agency have adopted and implemented compliance policies and procedures that are specific to those departments and programs. The Compliance Officer shall ensure that all such policies and procedures are reviewed annually by the appropriate department or program and shall monitor any amendments thereto to ensure compliance with applicable federal and state statutes and regulations.

II. COMPLIANCE STRUCTURE AND OVERSIGHT

A. Compliance Officer. The Board shall ensure that a Compliance Officer is designated who will report directly to the Chief Executive Officer or a Senior Management member of the Agency designated by the Chief Executive Officer. The Compliance Officer may, at their discretion, contact the Chairperson of the Board or the Chief Executive Officer directly as necessary. The Compliance Officer shall be an employee of the Agency who will oversee and monitor implementation of the Program. All Affected Individuals should view the Compliance Officer as a resource to answer questions and address compliance concerns. The Compliance Officer shall, with assistance of staff as appropriate:

1. Develop, revise, maintain, implement, and distribute Standards of Conduct that are current, comprehensive and readily understood by all Affected Individuals;
2. Develop, revise, maintain, implement, and distribute policies and procedures designed to ensure compliance with the Compliance Program and applicable laws and regulations; conduct an annual review of such policies, procedures, the Plan and the Compliance Program; and upon consultation with outside counsel, suggest revisions of the Plan and Program to the Compliance Committee and the Board;
3. Report to the Chief Executive Officer and the Board on a periodic, but no less than on an annual basis, and to the Compliance Committee on a more frequent basis, on the progress of the Compliance Program's implementation and compliance monitoring activities; and regularly provide monitoring data as part of the established monitoring process, which may include but not be limited to areas in the following Board Policies: Staff Treatment, Asset Protection, Financial Condition;
4. Develop and coordinate appropriate compliance training and education programs for all Affected Individuals, including, as applicable, for orientation and periodically thereafter; maintain records of training and education programs; and assess the effectiveness of such programs;

5. Develop productive working relationships with all supervisors and managers to facilitate compliance with the Standards of Conduct by Affected Individuals;
6. Develop and oversee a system of routine auditing of the Agency's programs that is designed to identify compliance risk areas and trends and to detect and prevent improper conduct and noncompliance with applicable laws and regulations;
7. Establish, maintain, and monitor open lines of communication within the Agency for Affected Individuals to report compliance issues promptly without fear of retaliation or intimidation, and ensure such system includes a method for anonymous and confidential reporting and is adequately publicized throughout the Agency;
8. With the assistance of outside counsel, as needed, investigate potential and actual compliance inquiries and complaints, and if appropriate, promptly and thoroughly develop and oversee corrective action plans applicable to all Affected Individuals, including the self-disclosure of improper conduct and/or repayment of monies to governmental and other payors;
9. In consultation with Human Resources, and, if necessary, outside counsel, develop and implement disciplinary policies to encourage good faith participation in the Compliance Program by all Affected Individuals, including policies that articulate expectations for reporting compliance issues and assisting in their resolution and outline sanctions for: (i) failing to report suspected problems; (ii) participating in non-compliant behavior; and (iii) encouraging, directing, facilitating or permitting either actively or passively non-compliant behavior; and ensuring sanctions are applied fairly and consistently in a manner appropriate to the nature and extent of the noncompliant behavior or improper conduct;
10. Together with the Human Resources Department, oversee the Agency's screening of prospective employees, contractors, vendors, volunteers, directors and officers prior to engaging their services against websites which provide information on excluded individuals and entities, criminal backgrounds, and professional licensure and certification. Thereafter, oversee a system of such screenings on a regular basis (including monthly checks of federal and state exclusion lists) to ensure that such individuals and entities have not been excluded, convicted of a disqualifying criminal offense, or had their licensure or certification suspended, revoked or terminated since the prior screening;
11. Ensure that all contracts entered into by the Agency contain language that is compliant with the Plan and applicable laws and regulations, or arrange for outside counsel review of such contracts;
12. Disseminate information on the Compliance Program to all Affected Individuals;
13. Review and track all compliance related internal and external compliance audits, including but not limited to internal peer reviews, and report the results of those audits to the Compliance Committee, and audits with significant positive or negative findings to the Board;
14. Provide oversight and supervision of compliance related audits and investigations conducted by governmental agencies and third parties;
15. Maintain documentation of the following: compliance related internal and external audit and investigation results, logs of hotline calls and their resolution, corrective action plans, records of compliance trainings, and modification and distribution of policies, procedures and this Plan, and other logs, spreadsheets, and records of compliance activities;

16. Develop and supervise a system that distributes the responsibilities described in this Plan to other individuals in the Agency and establishes accountability for performing such responsibilities; and
17. Work with the certifying official identified on the annual New York State Social Services Law (SSL) and Deficit Reduction Act (DRA) certifications to ensure accurate completion of the certification on Office of the Medicaid Inspector General's (OMIG) website.

B. Compliance Committee. A Compliance Committee shall be formed to oversee and monitor the operation of the Compliance Program. The scope of the Compliance Committee's authority shall be determined by the Board and modified from time to time as the Compliance Program is evaluated. The Compliance Committee shall:

1. Be comprised of the Compliance Officer, the President and Chief Executive Officer, members of Senior Management and other employees as determined by the President and Chief Executive Officer. Members of the Compliance Committee are expected to regularly attend and participate in Compliance Committee meetings and to keep all information discussed at such meetings confidential. A simple majority will constitute a quorum for voting purposes;
2. Oversee the implementation of the Compliance Program in a way that enables the Agency to maintain the highest standards of ethical practice and compliance with applicable laws and regulations;
3. Meet at least quarterly, but may meet more frequently, to discuss and review the Compliance Program, compliance complaints, investigations and corrective actions against Affected Individuals, reports and analysis of internal and external audits and investigations, and recently identified risk areas;
4. Identify and update specific risk areas of the Agency and recommend new or revised auditing systems, policies, procedures and practices to address such identified risk areas;
5. Develop and implement policies and procedures designed to ensure compliance with the Compliance Program and applicable laws and regulations; conduct an annual review of such policies and procedures, the Plan and the Compliance Program; and upon consultation with outside counsel as needed, suggest revisions of such policies and procedures, the Plan and Program to the Board to reflect changes in applicable law, governmental enforcement, oversight agencies' identified risk areas, or the Agency's identified risk areas;
6. Work with Departments to develop or modify standards of conduct, policies and procedures to promote compliance with legal and ethical requirements;
7. Have specific authority to review the billings and billing practices of Affected Individuals;
8. Serve as the appellate body for deciding contested compliance reports;
9. Ensure adequate resources are available to the Compliance Officer to effectuate his or her duties;
10. At its discretion, form subcommittees to address specified issues;

11. Periodically monitor, evaluate and assess the effectiveness of the Agency's education and training programs and revise such programs as necessary or desired; and
12. Develop and evaluate appropriate strategies to promote compliance with the Compliance Program and detection of any potential violations.

III. EDUCATION AND TRAINING

The Compliance Officer, in conjunction with the Human Resources and Training Departments and the appropriate supervisors and managers, will design educational and training programs for all Affected Individuals on the Compliance Program, as appropriate, including issues, expectations, and the Compliance Program operations. Such training is mandatory. Participation in the following educational and training programs is a condition of employment, contracting with the Agency, volunteering, or serving on the Board. Such education and training shall:

- A. Be given to all Affected Individuals within the first 30 working days or, as may be the case for new Board members and officers, as part of his/her orientation;
- B. Be given to existing employees whose job duties are affected by a material change in the Plan within 60 days of the change;
- C. Be ongoing, but provided at least annually to certain Affected Individuals to incorporate new statutes, regulations, historical compliance matters, and identified areas of risk;
- D. Include materials identifying who the designated individual is and be individualized to the job duties of each employee; and include expectations related to acting in ways that support integrity in operations, written policies and procedures that describe compliance expectations, and written policies and procedures that implement the operation of the compliance program;
- E. Include additional detailed training on billing and coding risk areas for employees and independent contractors who are involved in the submission of claims for reimbursement;
- F. Include detailed information about the laws regarding the prevention of fraud, waste and abuse to all Affected Individuals, how to report compliance issues (including methods for anonymous and confidential good faith reporting of potential compliance issues), the protections afforded to employees who report a compliance issue in good faith, and the right of an employee to share in a percentage of a recovery based on a false claims act violation that was reported by the employee to the Agency;
- G. Include development and distribution of a regularly updated Employee Handbook that reflects current applicable laws, regulations, state and federal health care program requirements and areas of risk;
- H. Emphasize that it is a violation of the Plan for Affected Individuals not to report an instance of non-compliance or improper conduct internally;
- I. Make the Plan accessible to all Affected Individuals in whatever format is deemed appropriate. Board members will be required to examine the Compliance Plan within 90 days of receipt of

the Plan. Subsequent to the review, each Board member shall annually repeat the procedure of examining the Plan;

- J. Inform employees and volunteers that failure to comply with the Standards of Conduct may result in disciplinary action, including termination of employment or the volunteer relationship; independent contractors that failure to comply with the Standards of Conduct may result in sanctions, including written admonition, financial penalties, and/or termination of the contractor's relationship with the Agency; and Board officers and directors that failure to comply with the Standards of Conduct may result in actions, including written admonition to, in the most extreme cases, removal from the Board(s) of Directors in accordance with applicable bylaws, laws and regulations;
- K. Provide for retention of attendance sheets and all training materials and handouts for at least 10 years from the training date;
- L. Allow for questions from the trainees with appropriate answers based upon the Compliance Program;
- M. Include information about the non-intimidation and non-retaliation requirements described in Section VIII;
- N. Identify the Compliance Officer and include how the compliance function interacts with management and the Board; and
- O. Include information about Compliance Program operation, including the system for identifying risk areas, the system for self-evaluation of the risk areas, including internal audits and, as appropriate, external audits, and information about the system for responding to compliance issues.

IV. REPORTING & CONFIDENTIAL COMMUNICATIONS

All Affected Individuals **must** report any conduct that they believe violates this Plan, the Agency's policies, or laws or regulations. Affected Individuals **must** report such conduct to: (1) his/her supervisor(s) (if applicable), (2) the Compliance Officer at 716-817-9007, (3) the Agency's 24 hour anonymous and confidential Compliance Hotline at 716-817-7299, or (4) by using the Agency's Doing It Right form available on the Agency's Intranet and at all Agency sites. **It is a violation of this Plan for Affected Individuals not to report such conduct to the Agency.** Failure to report may result in corrective action, including termination of employment in the case of an employee, termination of a volunteer relationship in the case of a volunteer, termination of a contract in the case of an independent contractor or removal from the Board in the case of a Board member or officer. If you have a question about whether particular conduct is improper or illegal, you should contact your immediate supervisor or the Compliance Officer for guidance.

Individuals who report such conduct in good faith shall not be retaliated against or intimidated for making such a report. The Agency cannot identify who is reporting a matter when individuals make reports

through the Agency's anonymous Compliance Hotline. The Agency shall maintain the confidentiality of reports unless the matter is turned over to law enforcement. The Agency will investigate all reports of improper or illegal conduct or violations of this Plan, policies, laws or regulations. All Affected Individuals **must cooperate** with these internal investigations and must not prevent, hinder, or delay discovery of improper or illegal conduct or violations.

The Compliance Officer shall ensure that all methods of reporting compliance concerns are adequately publicized. While the Agency requires Affected Individuals to report conduct that he/she believes violates this Plan, the Agency's policies, or laws or regulations, certain laws provide that individuals may also bring their concerns to the government.

V. **ENFORCEMENT & DISCIPLINE**

The Compliance Officer and Compliance Committee shall develop and implement disciplinary policies to encourage good faith participation in the Compliance Program by Affected Individuals, including policies that articulate expectations for reporting compliance issues and assisting in their resolution and outline sanctions for: (i) failing to report suspected problems; (ii) participating in non-compliant behavior; or (iii) encouraging, directing, facilitating or permitting either actively or passively non-compliant behavior. Such disciplinary policies shall be fairly and firmly enforced. Failure to report suspected compliance issues may result in disciplinary action.

The Compliance Officer in consultation with the Human Resources Department and other appropriate Affected Individuals will ensure that appropriate compliance corrective action and remediation occurs, where necessary, according to the Agency's corrective action policies, which apply to all Affected Individuals. The Compliance Officer or designee will prepare a report of all compliance related investigations and present the report to the Chief Administrative Officer and respective program management team for review. The Corporate Compliance Committee may review contested reports and decisions made by the Compliance Officer related to corrective action and proposed repayment to third party payors. Compliance corrective action or remediation may include, but not be limited to, the following steps which are designed to reduce the potential for recurrence:

- A. Additional education;
- B. Employee and volunteer discipline, up to and including termination of employment or volunteer relationship;
- C. Corrective billing action, including voiding and/or rebilling claims and/or repaying funds that the Agency is not entitled to retain;

- D. Development of new policies and procedures and/or revision of existing policies and procedures;
- E. Revisions to Compliance Plan, Compliance Program and implementing policies and procedures;
- F. Implementation of additional monitoring and auditing;
- G. Reporting to governmental agencies, fiscal intermediaries, and/or third party payors upon consultation with legal counsel and Compliance Committee and in accordance with the Agency's corrective action policies;
- H. Sanctioning of other Affected Individuals, including, for example, written admonition, financial penalties, and/or termination of the an independent contractor's relationship with the Agency in accordance with the applicable contract or agreement, if any; and
- I. Sanctioning of Board officers and directors, including written admonition and/or termination in accordance with applicable bylaws, laws, and regulations.

VI. COMPLIANCE AUDIT AND RISK IDENTIFICATION

The Agency desires to identify compliance issues before they become legal problems. To that end, the Compliance Officer and Compliance Committee shall develop a system for routine identification and evaluation of compliance risk areas and a system for self-evaluation of such risk areas. Such a system shall include the performance of regular, periodic compliance audits of each Agency program by internal or external auditors, the department heads, and/or the Agency's Corporate Compliance and/or Internal Quality Review Teams. Billing audits of each Agency program will be conducted at least annually by the Agency's Corporate Compliance and/or Internal Quality Review Teams.

The Compliance Officer shall review and track all internal and external compliance audits and reviews (including peer reviews), and shall report the findings of audits and reviews to the Compliance Committee. The Compliance Officer shall also conduct regular, periodic reviews of the audit tools used by the Agency and revise them to reflect changes in laws, regulations, agency guidance, and/or best practices.

In addition, the Compliance Officer and Compliance Committee shall periodically identify potential risk areas by examining specific issues associated with the delivery and payment of services provided by the Agency, including: (i) relevant initiatives of any applicable state, local, or federal governmental enforcement and oversight agencies; (ii) risk areas identified by the Agency's own internal compliance audits and reporting mechanisms and external compliance audits; and (iii) common audit findings or initiatives of relevant governing and accrediting government agencies. There must also be a system in effect for evaluation of potential or actual non-compliance as a result of audits and self-evaluations. From the risk assessment, the Compliance Officer

will develop, subject to approval by the Compliance Committee, an annual work plan for conducting audits and implementing other preventative measures. The Agency shall document results of work plan activities.

VII. DETECTION, RESOLUTION, AND RESPONSE

Subject to review and approval by the Compliance Committee, the Compliance Officer shall develop and implement policies and procedures regarding the investigation of any actual or potential violation of this Plan, the Standards of Conduct, Agency's policies, and/or federal or state law or regulation. The policies and procedures will provide guidance on how potential compliance problems are investigated and resolved and include, but will not be limited to, how to conduct investigations, communicate findings, and implement follow-up reviews.

Upon receiving a credible report of suspected or actual fraud, waste, abuse or other improper conduct or upon the identification of a potential or actual compliance problem in the course of self-evaluation or audits, the Compliance Officer will investigate such report or problem through the organization's internal compliance processes, and involve outside counsel, auditors, or other health care or human services experts to assist in an investigation, as appropriate and necessary. The investigation will be conducted as appropriate and may include interviews, documentation reviews, and root cause analyses. The Agency shall maintain documentation of the investigation and its results. The Agency requires that its Affected Individuals fully cooperate in any such investigations. The Agency shall respond to and correct compliance problems promptly and thoroughly. Procedures, policies, and systems shall be in place, as set forth in Section V, as necessary to reduce the potential for recurrence. The Agency shall identify and report compliance issues to New York State Department of Health (DOH), Office For People With Developmental Disabilities, Office of Mental Health, Office of Children and Family Services, OMIG and any other appropriate governmental agency and refund overpayments, as appropriate and as directed by law.

VIII. WHISTLEBLOWER POLICY

The Agency has a Whistleblower Policy of non-intimidation and non-retaliation for good faith participation in the Compliance Program and reporting of any actual or potential violation of this Plan, the Standards of Conduct, the Agency's policies and procedures, and/or any federal or state statute or regulation. Any individual who reports a compliance concern in good faith will be protected against retaliation and intimidation in accordance with sections 740 and 741 of the New York State Labor Law. In such an instance, retaliation is itself a violation of the Standards of Conduct and is unlawful. However, if the individual who reports a compliance issue has participated in a violation of law, the Standards of Conduct or an Agency policy, the Agency retains the right to take appropriate disciplinary or other action, including termination of

employment, service on the Board of Directors, or in the case of a contractor, termination of the applicable contract.

The Corporate Compliance Officer shall ensure that the policy is adequately publicized by including in the Employee Handbook and in information provided to Affected Individuals.

IX. COMPLIANCE CONTACTS AND NUMBERS.

Any Affected Individuals may bring compliance concerns to:

- (1) his/her supervisor(s) (as applicable);
- (2) the Compliance Officer at 716-817-9007;
- (3) the Agency's 24-hour anonymous and confidential Compliance Hotline at 716-817-7299; or
- (4) the Agency's Do It Right Form available on the Agency's Intranet and at all Agency sites.

X. LAWS REGARDING THE PREVENTION OF FRAUD, WASTE AND ABUSE.

A. Federal Laws.

1. The Federal False Claims Act (FCA) prohibits a person from submitting a claim to the federal government that he/she knows (or should know) is false. The False Claims Act also imposes liability on an individual who knowingly submits a false record or document to the government in order to receive reimbursement or obtains money from the federal government to which he or she may not be entitled, and then uses false statements or records in order to retain the money. **Examples** of the types of activity prohibited by the FCA include billing for services that were not actually rendered and billing for a more highly reimbursed service or product than the one provided. Individuals may be entitled to bring an action under this Act and share in a percentage of any recovery. However, if the action has no merit and/or is primarily for the purpose of harassing the Agency, the individual may have to pay the Agency for the Agency's legal fees and costs.

The Fraud Enforcement and Recovery Act of 2009 amended the Federal False Claims Act to include liability if payment to the government is withheld without falsity or use of a record or statement by any person who:

“knowingly makes, uses or causes to be made or caused, a false record or statement material to an obligation to pay or transmit money or property to the Government, or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the Government.”

Proof of specific intent to defraud is not required. However, honest mistakes or mere negligence are not the basis of false claims. The FCA provides for civil penalties of \$5,500 and \$11,000 per false claim plus three times the amount of damages that the government sustains.

2. **Administrative Remedies for False Claims and Statements.** If a person submits or causes to submit a claim that the person knows is false or contains false information or omits material information, such person may be subject to a \$5,500 civil monetary penalty per claim and an assessment, in lieu of damages, of two times the amount of the original claim. Individuals are not entitled to share in any recovery.

3. **Federal Anti-Kickback Law.** Individuals/entities may not knowingly offer, pay, solicit, or receive remuneration in exchange for referring, furnishing, purchasing, leasing or ordering a service or item paid for by Medicare, Medicaid, or other federal health care program. Criminal or civil penalties include repayment of damages, fines, imprisonment, and exclusion from participation in federal programs.

B. State Laws.

1. **False Claims Act.** The New York False Claims Act prohibits a person from submitting a claim to the state or local government that he/she knows is false. Violators are subject to civil penalties of \$6,000-\$12,000 per false claim and treble damages. Individuals may be entitled to bring an action under the False Claims Act, and share in a percentage of any recovery. However, if the action has no merit and/or is primarily for the purpose of harassing the Agency, the individual may have to pay the Agency for the Agency's legal fees and costs.

2. **Criminal Health Care Laws.** New York has many criminal laws designed to prevent health care fraud. They include: 1) presenting a false or fraudulent claim for services, submitting false information to obtain greater Medicaid reimbursement, or submitting false information in order to obtain authorization; 2) falsifying or altering business records; 3) filing false claims for insurance payments. Violators are subject to criminal prosecution, fines, and imprisonment.

3. **Anti-Kickback Law.** Medicaid providers are prohibited from offering, paying, soliciting, receiving or giving anything in exchange for the referral of Medicaid services. Violators are subject to civil and criminal enforcement.

4. **Self-Referral Law.** Practitioners who order laboratory, pharmacy, radiation therapy, physical therapy, or imaging services are prohibited from referring patients to a health care provider when the practitioner, or the practitioner's immediate family, has a financial relationship with the health care provider. There are some exceptions to this prohibition which may make such referrals acceptable.

5. **Professional Misconduct.** Licensed professionals must not engage in misconduct as defined in the Education and Public Health Laws. Violators face fines, probation, suspension, or loss of their licenses.

C. Whistleblower Protections.

1. Federal Whistleblower Protection: An employee who is discharged, demoted, suspended, threatened, harassed, or discriminated against because of his/her lawful acts conducted in furtherance of a False Claims Act action is protected from retaliation by the Agency. Remedies include reinstatement, two times back pay plus interest, litigation costs and attorney's fees. However, if the employee's action has no basis in law or fact or is primarily for harassment, the employee may have to pay the Agency's legal fees and costs.

2. New York State Whistleblower Protection: Employees who report a false claim in good faith are protected against discharge, demotion, suspension, threats, harassment, and other discrimination by the Agency. Remedies include reinstatement, two times back pay plus interest, and litigation costs and attorneys' fees. However, if the employee's action has no basis in law and fact or is primarily for harassment, the employee may have to pay the Agency's legal fees and costs.

3. Labor Laws. An employee is protected from retaliation or intimidation by an employer if the employee discloses certain information about the employer's policies, practices or activities to a regulatory, law enforcement or other similar agency or public official. The employee's disclosure is protected only if the employee first brought up the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation.

These are brief summaries of complex laws. The Compliance Officer can provide more information about these laws and their application to specific situations.

Approved by People, Inc. Board of Directors, May 16, 2018