

**Finger Lakes Health  
Corporate Compliance**

**Reporting Requirements  
Code of Ethics & Business Conduct**

# FINGER LAKES HEALTH

## COMPLIANCE PROGRAM OVERVIEW

Finger Lakes Health (FLH) is committed to compliance with all applicable federal and state laws, rules and regulations, including Federal health care program requirements (e.g., Medicare and Medicaid). In accordance with these requirements, FLH has designed and implemented a comprehensive Compliance Program (the “Program”) that outlines the standards of conduct that all Personnel (as defined below) are expected to follow in their employment or course of dealings with FLH.

The Program has several components, including, but not limited to, the Code of Ethics and Business Conduct, the Compliance Program Document, Compliance Program policies and procedures, reporting requirements, and mandatory compliance training. All Personnel are required to be familiar with the requirements outlined in these documents and any of our Program policies and procedures that relate to your responsibilities at FLH. These documents are available on the FLH portal in DocuShare. They may also be obtained from the Corporate Compliance Officer.

### KEY DEFINITIONS

- A. **Corporate Compliance Committee.** “Corporate Compliance Committee” means the group of senior managers that FLH has designated to coordinate with and assist the Corporate Compliance Officer in carrying out certain aspects of the Program.
- B. **Corporate Compliance Officer.** “Corporate Compliance Officer” means the person responsible for carrying out the day-to-day responsibilities of the Program at FLH.
- C. **Federal Health Care Program.** “Federal health care program” means any plan or program that provides health benefits whether directly, through insurance or otherwise, which is funded directly, in whole or in part, by the United States government and includes certain State health care programs. Medicare, Medicaid, Veterans’ programs and the State Children’s Health Insurance Program are some examples of Federal health care programs.
- D. **Good Faith Participation in the Compliance Program.** “Good faith participation in the Compliance Program” includes, but is not limited to the following actions:
  - 1. Reporting potential compliance issues to appropriate Personnel (e.g., the Corporate Compliance Officer);
  - 2. Cooperating with/participating in the investigation of potential compliance issues;
  - 3. Assisting FLH with self-evaluations and audits;
  - 4. Assisting FLH with implementing remedial actions;
  - 5. Reporting instances of intimidation or retaliation; and
  - 6. Reporting potential fraud, waste or abuse to appropriate state or federal entities.
- E. **Governing Body.** “Governing Body” refers to all the Board of Directors of FLH.
- F. **Personnel.** “Personnel” means all persons who are affected by FLH’s compliance risk areas, including employees; the Chief Executive Officer; senior administrators and managers; contractors, agents, subcontractors, and independent contractors (“Contractors”); the

Governing Body and corporate officers. Contractors are only subject to the Program to the extent it is related to their contracted role and responsibilities within FLH's identified risk areas.

**G.** *Risk Areas.* Compliance "risk areas" may change from time-to-time based on FLH's organizational experience. However, the Program continually addresses the following risk areas:

1. Billings and payments;
2. Ordered services;
3. Medical necessity and quality of care;
4. Governance;
5. Mandatory reporting;
6. Credentialing; and
7. Contractor oversight.

## **REPORTING REQUIREMENTS**

Personnel must abide by the Program and are required to report suspected misconduct or possible violations of the Program to the Corporate Compliance Officer, or to their supervisor. Personnel may also report issues to the Compliance Line.

Disclosure is required if any Personnel have knowledge of any potential violations of criminal, civil or administrative law related to the Federal health care programs. Personnel are also required to raise any compliance issues or questions about FLH's Program, policies, conduct, practice or procedures.

**Personnel may report anonymously**, if they so choose. To report anonymously, please use the Compliance Line.

**Personnel report confidentially.** The identity of the reporting Personnel will be kept confidential, whether requested or not, unless the matter is subject to a disciplinary proceeding, referred to or under investigation by the NY State Medicaid Fraud Control Unit (MFCU), the Office of Medicaid Inspector General (OMIG) or law enforcement or if disclosure is a requirement in connection with a legal proceeding.

**Retaliation or intimidation in any form against an individual who in good faith reports possible unethical or illegal conduct is strictly prohibited.** Acts of retaliation or intimidation should be immediately reported to the Corporate Compliance Officer or to the Compliance Line and, if substantiated, will be disciplined appropriately.

| Name   | Contact Information   |
|--|---|
| <b>Corporate Compliance Officer</b><br>Kim Coffey                              | Ph: (315) 787-4023<br>Email: <a href="mailto:kim.coffey@flhealth.org">kim.coffey@flhealth.org</a> |
| <b>Compliance Line</b><br>Calls to the Compliance Line can be made anonymously | Ph: (315) 789-4791  |

**Additional Reporting Requirements.** Health care institutions and providers must adhere to many reporting requirements under state and federal law, and it is the policy of FLH to comply with all reporting requirements. It is important that you be aware of any reporting requirements applicable to your job responsibilities. Without limitation, reports to various governmental bodies are required to be made in certain circumstances in connection with the following:

- a) medical incidents;
- b) medical devices;
- c) environmental incidents;
- d) fires that disrupt patient care services;
- e) suspicious deaths;
- f) professional misconduct by licensed health care professionals;
- g) outbreaks of infection;
- h) diversion or loss of narcotics;
- i) patient-related criminal activity, including sexual assaults;
- j) knife wounds that are likely to or may result in death, gunshot wounds or serious burn injuries;
- k) suspected child or nursing home resident abuse, mistreatment or neglect; and
- l) threats to community safety.

If you are aware of any incident or situation that may require reporting to a governmental agency, you should bring it to the attention of the person or department with responsibility to make such report. If you have any questions or concerns regarding our reporting responsibilities, you should contact your supervisor or the Corporate Compliance Officer, or call the Compliance Line at (315) 789-4791.

If any employee intentionally fails to make a required report to a governmental body or attempts to cover up facts that would warrant such a report, he or she will be subject to internal disciplinary action, including termination, and could also face criminal charges and the loss of his/her professional license.

## ***CODE OF ETHICS AND BUSINESS CONDUCT***

### **I. MISSION, VISION AND VALUES:**

*Our Mission:* Finger Lakes Health aims to improve the health and well-being of our diverse communities, while maintaining full compliance with Federal health care laws and regulations. FLH has a reputation, achieved and maintained through the integrity and ethical standards of our officers, employees and physicians, for conducting ourselves in accord with the highest levels of business ethics and in compliance with applicable mandates. FLH will continually strive to provide the highest level of care and service and will utilize the Compliance Program to achieve these goals.

*Our Vision:* FLH will be recognized as the best health system for the communities we serve.

*Our Values:* To achieve our mission, we are guided by a common set of values that direct us in everything we do:

**Health**

**Exceptional care and service**

**Acts of kindness**

**Responsibility and respect**

**Teamwork**

We do not and will not tolerate any form of unlawful or unethical behavior by anyone associated with FLH. We follow the letter and spirit of applicable laws and regulations, conduct our business ethically and honestly, and act in a manner that enhances our standing in the community.

### **II. GUIDELINES:**

#### ***A. General Statement of Compliance with Laws, Regulations, Accreditation Standards and Agreements***

- 1.** FLH will transact its business in compliance with local, state, and federal law. As a charitable institution, FLH will conduct business in compliance with all IRS regulations governing tax exempt organizations and refrain from any private inurement and benefit issues. Instances where questions arise concerning interpretation or applications of laws and regulations should be referred to a supervisor or the Corporate Compliance Officer, or a message should be left on the Compliance Line. Applicable laws include, but are not limited to, anti-kickback statutes, labor laws, tax code and regulations, antitrust laws, copyright laws, patient rights laws and environmental laws.
- 2.** FLH recognizes that Federal health care programs (e.g., Medicaid and Medicare) cover significant numbers of patients served by FLH. Consequently, FLH will transact its business dealings with these programs in compliance with the respective program rules and regulations. These relationships impose additional responsibilities beyond mere compliance. FLH will train and advise its Personnel about applicable regulations and requirements. It is expected that FLH Personnel will assume personal responsibility and accountability for understanding relevant laws and regulations. All staff must comply with applicable current applicable Federal health care program standards, rules and regulations.

3. Personnel must comply with this Code of Ethics and Business Conduct and are expected to report any action they think may possibly be unlawful, inappropriate or in violation of this Code.
4. FLH Personnel must cooperate with compliance inquiries and investigations by the Corporate Compliance Officer and assist in the resolution of any identified compliance issues (i.e., work to correct any improper practices that are identified).
5. Personnel may not engage in any adverse action that intimidates or retaliates against anyone who has engaged in good faith participation in the Program. Retaliatory and intimidating actions violate this Code and will not be tolerated.
6. FLH Personnel shall be aware of and abide by relevant standards of the New York State Department of Health and The Joint Commission.
7. FLH Personnel shall comply and perform in accordance with terms of agreements entered into by FLH.
8. FLH Personnel shall be aware they have the right, if they feel no action is being taken to address a reported concern, to report his/her suspicions to the appropriate government agency.
9. FLH Personnel shall be aware state, federal law, and FLH policy contain protections for employees who in good faith bring forth claims of potential fraud, waste, and abuse. All reported concerns and claims of retaliation will be investigated and appropriate action taken.

**B. *Always Obey the Law***

In order to maintain a reputation for integrity, FLH will conduct business in compliance with all applicable laws, regulations and contractual obligations. Even the appearance of misconduct or impropriety can be damaging to this reputation. In order to provide quality service to the community which we serve, all FLH Personnel performing functions within FLH, including patient care, administrative and other support functions, shall personally conduct FLH business transactions with the utmost honesty, accuracy, fairness and respect for others. No unethical practice is acceptable, even on the grounds that it is “customary” outside FLH or that it serves other worthy goals. Compliance with the laws does not compromise our ethical responsibility. Rather, it provides the minimum, absolute, essential condition for performance of our duties.

**C. *Consequences of Violation of the Compliance Program, Laws, Regulations, Guidelines or FLH Policies***

Personnel are responsible for ensuring that his or her own conduct and the conduct of anyone reporting to him or her fully complies with the requirements of each section of the Code and with FLH policies. Non-compliance with specific requirements and the intent of each section of this Code will subject the individual to disciplinary action including termination consistent with the Corrective Action policy. Examples of conduct that would subject an employee to the Corrective Action policy include:

1. Failure to report suspected problems;
2. Participation in non-compliant behavior;
3. Encouraging, directing, facilitating or permitting non-compliant behavior;

4. Failure by a violator's supervisor(s) to detect and report a compliance violation, if such failure reflects inadequate supervision or lack of oversight;
5. Refusal to cooperate in the investigation of a potential violation;
6. Refusal to assist in the resolution of compliance issues; and
7. Retaliation against, or intimidation of, an individual for their good faith participation in the Compliance Program

**D. *Specific Guidelines***

**1. *Standards Relating to Quality of Care/Medical Necessity/Documentation of Care***

FLH is committed to providing high quality services in accordance with all applicable laws, rules and regulations, including Federal health care program requirements. As part of this commitment, we ensure that necessary quality assurance systems are in place and functioning effectively. Patient care must be medically necessary, appropriate and well documented. FLH Personnel must ensure the medical necessity of the care provided and verify patient eligibility. In addition, we will timely and accurately record all services provided and document physician authorization when necessary.

FLH will accept all patients/residents without regard to their source of payment. FLH will not discriminate in any manner in the placement of patients. Placement will be based on patient need.

FLH will ensure appropriate staffing levels, that Personnel have experience and expertise required to discharge their responsibilities; proper credentials (as applicable – please see below), and that Personnel are not excluded from participation in any Federal health care program.

a. *Professional Licensure and Credentialing*

All health care professionals providing patient care services at FLH institutions must be fully capable of discharging their clinical responsibilities. No health care professional will be permitted to provide patient care services at or on behalf of FLH unless it has been demonstrated that he or she possesses the required education, licensure and experience necessary to perform his or her clinical responsibilities. All health care providers in the institutions shall be properly credentialed, and FLH will maintain a file on each health care provider that contains documentation of the practitioner's credentials.

In credentialing practitioners, FLH shall take steps necessary to obtain the information and documentation required to evidence the practitioner's education, licensure, and competency. In doing so, FLH, and Personnel involved in the credentialing process, shall comply with all applicable laws and regulations, and The Joint Commission standards. If you become aware of any information or documentation indicating that anyone in FLH has not adhered to the requirement for credentialing or licensure, you should immediately bring it to the attention of the Corporate Compliance Officer.



b. Emergency Treatment

The hospitals of FLH are required by law to provide an appropriate screening examination to any individual seeking treatment through our Emergency Departments. If upon examination a patient is determined to need emergency care, we must stabilize that emergency condition or we must transfer the patient, if necessary, in accordance with certain requirements. Employees of FLH may not delay the screening examination, stabilizing treatment or admission of a patient in order to question the patient or any member of his or her family concerning the payment of hospital charges. To the extent that you have contact with patients in the Emergency Department, you must be aware of and comply with FLH's policies with respect to the provision of emergency care. Questions about such policies, or particular issues regarding their application, should be brought to the attention of the Director of the Department of Emergency Medicine. If you believe that the law in this area is being violated, you should contact the Corporate Compliance Officer immediately.

c. Standards Related to Patient and Resident Rights

FLH recognizes that each patient of a hospital and resident of a nursing home is entitled to receive ethical treatment in accordance with accepted standards of care. It should be the express goal of all FLH Personnel to treat all patients/residents, their families and visitors in a manner consistent with our values, while recognizing and honoring the patients'/residents' rights. All FLH Personnel shall fully familiarize themselves with the New York State Patients' Bill of Rights and Parents' Bill of Rights, which is posted throughout the hospitals, and the rights of nursing home residents posted in the nursing homes, and conduct themselves at all times in a manner consistent with these rights. In addition, all staff involved in patient care activities shall attend departmental in-service training sessions dealing with patients'/residents' rights requirements. Such training sessions shall include, but not be limited to:

- informed consent and refusal of treatment;
- advance directives, including do-not-resuscitate and withdrawal of life sustaining treatment situations;
- use of physical restraints;
- freedom from abuse, neglect, mistreatment
- privacy and confidentiality;
- mental hygiene law;
- patient complaints; and
- access to medical information.

d. Quality Assurance and Performance Improvement

FLH has implemented and maintains effective, comprehensive, data-driven Quality assurance and performance improvement (QAPI) programs for the hospital and nursing homes that focuses on indicators of the outcomes of care and quality of life.

## **2. *Standards Related to Coding and Billing of Services and Payments***

FLH is committed to ensuring that its coding and billing practices comply with all federal and state laws, regulations, guidelines and policies. Coding and billing for patient services is an area governed by complex laws and regulations. All billing, reimbursement and claims processing Personnel must abide by the following three principles:

- a) We shall use due care to assure that patient records and reports are prepared and maintained accurately and honestly.
- b) We shall use due care to assure that all claims submitted to any Federal health care program, private payer or individual are accurate and conform to all pertinent federal and state laws and regulations.
- c) We shall only submit claims that accurately reflect services or items that were actually rendered, and use due care to assure that claims are for medically necessary services and are supported by relevant documentation.

All Personnel involved in coding, billing and claims submissions must maintain high ethical standards and must know and adhere to all requirements, including all applicable rules and regulations pertaining to Federal health care programs. Personnel may also be expected to attend training and education sessions to ensure proper compliance with applicable rules and regulations relating to billing and documentation.

Personnel must comply with all Federal and New York State laws, including false claims laws and regulations that apply to FLH's operations. A discussion of these laws is contained in a separate policy, entitled "Compliance with Federal and State False Claims Acts: Overview of the Laws Regarding False Claims and Whistleblower Protections." All Personnel will receive a copy of this policy. False claims include claims for payment which Personnel know are unwarranted, and claims Personnel submit with reckless disregard for their truth or accuracy or "deliberate ignorance" of the applicable guidelines.

If you are uncertain as to a particular charge or billing practice, or if you believe the documentation supporting a bill may be inadequate, you should contact your supervisor for guidance. If you seek guidance and you remain concerned about any aspect of our billing, you should immediately bring that concern directly to the Corporate Compliance Officer.

## **3. *Standards Relating to Ordered Services***

All ordered services must be provided in accordance with the ordering practitioner's treatment plan. An ordered service is a specific, medically necessary service or item performed by or provided by a qualified provider upon the written order of a qualified practitioner. Examples of ordered services include laboratory services, pharmacy services, durable medical equipment, private duty nursing, medical services, radiology services, cardiac fluoroscopy, echocardiography, non-invasive vascular diagnostic studies and consultations.

The purpose of ordered services is to make available to the private practitioner those services needed to complement the provision of ambulatory care in his/her office. It is not meant to replace those services which are expected to be provided by the private practitioner nor is it meant to be used in those instances when it would be appropriate to admit a patient to a hospital, to refer a patient to a specialist for treatment, including surgery or to refer a patient to a specialized clinic for treatment.

#### **4. *Standards Relating to Governance***

The Governing Body maintains oversight of FLH's compliance with Federal health care program requirements and the Compliance Program. In that regard, the Governing Body regularly receive reports from the Corporate Compliance Officer and the Compliance Committee regarding the effectiveness of the Program.

The Governing Body also oversees FLH's procedures for evaluating potential or actual conflicts of interest.

#### **5. *Standards Relating to Mandatory Reporting***

As part of its commitment to providing high quality of care and services, FLH complies with all applicable federal and state mandatory reporting laws, rules and regulations. To this end, FLH will ensure that all incidents and events that are required to be reported are done so in timely manner, and will monitor compliance with such requirements.

FLH's Governing Body will ensure compliance with annual certification requirements that apply to the Program in accordance with New York Social Services Law and the Federal Deficit Reduction Act of 2005.

FLH will ensure that all identified overpayments are timely reported, explained and returned in accordance with applicable law and contractual requirements. For example, it is our policy to exercise reasonable diligence in identifying overpayments and quantifying overpayment amounts, not retain any funds which are received as a result of overpayments and to report, return and explain any overpayments from Federal health care programs (e.g., Medicare and Medicaid) within 60 days from the date the overpayment was identified (or within such time as is otherwise required by law or contract). Any monies improperly collected are promptly refunded to the Medicare Administrative Contractor, the Department of Health, the Office of the Medicaid Inspector General or other payor/agency, as applicable.

Moreover, in some circumstances (e.g., in the event that an internal investigation uncovers possible fraud), and with the assistance of legal counsel, as necessary and appropriate, FLH will utilize the appropriate self-disclosure process (e.g., the U.S. Department of Health and Human Services, Office of Inspector General, the Department of Health, the Office of the Medicaid Inspector General or other appropriate governmental agency).

#### **6. *Standards Relating to Referrals***

There are a number of laws governing Medicare and Medicaid and other federal health programs. These laws prohibit the payment of remuneration (i.e., anything of value) in return for the referral of Medicare or Medicaid patients, or to induce the purchase of goods or services to be paid for by Medicare or Medicaid.

The federal Anti-Kickback Statute prohibits certain arrangements where goods, services or office space are provided for some amount other than fair market value in return for referring a patient for services or items for which payment may be made under a federal health care program such as Medicare and Medicaid.

The federal Self-Referral Law or Stark Law prohibits a physician with a financial relationship with any entity from making a referral to that entity for the furnishing of designated health services for which payment may be made under the Medicare and Medicaid programs unless

the relationship or service falls within one of the Stark Law exceptions. The Stark Law generally prohibits an entity from billing the Medicare or Medicaid programs for items and services ordered by a physician who has a financial relationship with that entity.

It is FLH's policy that:

- a) Personnel shall not solicit, receive, offer to pay, or pay remuneration of any kind (including rebates, kickbacks, or bribes) in exchange for referring or recommending the referral of any individual to another person, hospital or medical facility for services or in return for the purchase of goods or services to be paid for by Medicare or Medicaid;
- b) No Personnel shall offer or grant any benefit to a referring physician or other referral source on the condition that such physician or referral source refer or agree to refer any patients to a person or medical facility;
- c) No physician shall make referrals for designated health services to entities in which the physician has a financial interest either through ownership or a compensation arrangement unless such financial interest falls within a statutory exception or safe harbor; and
- d) No physician shall bill for services rendered as a result of an improper referral.

#### **7. *Standards Related to Contractor Oversight***

The Corporate Compliance Officer will ensure that arrangements with Contractors specify in writing that such individuals/entities are subject to FLH's Program, to the extent that such individuals/entities are affected by FLH's compliance risk areas. FLH will confirm the identity and determine the exclusion status of Contractors affected by FLH's compliance risk areas. All such contracts must include termination provisions for failure to adhere to FLH's Program requirements.

#### **8. *Standards Related to Purchasing: Carefully Bid, Negotiate, and Perform Contracts***

FLH Personnel involved in proposals, bid preparations or contract negotiations, must be certain that all statements, communications and representations to prospective partners or suppliers are accurate and truthful. Once awarded, all contracts must be performed in compliance with specifications, requirements and clauses.

FLH Personnel who buy goods and services for FLH, or who are involved in the procurement process, must treat all suppliers uniformly and fairly. In deciding among competing suppliers, employees must objectively and impartially weigh all facts and avoid even the appearance of favoritism. Established routines and procedures should be followed in the procurement of all goods and services.

#### **9. *Conflict of Interest***

FLH Personnel shall avoid any significant direct or indirect conflict or appearance of conflict between personal interests and the person's official responsibilities and the best interest of FLH. A potential conflict of interest exists whenever an objective observer might perceive that an individual's actions are not in the best interest of FLH. It is anticipated that certain conflicts of interest will be unavoidable. However, a thorough understanding of the circumstances that might lead to a conflict of interest, accompanied with full disclosure, will minimize the potential for conflict.

It is not possible to define all circumstances in which a conflict of interest does or does not occur. Acting within the letter and spirit of this policy is the responsibility of each individual. As a general rule, a conflict arises in situations where an outside interest or affiliation may influence or appear to influence a decision of FLH; or where any FLH Personnel might benefit, directly or through other individuals or organizations, by virtue of a position with FLH; or by using the authority or benefits of that position to compete with FLH.

This conflict of interest policy does not prohibit FLH Personnel from having interests or engaging in activities unrelated to the operations of FLH's operations and the community it serves. Actions, if any, taken in response to conflicts of interest that come to FLH's attention will be recommended to the Corporate Compliance Officer by legal counsel following a case specific review.

On an annual basis, all designated Personnel shall complete and sign a Conflict of Interest Questionnaire and Disclosure Statement. The Corporate Compliance Officer will designate positions required to complete the statement. This statement is integral to this policy and provides specific definitions, guidelines and criteria used in evaluating potential conflicts of interest. Also, if an individual employee believes a conflict of interest may exist, it should be disclosed. Following disclosure, an employee must assume that a conflict exists until the Corporate Compliance Officer or his/her designee resolves the situation. Breach of this policy, including failure to complete and update the questionnaire and failure to disclose interests that should be disclosed, may subject an individual to disciplinary action, including termination.

#### **10. *Standards Related to Controlled Substances***

FLH is required to follow specific requirements in connection with the handling, distribution, and administration of controlled substances, such as drugs, medications, and pharmaceuticals to patients. Unauthorized distributions are strictly prohibited by federal and state laws, and frequently will constitute a felony, for which imprisonment is mandated. Violations of FLH policy in this area also can lead to termination of employment or contract and to potentially adverse licensure actions.

All FLH Personnel involved in the handling and distribution of prescription drugs or controlled substances must therefore strictly adhere to all applicable laws, regulations, and policies. Care also should be taken, at all times to safeguard the supply of controlled substances, and you will be expected to discharge your obligations carefully in this regard. If you become aware of any potential violation of law or FLH policy relating to controlled substances, including but not limited to theft or loss, you are expected to immediately advise your supervisor or the Corporate Compliance Officer.

#### **11. *Decline Inappropriate Gifts***

You should be aware that receiving or giving gifts by FLH Personnel may raise questions about relationships with our vendors, governmental offices or others who interact with FLH. We must always refrain from activities that could possibly be construed as an attempt to improperly influence these relationships. We should not offer or receive a gift in circumstances where it could appear that the purpose of the gift is to improperly influence FLH's relationship with a vendor, regulator or other person or entity.

It is FLH policy to reimburse its employees and agents for all reasonable expenses, including meals, entertainment and travel, that are appropriately incurred while conducting FLH business. Rarely, therefore, will justification exist for you to permit someone else to pay for such items.

We are confident that if you follow FLH policy and exercise reasonable judgement and common sense with respect to gifts and gratuities, you will avoid situations that might bring you or FLH's integrity into question. If you have any question in connection with the receipt or offer of gifts of entertainment, you should consult the applicable FLH policy and your supervisor. Any concerns regarding violations of policy in this area should be brought to the attention of the Corporate Compliance Officer.

## **12. *FLH Policies and Procedures***

FLH Personnel shall understand and comply with all policies described in the FLH Personnel Policy Manual and various departmental or specialty manuals.

Each department has policies and procedures. The departments will be responsible for adding and/or updating these policies and procedures as deemed necessary to ensure compliance with specific laws and regulations. Director/Manager should submit compliance related questions for proposed changes in Department policies and procedures to the Compliance Committee for review.

## **13. *Standards Related to Financial Reporting***

FLH has established and maintains a high standard of accuracy and completeness in its financial records. These records serve as the basis for managing the business, for measuring and fulfilling FLH's obligation to patients, employees, suppliers and others, and for compliance with tax, regulatory and financial reporting requirements.

It is the policy of FLH to comply with the recording requirements of applicable law, established financial standards and generally accepted accounting principles.

All employees or other agents will maintain all financial information in a confidential manner.

FLH will prepare and maintain company records and reports accurately and honestly. This includes reporting of time worked, business expenses incurred, revenues and costs, and other business or service related activities. All contracts entered into on behalf of FLH will accurately specify the services to be provided or services to be received.

Under no circumstances will records be falsified, backdated, intentionally destroyed or otherwise tampered with to gain a real or perceived advantage for FLH. However, unnecessary or outdated documents may be purged in accordance with FLH document retention policy and procedures.

## **14. *Standards Related to Internal Controls***

The responsibility for safeguarding corporate assets; complying with laws, regulations and contractual obligations; and preventing and detecting improper conduct ultimately rests with all levels of FLH management, who are responsible for establishing and maintaining proper internal controls that provide accountability and security for the resources entrusted to them. Managers are expected to remain alert, recognize risks and exposures inherent in their areas of responsibility, and be aware of the symptoms of fraudulent and wrongful acts. Response to all such allegations or indicators shall be consistent. This policy applies to any irregularity or suspected irregularity involving FLH Personnel.

Following are some examples of improper acts:

- a) Authorizing a patient charge for which no medical procedure was performed, item supplied, or service rendered.
- b) Unauthorized alteration, manipulation, forgery, destruction or intentional disappearance of a medical record, financial record or other corporate document, whether manual or electronic.
- c) Misappropriation of funds, securities, supplies or assets.
- d) Authorizing or receiving compensation for hours not worked.
- e) Impropriety in the handling or reporting of financial transactions.
- f) Profiteering based on insider knowledge.
- g) Any dishonest act.

Guidelines used in preventing and dealing with suspected fraudulent or other wrongful acts are as follows:

- a) All FLH management shall ensure that directed internal controls and reporting requirements are accurately, regularly and promptly observed.
- b) Staff with a reasonable basis for believing improper acts have occurred have a responsibility to immediately report such incidents to their supervisor, the Corporate Compliance Officer and should not confront the individuals who may be investigated. Employees should not initiate investigations on their own because such actions may compromise ensuing investigations.
- c) Any investigation will be completed expeditiously but always in a thorough manner and in accordance with established procedures. It is the duty of all employees to cooperate fully with those performing an investigation pursuant to this policy. The legal rights of those involved will be observed as appropriate.
- d) Employees found to have participated in improper acts will be subject to disciplinary action, up to and including termination of employment and prosecution if appropriate.
- e) Individuals who in good faith report suspected improper acts and those cooperating with the ensuing investigation will be protected from retaliatory actions.

#### **15. *Standards Related to Confidentiality and Security***

FLH recognizes the paramount importance of confidentiality in the provision of health care, and it is our policy to keep all information and records pertaining to a patient's treatment confidential in accordance with law. All Personnel with access to confidential patient information and records are required to strictly adhere to FLH's confidentiality policies.

It is FLH's policy to comply fully with all requirements of the Federal Health Insurance Portability and Accountability Act (HIPAA) as it pertains to patient privacy. All medical records and other protected health information (PHI) must be kept strictly confidential and not be released to anyone outside FLH without written authorization from the patient/resident or as

otherwise permitted by law. In addition, all Personnel who have access to any PHI must comply with FLH's HIPAA Compliance Plan and Cybersecurity & Cyber Attack Prevention Policy.

One of our most valuable assets is our body of confidential information. As a FLH employee, you are responsible and accountable for the integrity and protection of business information used by you in connection with your job duties. For example, you must not make inappropriate or unauthorized modifications of information, or destroy or disclose information, except as authorized. Additionally, no employee or former employee may, without the prior written consent of FLH, use for their own benefit or disclose to others any confidential information obtained during employment.

Documents containing sensitive data, including information concerning patients and residents, must not be left in public view, or in an unsecured location. You also must be careful when you enter, secure, and store computer data. Given the widespread use of computers at FLH, the potential for a breach of security exists, and must be considered at all times. If you observe individuals whom you do not recognize using terminals in your area, immediately report this to your supervisor or to FLH Security. Any concerns regarding confidential information should be brought to the attention of your supervisor or the Corporate Compliance Officer.

All information contained in FLH personal computers is considered valuable proprietary information and must not be altered or deleted inappropriately. Use of such personal computers is restricted to strictly FLH business purposes, and shall not be used for other purposes. Passwords must be provided to the supervisor upon request or termination.

#### **16. *Standards Related to Marketing Practices***

FLH's marketing and advertising practices will be developed in a manner consistent with our mission as a not-for-profit provider of health care services. Advertising and marketing will be practiced with honesty, integrity and accountability.

#### **17. *Not-for-Profit and Tax Exemption Considerations***

FLH and certain affiliates are exempt from taxation as not-for-profit entities. To maintain this exemption, we cannot act for the benefit of a particular individual or entity. Such conduct, commonly referred to as "private inurement," is illegal. Generally speaking, FLH cannot authorize or pay compensation and benefits in excess of the "fair market value." Similarly, FLH must receive fair market value for things such as space rented by particular individuals, or services or materials purchased by particular individuals. If fair market value is not paid or received, it could be determined that FLH has allowed its exempt assets to benefit a private individual, and a violation can be established. Sanctions can include civil liability, including personal liability for our Board members and senior officers and the individual receiving the improper benefit, as well as the potential loss of our tax-exempt status. It is therefore crucial that private inurement issues be avoided. Questions regarding those issues, or potential problems in this area, must be referred to the Corporate Compliance Officer.

#### **18. *Record Retention and Maintenance***

Various laws and regulations require FLH to retain certain records and documents for specified periods of time. Our failure to retain these records as required could result in substantial monetary penalties, prevent us from having the documentation to prove what services or treatments were provided to a particular patient, and raise questions about our institutional ethics. In order to comply with these obligations, FLH has implemented systems of controls



and policies to assure proper maintenance, retention and destruction of records. You are expected to follow these policies. You are not, however, to destroy or discard any records if you know that they may be the focus of a pending investigation, or subject to a pending request.

Patient and resident records must also be timely completed and accurately maintained. These records provide a basis for future treatment decisions and support for billing, as well as an important historical account of the actions taken by FLH Personnel that is critical to respond to claims made against us. Patient and resident records are confidential, and must carefully document the treatment provided. There are specific protocols on the completion, maintenance, and modification of these records, and you are expected to comply fully with those protocols. A failure to do so can result in internal sanctions as well as professional licensure action.

**19. *Use of Assets***

FLH Personnel shall use FLH property only for FLH business, including facilities, equipment, software, supplies and Personnel time. FLH property will be disposed of, sold or otherwise removed in accordance with FLH policy.

Approved: \_\_\_\_\_  
Corporate Compliance Officer

Date: February 24, 2025

Effective: December 1998

Reviewed: March 2001, July 2003, Sept. 2005, Oct. 2006, Dec. 2018, Dec. 2021

Reviewed and

Revised: Feb 2009, July 2013, Nov 2015, Dec 2017, Dec 2019, Aug 2022, April 2023, March 2024, Feb 2025