

PARK MANOR ACQUISITION II, LLC

CORPORATE CODE COMPLIANCE PLAN ORGANIZATIONAL CODE OF CONDUCT

What are Ethics and Corporate Compliance?

Ethics are a set of values and beliefs. Ethical practice means working and providing care in a way that is honest, legal and respectful of others and reflects the mission and values of Park Manor Acquisition II, LLC. (“Park Manor”). Corporate compliance means abiding by the law and following Park Manor’s policies, which are designed to engender ethical behavior. The purpose of this Corporate Compliance Plan (CCP) is to help prevent fraud, abuse, and other unethical practices; and to ensure all employees are striving to meet the highest standards of ethical conduct.

Employee Education About False Claims

The Deficit Reduction Act of 2005 contains a provision that health care entities adopt policies requiring all employees be informed about the details of the federal and state false claims laws, and specifically, the benefits and protections provided to whistleblowers. The provision in the Act is entitled “Employee Education About False Claims Recovery,” and to that end, Park Manor Acquisition II, LLC has implemented its Corporate Code Compliance Plan and Code of Conduct.

What is the False Claims Act?

The False Claims Act (FCA) imposes liability on any person who submits a claim to the federal government knowing the information contained therein is false (31 USC §§3729-3733). The FCA imposes liability on an individual who may knowingly submit a false record in order to obtain payment from the government. The FCA imposes liability on someone who attempts to obtain money from the federal government to which he/she may not be entitled and then uses false statements in order to retain the money. The FCA also provides that private parties may bring an action on behalf of the government (*qui tam relators*) and may share in a percentage of the proceeds from an FCA action or settlement. The FCA provides protection to *qui tam relators* who are discharged, demoted, suspended, threatened, harassed or in any other manner, discriminated against in the terms and conditions of their employment as a result of their furtherance of an action under the FCA. The statute allows for administrative recoveries by federal agencies if a person submits a claim that the person knows is false or contains false information or omissions.

The New York False Claims Act is very similar to the Federal FCA. It imposes penalties and fines on individuals and entities that file fraudulent claims for payment from any state or local government, including health care programs such as Medicaid. The Act allows private individuals to file lawsuits in state court. The New York Labor Law §740 protects employees from employer retaliation when information about the employer’s policies, practices or activities that are in violation of any law that creates a danger to public health and safety or that which may constitute health care fraud is disclosed to a regulatory, law enforcement, or similar agency or public official. Similarly, New York Labor Law §741 maintains the same employee protection when information regarding improper quality of patient care is disclosed to a regulatory, law enforcement or similar agency or official.

Corporate Compliance Officer (CCO)

The Corporate Compliance Officer is the individual who assists in ensuring the policies of the organization are carried out properly. Reports regarding incidents of suspected corporate fraud and abuse can be made to the Administrator/CCO. These reports may be made openly or anonymously and will not result in retaliation by the organization. Although every effort will be made to maintain the confidentiality regarding the identity of the person making the report, there may be a point in certain instances where that person's identity may become known, or may need to be revealed. An investigation will be conducted based on all reports, and disciplinary action may be applied to individuals for whom fraud and abuse can be substantiated.

Park Manor Acquisition II, LLC's CCO is:

Patricia Ueda
845-343-0801 x 232
Fax: 845-343-1838
e-mail: pueda@parkmanorrehab.com

The Corporate Compliance Hotline Number is:
845-343-0801 x205

Professional Conduct

It is our mission to provide a safe, home-like environment which enriches the quality of lives of our residents. Park Manor values a focus on the residents, meeting their needs by treating them with the highest level of compassion, respect, and dignity. Park Manor also values individual development and teamwork among staff, with a continuing process of quality improvement of all systems and procedures used in our programs.

Personal Behavior

Employees of Park Manor Acquisition II, LLC are expected to conduct themselves in a professional manner which is respectful to all others. The employee handbook includes our policies on employee relations and conduct. These policies outline expectations including, but not limited to, dress code and appearance, interactions with residents, reporting requirements and confidentiality. Some behaviors of staff are prohibited and may result in disciplinary action including suspension and/or termination of employment. Please refer to your employee handbook for more specific information on prohibited behaviors which include, but are not limited to falsification of information, billing fraud, documentation fraud, harassment, discrimination, mistreatment, abuse, neglect and theft. It should also be noted that staff who witness such behaviors in co-workers are obligated to report this information to the Administrator/CCO immediately. Staff that observe unethical conduct and do not report it may also be considered for violations of the code of conduct described above.

Business Practices

Park Manor Acquisition II, LLC employees who are involved with billing practices and other business/administrative responsibilities are also expected to uphold certain ethical practices.

Unethical business practices may include but are not limited to:

Unlawful Billing Practices:

- Duplicate billing, or billing more than claim for the same service
- Up coding and DRG creep, or using a billing code that gives higher payment rather than the billing code that reflects the actual services provided, (DRG stands for diagnostic-related group).

False Claims:

- Filing claims for services that were not provided
- Filing claims for services that are not medically necessary

Kickbacks:

- Receiving benefits for promoting certain brands of drugs, or medical equipment
- Receiving gifts or services from residents in exchange for using certain medications and products

Unbundling:

- This can happen when separate claims are submitted for services that should be billed together in a single claim

Filing Unnecessary Claims with Medicare and Medicaid:

- One of the reasons for developing a CCP is to prevent Medicare and Medicaid fraud. It is illegal to bill Medicare or Medicaid for services that are not reasonable or medically necessary.

Business Records and Cost Reports:

- These records must be kept up-to-date and accurate. Never falsify or alter business records or costs reports; it is illegal.

These practices described above are considered unethical and illegal. If you know of any wrong-doing in this area, it is your responsibility to report it. Disciplinary action up to termination may be applied to any staff member who engages in illegal billing activities, or corporate fraud and abuse as described above.

Marketing Practices

All business and administrative practices, including marketing, or programs and services must be done ethically and legally. This includes the following areas:

- **Illegal Referrals:** It is illegal to refer a patient to a particular facility or health care provider in exchange for certain benefits.
- **Joint Ventures:** It is wrong for a health care provider to refer patients to each other in exchange for certain benefits. This is similar to a kickback.

Clinical Practices

Practicing ethics within the Corporate Compliance Plan (CCP) means honoring residents' rights, and treating them with respect and dignity. A complete listing of residents' rights is located in the Resident Admission packet.

A summary of rights are listed below:

- **Treatment:** Residents have the right to be treated without discrimination of any kind. If you witness discrimination, report it to the Administrator/CCO.
- **Confidentiality:** Access to a resident's records should be limited to those individuals involved

in his/her care. All aspects of an individual in our care should remain confidential. If you need to discuss a resident's care or records, it should be done in a private setting.

- **Respect:** Provide any care you give in a way that respects the individual's values, needs and wishes.
- **Privacy:** Help ensure that all care (examinations, tests, clinical discussions, etc) is done in a way that respects the resident's dignity at all times.
- **Involvement in Care Decisions:** Residents have the right to be involved in making decisions about their care. They also have the right to refuse care as coordinated with the guardianship status. You should know the resident's wishes before providing care.
- **Informed Consent:** Gives the resident all the information they need to make informed decisions. Make sure they know their treatment options, including benefits, risks, side effects and costs of each.
- **Access to information:** Residents have the right to see their medical records and get information about their diagnosis, condition, treatment and chances of recovery.

Information Management

Accurate and truthful documentation and management of information is a critical concern of the CCP.

- **Medical Records:** Records must be complete and accurate and up-to-date. Never change the dates in a resident's records.
- **Documentation:** All care given to residents must be recorded. An individual's progress should be documented, and all entries should be signed and dated.
- **Releasing Resident Information:** Resident information is confidential and should not be given out to unauthorized persons. The facility has developed a procedure for the release of medical information as required by law.
- **Required Reporting:** It is your responsibility as a staff member of Park Manor Acquisition II, LLC to report misconduct, harassment, and criminal acts such as theft, drug use, and abuse. You may be held responsible for failure to report such acts.

Employee Rights and Responsibilities

Under the Corporate Compliance Plan, you have the right to receive education and training regarding your role within the organization and compliance with the CCP and the law; and the reporting procedure for violation of the CCP. Training in Corporate Compliance will occur at new employee orientation and annually thereafter. Park Manor requires documentation that you have been trained regarding the CCP and you will be asked to sign a statement that you understand your responsibilities under the CCP.

Your responsibilities may vary depending on your position within the organization. In general, all staff should:

- Follow proper procedures in the area where you work.
- Treat all residents, customers, visitors and co-workers with respect.
- Report any fraud, waste, or abuse to your supervisor, the administrator, or CCO immediately.

Procedures for Investigating and Correcting Violations

An audit of billing records for compliance with the “business practices” described above occurs at least annually. An audit of clinical records and clinical practices described above occurs periodically. Violations of the CCP and corrective actions taken are documented. A Corporate Compliance Report is generated annually identifying summary results from the above audits and complaints received by the Corporate Compliance Officer. All complaints and violations will be investigated by the Corporate Compliance Officer and systematic corrective actions will be applied in an effort to ensure substantiated violations will not be repeated.

If You Suspect a Violation of Corporate Compliance

Contact the Administrator/CCO. Reports can be made verbally over the phone, via fax, mail or via e-mail. In all reporting, please provide as much specific information as possible including names of involved individuals, dates and times, and an objective description of the suspected fraud or abuse. If the CCO is involved in the suspected fraud or abuse, a report can be made to the Administrator.

Park Manor Acquisition II, LLC honors a no-reprisal system for abuse reporting. Making a report will not result in disciplinary action, if you have complied with the Corporate Code of Conduct.

If You Do Not Follow the Corporate Code of Conduct

You may be subject to disciplinary action up to and including termination. If you break the law, you can face criminal charges and heavy fines. It is your job to know your responsibilities. Even if you break the law unintentionally, you can be held responsible.

OIG COMPLIANCE POLICY

Park Manor Acquisition II, LLC strives to work and provide care in a way that is honest, legal and respectful of others. It is the policy of Park Manor Acquisition II, LLC to check the Office of Inspector General (OIG) list of excluded individuals/entities. Upon hiring an employee and quarterly thereafter, the Human Resources Department will do a check on employees on the OIG website. The Accounts Payable Department will do an OIG check on all new vendors and contracted employees and semi-annually thereafter.