United Methodist Memorial Home

Corporate Compliance and Ethics Policy

TABLE OF CONTENTS

INTRODUCTION

The **United Methodist Memorial Home (UMMH)** is devoted to meeting and maintaining the highest ethical and professional standards and to do so in compliance with all applicable laws in all actions regarding the operation of itself and all affiliates. This commitment and dedication is essential to the United Methodist Memorial Home in achieving its mission and is critical because a significant portion of services are reimbursed through governmental programs and agencies, which require that the United Methodist Memorial Home's business be conducted with complete integrity and veracity.

To ensure that the United Methodist Memorial Home operations are being conducted in compliance with applicable laws and the highest ethical standards, the corporation has developed a Corporate Compliance and Ethics Program under the direction of a Corporate Compliance & Ethics Officer, Mary E. DeWeese. The Board of Trustees will act as the Corporate Compliance Committee and will provide high-level oversight while the corporate administrators will be accountable and responsible for the activities and status of the compliance program, including issues identified, investigated, and resolved by the compliance program.

The United Methodist Memorial Home, DBA Heritage Pointe of Warren, Heritage Pointe of Huntington, and Heritage Pointe of Fort Wayne, will be referred to as UMMH throughout this document and refers to all of said entities and any other facilities that may be established within the corporation.

CORPORATE COMPLIANCE & ETHICS OFFICER

The Corporate Compliance & Ethics Officer, in the course of exercising his/her duties as an employee of UMMH, also has a duty to develop, implement, review, maintain, promote, oversee, educate, monitor, audit, receive and give reports, investigate and to respond appropriately regarding the Corporate Compliance and Ethics Program. The compliance and ethics officer will use effective measures to respond promptly to non-compliance and undertake appropriate corrective action immediately with the cooperation and help of the facility administrators.

Corporate Compliance & Ethics Officer ~ Mary E. DeWeese

BOARD OF TRUSTEES

The members of the Board of Trustees will also act as the Compliance Committee, and in the course of exercising their duties as UMMH Board Members, also have a duty to comply, promote, and oversee, be educated, cooperate and to respond appropriately regarding applicable aspects of the Corporate Compliance and Ethics Program. Below is a list of the Board of Trustees:

Mr. Paul J. Reiff, President
Rev. Larry A. Johnson, Vice President
Mrs. Teresa J. Tracey, Treasurer
Mrs. Esther M. Crabill, Secretary
Rev. Jon S. Burris
Mrs. Teresa K. Cates
Rev. Lamar L. Imes
Rev. James D. Jones
Rev. Larry M. Ray
Rev. Ronald F. VerLee

Mr. Burl F. White

Please direct any questions, comments or concerns to:

Corporate Compliance & Ethics Officer
United Methodist Memorial Home
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Warren, IN 46792
Phone: (260) 375-2201, ext. 4294
Fax: (260) 375-3327
E-Mail: ccofficer@ummh.org

GENERAL POLICY

It is the policy of UMMH to provide services in compliance with all state and federal laws governing its operation and to consistently do so with the highest standards of business and professional ethics. This policy is a sincere commitment to our residents, our staff, our community, our business partners, and the governmental agencies that regulate UMMH.

All UMMH employees and volunteers must carry out their duties for UMMH in accordance with this policy. To assist all employees with their obligation to comply with this policy, this policy includes statements for a number of applicable departments throughout UMMH. Conduct that does not comply with these policy statements is not authorized by UMMH and is outside the scope of employment at UMMH.

Any violation of applicable law, the policy statements contained in this manual, or deviation from appropriate ethical standards, will subject an employee to disciplinary action, which may include oral or written warning, disciplinary probations, suspension, demotion, dismissal from employment or revocation of privileges. Any supervisor who directs or approves the employee's improper actions, or is aware of those actions but does not act appropriately to correct them, or who otherwise fails to exercise appropriate supervision, may also be disciplined accordingly as stated above.

If at any time an employee becomes aware of any violation of UMMH policies, he or she must report it in accordance with the reporting requirements of this manual. All persons making such reports are assured that such reports will be treated as confidential to the extent permissible and that such reports will be shared only on a need-to-know basis. UMMH will take no adverse action against persons making such reports in good faith and without malicious intent whether or not the report ultimately proves to be well founded.

If an employee does not report conduct violating UMMH policies, the employee may be subject to disciplinary action up to and including termination of employment.

There are many laws affecting the operation of UMMH activities and they are complex. This manual addresses in general terms only the more important legal and ethical principles affecting UMMH activities. Their mention in this manual is not intended to minimize the importance of other applicable laws, professional standards, or ethical principles. It is not expected that each employee will be fully versed in all laws of permissible activities involved in their work. Therefore, if an employee has a question regarding the legality or propriety of a course of action, and this manual does not answer that question, the employee should seek guidance from his or her supervisor or from the Corporate Compliance & Ethics Officer before taking any action.

POLICY STATEMENTS

Resident Care, Rights and Responsibilities

It is the policy of UMMH to provide a high level of quality care and services to its residents. UMMH believes that state and federal regulations governing UMMH operations provide a baseline of care standards which UMMH strives to exceed in the provision of care and services to all residents. UMMH has multiple levels of care and provides both clinical and non-clinical oversight depending on the level of care in which the resident resides.

Each resident is entitled to a dignified existence, self determination and the provision of care and services in a manner and in an environment that promotes the maintenance or enhancement of each resident's quality of life. It is the policy of UMMH to protect, promote, and foster each Residents Rights as a member of UMMH. UMMH has developed policies and procedures that ensure quality of care as well as the protection and promotion of each resident's individual rights. These rights will be adhered to by all UMMH staff. It is not the intent of this manual to set forth all such policies and procedures in this manual as they are available for review by all staff.

It is the responsibility of all staff and independent (self directed) residents or their designated representative to ensure that billing and payment for services reflect only those which have been approved and are provided accordingly. Each responsible party's

signature on all appropriate forms affirms the veracity of the document. UMMH has developed procedures to review documentation.

1. Department Supervisors monitor schedules and review time sheets/time punches and requests for time off for accuracy and legitimacy before approving for payroll.

2. In order to confirm services provided are valid, client signature verification, random phone calls and provisional visits are some of the methods used in order to detect and prevent fraud.

3. Interdisciplinary teams meet in several venues to monitor resident level of care and appropriate placement and services.

Referrals

State and Federal laws prohibit UMMH and its employees from (1) soliciting or accepting or (2) offering or paying remuneration in exchange for referrals or patients eligible for Medicare, Medicaid or other federal health care programs. State and Federal laws also prohibit (1) the offering or payment or (2) the soliciting or receipt of remuneration in return for directly purchasing, leasing, or ordering or recommending the purchase, lease or ordering of any goods, facilities, services or items covered under the benefits for Medicare, Medicaid or other federal health programs. The term "remuneration" broadly covers the transferring of anything of value in any form or manner whatsoever. Remuneration is not limited to bribes, kickbacks and rebates.

The State and Federal laws are broadly written to prohibit UMMH and its employees from knowingly and willfully offering, paying, asking or receiving any money or other benefit, directly or indirectly, overtly or covertly, in cash or in kind. These laws are considered to be violated even if only one purpose of a payment arrangement is to influence referrals or the procuring of goods or services.

All contracts and arrangements with actual or potential referral sources and all contracts and arrangements with vendors must comply with applicable state and federal laws and regulations. All personal service, management service and consulting service agreements must comply with applicable state and federal laws and regulations. In addition, any other financial or other business arrangements between UMMH and other health care professionals or providers must be structured to comply with all applicable state and federal laws and regulations.

If questions arise regarding whether a proposed business arrangement, financial arrangement, or contract is in compliance with state or federal laws, an employee is required to seek guidance from the Corporate Compliance & Ethics Officer, who in turn may seek guidance from legal counsel.

Definitions

First-Tier, Downstream, or Related Entity (FDRs) – the entities and its employees that provide administrative or health care services for enrollees on behalf of the sponsor.

Medicare Part C or Medicare Advantage (MA) – is a health plan choice available to Medicare beneficiaries. MA is a program run by Medicare-approved private insurance companies. These companies arrange for, or directly provide, health care services to the beneficiaries who elect to enroll in an MA plan.

Medicare D – the Prescription Drug Benefit, provides prescription drug coverage to all beneficiaries enrolled in Part A and/or Part B who elect to enroll in a Medicare Prescription Drug Plan (PDP) or an MA Prescription Drug (MA-PD) plan.

Billing, Claims, and Cost Reports

UMMH has an obligation to its residents, third party payers, outside billing agencies and the state and federal government to exercise diligence, care, and integrity when submitting claims for payment. The right to bill the Medicaid and Medicare programs carries a responsibility that may not be abused. UMMH is committed to maintaining the accuracy and/or information provided to outside billing agencies for every claim it processes and submits. Each of the individuals responsible for entering charges and codes is expected to monitor compliance with applicable billing rules. Any false, inaccurate, or questionable claims should be reported immediately to the employee's supervisor or the Corporate Compliance & Ethics Officer.

UMMH recognizes that false billing is a serious offense. Medicaid and Medicare rules prohibit knowingly and willfully making or causing to be made any false statement or representation of the material fact in an application for benefits or payment. It is also unlawful to conceal or fail to disclose the occurrence of an event affecting the right to payment with the intent to secure payment that is not due. Examples of false claims include knowingly:

1. Claiming reimbursement for services that have not been rendered
2. Filing duplicate claims
3. Including inappropriate or inaccurate costs on cost reports to be submitted under the Medicaid program
4. Billing for services or items that are not medically necessary
5. Failing to provide medically necessary items or services
6. Billing excessive charges

With respect to the submission of claims to the Medicaid and Medicare programs, it is the policy of UMMH that claims must:

1. Be accurate and submitted timely
2. Be only for items or services that:
    a. are medically necessary
    b. fall within the coverage guidelines contained in applicable laws and rules
    c. are documented in the residents medical record

Non-Compliance

Non-compliance is conduct that does not conform to the law, Federal health care program requirements, or an organization's ethical and business policies. CMS identifies the following Medicare Parts C and D high risk areas:

- Agent/broker misrepresentation;
- Appeals and grievance review (coverage and organization determinations);
- Beneficiary notices;

- Conflicts of interest;
- Claims processing;
- Credentialing and provider networks;
- Documentation and Timeliness of requirements;
- Ethics;
- FDR oversight and monitoring;
- Health Insurance Portability and Accountability Act (HIPAA)
- Marketing and enrollment;
- Pharmacy, formulary, and benefit administration; and
- Quality of Care.

Failure to follow Medicare Program requirements and CMS guidance can lead to serious consequences including:

- Contract termination;
- Criminal penalties;
- Exclusion from participation in all Federal health care programs; or
- Civil monetary penalties.

In addition there may be penalties for non-compliant behavior such as:

- Mandatory training or re-training
- Disciplinary action; or
- Termination.

Non-Compliance Affects Everybody:

Harm to beneficiaries can include:

- Delayed services
- Denial of benefits
- Difficulty in using providers of choice
- Other hurdles to care

Less money for everyone, due to:

- High insurance copayments
- Higher premiums
- Lower benefits for individuals and employers
- Lower Star ratings
- Lower profits

Submitting Claims and Cost Reports

1. Prior to submitting claims for payment, it is necessary to verify that all documentation for services reflected on the claim, such as physician orders and prior approvals, are available in a timely manner.
2. Claims may only be submitted when appropriate documentation supports the claim and only when such documentation is maintained and available for audit and review.
3. Documentation which serves as the basis for a claim must be appropriately organized in legible form so that such documentation may be audited and reviewed.
4. Diagnosis and procedures reported on reimbursement claims must be based on the medical record and other documentation.
5. Documentation necessary for accurate code assignment must be made available to all employees with coding responsibility.
6. Claims for payment or reimbursement of any kind that are false, fraudulent, inaccurate or fictitious are prohibited.
7. Falsified medical records, timecards or other records used as the basis for submitting claims are prohibited.
8. Bills submitted to Medicaid and Medicare, as well as any other payment types, for items or services which are known to not be covered are prohibited.
9. Filing claims for the same item or service to more than one payer source whereby UMMH will receive duplicate (double) payments is prohibited.
10. Submission of claims without the availability of adequate documentation is prohibited.
11. Falsification of any report or document used to document the cost of utilization of services by a payer source is prohibited.
12. Failure to report a known error or inaccuracy in any cost report or underlying document used to prepare a cost report is prohibited.
13. Recording inappropriate, inaccurate, or non-allowable costs on a cost report is prohibited.

Any employee who discovers an error or inaccuracy in any claim for payment for health care services or in any cost report that has been submitted or will be submitted should alert his or her supervisor or the Corporate Compliance & Ethics Officer.

Confidentiality

All UMMH employees possess sensitive, privileged information about residents and their care. Residents properly expect that this information will be kept confidential. UMMH takes very seriously any violation of their confidentiality. Discussing any client's medical condition or providing any information about them to anyone other than UMMH personnel who need the information or to the authorized persons will result in disciplinary action. Employees are not to discuss clients outside of UMMH.

UMMH is required to maintain the confidentiality of each resident's medical record. In this regard, medical records may not be released except with the consent of the resident or his/her legal representative, or in other limited circumstances as required by law. Medical records should not be physically removed from UMMH, altered or destroyed. Employees who have access to medical records must exercise their best efforts to preserve confidentiality and integrity of all medical records. No employee is permitted access to the medical record of any resident without a legitimate reason for doing so and proper authorization. UMMH employees must comply with all applicable regulations set forth in the Health Insurance Portability and Accountability Act (HIPAA).

In addition, employees will treat as confidential UMMH proprietary business assets including: valuable ideas, business plans, and other information about UMMH business. No employee shall divulge to unauthorized persons, either during or after their employment, any information of a confidential nature connected with the business of UMMH. Examples of confidential business information include: personnel information, such as job title, level, duties, skill or salary; or any informational disclosure which could adversely affect the business interests of UMMH.

Conflicts of Interest

No employee should place him/herself in a situation where the employee's personal interest might conflict with the interest of UMMH. UMMH recognizes and respects an individual employee's right to invest or participate in activities outside of his/her employment provided that these in no way conflict with UMMH interests or welfare and do not interfere with the employee's responsibilities to UMMH or the effectiveness of the employee's job performance.

The following are some examples of situations which employees must avoid:

1. No employee should perform any outside employment or engage in any outside activities which interfere with the effective performance of the employee's duties as a UMMH employee.

2. No employee should use their position at UMMH for personal gain by soliciting or accepting for personal benefit business opportunities that might otherwise accrue to the benefit of UMMH.

3. No employee should use for his/her personal benefit, or disclose to unauthorized persons, any confidential or proprietary information about UMMH or its operation.

4. No employee should borrow money from individuals or firms (other than banks and/or lending institutions) doing, or seeking to do, business with UMMH.

5. No employee should compete with UMMH by selling or offering to sell services similar to those services offered by UMMH.

6. No employee should accept significant gifts, discounts or other preferred personal treatment from any person associated with a present or prospective customer, competitor or supplier of UMMH.

7. No employee may use UMMH assets for personal benefit/gain or personal business purposes.

EDUCATION AND TRAINING

To ensure that all employees are familiar with their responsibilities under the UMMH Corporate Compliance and Ethics Policy, all employees and persons associated with UMMH including executives and governing body members will be required to participate in any initial or periodic training sessions as determined by the Corporate Compliance & Ethics Officer. Additionally, any periodic training sessions will also be required as determined by the Corporate Compliance & Ethics Officer, for employees of certain departments with responsibilities for billing and coding or any other responsibilities that the Corporate Compliance & Ethics Officer determines appropriate for periodic training. Such training shall be made a part of the orientation for a new employee appointee or associate, executive and governing body member. In addition, training will be provided annually to all UMMH employees.

The Corporate Compliance & Ethics Officer will distribute in writing and/or post any modifications or amendments to the Corporate Compliance and Ethics Policy. The Corporate Compliance & Ethics Officer will also provide employees with written explanations of any substantial changes in the Corporate Compliance and Ethics Policy or provide additional training sessions to employees when deemed necessary.

Employees shall be provided with periodic information about the UMMH Corporate Compliance and Ethics Program, changes in related laws or ethical standards that may affect employee responsibilities through written memoranda, training sessions or other appropriate forms of communication.

REPORTING REQUIREMENTS

Reporting

Employees of a Sponsor: It is the responsibility of every employee to report any known instances of or reasonable suspicions of any violation of applicable state or federal law, ethical standards or UMMH policies, including the policy statements contained in this manual. To report a suspected violation, an employee is required to notify, either verbally or in writing:

- The Corporate Compliance & Ethics Officer
- Call the Compliance Hotline
- Make a report through the organization's website.

First-Tier, Downstream, or Related Entity (FDR Employees)

- Talk to a Manager or Supervisor;
- Call the Ethics/Compliance Hotline; or
- Report to the Sponsor

Beneficiaries

- Call the Sponsor's Compliance Hotline or Customer Service;
- Make a report through the Sponsor's website; or
- Call 1-800-Medicare

Confidentiality

To the extent possible, UMMH shall treat all reports of suspected violations of compliance standards as confidential. However, it must be recognized that under certain circumstances the name of the individual making the report will be communicated to the Corporate Compliance & Ethics Officer if the report is made originally to the employee's supervisor. Any such disclosure will be made only on a need-to-know basis.

Investigations

It is important to the integrity of UMMH operations that all suspected violations of compliance standards be thoroughly investigated so that appropriate action can be taken as necessary. UMMH will promptly and thoroughly investigate any suspected violation and take appropriate disciplinary action when warranted. Investigations may be conducted internally by the Corporate Compliance & Ethics Officer or externally by either accountants or lawyers engaged by UMMH. Employees are required to cooperate with the individual or individuals conducting an investigation of a suspected violation. Failure to cooperate in an investigation of a suspected violation may result in disciplinary action being taken.

Non-Retaliation

To ensure employee cooperation, UMMH and its respective employees shall not take any retaliatory action or retribution against any employee who has submitted a report of suspected violation or who has participated in an investigation of a suspected violation. Any employee who takes retaliatory action or retribution against another employee who has reported a suspected violation or participated in an investigation of a suspected violation will be subject to disciplinary action.

DISCIPLINARY PROCEDURES

All employees and professional staff members are required to comply with applicable state and federal laws, ethical standards and UMMH policies, including the policy statements contained in this policy. Any employee or professional staff member who

violates any of the foregoing compliance standards will be subject to disciplinary action, up to and including termination of employment.

Disciplinary action will be taken against an employee or professional staff member who:

1. Authorizes or participates directly in a violation of compliance standards
2. Deliberately fails to report a violation of a compliance standard
3. Deliberately withholds relevant and material information concerning a violation of a compliance standard
4. Deliberately fails to cooperate in an investigation of a suspected violation of a compliance standard
5. Retaliates or seeks or causes retribution against any employee or professional contracted staff member who has either reported a suspected violation of a compliance standard or participated in an investigation of a suspected violation of a compliance standard
6. Fails to participate in required training programs

Disciplinary action may include oral or written warning, probation, suspension, demotion, or termination from employment at any UMMH building. Disciplinary action will be taken in accordance with UMMH personnel policies and procedures. Disciplinary action will be appropriate to the level of the employee's culpable conduct; the more serious the level of culpability the more significant the level of disciplinary action. This statement is not a guarantee of progressive discipline and UMMH reserves the right to terminate an employee at any time for any lawful reason.

FALSE CLAIMS AND RELATED LAWS

False Claims and Penalties

The Federal False Claims Act ("Act") imposes civil liability upon any person (individual or entity) for knowingly making a false claim to the United States Government ("Government"). Specifically, the Act sets forth seven circumstances for which civil liability will be imposed for false claims.

These seven circumstances are:

1. To knowingly present, or cause to be presented, to the Government a false or fraudulent claim for payment or approval;

2. To knowingly make, use, or cause to be made or used, a false record or statement to get a false or fraudulent claim approved by the Government;
3. To conspire to defraud the Government by getting a false or fraudulent claim allowed or paid;
4. To have possession, custody or control of property or money used, or to be used, by the Government and, intending to defraud the Government or to willfully conceal the property, to deliver or cause to be delivered, less property than the amount for which the person receives a certificate or receipt.
5. To authorize the making or delivery of a document certifying receipt of property used, or to be used, by the Government and, intending to defraud the Government, to make or deliver the receipt without completely knowing that the information on the receipt is true;
6. To knowingly buy, or receive as a pledge of an obligation or debt, public property from an officer or employee of the Government who lawfully may not sell or pledge the property;
7. To knowingly make, use, or cause to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Government.

The civil monetary penalty that can be imposed for a false claim under the Act is not less than $10,957 and not more than $21,916 per claim submitted in violation of the FCA plus three times the amount of damages which the Government sustained because of the false claim. A Court may impose a lesser penalty of not less than two times the amount of damages sustained by the Government where the Court finds the following:

1. The person committing the violation furnished Government officials responsible for investigating false claims with all information known to the person about the violation within thirty (30) days after the date on which the person first obtained the information;
2. The person fully cooperated with any governmental investigation of the violation; and
3. At the time the person furnished the Government with the information about the violation, no criminal prosecution, civil action, or administrative action had been commenced with respect to the violation and the person did not have actual knowledge of the existence of an investigation into the violation.

Definitions

Claim includes any request or demand, whether under a contract or otherwise, for money or property which is made to a contractor, grantee, or other recipient if the United States Government provides any portion of the money or property which is requested or demanded or if the Government will reimburse such contractor, grantee or other recipient of any portion of the money or property which is requested or demanded.

Knowing and knowingly are defined as: That a person, with respect to information;

a. Has actual knowledge of the information;
b. Acts in deliberate ignorance of the truth or falsity of the information; or
c. Acts in reckless disregard of the truth of falsity of the information, and not proof of specific intent to defraud is required.

In essence, civil monetary penalties may be imposed upon a person for making a false claim to the Government where the individual knows the information in the claim is false, or acts in deliberate ignorance of the truth or falsity of the information in the claim or acts in reckless disregard of the truth or falsity of the information in the claim. Civil monetary penalties are imposed even where there is no specific intent to defraud the Government.

Medicare and Medicaid Claims

The Act applies to claims submitted under Medicare, Medicaid, other federal health care programs and other state health care programs funded, in whole or in part, by the federal Government. Examples of false claims include, but are not limited to:

1. Filing a claim for payment knowing that the services were not provided or were medically unnecessary;
2. Submitting a claim for payment knowing that excessive charges are being billed;
3. Submitting a claim for payment knowing that a higher billing code which does not reflect the services provided is used;
4. Filing a claim knowing that the claim is for duplicate services.

The Act has been used as a basis to impose civil monetary penalties upon nursing homes in situations involving egregious substandard quality of care, that is, the resident's condition is so bad that the services billed could not have been provided.

MONITORING, AUDITING, AND EVALUATION OF PROGRAM EFFECTIVENESS

A periodic assessment of improper conduct or unethical behavior will be completed no less than annually or more often if needed. This assessment will entail evaluation factors such as audit results, recent litigation or settlements, compliance complaints, employee claims, industry enforcement trends, and the existence and sufficiency of policies covering an area.

This assessment will be completed by the Compliance and Ethics Committee members which consists of the corporate health facility administrators, CFO, CEO, and the compliance officer.

All findings/concerns will be remedied through staff training and education with follow-up monitoring for ensured compliance. A report of the assessment findings will be submitted to the Board of Trustees for further recommendations as needed.

After non-compliance is detected, it must be investigated immediately and promptly corrected. However, internal monitoring should continue to ensure:

- There is no recurrence of the same non-compliance
- Ongoing compliance with CMS requirements
- Efficient and effective internal controls; and
- Enrollees are protected

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Rev. 11/01/2016
Rev. 04/01/2017
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Rev. 02/07/2018