GOOD SHEPHERD SERVICES, LTD.

CORPORATE COMPLIANCE PROGRAM

Adopted
January, 1999
Revised 1/01, Revised 11/01, Reviewed 1/02, 1/03
Revised 1/04, 12/05, 1/31/06, 10/14/09, 02/17/11, 12/6/12, 1/2013, 9/2013, 1/2015

Purpose of Compliance Program

The Board of Directors of Good Shepherd Services has directed the development of a Compliance Program, to reaffirm the commitment of Good Shepherd Services to abide by high legal and ethical standards in connection with the delivery of health care and socially related services and the future operation of residential facilities for the elderly and the clients that we serve in all of our programs. The key to upholding those standards is through the daily decisions and actions of every Good Shepherd employee. We also require highly ethical conduct from our health care providers, vendors and related entities. Each employee and contractor of Good Shepherd is responsible for adhering to the policies and procedures of the Compliance Program.

HOW TO REPORT CONCERNS REGARDING COMPLIANCE ISSUES

If a Good Shepherd employee or contractor has concerns regarding any ethics or compliance issue, including any of the standards of conduct and policies and procedures described in this Compliance Handbook or the Compliance Section of the Employee Handbook:

That employee or contractor should immediately contact one of the following:

- His or her administrative supervisor
- The Good Shepherd Compliance Officer

The **Compliance Officer** can be reached at 920-833-6856 ext. 131 or e-mail to mgreuel@gssltd.org. If you choose to remain anonymous, you are encouraged to provide enough information regarding the potential violation to allow Good Shepherd to review the situation and respond appropriately.

You are encouraged to call the Compliance Officer for clarification regarding a possible compliance issue, or to report any suspected violation of a Good Shepherd policy or a federal, state or local law or regulation. Please note, however, that the Compliance Officer cannot provide you with an opinion regarding your or Good Shepherd's compliance with any federal, state or local law or regulation. You are advised to seek counsel from your own legal advisors regarding these matters. The Compliance Officer takes your calls very seriously. The information that you give the Compliance Officer is documented and investigated. The Compliance Committee works with the Compliance Officer to investigate reports of suspected violation. If the suspected violation involves any member of the Corporate Compliance Committee or Compliance Officer, that person will not be involved in the investigation. Many calls are referred to internal departments for investigation depending on the nature of the suspected violation. The Good Shepherd Board President and Board members will be notified of any compliances issues that require their attention. Good Shepherd will seek legal counsel as needed.

COMPLIANCE OFFICER AND COMMITTEE MEMBERS

Compliance Officer:

Mary Greuel (920)833-6856 ext. 131
mgreuel@gssltd.or

Compliance Committee:

Deb Captain-Executive Director (920)833-6856 ext. 102
dcaptain@gssltd.org

Leah McCarthy-Director of Nursing (920)833-6856 ext. 125
lmccarthy@gssltd.org

Dawn Gilliam-Director of Business Services (920)833-6856 ext. 137
dgilliam@gssltd.org

REPORTING AND INVESTIGATING OF VIOLATIONS

Reporting of Violations
If you become aware of a possible violation of Good Shepherd's Compliance Program or any related law or policy, you should immediately report it by contacting your administrative supervisor or the Corporate Compliance Officer. Good Shepherd assumes the responsibility to report Medicare program noncompliance, violations of law, criminal misconduct and fraud, waste and abuse to the Centers for Medicare & Medicaid Services (CMS), CMS designee, other regulatory agencies and/or law enforcements, as applicable, for any violations related to Good Shepherd.

No Retaliation
Good Shepherd strictly prohibits retaliation against any employee, health care provider, vendor or related entity who, in good faith, reports an actual or possible violation of ethical standards. Your call to the Compliance Officer may be made anonymously.

Investigation of Violations
Good Shepherd shall promptly investigate any reported potential violations of its Corporate Compliance Program and other policies and procedures. All reported issues are treated confidentially. You are expected to cooperate fully in any investigation of an alleged violation. If you want to remain anonymous, please provide enough information to allow Good Shepherd to investigate the issue. Good Shepherd employees, health care providers, vendors and related entities are expected to report to Good Shepherd upon discovery, any potential violations of Good Shepherd's Corporate Compliance Program or other policies and procedures.

Discipline for Violations
Good Shepherd employees, contracted health care providers, vendors and related entities should do what is permissible, acceptable and expected. That means using common sense, good judgment and proper behavior. Violation of Good Shepherd's Corporate Compliance Program and other policies and procedures could compromise Good Shepherd's integrity and reputation, and may result in termination of employment of a Good Shepherd employee, termination of business with a contracted health care

provider, vendor or related entity and based on the violation, reporting to the appropriate authorities. Health care providers, vendors and related entities should take appropriate disciplinary actions for those employees, representatives and subcontractors found to be in violation, up to and including termination of contract or employment. All such actions should be reported to Good Shepherd's Compliance Officer as referenced in this document.

The following are examples of conduct that can result in termination of contract or employment:

- Authorization or participation in actions that violates the Corporate Compliance Program or other policies.
- Failure to report a violation of the Corporate Compliance Program or other policies.
- Refusal to report a violation of the Corporate Compliance Program and other policies.
- Refusal to cooperate in an investigation of an alleged violation of the Corporate Compliance Program or other policies.
- Failure to detect and report a violation of the Corporate Compliance Program or other policies, if such failure reflects inadequate supervision or lack of oversight.
- Retaliation against an individual for reporting or participating in the investigation of a violation or possible violation of the Corporate Compliance Program or other policies.

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TYPES OF COMPLIANCE ISSUES TO REPORT

All employees or contractors are expected to report any reasonably suspected or known violations of any of the following:

- Applicable legal requirements.
- Good Shepherd standards of conduct, policies or procedures contained in the Compliance Program and any attachments.
- Other compliance policies and procedures which are currently included in the Good Shepherd policy and procedure manual, or which may be adopted by Good Shepherd from time to time.
- Any employee or contractor who acquires information that gives him or her reason to believe that another employee or contractor is engaged in or plans to engage in conduct prohibited by the Compliance Program.
- Any information indicating that any other person or entity associated with Good Shepherd plans to violate the standards of conduct or policies and procedures contained in the Compliance Program.

- If he/she is instructed, directed, or requested to engage in conduct prohibited by the Compliance Program.

CONFLICTS OF INTEREST

All health care providers, vendors and related entities and their employees, representatives and subcontractors supporting Good Shepherd business are required to avoid conflicts of interest. Good Shepherd associates must not engage in activities that compete with any of Good Shepherd's lines of business. Good Shepherd associates should not invest in entities they may select, manage or evaluate as a vendor to Good Shepherd.

Health care providers, vendors and related entities must be sensitive to these relationships and avoid creating situations that encourage a Good Shepherd associate to violate these policies. Health care providers, vendors and related entities should never offer or provide, directly or indirectly, anything of value – including cash, bribes or kickbacks – to any Good Shepherd associate, representative or customer or government official in connection with any Good Shepherd procurement, transaction or business dealing. Such prohibition includes offering or providing consulting, employment or similar position by a health care provider, vendor or related entity to any Good Shepherd associate involved with a Good Shepherd procurement. This also applies to their family members or significant others.

Good Shepherd health care providers, vendors and related entities are required to obtain a conflict of interest statement upon hire and annually thereafter from all employees and representatives. This statement certifies that the employee or representative is free from any conflict of interest for administering or delivering Medicare benefits or services. In addition, Good Shepherd reserves the right to obtain certifications from all providers, vendors and related entities to verify that entity(ies) and their employees and representatives are free from conflicts of interest.

GIFTS AND ENTERTAINMENT

It is Good Shepherd's policy that associates cannot give to or accept from health care providers, vendors or related entities gifts with a value greater than $50 USD. Any nominal gifts or courtesies must be lawful, unsolicited and infrequent. Gifts of money or cash equivalents are never permissible. The health care provider, vendor or related entity should not present gifts to associates of Good Shepherd. A Good Shepherd health care provider, vendor or related entity is expected to understand the business entertainment policies of Good Shepherd before offering or providing any Good Shepherd associate or representative any business entertainment. Business entertainment should never be offered to a Good Shepherd associate or representative by a health care provider, vendor or related entity under circumstances that create an appearance of impropriety.

ANTI-KICKBACK LAWS

Federal anti-kickback laws prohibit people from paying for meals, refreshments, travel or lodging for government employees. Medicare and Medicaid specific laws prohibit knowingly offering, paying, soliciting or receiving remuneration of any kind to induce the referral of business under a federal program. Federal acquisition regulations state that no gratuities, in the form of entertainment, gifts or otherwise, or kickbacks shall be offered or given by a health care provider, vendor or related entity, or anyone acting on a health care provider's, vendor's or related entity's behalf, to any employee of the government or prime contractor of the health care provider, vendor or related entity with a view toward securing favorable treatment. The U.S. Foreign Corrupt Practices Act prohibits U.S. citizens and organizations – including foreign companies of U.S. organizations – from paying foreign officials for the purposes of gaining a business advantage. In addition, most states have laws that prohibit kickbacks and rebates. Violators are subject to imprisonment, high fines, exclusion from Medicare and Medicaid and government contracts, costly civil penalties and possible prosecution under many similar state laws.

GOOD SHEPHERD DOES NOT PAY FOR REFERRALS

- Good Shepherd will not pay or accept payment from anyone -- employees, physicians, hospitals, or other health care professionals and providers -- for referrals.

- Good Shepherd will not make payments or provide non-cash benefits (e.g., office space, services of support personnel, etc.) to any physician or other health care professional in exchange for, or in order to induce, referrals.

Guidelines for Appropriate Referrals by Non-Employees and Employees

Physicians and other health care professionals who are not employees of Good Shepherd are free to refer residents/patients/clients/children to any person or entity they deem appropriate, or as requested by the resident/patient/client/child.

Where employees of Good Shepherd are in a position to make referrals, they must make such referrals based on the preferences of the individual seeking treatment, or, if the individual does not express a preference for a particular provider, what is best for the individual.

In any case, referrals by employees of Good Shepherd must be made without regard to the number of referrals any physician or other health care professional has made to Good Shepherd.

ANTI-TRUST LAWS

State and federal antitrust laws prohibit monopolistic conduct and agreements that restrain trade. Good Shepherd is committed to competition and consumer choice in the marketplace. All health care providers, vendors and related entities must adhere to the antitrust laws and must avoid any agreements or understandings with competitors on price, customers, markets or other terms of dealing, and avoid trade practices that unfairly or unreasonably restrain competition in dealings with customers.

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) OF 1996

It is the intention of Good Shepherd to comply with the requirements of HIPAA as they pertain to privacy

and confidentiality. All medical records and other individually identifiable health information held or disclosed by Good Shepherd, whether communicated electronically, on paper, or orally falls within the protection of this regulation.

- All residents/tenants/patients/clients will be provided with a clear written explanation of how they can use, access, keep and disclose their health information. Such information shall include a complaint mechanism.

- Good Shepherd Services shall not knowingly release health-related information without the voluntary consent of the care recipient or as allowed or required by other statutes.

- Any release of health information for non-health purposes shall require the explicit authorization from the individual.

- All disclosures of information will be limited to the least amount necessary for the purpose of disclosure unless, as allowed, when the full record is needed to provide the best quality care or treatment.

- Good Shepherd has developed and implemented written policies and procedures defining who has access to information, how information is used within the entity and when information would or would not be disclosed.

- Employees will receive the sufficient training on privacy protection procedures.

- Good Shepherd has designated the Nursing Home Administrator as the Privacy Officer to monitor the effectiveness of the program and facility compliance. The Business Services Director/ or designee is appointed as the security officer to monitor and make recommendations necessary to maintain the integrity of the medical records.

- Good Shepherd has instructed and expects that contractors or any business associate shall protect the privacy of health information. This has been accomplished by providing them with a copy of the compliance plan.

- Good Shepherd has established a grievance process, providing a means for patients/residents/tenants/client to make inquiries or complaints regarding the privacy of their medical record.

- Good Shepherd will honor requests for electronic copies of PHI, as appropriate. Requests for electronic records will be facilitated by the Business Services Director.

- Good Shepherd will not use PHI for marketing or fundraising, nor will it sell PHI.

- All breaches in PHI shall be reported to the Executive Director. All breach incidents must be reported under the HIPAA Omnibus Rule unless risk of compromise is low. See DHS/DQA memo 13-019.

- HIPAA enforcement and penalties shall apply in relation to breaches of PHI.

CONTRACTOR OBLIGATIONS UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) OF 1996

In matters relating to the contractor's access, possession and use of protected information at GSS, the contractor will:

- Restrict the use and disclosure of protected health information as permitted by the agreement, HIPAA, state and federal law
- Use necessary safeguards to prevent unauthorized use or disclosure
- Report to GSS any unauthorized use, breach or disclosure
- Extend compliance obligations to subcontractors and agents
- Make protected health information available upon the request of the patient/client/tenant/resident or their legally designated agent
- Upon notification, incorporate changes and additions to protected health information
- Make its books, records and information practices regarding protected health information available to the Department of Health and Human Services
- Return or destroy all protected health information upon contract termination
- Authorize termination of the contract for a material breach or release of protected information
- Agree to the right of GSS to monitor the contractor's compliance
- Agree to the right that GSS may cure the breach by the business associate
- Agree to the right of GSS to seek an injunction (with stipulation to burden of proof)
- Agree to indemnification for a breach
- Agree to no cap on liability for breaches
- Agree to relinquish control to GSS for subpoenas received by the business associate
- Use data in accordance with applicable law

FALSE CLAIMS ACT

The False Claims Act is a federal statute that deals with any federally funded contract or program, including Medicare or Medicaid, regarding fraudulent activities. Liability for any person or company who knowingly submits or causes to be submitted a false or fraudulent claim (any request or demand for money) to the U.S. government is documented in the False Claims Act.

Whistleblower (Qui Tam) Protection – 31 United States Code Service (USC) 3730 (h)

The whistleblower provision protects employees who assist the federal government in investigation and prosecution of violations of the False Claims Act. Whistleblower protections apply only to actions taken in furtherance of a viable False Claims Act case, which has been, or is about to be, filed. The provision prevents retaliation against employees such as firing them for assisting in the investigation and prosecution. If any retaliation does occur, the employee has a right to obtain legal counsel to defend the actions taken. **Note:** A whistleblower (Qui Tam) is someone, such as an employee, who reports suspected misconduct that would be considered an action against company policy or federal laws or regulations.

Physician Self-Referral Prohibition Statute commonly referred to as the "Stark Law" 1877 of the Social Security Act (42 USC 1395)

This statute prohibits physicians from referring Medicare patients for certain designated health services (DHS) to an entity with which the physician or a member of the physician's immediate family has a financial relationship, unless an exception applies. It also prohibits an entity from presenting or causing to be presented a bill or claim to anyone for a DHS furnished as a result of a prohibited referral. For more information, see http://www.cms.hhs.gov/PhysicianSelfReferral on the CMS website.

ANTI-MONEY LAUNDERING

Good Shepherd has an anti-money laundering program that is based on assessed risks associated with Good Shepherd's covered entities. The program is designed to reasonably prevent Good Shepherd from being used by others to facilitate money laundering and the financing of terrorist activities involving any covered entity, and to report suspicious transactions involving any covered entity to the Financial Crimes Enforcement Network (FinCEN). Health care providers, vendors and related entities may not engage in money laundering or finance terrorist activities, and are expected to have programs to prevent and detect such activities.

FAIR MARKET VALUE

Any payments to physicians, other health care professionals and providers, or other individuals or entities that provide items or services in connection with the delivery of health care services by Good Shepherd must represent the fair market value of specific items or services provided or rendered pursuant to a written contract that has been approved through the Good Shepherd contract approval process.

FRAUD, WASTE & ABUSE

Good Shepherd has zero tolerance for any activity that constitutes fraud, waste or abuse. The detection, correction and prevention of fraud, waste and abuse is essential to maintaining a health care system that is affordable for everyone. Both state and federal law enforcement agencies are increasingly focused on investigating health care fraud, waste and abuse. In 2006, CMS issued the Medicare Fraud, Waste and Abuse Guidance that may be found at:
http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/PDBManual_Chapter9_FWA.pdf

The following are definitions of fraud, waste and abuse:

Fraud means an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to him or herself or some other person. It includes any act that constitutes fraud under applicable federal or state law.

Waste means to use up health care benefits or spend health care dollars without real need. For example, prescribing a medication for 30 days with a refill when it is not known if the medication will be needed.

Abuse means health care provider practices that are inconsistent with sound fiscal, business or medical practices and result in unnecessary cost to the health care system, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care. It also includes beneficiary practices that result in unnecessary cost to the health care system. Contracted health care providers, vendors and related entities are responsible for developing their own comprehensive plan for detecting, correcting and preventing fraud, waste and abuse

QUALITY OF CARE

Good Shepherd is a faith-based care campus dedicated to serving those entrusted to us with dignity, respect and compassion, in a safe and cheerful environment. Our goal is to provide extraordinary care, while creating moments of joy and a sense of belonging. Good Shepherd Administrative staff are familiar with and support Good Shepherd's commitment to compliance of 42CFR part 483(part 483) which sets forth the principal requirements for nursing facility participation in the Medicare and Medicaid programs. Targeted training in the requirements of part 483 is given to care providers, managers, administrative staff, officers and directors of Good Shepherd. Good Shepherd ensures that corporation meets the requirements of part 483 and state and federal policies by reviewing survey results, training of staff, reviewing policies and procedures and monitoring that all staff follow state and federal policies.

- Good Shepherd **schedules staff** to comply with state and federal policy and in regard to maintaining the highest practicable physical, mental and psychological well-being of residents. Staffing patterns are assessed regularly to ensure that there are sufficient and qualified staff to care for the unique acuity levels of the residents. In assessing staffing models, schedulers keep in mind resident case-mix, staff skill levels, staff-to-resident ratios, staff turnover, staff schedules, disciplinary records, payroll records, timesheets and adverse even reports(e.g. falls or adverse drug events), as well as receiving input from staff, resident's families or legal guardians.

- **Comprehensive Resident Care Plans** are developed for each resident to ensure that each resident is receiving necessary medical, nursing and mental and psychosocial needs. The care plans include reasonable objectives and timetables. Good Shepherd ensures that all care planning includes all disciplines involved in resident care. Perfunctory meetings and plans are conducted with the full clinical team. The full interdisciplinary team meets regularly and completes all assessments before the meeting is convened. During these meetings, there is an exchange of information between the direct care providers and interdisciplinary team members, the resident and the resident's family members or legal guardian. Documentation is kept on the length and content of the meeting.

  Good Shepherd ensures that a physician supervises each resident's care. The physician is involved in the resident's care plan through consulting, care planning, and meeting either in person or via meeting attendance.

- Good Shepherd follows part 483 regulations in providing **pharmaceutical services**(including procedures that assure accurate acquiring, receiving, dispensing and administering of all drugs and biologicals) to meet the needs of each resident. Good Shepherd has a policy and procedure in place for maintaining accurate drug records and tracking medications. All staff involved in pharmaceutical care of residents are trained on a regular basis on proper medication management. A policy and procedure is in place to ensure the proper tracking of medications and keeping accurate drug records. Good Shepherd works closely with the facility's licensed pharmacist in helping to identify, evaluate and address medication issues. The pharmacist reviews the drug regimen of each resident at least once a month. The pharmacist shall report any irregularities discovered in a resident's drug regimen to the attending physician and the director of nursing. The pharmacist also keeps a record of the receipt and disposition of all controlled drugs.

- Good Shepherd ensures that **psychotropic medications** are used appropriately. Good Shepherd does not use any medication as a means of chemical restraint for purposes of discipline or convenience and which are not required to treat a resident's medical symptoms. Unless otherwise contraindicated residents who are prescribed psychotropic medications, receive gradual dose reductions and behavioral interventions aimed at reducing medication use. Good Shepherd ensures that there is adequate indication for the use of the medication and monitors, documents and reviews the use of any resident's psychotropic drugs. The use of psychotropic drugs is monitored by the physician, medical director, pharmacist and resident care providers and outcomes of care reviewed to ensure that the resident's care plan is being effective or if the plan needs to be adjusted to meet the resident's needs.

- All residents have the legal right to be free from abuse and neglect. Good Shepherd **promotes resident safety** through implementing policies and procedures to prohibit mistreatment, neglect and abuse of residents. Procedures to report abuse and neglect and the procedures used to investigate a report are outlined in the Corporate Compliance Policy.

- Good Shepherd care staff are trained to be aware of and report to their immediate supervisor any **resident to resident interactions** which may be considered abusive. In an attempt of avoid resident to resident abuse, Good Shepherd properly screens and assesses residents as part of the

admission process. Periodic resident assessments, comprehensive care plans, and adequate staffing assignments are used to monitor and ensure that a safe environment is provided for all residents.

- Good Shepherd **will not hire or maintain employment** of any individuals who have been found guilty of abuse, neglect or mistreatment of residents or individuals with a finding entered into the State nurse aide registry concerning abuse, neglect, mistreatment of residents or misappropriation of their property. Good Shepherd runs a background check and performs an OIG exclusion check on all prospective employees. Employees must provide verification of their education, licensing certification and training.

- Good Shepherd **requires that all agencies and employees** within the organization follow state and federal regulations and policies which are specific to their department in caring for and interacting with tenants, clients, residents, children and families. There is zero tolerance for abuse, waste and/or neglect within any agency that is a part of Good Shepherd.

THERAPY SERVICES

Residents have the right to receive necessary and appropriate physical, occupational and speech therapy services. Good Shepherd contracts with a licensed therapy contractor. The therapy contractor provides Good Shepherd with complete and contemporaneous documentation of each resident's services; regular and periodic reconciliation of the physician's orders and the services actually provided; interviews with the residents and family members and assessments of the continued medical necessity for services which are shared during resident care planning meetings.

RESTORATIVE AND PERSONAL CARE SERVICES

Good Shepherd strives to ensure that residents receive appropriate restorative care and personal care services which will allow them to attain and maintain their highest level of functioning. Personal care services include, but are not limited to: care to avoid pressure ulcers, active and passive range of motion, ambulation, fall prevention, incontinence management, bathing, dressing and grooming activities. Good Shepherd care staff and interdisciplinary team members ensure compliance to providing restorative and personal care services through resident and staff interviews, medical record review, consultations with physicians, the medical director and pharmacist, and personal observation of daily care.

HOSPICES

Good Shepherd provides for hospice services for the terminally ill within the facility. The resident must meet the hospice eligibility criteria and elect the hospice benefit. Good Shepherd's relationship, with hospices providing services to residents, must fit into a safe harbor and follow the anti-kickback policy of the facility.

RESERVED BED PAYMENTS

If a resident requires hospitalization, he/ she may sign a bed hold agreement form. It will be explained to the resident and/or resident's family what is included in the bed hold policy. Reserved beds arrangements serve the purpose of securing needed beds, not future referrals. Good Shepherd does not hold beds for hospitals or other entities.

INTEGRITY OF COMPANY INFORMATION

ACCURACY OF INFORMATION

Good Shepherd is committed to providing accurate and truthful information in any transaction. This commitment is reinforced by internal controls and procedures developed so that any report and record of any type is accurate and reliable. This includes a system of internal accounting controls designed to maintain the integrity and reliability of our financial reporting to all governmental and other regulatory agencies. The internal controls are also designed to detect and prevent illegal activities in compliance with the Foreign Corrupt Practices Act.

Good Shepherd's financial reporting system also provides assurance to all governmental and other regulatory agencies, the Board of Directors and management that our assets are safeguarded and transactions are executed and recorded properly in accordance with appropriate authorization. Audits are conducted on an annual basis utilizing an outside auditing agency.

SAFEGUARDING INFORMATION ASSESTS

Good Shepherd creates and has access to highly confidential information, which must be safeguarded to prevent inappropriate disclosure and unwarranted invasion of the rights to privacy of our clients and contracted entities. Good Shepherd follows HIPAA privacy and security rules, as should Good Shepherd employees, health care providers, vendors and related entities. Good Shepherd employees, health care providers, vendors and related entities must retain all information belonging to Good Shepherd in strictest confidence and will neither use it nor disclose it to a third party, other than its employees having a need to know, without the explicit written permission of Good Shepherd. Unauthorized disclosure of, or access to, confidential or proprietary information may result in termination of employment, termination of contract, and also may result in civil and criminal penalties. Health care providers, vendors and related entities may be required to sign a business associate agreement, depending on the services performed on Good Shepherd's behalf and the type of Good Shepherd information the health care provider, vendor or related entity accesses.

Good Shepherd's confidential information includes, among other things, internal business practices and records; network, electronic and media software and hardware, inventions and patent applications; information concerning clients, providers, products, pricing, and health information; and financial information about Good Shepherd contracts.

BUSINESS WITH THE GOVERNMENT

Good Shepherd complies with various federal and state laws, which impose stringent requirements. It is essential that there be strict compliance with all laws and regulations in transacting business with the government.

Good Shepherd employees, contracted health care providers, vendors and related entities and their employees, representatives and subcontractors must never:

- Destroy or alter any document or record in anticipation of a request for the document or record by a government agency or court;
- Lie or make false or misleading statements to any government investigator; or
- Persuade any employee or any other person, to provide false or misleading information to a government investigator.

INELIGIBLE HEALTH CARE PROVIDERS, VENDORS AND RELATED ENTITIES

Good Shepherd is subject to strict governmental regulations. The government requires us to refrain from employing and contracting with health care providers, vendors and related entities and their employees, representatives and subcontractors who have engaged in certain types of activities. Entities and their employees, representatives and subcontractors will be ineligible for any contractual relationship if they have been or are:

- Convicted of a criminal offense related to health care.
- Listed as debarred, excluded or otherwise ineligible for participation in federal health care programs.
- Identified and listed on the Executive Order 13224 - Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism.
- Listed on the Department of Health and Human Services Office of Inspector General and General Services Administration Exclusion lists.

The exclusion lists are checked upon initial engagement and each quarter. Good Shepherd employees are checked prior to being hired and on a quarterly basis. Good Shepherd reserves the right to obtain certifications from all health care providers, vendors and related entities to verify that entity(ies) and their employees, representatives and subcontractors are not on such lists. In addition, health care providers, vendors and related entities must notify Good Shepherd if any of their employees, representatives or subcontractors which have been excluded from any federal program.

Good Shepherd is subject to the Violent Crime Control and Law Enforcement Act of 1994, which makes it a felony for Good Shepherd to hire or contract with an individual who has ever been convicted of a felony involving dishonesty or a breach of trust. These individuals and their employees and representatives will be ineligible for employment or any contractual relationship with Good Shepherd.

LAWS RELATING TO TAX-EXEMPT STATUS

It is the policy of Good Shepherd to comply fully with all federal and state tax laws and regulations and to preserve the tax exempt status of Good Shepherd.

- Good Shepherd will conduct its operations in such a manner as to further the charitable purposes of Good Shepherd and to enable the resources of Good Shepherd to be used for the benefit of the community, rather than the private interests of any individual within Good Shepherd.

- Good Shepherd and its employees will avoid compensation arrangements or other transactions in excess of fair market value that might jeopardize the tax exempt status of Good Shepherd.

- All tax information and tax returns will be filed in accordance with applicable law.

Refer Questions to Legal Counsel

If questions arise regarding whether a proposed business arrangement is in compliance with federal or state laws that prohibit payments in exchange for the purchase of items or services or for the referral of residents/patients/clients/children, legal counsel will be consulted in order to determine whether the proposed arrangement is acceptable.

GOOD SHEPHERD DOES NOT PAY RESIDENTS/PATIENTS/CLIENTS

Prohibited Financial Benefits to Residents/Patients/Clients

Good Shepherd will not waive insurance co-payments or deductibles, or otherwise provide financial or non-cash benefits (e.g., free services) to individuals in order to induce such individuals to request or receive health care services from Good Shepherd.

Guidelines for Appropriate Financial Accommodation of Residents/Patients/Clients

Under appropriate circumstances, Good Shepherd may provide appropriate financial accommodation (such as allowing monthly payments over time) or may waive resident/patient/client/child co-payment or deductible amounts based on an assessment of the individual resident/patient/client/child's financial condition and a determination that the payment

of such co-payment or deductible amounts would cause a financial hardship for the resident/patient/client/child.

Any such monthly payment arrangements or waivers of co-payment or deductible amounts on the basis of financial hardship must be:

- ✓ Documented in writing
- ✓ Approved by the Business Services Director and Executive Director
- ✓ In accordance with established Business Services policies and procedures.

In addition, waivers of resident/patient/client/child co-payment or deductible amounts must be appropriately disclosed to all third party payers responsible for the resident/patient/client/child's bill.

Familiarity and Compliance with Regulatory Information Distributed in Writing and/or Via Training

From time to time, Good Shepherd will distribute written information and/or provide in-house training sessions regarding federal and state regulatory compliance issues relating to the provision of health care services by Good Shepherd, or reimbursement by government health care programs for such services.

These issues will include those that are identified as a result of internal audit and monitoring activities, or identified as potential areas of concern by the Centers for Medicare and Medicaid Services (CMS - formerly known as HCFA), the Office of Inspector General of the Department of Health and Human Services ("OIG"), or other federal or state government agencies.

Employees and contractors should review such information and address any questions to the Compliance Officer.

Licenses, Certifications, Approvals and Accreditations

Good Shepherd maintains all licenses, certifications, approvals and accreditations necessary for the operation of each health care facility, service, or department within the Good Shepherd system.

In addition, Good Shepherd will comply with all applicable requirements for participation in government health care programs, including Medicare and Medicaid, and private health insurance plans to which claims or requests for payment for health care services are submitted on behalf of Good Shepherd.

Bills Will Be Accurate and Complete

Employees and contractors of Good Shepherd have an obligation to ensure that all bills submitted to

residents/patients/clients/children, government programs, and other payers are accurate and complete.

All invoices, bills, claims, records, and reports submitted to resident/patient/client/children, government programs, or other payers in connection with requests for payment for services rendered should be clear and accurate and should provide sufficient information and documentation to substantiate:

- The particular health care services rendered
- The medical necessity of such services, and
- The costs for such services.

Each resident/patient/client/child's medical/other record should completely and accurately document:

- The specific services rendered to the resident/patient/client/child, and
- The identity of the health care professional(s) involved in the rendering of such services.

Statements Must be True and Accurate

All employees and contractors of Good Shepherd must exercise care in any written or oral statement made to any government agency or any third party payer.

Good Shepherd will not tolerate false or misleading statements by employees or contractors to a government agency or any third party payer.

Deliberate misstatements to government agencies or other third party payers expose the employee or contractor involved to severe sanctions, up to and including immediate termination of employment or Service Agreement as applicable, and civil or criminal penalties.

Discovery and Reporting an Error or Inaccuracy in a Claim for Payment

Any employee or contractor of Good Shepherd who discovers an error or inaccuracy in any claim for payment for health care services that has been submitted or will be submitted to a resident/patient/client/child, government program, or other payer should alert his or her supervisor or the Business Services Office immediately.

The Business Services Department will review the matter and, if appropriate, notify the Compliance Officer.

The Business Services Director will inform the employee or contractor who made the report as soon as practical stating whether the matter was resolved by the Business Services Department and, if so, how the matter was resolved, or whether the matter was referred to the Compliance Officer for further review.

COST REPORTS

Cost Reports Must be Accurate and Complete

In addition to submitting claims for specific services, Good Shepherd submits annual cost reports to government payers for reimbursement of administrative, overhead, and other general costs.

- Cost reports must be accurate and complete.
- Good Shepherd will not accept any falsification or misstatements in these reports.
- Deliberate misstatements expose the employee involved to severe sanctions, up to and including immediate termination of employment, as well as civil or criminal penalties.
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Discovery and Reporting an Error or Inaccuracy in a Cost Report

Any Good Shepherd employee who discovers an error or inaccuracy in any cost report that has been submitted or will be submitted to a government program or other payer should alert his or her supervisor or the Business Services Department immediately.

- The Business Services Director will review the matter and, if appropriate, refer the matter to the Compliance Officer.
- The Business Services Director will notify the employee who made the report as soon as practical stating whether the matter was resolved by the Business Office and, if so, how the matter was resolved, or whether the matter was referred to the Compliance Officer for further review.

BILLING PERSONNEL

Responsibility of Billing Personnel

Good Shepherd requires all billing personnel to be knowledgeable regarding the billing policies and procedures relating to health care services furnished by Good Shepherd and established by government programs and private third party payers.

Responsibilities of the Business Services Director

Good Shepherd employs a Business Services Director who is responsible for:

- Overseeing all billing services performed on behalf of Good Shepherd.
- Obtaining and disseminating the information necessary for all persons involved in billing to determine the billing requirements of government programs and private third party payers to

which claims or requests for payment are submitted on behalf of Good Shepherd.

Responsibilities of the Billing Clerk

All questions regarding billing requirements should be directed to the Billing Clerk.

If the Billing Clerk is unable to answer billing questions that arise, then he or she should contact sources outside of Good Shepherd for additional information and/or clarification regarding the appropriate billing requirements, including:

- Good Shepherd Medicare Carrier and/or Fiscal Intermediary
- Wisconsin Department of Medical Assistance
- CMS
- Appropriate private health plan personnel
- Other outside experts and legal counsel

All requests for additional information and/or clarification of the billing requirements for a government program or a private third party payer will be documented and, if possible, all responses to such requests will be obtained in writing.

EDUCATION AND TRAINING RELATED TO BILLING AND COST REPORTING

Information Maintained in Central Location and Updated Regularly

- Information regarding the applicable billing requirements of government programs and private third party payers will be maintained in a central location that is readily accessible to all Good Shepherd personnel involved in billing.

- This information will be reviewed and updated on a regular basis by the Business Office.

- Billing personnel will be notified immediately by the Business Services Director of any material changes to the applicable billing requirements of which the Billing Services Director becomes aware or is notified of.

Training Related to Changes in Billing Requirements

- Significant changes to billing requirements will be communicated during in-house training sessions conducted by the Business Services Department.

- Billing personnel will stay apprised of the applicable billing requirements through in-house training sessions or by attending training seminars sponsored by payers or professional societies and associations.

- Attendance by billing personnel at outside seminars and in-house training sessions will be

documented by the Business Services Director.

EVALUATION OF BILLING PRACTICES

Periodic Review of Billing and Cost Reporting Practices

On a periodic basis, and no less often than annually, Good Shepherd will evaluate the appropriateness of its billing and cost reporting practices by reviewing the current billing and cost reporting requirements for all items and services furnished by Good Shepherd, in order to determine whether each billing and cost reporting practice complies with the applicable billing and cost reporting requirements.

This review of billing and cost reporting practices will include a detailed review of any issues that have been identified as a result of internal audits or claims monitoring activity, and any issues that have been identified by CMS, the OIG, or other federal or state government agencies as problematic for health care providers.

Any questions as to the appropriateness of a particular billing or cost reporting policy or practice will be directed to outside experts if necessary.

Correcting Any Identified Inconsistencies

I n order to correct any identified inconsistencies between current billing and cost reporting practices and the applicable billing and cost reporting requirements, these steps will be taken:

- The inconsistency will be documented.
- A corrective action plan will be prepared, which will include a description of any in-house training that will be provided to billing personnel in order to address the identified billing and cost reporting compliance issues.
- Participation by billing personnel in any such training programs will be documented.
- Advice on these issues from legal counsel will be obtained as necessary.

CLAIMS MONITORING

Good Shepherd will develop a plan and procedures for pre-submission and post-submission claims monitoring, which will:

- Include the development of specific guidelines for determining which claims are to be reviewed
- Ensure thorough documentation of actions relating to such review.

Pre-Submission Review

The pre-submission review will:

- Include a comparison of the codes billed with the documentation provided in the medical record.
- Ensure that all items and services billed, and the medical necessity of such items and services, are adequately and accurately described and documented

The pre-submission review will also include a procedure whereby:

- Questions regarding claims are directed to the appropriate physician or other health professional involved, and
- Any needed clarification and/or amendments to the documentation relating to the claim are made by appropriate personnel.
- The claim reviewer will document the results of all pre-submission claims monitoring.

The Post-Submission Review

The post-submission review will include a random audit of claims submitted by Good Shepherd over a specified period.

- The audit will include a comparison of the documentation in the resident/patient/client=s medical record with the service billed.
- If the documentation contained in the medical record does not support the services billed, the individual conducting the audit will review the claim with the billing health professional to determine whether additional information can be added to the resident/patient/client's medical record so that the medical record will accurately reflect the services that were in fact provided.
- All entries in a resident/patient/client's medical record must be made in accordance with the applicable Good Shepherd medical records policies.
- The post-submission review will include specific procedures for taking corrective action, including submitting revised bills or refunding overpayments, where appropriate.
- Corrective action will be thoroughly documented by the Compliance Officer.
- Such documentation will be maintained in the Compliance Officer's files.

DOCUMENT RETENTION AND MEDICAL RECORD PRIVACY

In order to ensure that Good Shepherd keeps those documents required by law and necessary to its operations, employees, professional staff members, and contractors of Good Shepherd should adhere to the following guidelines on document retention.

Requirements of Government Programs and Other Third Party Payers

Good Shepherd will comply with the document retention requirements of state or federal government health care programs and other third party payers with regard to records relating to the provision of health care services to beneficiaries of such government programs or the health care reimbursement plans of such third party payers.

Requirements of State and Federal Law

Good Shepherd will comply with the document retention requirements under state and federal law and regulations with regard to all medical, financial, and administrative records concerning health care services.

- No employee or contractor should ever destroy or alter any documents in anticipation of a request for those documents from any government agency or court.
- If any employee or contractor believes that such conduct has occurred or may occur, the employee, or contractor should contact the Good Shepherd Compliance Officer at (920) 833-2838 immediately.

Resident/Patient/Client/Child Confidentiality and Privacy

All medical and other records concerning residents/patients/clients/children of Good Shepherd will be maintained as confidential and will be disclosed to third parties only as required or permitted by state or federal law.

GOVERNMENT INVESTIGATIONS

GOOD SHEPHERD POLICY IS TO COMPLY WITH APPLICABLE LAWS

It is the policy of Good Shepherd to comply with all applicable laws governing the provision of services to residents/patients/clients/children and to comply with all lawful and reasonable requests made in a government investigation.

Good Shepherd expects its employees and contractors to provide truthful responses to government inquiries.

PROTECTION OF LEGAL RIGHTS IS ESSENTIAL

If any employee or contractor receives an inquiry, a subpoena, or other legal document regarding the business of Good Shepherd, whether at home or in the workplace, from any governmental agency, it is essential that the legal rights of Good Shepherd and of the personnel involved be protected.

If an employee or contractor should receive such legal document, he or she should notify the Good Shepherd Compliance Officer immediately.

RIGHT TO LEGAL COUNSEL

The law guarantees all of us a right to be represented by legal counsel during any investigation or inquiry by any governmental agency.

Because these investigations sometimes involve extremely technical issues, we feel that Good Shepherd itself should be so represented and that all of our employees and contractors should at least be made aware of the opportunity for such representation.

ROUTINE INQUIRY VS. FORMAL INVESTIGATION

Sometimes, it is difficult to tell when a routine government inquiry, audit or review turns into a more formal governmental investigation.

- Good Shepherd will rely on the common sense and alertness of its employees, professional staff members, and contractors for making this important determination.

- In case of any doubt, employees, professional staff members, and contractors should consult with the Good Shepherd Compliance Officer.

AVAILABILITY OF COMPLETE COMPLIANCE PROGRAM

The complete Corporate Compliance is available on the Good Shepherd website @ www.gssltd.org and is located in print in the Corporate Compliance Officers office. New employees shall be orientated on the Corporate Compliance Policy upon hire and a condensed version of the policy is part of the employee handbook.