

Good Shepherd Home Code of Conduct

Compliance and Ethics Program

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OUR COMPLIANCE CULTURE

Commitment to Compliance

Good Shepherd Home is committed to operating its business in an honest, ethical, and legal manner. There are many laws and regulations governing Good Shepherd Home's operations, and Good Shepherd Home strives to comply with all of them. Good Shepherd Home also endeavors to be a good corporate citizen and to act ethically in its dealings with vendors, referral sources, competitors, and others.

Good Shepherd Home strives to foster a culture of compliance within its organization, such that all employees, agents, and contractors will "live" compliance when carrying out their responsibilities on behalf of Good Shepherd Home. Good Shepherd Home recognizes that compliance is a cooperative effort, and that it cannot meet its high standards without the support and assistance of its employees, agents, and contractors.¹ Good Shepherd Home expects its employees to contribute to its compliance culture by recognizing and doing "the right thing."

This Compliance and Ethics Program Manual (CEPM) formalizes Good Shepherd Home's commitment to compliance by establishing Good Shepherd Home's standards of conduct, as well as policies and procedures regarding compliance with applicable laws. This CEPM is intended to apply, where applicable, to all relationships between Good Shepherd Home and other health care providers, vendors, and suppliers. This CEPM also reaffirms Good Shepherd Home's commitment to the delivery of quality health care consistent with applicable State and Federal health and safety standards.

Oversight

Good Shepherd Home has appointed a Compliance Officer² and has a compliance committee³ charged with the responsibility of developing, operating and monitoring its compliance and ethics program (CEP). The Compliance Officer and his/her committee report directly to Good Shepherd Home's governing body on compliance matters. Questions regarding the application of this CEPM may be directed to the Compliance Officer.

Employee Education

Employees will receive **annual** education regarding compliance and should be familiar with the laws governing their job responsibilities and the matters set forth in this CEPM.

Reporting of Violations

An important goal of Good Shepherd Home in fostering its compliance culture is that all employees feel comfortable reporting to Good Shepherd Home any inappropriate activity. In fact, all employees have an obligation to report violations, suspected violations, questionable conduct, or questionable practices in accordance with the reporting mechanisms established in this CEPM. Retaliation against any employee for reporting is strictly prohibited.

Because Good Shepherd Home believes that compliance is a cooperative effort, Good Shepherd Home has adopted a chain of command approach with respect to compliance reporting and response. That is, all employees are expected to report suspected violations to their immediate supervisor. Assuming that the issue is within the supervisor's area of expertise, the supervisor will determine the appropriate response. If a supervisor needs assistance, the supervisor can report the potential violation "up the chain" to his supervisor for additional input. Further reports up the chain may be necessary in the event of significant compliance issues.

¹ Indeed, we use the term "employees" through this CEPM for ease of reference, but obligations, training, discipline, and other policies in this CEPM also apply to our employees, agents, contractors, and volunteers, as applicable.

² Note that only those organizations with five or more SNFs are required to have a designated "Compliance Officer" pursuant to the Requirements of Participation. However, we believe that it is appropriate for even smaller organizations to designate an individual as a "Compliance Officer" so that the individual responsible for oversight of the program is clear. The Office of Inspector General ("OIG") Compliance Program Guidance for Nursing Facilities also identifies having a designated Compliance Officer as one of its seven elements of an effective compliance program.

³ Similarly, while the Requirements of Participation for SNFs do not specifically require a compliance committee, the OIG Compliance Program Guidance for Nursing Facilities also identifies the compliance committee (along with the Compliance Officer) as one of the seven elements of an effective compliance program.

Good Shepherd Home recognizes that situations may arise where an employee does not feel comfortable reporting to his supervisor, or an employee may be concerned that his supervisor will not address the issue. Because Good Shepherd Home does not wish for these concerns to deter employees from reporting legitimate compliance concerns, Good Shepherd Home has also developed mechanisms for employees to report issues anonymously and/or directly to the Compliance Officer. To report anonymously Good Shepherd has put 2 mechanisms in place.

- 1.) Call: 1-844-664-1425
- 2.) Web portal: goodshepherdhome.ethicspoint.com

Continuous Improvement

We appreciate your contributions to Good Shepherd Home's compliance culture. If you have any thoughts about how we can improve our CEP, please share them. Good Shepherd Home always welcomes your comments, questions, concerns, and suggestions.

1.0 CODE OF CONDUCT

We will not lie, cheat, steal, harm others, or tolerate those who do.[®]

Good Shepherd Home requires that every person and every company working with Good Shepherd Home conduct their business ethically and in compliance with the law. Good Shepherd Home considers its standards to apply to independent contractors, volunteers and vendors in addition to its employees, and Good Shepherd Home will judge whether to continue its relationships based on compliance with these standards.

Good Shepherd Home believes that if those individuals and companies working with Good Shepherd Home abide by some general principles, they will be able to meet Good Shepherd Home's standards for compliance:

Follow Our Policies. Good Shepherd Home is required to abide by a large number of laws and regulations because of the nature of the services that we provide. These laws will be manifested through our policies and the training and in-services in which you will be expected to participate. Good Shepherd Home can face serious consequences for failure to abide by the law. Therefore, Good Shepherd Home expects that *all* policies will be followed.

Do the Right Thing. While the right thing is not always the easy thing, you most likely know what it is without having to be told. Good Shepherd Home expects that its employees will work hard and diligently on behalf of Good Shepherd Home and perform to the best of their abilities. Good Shepherd Home also expects its employees to be honest, trustworthy, and respectful.

Follow the Golden Rule. Treat others as you would want them to treat you. Treat others with respect and dignity. Never harm another person or allow them to be harmed while they are in your care.

We expect every person and company working with Good Shepherd Home to report any violations of our code of conduct to us immediately.

The most important thing is to report – the method of reporting is less important. We have adopted numerous ways for people to bring concerns to our attention: if you are an employee: tell your supervisor; if you are a contractor: inform your primary contact at Good Shepherd Home; or use one of our numerous official reporting mechanisms to directly notify the Compliance Officer.

[®] This code of conduct is a variation of the West Point Cadet Honor Code.

2.0

REPORTING & RESPONSE

2.1 Reporting Suspected Violations and Inquiries

Good Shepherd Home believes that a CEP functions best when all employees assist in promoting compliance within their own area of expertise. To take advantage of the different competencies and knowledge within its organization, Good Shepherd Home has adopted a chain of command approach to compliance reporting and inquiries regarding potential compliance issues.

All employees are required to report violations, suspected violations, questionable conduct, or questionable practices of which they become aware to their immediate supervisors (or directly to the Compliance Officer, if preferred). If the employee's immediate supervisor does not have the necessary knowledge to respond to a report or inquiry, the supervisor may, in turn, move the issue another rung up the chain by reporting to his supervisor. Reports and inquiries are to be moved further up the chain of command, and all the way to the Compliance Officer, as necessary, until the individual with the appropriate expertise is reached and can respond to the report in accordance with Section 2.3. Further reports up the chain may also be necessary in the event of significant compliance issues.

Good Shepherd Home believes that the majority of compliance issues may be appropriately handled through the chain of command approach, as supervisors can report issues up the chain to the Compliance Officer as appropriate. However, in the event an employee does not wish to report to his or her supervisor (*e.g.*, the supervisor is implicated in the potential wrongdoing, the employee is concerned that the supervisor will not respond to a report), Good Shepherd Home has established alternate procedures for reporting. First, the employee may choose to "skip" a level and make the report to the next supervisor in the chain of command. Alternately, the employee may report directly to the Compliance Officer, in writing at 725 Columbus Ave, Fostoria, Ohio 44830, by filing a report through Good Shepherd Home's toll-free fraud and abuse hotline [1-844-664-1425](tel:1-844-664-1425), or by reporting through Good Shepherd Home's secure compliance website goodshepherdhome.ethicspoint.com.

Good Shepherd Home is committed to fostering a compliance culture where all employees feel comfortable and are proactive in reporting potential violations directly to their supervisors. Good Shepherd Home strictly prohibits any retaliation or discrimination against employees for reporting potential compliance violations, and it may be more difficult for Good Shepherd Home to investigate and resolve reports if it is unable to communicate with the complainant. However, because Good Shepherd Home does not wish for inappropriate activity to go unreported for any reason, employees are always free to report potential violations to the Compliance Officer anonymously.

Please note that there may be additional reporting obligations for certain compliance violations under the laws governing the operation of nursing facilities. Employees are also required to comply with these reporting obligations, which are addressed in other policies and procedures of Good Shepherd Home. For example, employees must report resident abuse to the Administrator in accordance with Good Shepherd Home's abuse policies and procedures.

2.2 Reporting Guidelines

The following guidelines shall apply to all reports made pursuant to this CEPM:

- A. **No Retaliation**. Good Shepherd Home prohibits any retaliatory action against an employee for making any verbal or written compliance communication in good faith to his or her supervisor, the compliance hotline, an anonymous drop box, the Compliance Officer, or to any government agency.
- B. **Discipline**. There will be discipline or other consequences for failure to report timely and thoroughly. Prompt and complete disclosure may be considered a mitigating factor in determining an employee's discipline or sanction if they are the wrongdoer. The discipline or sanction shall not be increased because an employee reported his or her own violation or misconduct.

- C. **Interference with Reporting**. No employee shall attempt to prevent any person from making a compliance report. If an employee does try to prevent a person from making a report, then that employee shall be subject to disciplinary action, which may include termination.

2.3 **Supervisor Response**

When a report of a suspected violation of the policies in this CEPM is brought to the attention of a supervisor, the supervisor will assess the issue and conduct a reasonable investigation to determine whether a violation has occurred and whether a significant compliance issue has been raised. Supervisors will exercise discretion regarding whether a suspected violation is so significant to report to the Compliance Officer, but will generally err on the side of reporting. Generally, systemic issues, issues that involve questions of ethical business practices, provision of care by an unlicensed or excluded individual, and/or legal or billing violations should be reported to the Compliance Officer.

If a significant compliance issue has been raised, the supervisor will report the issue directly to the Compliance Officer for investigation and response. If the supervisor determines that a violation has occurred, but does not require the assistance of the Compliance Officer, the supervisor may determine the appropriate response, such as recommending disciplinary action, providing employee training, or correcting a billing error.

If a supervisor needs direction or has a question regarding how to respond to a report of suspect activity, the supervisor may take his or her inquiry to the next supervisor in the chain of command.

2.4 **Compliance Officer Response**

When a report of a suspected violation of the policies in this CEPM is brought to the attention of the Compliance Officer, the following steps shall be followed:

- A. **Initial Assessment**. The Compliance Officer will determine whether the report raises compliance issues. Often, reports that are made to the Compliance Officer through reporting mechanisms involve Human Resources issues, and not compliance issues. The Compliance Officer can redirect Human Resources complaints to the appropriate individual.
- B. **Investigation & Report**. If a compliance issue is raised, the Compliance Officer will investigate the suspected violation or questionable conduct, and/or shall delegate the investigation or analysis of suspected violations or questionable conduct to any individual(s) he or she deems appropriate. A report regarding such inquiry shall be prepared. The report, at a minimum, shall address: 1) the allegation that has been made; 2) the specific steps and/or methods used in investigating the matter (such as people interviewed, records reviewed, analyses performed, etc.); 3) the specific findings and/or results of the investigation; and 4) a proposed plan of action (such as disciplinary action, policy or procedure changes, in-service training regarding existing policy and/or procedure, or other suggested actions) to prevent future non-compliance.

If the issue raised is not a compliance issue but requires additional attention, the Compliance Officer will refer the issue to the appropriate person for follow-up.

- C. **Post-Investigation Assessment & Referral to Compliance Committee**. If, after the investigation, the Compliance Officer believes that a significant compliance issue has been raised, then the report will be forwarded to the Compliance Committee for review, and a determination of how it believes the allegation should be addressed. The Compliance Committee's proposed disposition of a violation may include, but is not limited to, contacting Legal Counsel, revising the CEPM, conducting educational inservices for staff, instituting disciplinary action, reporting the violation to the appropriate authorities, repayment of funds, and/or making a monetary restitution to affected third parties.
- D. **Response**. Based on the results of the investigation by the Compliance Officer, and taking into consideration any other suggestions by the Compliance Committee, the Administrator, Compliance Officer, or other appropriately designated party will take appropriate corrective and/or disciplinary action, or will recommend such action to the Board of Directors, if necessary. The response should also take into consideration how to prevent further similar

violations, including any necessary modification to Good Shepherd Home's CEP to prevent and detect criminal, civil and administrative violations under the Social Security Act.

- E. **Storage of & Access to Compliance Files**. The Compliance Officer shall place all files regarding compliance matters in a secure location. Access to files will be provided only to the Compliance Officer, Legal Counsel, CEO, and authorized members of the Board of Directors.

3.0

COMPLIANCE POLICIES

As part of its commitment to compliance with the law, Good Shepherd Home has established policies and procedures which spell out the steps that employees must take to maintain compliance in several areas of risk for nursing facilities.

- 3.1 Ethical Business Practice
- 3.2 Billing
- 3.3 Cost Reporting
- 3.4 Employee Screening
- 3.5 Gifts & Kickbacks
- 3.6 Residents' Rights
- 3.7 Quality of Care
- 3.8 Recordkeeping & Documentation
- 3.9 Government Relations
- 3.10 Physician Agreements
- 3.11 Hospice Referrals
- 3.12 Confidentiality
- 3.13 Transparency & Resident Choice

3.1

ETHICAL BUSINESS PRACTICE

POLICY

Employees are expected to conduct themselves so as to avoid actual impropriety and/or the appearance of impropriety in making business decisions. Employees may not use their positions at Good Shepherd Home to profit personally or to assist others in profiting in any way at the expense of Good Shepherd Home, or its residents.

Employees shall disclose to their supervisor and to the Compliance Officer any financial interest, ownership interest, or any other relationship they (or a member of their immediate family) have with Good Shepherd Home's residents, vendors, or competitors.

PROCEDURE

- A. **Services for Competitors or Vendors.** No employee shall perform work or render services for any competitor of Good Shepherd Home or for any organization with which Good Shepherd Home does business, or which seeks to do business with Good Shepherd Home, without the approval of his/her supervisor. No employee shall be a director, officer, or consultant of an outside organization, nor permit his/her name to be used in any fashion that would tend to indicate a business connection with such organization without the prior approval of the employee's supervisor.
- B. **Stealing Information.** Good Shepherd Home employees shall not steal information belonging to another person or entity, including from Good Shepherd Home, or use any publication, document, computer program, information or product in violation of a third party's interest in such product. All Good Shepherd Home's employees are responsible for ensuring that they do not improperly copy for their own use documents or computer programs in violation of applicable copyright laws or licensing agreements. Employees shall not use confidential business information obtained from competitors, including customer lists, price lists, contracts or other information in violation of a covenant not to compete, prior employment agreements, or in any other manner likely to provide an unfair competitive advantage to Good Shepherd Home.
- C. **Use of Insider Information.** Employees may not use "insider" information for any business activity conducted by or on behalf of Good Shepherd Home. All business relations with contractors must be conducted at arm's length both in fact and in appearance, and in compliance with Good Shepherd Home's policies and procedures. Employees must disclose personal relationships and business activities with contractor personnel that may be construed by an impartial observer as influencing the employees' performance or duties. Employees have a responsibility to obtain clarification from management on questionable issues that may arise.
- D. **Financial Reporting.** All financial reports, cost reports, accounting records, research reports, expense accounts, time sheets and other documents must accurately and clearly represent the relevant facts or the true nature of a transaction. Improper or fraudulent accounting, documentation or financial reporting is contrary to the policy of Good Shepherd Home and may be in violation of applicable laws.
- E. **Travel & Entertainment.** It is Good Shepherd Home's policy that an employee should not suffer a financial loss or a financial gain as a result of business travel and entertainment. Employees are expected to exercise reasonable judgment in the use of Good Shepherd Home's assets and to spend Good Shepherd Home's assets as carefully as they would spend their own. Employees must also comply with Good Shepherd Home policies relating to travel and entertainment expense, including those governing the treatment of spouses or significant others.
- F. **Personal Use of Corporate Assets.** All employees are expected to refrain from converting assets of the Good Shepherd Home to personal use. All property and business of the Good Shepherd Home shall be conducted in a manner designed to further Good Shepherd Home's interest rather than the personal interest of an individual employee. Employees are prohibited from the unauthorized use or taking of Good Shepherd Home's equipment, supplies, materials or services.

- G. **Conflicts of Interest**. Employees shall avoid situations that may create a conflict of interest with their primary responsibilities to Good Shepherd Home. While not all inclusive, the following should act as a guide to the types of activities by an employee, or an immediate family member of an employee, which might cause a conflict of interest:
1. Ownership in or employment by any outside organization which does business with Good Shepherd Home. (This does not apply to stock or other investments held in a publicly held corporation, *provided* the value of the stock or other investments does not exceed 5% of the corporation's stock.)
 2. Conduct of any business not on behalf of Good Shepherd Home, with any vendor, supplier, contractor, or agency, or any of their officers or employees.
 3. Representation of Good Shepherd Home by an employee in any transaction in which he or she or an immediate family member has a substantial personal interest.
 4. Disclosure or use of confidential, special or inside information of or about Good Shepherd Home, particularly for personal profit or advantage of the employee or an immediate family member.
 5. Competition with Good Shepherd Home by an employee, directly or indirectly, in the purchase, sale or ownership of property or property rights or interests, or business investment opportunities.

3.2

BILLING

POLICY

Good Shepherd Home is committed to prompt, complete, and accurate billing of all services provided to residents for payment by residents, government agencies, or other third party payors. Billing shall be made only for services actually provided, directly or under contract, pursuant to all terms and conditions specified by the government or third party payor and consistent with industry practice.

Good Shepherd Home and its employees shall not make or submit any false or misleading entries on any bills or claim forms, and no employee shall engage in any arrangement, or participate in such an arrangement at the direction of another employee (including any officer of Good Shepherd Home or a supervisor), that results in such prohibited acts. Any false statement on any bill or claim form shall subject the employee to disciplinary action by Good Shepherd Home, including possible termination of employment.

PROCEDURE

- A. **Reporting False Billing Practices.** If an employee has any reason to believe that anyone (including the employee himself or herself) is engaging in false billing practices, that employee shall immediately report the practice. Failure to act when an employee has knowledge that someone is engaged in false billing practices shall be considered a breach of that employee's responsibilities and shall subject the employee to disciplinary action by Good Shepherd Home, including possible termination of employment.
- B. **Proper Reporting of Resident Case-Mix.** Good Shepherd Home will train staff on the proper way to complete MDS assessments and will periodically conduct audits of these assessments for validity and accuracy.
- C. **Medicare and Medicaid Billings.** Good Shepherd Home will periodically audit services billed to make sure they are both medically necessary and properly documented to meet the federal and state billing requirements.
- D. **Prohibited Billing Practices.** Good Shepherd Home shall not submit false, fraudulent, or misleading claims to any governmental entity or third party payor. False claims and billing fraud may take a variety of different forms, including, but not limited to, false statements supporting claims for payment, misrepresentation of material facts, concealment of material facts, theft of benefits of payments from the party entitled to receive them, or retaining an overpayment, as defined by law. Good Shepherd Home and employees shall specifically refrain from engaging in the following billing practices:
 1. Making claims for items or services not rendered or not provided as claimed, such as billing for three hours of therapy when only a few minutes were provided.
 2. Submitting claims to Medicare Part A for residents who are not eligible for Part A coverage; in other words, who do not require services that are so complex that they can only be effectively and efficiently provided by, or under the supervision of, professional or technical personnel.
 3. Submitting claims to any payor, including Medicare for services or supplies that are not medically necessary or that were not ordered by the resident's physician or other authorized caregiver.
 4. Submitting claims for items or services that are not provided as claimed, such as billing Medicare for expensive prosthetic devices when only non-covered adult diapers were provided.
 5. Submitting claims to any payor, including Medicare and Medicaid, for individual items or services when such items or services either are included in the health facility's per diem rate for a resident or are of the type that may be billed only as a unit and not unbundled.

6. Billing residents for services or supplies that are included in the per diem payment from Medicare, Medicaid, a managed care plan, or other payer.
7. Double billings (billing for the same item or service more than once).
8. Providing inaccurate or misleading information for use in determining the resource utilization groups, (RUG) assigned to the resident, including but not limited to misrepresenting a resident's medical condition on the minimum data set (MDS).
9. Paying or receiving anything of financial benefit in exchange for Medicare or Medicaid referrals, such as receiving non-covered medical products at no charge in exchange for ordering Medicare-reimbursed products.
10. Altering documentation or forging a physician signature on documents used to verify that services were ordered and/or provided, including medical records and nursing notes.
11. Failing to report and return any funds received from any payor source to which Good Shepherd Home is not entitled, after applicable reconciliation, in accordance with law.

3.3 COST REPORTING

POLICY

Good Shepherd Home is required to submit various cost reports to the Federal and State government in connection with its operations in order to receive payment. It is the policy of Good Shepherd Home that such reports will be prepared as accurately as possible and in conformity with applicable law and regulations.

PROCEDURE

- A. **Accuracy of Cost Reports.** Good Shepherd Home will prepare all cost reports using accurate reporting methods and appropriate accounting practices. Good Shepherd Home will not engage in any of the following inappropriate practices with respect to cost reporting: (i) claiming salary expenses for employees who do not exist, (ii) inflating the number of residents served, or (iii) including non-reimbursable costs.
- B. **Documentation.** Good Shepherd Home will implement measures to ensure all of the following: (i) adequate documentation exists to support information provided in cost reports, (ii) non-allowable costs are appropriately identified and removed, and (iii) related party transactions are treated consistent with program requirements.
- C. **Identification of Errors.** If errors are discovered, billing personnel shall contact an immediate supervisor promptly for advice concerning how to correct the error(s) and notify the appropriate payor. The Compliance Officer will be notified of any errors in a submitted cost report to determine whether an overpayment has occurred.

3.4 EMPLOYEE SCREENING

POLICY

It is the policy of Good Shepherd Home to undertake background checks of all employees, where required by law, and to retain on file applicable records of current employees regarding such investigations. It is the policy of Good Shepherd Home to undertake exclusion and licensure checks, where applicable, of all employees.

PROCEDURE

- A. **Nurse Assistant Registries**. Good Shepherd Home will check with all State nurse assistant registries prior to using any individual as a nurse assistant, dietary aide, business office manager, receptionist, etc.
- B. **Licensure & Certification Status**. Good Shepherd Home will check with all applicable licensing and certification authorities to ensure that employees hold the requisite license and/or certification status to perform their job functions.
- C. **Reference Checks**. To the extent the information is available, Good Shepherd Home will also check the applicant's references from prior employers.
- D. **Exclusion Check**. Good Shepherd Home will check all employees (as well as vendors/contractors) for exclusion from the Medicare and/or Medicaid programs using the Office of Inspector General's Cumulative Sanctions Report and the Ohio Medicaid Provider Exclusion and Suspension List and/or computer searchable database for potential employees whose activities would be recorded there.
- E. **Criminal Background Check**. Good Shepherd Home will perform criminal background checks for all employees in accordance with applicable law to confirm that they have not been convicted of an offense that would preclude them from providing direct care to an older adult.
- F. **Applicant Certification**. Applicants for employment will be required to certify on their employment application that they have not been convicted of an offense that would preclude employment in a nursing facility and that they are not excluded from participation in the federal health care programs.
- G. **Temporary Employment Agencies**. Temporary employment agencies will be required by contract to ensure that temporary staff assigned to Good Shepherd Home facilities have undergone all of the above listed employee screening checks and are not precluded from employment with the facility.
- H. **Ongoing Duty of Employees to Report**. It is the ongoing and continuous obligation of all employees of Good Shepherd Home to alert the Human Resources department of any lapse or loss of licensure and of any offense, charge, indictment, finding, plea, settlement or conviction that would disqualify them from continued employment in their current capacity with Good Shepherd Home under State or Federal law.

3.5 GIFTS & KICKBACKS

POLICY

Employees shall not accept gifts, favors, services, entertainment or other things of value to the extent that decision-making or actions affecting Good Shepherd Home might be influenced. Similarly, the offer or giving of money, services or other things of value with the expectation of influencing the judgment or decision making process of any purchaser, supplier, government official or other person by Good Shepherd Home is absolutely prohibited. Any such conduct must be immediately reported.

PROCEDURE

In order to avoid the appearance of impropriety, and to avoid the potential of providing or receiving an improper kickback, Good Shepherd Home shall not engage in any of the following activities:

- A. **Gifts from Residents.** Employees are prohibited from soliciting tips, personal gratuities or gifts from residents and from accepting monetary tips or gratuities. Employees may accept gratuities and gifts of a nominal value from residents only with the approval of the Social Services. If a resident or another individual wishes to present a monetary gift, he/she should be referred to the appropriate administration office.
- B. **Gifts from Vendors.** Employees may retain gifts from vendors which have a nominal value. If an employee has any concern whether a gift should be accepted, the employee should consult with his/her Administrator. To the extent possible, these gifts should be shared with the employees' co-workers. Employees shall not accept excessive gifts, meals, expensive entertainment or other offers of goods or services which have more than a nominal value nor may they solicit gifts from vendors, suppliers, contractors or other persons. For example, an employee who was given a promotional coffee mug may accept this gift from a vendor, however, the employee would be prohibited from accepting a television set from that vendor.
- C. **Beneficiaries of Government Reimbursement Programs.** Good Shepherd Home and its employees shall not offer or provide any gift, hospitality, or entertainment of more than Nominal Value to any beneficiary of a government reimbursement program. Examples of permissible items include nominal marketing items such as pens, T-shirts, water bottles, etc.
- D. **Waivers of Coinsurance / Deductible.** Good Shepherd Home and its employees shall not offer waivers of coinsurance or deductible amounts as part of any advertisement or solicitation. Good Shepherd Home and its employees shall not routinely waive coinsurance or deductible amounts, and shall only waive such amounts after determining in good faith that the resident is in financial need, or after making reasonable efforts to collect the cost-sharing amounts from the resident.
- E. **Arrangements with Health Plans.** Good Shepherd Home and its employees shall not participate in any arrangement with a health care plan that effectively requires Good Shepherd Home and its employees to forgo certain Medicare cost-sharing amounts. Good Shepherd Home and its employees shall not participate in any arrangement with a health care plan that requires Good Shepherd Home and its employees to waive charges for copayments and deductibles when Medicare is the primary payor and the applicable Medicare reimbursement is higher than the plan fee schedule amount.
- F. **Government Employees.** Good Shepherd Home and its employees shall not offer any gifts or entertainment to any federal, state or local elected official or government employee.
- G. **Swapping.** Good Shepherd Home and its employees will not accept discounts on items and services paid for by Good Shepherd Home in return for the referrals of other business, sometimes called "swapping".
- H. **Access to Health Information.** Good Shepherd Home and its employees will not solicit or receive items of value in exchange for providing a supplier or medical provider access to residents' medical records or other information needed to bill Medicare or Medicaid.

- I. **Third Party Guarantees & Supplementation**. Good Shepherd Home will not condition admission or continued stay on a third party guarantee of payment, nor will it require any person to supplement their Medicare or Medicaid payment.
- J. **Part D Plans**. Good Shepherd Home and its employees will not accept any payments from any plan or pharmacy to influence a beneficiary to select a particular Part D plan. Good Shepherd Home or its contracted pharmacy will inform residents about all of the Part D plans available to them and, where possible, try to assist/educate the residents regarding whether and to what extent those plans cover the resident's medications.

3.6 RESIDENT RIGHTS

POLICY

It is the policy of Good Shepherd Home that residents will be cared for in a manner and in an environment that promotes maintenance or enhancement of each resident's quality of life. Good Shepherd Home has numerous policies and procedures designed to protect a resident's quality of life and is committed to assuring that the resident's rights articulated under federal law are protected.

PROCEDURE

- A. **Transfer & Discharge**. Good Shepherd Home will maintain identical policies and practices for all individuals regarding transfer and discharge, regardless of payment source, and to comply with all applicable law with respect to admissions decisions, as well as the provision of services under the state Medicaid plan.
- B. **Personal Privacy**. Good Shepherd Home will take measures to ensure that each resident has the right to personal privacy. For purposes of this policy, the term "personal privacy" includes accommodations, medical treatment, written and telephone communications, personal care, visits, and meetings of family and resident groups, but does not include the right to a private room.
- C. **Clinical Records**. Good Shepherd Home recognizes that the resident has the right to confidential treatment of his or her personal and clinical records, and may approve or refuse the release of his or her personal and clinical records to any individual outside Good Shepherd Home, except when the resident is transferred to another health care institution, or the record release is authorized or required by law.
- D. **Medical Care & Treatment**. Good Shepherd Home recognizes that the resident has the right to choose his or her own personal physician (in accordance with the facility's appropriate credentialing policies) and has the right to privacy during medical examination or treatment, and in the care of personal or bodily needs. The resident also has the right to be fully informed of his or her health status and to participate in treatment decisions, including the right to refuse treatment, unless adjudged incompetent or incapacitated.
- E. **Communication**. Good Shepherd Home recognizes that the resident has the right upon reasonable request to private and unrestricted communications with his or her family, social worker, and any other person, unless not medically advisable as documented in his or her medical record by the attending physician. The resident also has the right to private and unrestricted communications with a resident's physician, attorney or with public officials. The resident's right of private and unrestricted communication shall include the right to: 1) receive, send, and mail sealed, unopened correspondence; 2) reasonable access to a telephone for private communication; and 3) private visits in accordance with Good Shepherd Home's policies.
- F. **Financial Affairs**. Good Shepherd Home recognizes that the resident has the right to manage his or her financial affairs or permit the facility to hold and manage his or her funds. Personal funds may not be used to pay for items or services paid for by Medicaid or Medicare.
- G. **Abuse, Neglect & Misappropriation of Resident Funds**. Good Shepherd Home recognizes that the resident has the right to be free of abuse, neglect and misappropriation of his or her funds. All allegations of abuse, neglect or misappropriation will be reported to the state agency and law enforcement (in the case of a crime) in accordance with state and federal law.

3.7 QUALITY OF CARE

POLICY

It is the policy of Good Shepherd Home that it strive to provide the care and services necessary to attain or maintain nursing facility residents' highest practicable physical, mental and psychosocial well-being and to, at a minimum, meet all Medicare requirements of participation.

PROCEDURE

- A. **Staffing.** Good Shepherd Home is committed to meeting both state and federal staffing requirements, and assuring that there is a relationship between the level of staffing and the acuity of the residents being served. Good Shepherd Home will also make efforts to reduce employee turnover.
- B. **Comprehensive Care Plans.** Each resident of Good Shepherd Home will have a comprehensive care plan that is designed and implemented by various members of the interdisciplinary team including, but not limited to, the resident's physician nurses, dietician, social service, activities, and therapists where applicable. These interdisciplinary team meetings will be documented and the content and participants in the meeting will be recorded.
- C. **Medication Management.** Good Shepherd Home will manage the medications of its residents, including psychotropics, and is committed to the gradual reduction of their use, where medically possible, and to monitoring residents for adverse side effects. Good Shepherd Home has contracted with a consulting pharmacist who will assist in the management of each resident's medications and will perform regular drug regimen reviews.
- D. **Resident Safety.** Good Shepherd Home believes that it is the responsibility of everyone who comes in contact with our residents to preserve their safety and well being. With that in mind, Good Shepherd Home has a policy that its residents will be free of abuse and neglect, and that their possessions will not be misappropriated by anyone. Anyone who is aware of or suspects that a resident is being abused or neglected, or that his or her possessions have been misappropriated will immediately report this knowledge or suspicion in accordance with Good Shepherd Home's abuse policy.

Good Shepherd Home also recognizes that its residents have the potential to suffer abuse from not only staff members, but also from other residents and/or visitors. Therefore, Good Shepherd Home not only conducts background and exclusion checks of its staff members and provides employees with regular inservice training on abuse, neglect prevention and reporting, but Good Shepherd Home enforces its policy with respect to all that abuse or mistreat Good Shepherd Home residents.

- E. **Restorative and Personal Care.** Good Shepherd Home has policies and procedures addressing the prevention and treatment of pressure ulcers, the delivery of range of motion exercises and restorative care, falls management and prevention, incontinence management and the delivery of personal care and grooming. Good Shepherd Home strives to meet all state and federal licensing rules and regulations governing the health care services provided to our residents, and to monitor the quality of those services through our quality assurance programs.

3.8 RECORDS & DOCUMENTATION

POLICY

Accurate and complete recordkeeping and documentation is critical to virtually every aspect of Good Shepherd Home's operations. It is the policy of Good Shepherd Home that all documentation shall be timely, accurate, and consistent with applicable professional, legal, and facility guidelines and standards. This includes all aspects of the facility's documentation, including resident assessments and care plans, clinical records, and all billing and payment documentation. Falsification of records is strictly prohibited, including backdating of records. Appropriate late entries duly noted and under applicable professional and legal standards may be made.

PROCEDURE

- A. **Legally Required Documentation.** Good Shepherd Home will keep all billing and claims documentation, cost reports, MDS assessments, care plans and survey plans of correction in accordance with state and federal requirements.
- B. **Compliance and Ethics Program (CEP) Documentation.** Good Shepherd Home will keep records of its CEP operations, such as the compliance log, educational activities, corresponding investigations and reports, in order to demonstrate the effectiveness of its CEP.
- C. **Storage.** All documents will be stored in a safe and secure place and in a manner as to be easily retrievable.
- D. **Destruction.** Destruction policies will conform to applicable state and federal laws. Employees shall not destroy or alter Good Shepherd Home information or documents in anticipation of, or in response to, a request for documents by any applicable government agency or from any court, or from any party in conjunction with a lawsuit.

3.9 GOVERNMENT RELATIONS

POLICY

Good Shepherd Home has many contacts and dealings with governmental bodies and officials. All such contacts and transactions shall be conducted in an honest manner. It is the policy of Good Shepherd Home to ensure that its dealings with federal, state and local governmental officials, agencies, representatives, and contractors fully comply with all applicable laws and regulations. It is the organization's desire to at all times be in compliance with the law, preserve and protect its reputation, and to avoid even the appearance of impropriety. Any attempt to influence the decision-making process of governmental bodies or officials by an improper offer of any benefit is absolutely prohibited. Any requests or demands by any governmental representative for any improper benefit should be immediately reported.

PROCEDURE

- A. **Licensure and Certification.** Good Shepherd Home operates a nursing facility that is licensed by the State in which it operates and certified to participate in the Medicare and Medicaid programs. Employees are expected to be familiar with the laws governing the operation of a nursing facility that affect their specific job responsibilities and to comply with licensure and certification laws applicable to Good Shepherd Home. Employees shall report any concerns that they have with regard to appropriateness or legality of any actions taken by Good Shepherd Home.
- B. **Lobbying & Political Activities.** No individual may make any agreement to contribute any money, property, or services at Good Shepherd Home's expense to any political candidate, party, organization, committee or individual in violation of any applicable law. Officers and employees may personally participate in and contribute to political organizations or campaigns, but they must do so as individuals, and they must use their own funds.
- C. **Governmental Investigations.** Good Shepherd Home shall not unlawfully obstruct or interfere with government enforcement investigations, and shall cooperate to the fullest extent possible within the confines of applicable law with the relevant government agency/official/agent on such occasions.
- D. **Prohibitions.** Good Shepherd Home expects its employees to refrain from engaging in any activities that have even the appearance of impropriety.
 1. **Gifts or Entertainment.** Employees are strictly prohibited from offering gifts or entertainment to any federal, state, or local government or elected official or employee, surveyor, law enforcement officer, auditor working under contract with a government agency, peer review agency, or any other regulatory entity or agency that interacts with Good Shepherd Home. Any employee who becomes aware of such activity shall immediately report the violation.
 2. **Demands for Improper Benefits.** Any requests or demands by any federal, state, or local government or elected official or employee, surveyor, law enforcement officer, auditor working under contract with a government agency, peer review agency, or any other regulatory entity or agency that interacts with Good Shepherd Home for any improper benefit should be immediately reported.
 3. **False Representations.** Good Shepherd Home shall not make false representations to any governmental entity or official in order to gain or retain participation in a program or to obtain payment for any service.

3.10 PHYSICIAN AGREEMENTS

POLICY

Federal and State anti-kickback and physician self-referral laws prohibit the offer or payment of any compensation to any party for the referral of residents or health care business.

PROCEDURE

A. **Contracting**. In order to comply with applicable laws governing the referral of residents or health care business, Good Shepherd Home shall do the following:

1. **Gifts**. Comply with the policies governing gifts set forth in this CEPM;
2. **Submission of Claims**. Not submit nor cause to be submitted a bill or claim for reimbursement for services provided pursuant to a prohibited referral; and
3. **Referrals of Designated Health Services**. Not accept or solicit a referral from a physician to an entity in which the physician (or an immediate family member) has a financial relationship (broadly defined to encompass any ownership interest, investment interest, or compensation arrangement) for a designated health service as deemed in 42 U.S.C. §1395nn(h)(6), except as permitted by law.

“Designated health services” include: a) Clinical laboratory services; b) Physical therapy services; c) Occupational therapy services; d) Radiology services, including magnetic resonance imaging (MRI), computerized axial tomography (CAT) scans, and ultrasound services; e) Radiation therapy services and supplies; f) Durable medical equipment and supplies; g) Parenteral and enteral nutrients, equipment, and supplies; h) Prosthetics, orthotics, and prosthetic devices and supplies; i) Home health services; j) Outpatient prescription drugs; and k) Inpatient and outpatient hospital services.

B. **Additional Requirements**. In addition, physician agreements shall:

1. Be in writing;
2. Be approved by Legal Counsel prior to execution;
3. Be negotiated only by the Compliance Officer, Legal Counsel, the Administrator or their designees;
4. Be signed by all parties;
5. When taken as a whole, be reasonable in their entirety;
6. Specify the terms under which compensation and any other benefits are provided, and compensation and benefits shall be consistent with the fair market value of the services provided;
7. Specify all obligations of the parties;
8. Not take into consideration the value or volume of referrals provided to Good Shepherd Home; and
9. Be for a term of at least one year.

C. **Certification of Credentials**. Good Shepherd Home also shall require certification that any physician with whom an agreement is executed, and/or who serves as an attending physician in the facility, has current valid licenses as required by law, has not been excluded from participation in the Medicare and Medicaid programs, and has admitting privileges at a transfer hospital.

3.11 HOSPICE

POLICY

Good Shepherd Home is committed to making available appropriate hospice services to residents who elect hospice coverage.

PROCEDURE

For residents who are eligible for hospice benefits under Medicare or Medicaid, Good Shepherd Home and its employees shall:

- A. **Service Agreement**. Provide services pursuant to a written agreement with a hospice program that meets the conditions of participation for hospices upon evidence that the resident qualifies for and has properly elected the hospice benefit.
- B. **Plan of Care**. Develop and implement, in conjunction with the hospice program, a coordinated plan of care.
- C. **Billing**. Bill the Medicare and/or Medicaid programs only for the treatment of conditions unrelated to the terminal illness, as permitted by law.
- D. **Payments from Hospice**. For residents eligible for Medicare hospice benefits and Medicaid coverage of the resident's room and board, Good Shepherd Home shall not accept payment by a hospice for room and board provided to a hospice resident in excess of the amount that Good Shepherd Home would have received if the resident had not been enrolled in hospice. Any additional payment from the hospice for items and services purchased from the facility must represent the fair market value of such additional items and services actually provided to the resident that are not included in the Medicaid daily rate.
- E. **Provision of Services**. Provide only those services Good Shepherd Home is allowed to provide to hospice residents under applicable law.
- F. **Referrals**. Not engage in any arrangement in which Good Shepherd Home offers, accepts, provides, or receives free services to or from a hospice in exchange for a promise or agreement to refer nursing facility residents to the hospice, or vice versa.

3.12 CONFIDENTIALITY

POLICY

Good Shepherd Home and its employees are in possession of and have access to a broad variety of confidential, sensitive and proprietary information. The inappropriate release of this information could be injurious to individuals, Good Shepherd Home's business partners and Good Shepherd Home. Every Good Shepherd Home employee has an obligation to actively protect and safeguard confidential, sensitive and proprietary information in a manner designed to prevent the unauthorized disclosure of information.

PROCEDURE

- A. **Resident Information**. All Good Shepherd Home employees have an obligation to maintain the confidentiality of resident information in accordance with all applicable laws and regulations. Employees shall refrain from revealing any personal or confidential information concerning residents, unless supported by legitimate business or resident care purposes. In general, employees shall not disclose confidential medical or personal information pertaining to Good Shepherd Home's residents without the express written consent of the resident or appropriate legal representative, and in accordance with applicable law and Good Shepherd Home's policies and procedures. If questions arise regarding an obligation to maintain the confidentiality of information or the appropriateness of releasing information, employees should seek guidance from their supervisor.
- B. **Good Shepherd Home Information**. Information pertaining to Good Shepherd Home's competitive position or business strategies, payment and reimbursement information, information relating to negotiations with employees or third parties, quality assurance materials, trade secrets, and protocols and documentation developed in order to operate Good Shepherd Home should be protected and shared only with employees having a need to know such information in order to perform their job responsibilities.
- C. **Personnel Information**. Salary, benefit and other personal information relating to employees shall be treated as confidential. Personnel files, payroll information, disciplinary matters and similar information shall be maintained in a manner designed to ensure confidentiality in accordance with applicable laws. Employees will exercise due care to prevent the release or sharing of information beyond those persons or outside entities that may need such information to fulfill their job function or duties under the law.

3.13 TRANSPARENCY & RESIDENT CHOICE

POLICY

At times, residents have a choice from which health care providers they wish to receive services. In addition, Good Shepherd Home believes that residents should understand the relationships among their various health care providers so that they can make informed choices in determining from whom they wish to receive services. Therefore, it is the policy of Good Shepherd Home to provide full transparency and accurate disclosure to all residents regarding common ownership or affiliations it has with other providers, so that residents can make an informed choice regarding the entities from which they receive services.

PROCEDURE

- A. **Full Transparency**. Good Shepherd Home will notify residents of any common ownership of, or affiliations with, other health care providers from which the resident may receive services upon admission and whenever a referral is made. Good Shepherd Home will attempt to answer any questions by residents or their representatives regarding Good Shepherd Home's affiliations honestly and fully.
- B. **Respect of Resident Choice**. Good Shepherd Home will inform residents and their responsible parties of their freedom to choose among credentialed providers, when appropriate, and will respect the resident's and responsible party's preferences when they are expressed. Good Shepherd Home will not require any resident to select a provider affiliated with Good Shepherd Home for services, threaten any resident who does not wish to select such a provider, or otherwise intimidate or retaliate against any resident for his selection.

4.0

EDUCATION

4.1 **Continued Professional Competence**

Employees are expected to participate in educational “in services” offered by Good Shepherd Home and by various professional groups and associations, where appropriate, and to be familiar with the laws governing the operation of a nursing facility that affect their specific job responsibilities.

4.2 **Educational Elements**

There are three basic educational elements to the compliance education plan: (1) new employee education; (2) continuing education; and (3) corrective education.

- A. **New employee education.** All new employees of Good Shepherd Home will be required as a condition of their employment to attend a training session, which shall include an introduction to Good Shepherd Home’s culture of compliance, an overview of the Code of Conduct and the compliance policies and procedures applicable to each employee’s job responsibilities; procedures for reporting compliance violations, including available reporting mechanisms; and the disciplinary system. Employees will be informed that strict compliance with these policies and procedures is also a condition of their employment (or engagement with our organization, if applicable).
- B. **Continuing Education.** All employees will be required to attend periodic in-service training sessions on fraud and abuse and Good Shepherd Home’s CEP. In addition, Good Shepherd Home shall post a notice detailing its commitment to ethical standards and compliance with all applicable laws and regulations in the conduct of its business at each of its facilities.
- C. **Corrective Education.** Directed corrective education will be instituted on a case-by-case basis when issues are raised through audits, reports of violations, or other monitoring activities. The Compliance Officer shall be responsible for recommending corrective education, and the Compliance Committee shall be responsible for determining the form and content of that education.
- D. **Volunteer/Vendor Education.** Volunteers and vendors will receive an introduction to Good Shepherd Home’s CEP and may be required to participate in training regarding Good Shepherd Home’s CEP as it relates to their volunteer and/or job responsibilities.

4.3 **Documentation of Educational Efforts**

All compliance education at Good Shepherd Home shall be documented. The Compliance Officer is responsible for establishing appropriate systems of documentation, and for reporting on the status of educational efforts to the Board of Directors.

5.0 MONITORING

5.1 Compliance Officer Responsibility

The Compliance Officer, or his or her designee, shall be responsible for conducting periodic reviews of various areas, such as beneficiary billing, admissions procedures, code assignment, employee screening, vendor contracting, and quality of care and life (including compliance with applicable State and Federal health and safety standards), to ensure that applicable laws and regulations are being followed, and that accurate information is being conveyed or submitted.

In fulfilling this responsibility, the Compliance Officer:

- A. May use the services of employees and qualified legal or accounting consultants, as necessary;
- B. May use interviews, questionnaires, onsite visits, unannounced mock surveys, and document reviews, as well as sampling techniques in conducting the review; and
- C. Shall include a copy of whatever findings are made in relevant compliance files.

5.2 Complaint Audits

Upon receipt of a credible allegation or complaint alleging improper or inaccurate billing practices by Good Shepherd Home, an audit of billing practices may be undertaken in accordance with Good Shepherd Home's internal auditing policies and protocols, if deemed necessary by the Compliance Officer or the Compliance Committee.

5.3 Annual Review

Good Shepherd Home will review the CEP annually and revise the CEP as needed to reflect changes in applicable laws or regulations and to reflect changes within Good Shepherd Home to improve its performance in deterring, reducing, and detecting violations under the Act and in promoting quality of care.

6.0 ENFORCEMENT & DISCIPLINE

- A. **Performance Evaluation**. Adherence to the elements of this CEPM will be a factor in evaluating the performance of all employees, contractors and volunteers.
- B. **Consistent Enforcement**. The standards established in this CEPM shall be consistently enforced through disciplinary proceedings and sanctions. These shall include, but are not limited to, informal reprimands, formal reprimands, demotion, suspension, and termination. In determining the appropriate discipline for any violation of the CEP, Good Shepherd Home shall treat all employees equally, without taking into account a particular employee's title, position, or function within Good Shepherd Home.
- C. **Discipline for Compliance Violations**. Any employee who engages in a violation of standards established in the CEPM, or any other laws or regulations, shall be subject to disciplinary action, up to and including termination in accordance with Good Shepherd Home's disciplinary policy located in its Employee Manual. Good Shepherd Home shall accord no weight to a claim that any improper conduct was undertaken for the benefit of Good Shepherd Home. Any such conduct is not for the benefit of Good Shepherd Home and is expressly prohibited.
- When appropriate, discipline shall be enforced against employees for failing to detect or report wrongdoing. This means that employees must understand that they have an affirmative duty to report wrongdoing.
- D. **Misconduct by Agents & Contractors**. Good Shepherd Home will investigate reports of misconduct by its agents, contractors, and volunteers. If misconduct is found, then appropriate actions will be taken, including, if necessary, termination of the independent contractor agreement and/or removal from a volunteer position.

7.0 COMPLIANCE OVERSIGHT

7.1 Board of Directors

The Board of Directors is ultimately responsible for supervising the work of the Compliance Officer and adopting and maintaining the standards in this CEPM. The Board of Directors is responsible for delegating responsibility and authority and for reviewing the effectiveness of the CEP.

The specific oversight responsibilities of the Board of Directors are:

- A. Overseeing all of the compliance efforts of Good Shepherd Home;
- B. Consulting with advisors as necessary;
- C. Coordinating with the Compliance Officer to ensure the adequacy of the program;
- D. Receiving periodic reports from the Compliance Officer concerning the CEP;
- E. Ensuring that appropriate corrective measures are instituted and maintained in response to identified quality issues;
- F. Maintaining, and improving as appropriate, the CEP and this CEPM;
- G. Reviewing the overall performance of Good Shepherd Home in light of the CEP and this CEPM;
- H. Ensuring that Good Shepherd Home meets applicable standards of business, legal, and ethical compliance; and
- I. Taking action as appropriate and necessary to ensure that Good Shepherd Home conducts its activities in compliance with applicable law and regulations and sound business ethics.

The Board of Directors will exercise due care to ensure it does not delegate substantial discretionary authority to any individual whom it knows, or should have known, through the exercise of due diligence, has the propensity to engage in criminal, civil and administrative violations under the Social Security Act.

7.2 Compliance Officer

The Compliance Officer shall have the primary responsibility of developing, implementing and overseeing Good Shepherd Home's CEP. The Compliance Officer shall be appointed by the Board of Directors.

The Compliance Officer shall receive periodic training in compliance procedures; have direct access to the Board of Directors; have access to necessary records and documentation, including resident records, billing records, and marketing agreements and records; and have authority to conduct investigations. The Compliance Officer will consult with supervisors regarding compliance issues and assist supervisors in responding to reports of suspected noncompliance.

The Compliance Officer shall be responsible for taking steps to ensure that:

- A. The Code of Conduct is distributed to all employees;
- B. Employees receive education and training regarding the Code of Conduct and compliance policies and procedures applicable to their job responsibilities;
- C. This CEPM is revised as needed to reflect changes in State or Federal law, private payor requirements, or changes in Good Shepherd Home's operations;
- D. A background check is conducted for all prospective employees, including a criminal background check when applicable, and a determination made of whether the prospective employee is subject to sanctions under or exclusion from the Medicare and/or Medicaid programs;

- E. Employees are given appropriate CEP training, including information regarding the duty to report suspected violations or questionable conduct and the mechanism for such reporting;
- F. Hotline calls, correspondence, and other reports of suspected violations or questionable conduct are treated confidentially (unless specific circumstances dictate to the contrary);
- G. An appropriate inquiry or investigation is initiated with respect to any report of a suspected violation or questionable conduct, and corrective and/or employee disciplinary action is taken, where appropriate;
- H. Reports are periodically provided to the CEO and the Board of Directors regarding material matters involving suspected violations or questionable conduct, and on an as needed basis;
- I. Periodic reviews of vulnerable areas are conducted and the findings reported to the CEO and the Board of Directors;
- J. A report at least annually regarding the operation of the CEP is provided to the CEO and the Board of Directors;
- K. A compliance filing system is maintained, including a log of all compliance issues raised, the resolution of such issues, and action taken in response, if any;
- L. Specific compliance issues are assigned to individuals outside Good Shepherd Home for review, as appropriate, such as Legal Counsel, accountants, quality consultants, etc. The Compliance Officer has the authority and responsibility to authorize such reviews;
- M. With Legal Counsel, appropriate reporting and repayment of self discovered overpayments occurs within a reasonable period, but no longer than sixty (60) days from the date it is identified as an overpayment or when the cost report is due, if applicable, whichever is later;
- N. Activities of the Compliance Committee are coordinated to assure that all duties are fully performed; and
- O. Good Shepherd Home's vendors, suppliers, and other contractors are informed in writing about its CEP.

7.3 Compliance Committee⁴

Good Shepherd Home has established a Compliance Committee to assist the Compliance Officer in carrying out his or her duties, and to assist with the development, implementation, and oversight of the CEP. The Compliance Officer and the Compliance Committee will receive sufficient resources and authority to reasonably assure compliance with Good Shepherd Home's standards, policies and procedures.

The Compliance Committee shall be appointed by the Compliance Officer, and, at a minimum, shall consist of representative from the following disciplines: operations, human resources and finance/reimbursement.

In addition to other responsibilities requested or assigned by the Compliance Officer, the Compliance Committee shall:

- A. Assist the Compliance Officer in analyzing risk areas that should be addressed in Good Shepherd Home's CEP, including legal risks, operational issues, and quality of care issues;
- B. Assist in assessing Good Shepherd Home's policies and procedures, including Good Shepherd Home's CEPM and program, and in developing new policies or amending existing policies, as appropriate;
- C. Assist in implementing Good Shepherd Home's compliance policies and procedures;
- D. Work with Good Shepherd Home's Compliance Officer and staff to develop and implement standards of conduct;

⁴ As noted above, the Requirements of Participation for SNFs do not specifically require a compliance committee, and Good Shepherd Home could elect to remove this element of the CEP. However, the OIG Compliance Program Guidance for Nursing Facilities identifies the compliance committee (along with the Compliance Officer) as one of the seven elements of an effective compliance program, and, therefore, we recommend establishing such a committee.

- E. Assist the Compliance Officer in monitoring internal controls for carrying out Good Shepherd Home's policies and procedures and implementing corrective action; and
- F. Assist the Compliance Officer in employee reporting and education.

7.4 Supervisors

Supervisors serve as a first line of communication regarding compliance issues for employees. Supervisors are "deputized" by the Compliance Officer to respond to reports of suspect activity within their area of supervision. If a supervisor needs direction or has a question regarding how to respond to a report of suspect activity, the supervisor should seek guidance from the next level of Good Shepherd Home's chain of command, in accordance with Good Shepherd Home's reporting procedures.

Additionally, supervisors are required and directed to report significant compliance issues up the chain of command to the Compliance Officer. Supervisors should exercise discretion as to whether a compliance issue is so significant as to warrant the attention of the Compliance Officer but will err on the side of reporting. Generally, systemic issues, issues that involve questions of ethical business practices, provision of care by an unlicensed individual, and/or legal or billing violations should be reported to the Compliance Officer.

Supervisors shall maintain policies and procedures that ensure that functions under their supervision are implemented in compliance with law, and that employees under their supervision perform their duties in compliance with these policies and procedures and applicable law. Supervisors' performance of these responsibilities shall be a factor in their evaluations.

Supervisors must be available to discuss with each employee under their direct supervision:

- A. The principles underlying the Code of Conduct;
- B. That adherence to the Code of Conduct and the CEP is a condition of employment;
- C. That Good Shepherd Home shall take appropriate disciplinary action, including termination of employment, for violation of the principles set forth in the CEP and applicable laws and regulations;
- D. That neither Good Shepherd Home nor any of its employees will retaliate against any individual for reporting a suspected violation or questionable conduct or assisting in an investigation;
- E. The necessity and importance of participating in ongoing training regarding Good Shepherd Home's CEP; and
- F. The necessity of completing any required affirmations of compliance, and to ensure that those statements are acknowledged and returned to appropriate personnel.

7.5 Legal Counsel

The Compliance Officer and/or the Board of Directors may consult Legal Counsel as necessary on issues raised by reports of suspected violations or questionable conduct.

Legal Counsel may be responsible for:

- A. Providing advice regarding Good Shepherd Home's compliance with applicable laws;
- B. Conducting and overseeing investigations of allegations of compliance violations;
- C. Reviewing Good Shepherd Home's CEP periodically and as needed; and
- D. Assisting in any needed revisions to the CEP.