

**NURSING AND THERAPY SERVICES OF
COLORADO, INC.**

COMPLIANCE PROGRAM MANUAL

NURSING THERAPY AND SERVICES OF COLORADO
COMPLIANCE PROGRAM MANUAL

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<p>NURSING AND THERAPY SERVICES OF COLORADO, INC. BOARD OF DIRECTORS POLICY</p>	
<p>ESTABLISHMENT OF COMPLIANCE PROGRAM</p> <p>Compliance Policy I.A</p>	<p>Approval Date: _____, 2016</p>

Nursing and Therapy Services of Colorado, Inc. (“NTSOC”) intends to operate its facilities in compliance with all applicable laws and regulations. NTSOC therefore adopts the following Compliance Program, to be amplified in the policies and procedures described below.

1. Purpose.

The Compliance Program is meant to promote and sustain a corporate culture of ethics and integrity and to further NTSOC’s mission to provide quality home care services for pediatric patients to allow them to remain in their homes and live with independence and dignity for as long as possible.

2. Elements.

The Compliance Program shall include at least the following elements:

- a. the Code of Conduct;
- b. policies and procedures addressing specific compliance risks and precautions;
- c. the appointment of a Compliance Officer;
- d. education and training for all employees and, where applicable, agents and representatives of NTSOC;
- e. a system for reporting, investigating, and correcting compliance issues;
- f. a system for taking disciplinary action against employees who violate the requirements of the Compliance Program;
- g. the use of audits and other evaluation techniques to identify compliance issues and to improve the effectiveness of the Compliance Program; and
- h. the use of appropriate background checks and employee screening programs.

3. Implementation.

The Compliance Program shall be implemented in accordance with a written implementation plan that shall be approved by the Board of Directors and attached to this policy. This implementation plan shall provide for the adoption of specific compliance policies that address each of the above-described compliance elements.

4. Oversight.

The Board of Directors shall provide reasonable oversight of the implementation and effectiveness of the Compliance Program.

- a. The Compliance Officer shall regularly report to the Board of Directors as provided in Compliance Policy III - Role and Responsibilities of the Compliance Officer.
- b. The Compliance Officer shall report significant compliance matters to the Board on an as-needed basis.
- c. The Board shall review and approve the Compliance Officer’s annual work plan.

5. Appointment of Compliance Officer.

By this policy, the Board of Directors shall appoint a Compliance Officer. The Compliance Officer shall be responsible for the day-to-day operation and implementation of the Compliance Program. The Compliance Officer shall report to the President/CEO/Administrator and the Board of Directors and shall perform his or her duties in accordance with Compliance Policy III - Role and Responsibilities of the Compliance Officer.

6. Documentation.

The Compliance Officer shall maintain all documentation relating to the implementation of the Compliance Program including but not limited to an index of compliance policies and procedures and other pertinent documents that shall be attached to this policy and updated from time to time.

7. Allocation of Resources.

Subject to the limits of available resources, the Board of Directors shall allocate the authority, staffing, and support recommended by the Compliance Officer to execute the program effectively.

Approvals:

<p>_____</p> <p>President/CEO/Administrator</p> <p>Date _____</p>	<p>_____</p> <p>Chair, Board of Directors</p> <p>Date _____</p>
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References: “Corporate Responsibility and Compliance: A Resource for Health Care Boards of Directors,” Office of the Inspector General of the US U.S. Department of Health and Human Services and the American Health Lawyers Association, at <http://oig.hhs.gov/fraud/docs/complianceguidance/40203CorpRespRsceGuide.pdf>; “Compliance Program Guidance for Home Health Agencies,” Office of the Inspector General of the U.S. Department of Health and Human Services, at <http://oig.hhs.gov/authorities/docs/cpghome.pdf>.

NURSING AND THERAPY SERVICES OF COLORADO, INC. BOARD OF DIRECTORS POLICY	
COMPLIANCE PROGRAM IMPLEMENTATION PLAN Compliance Policy I.B	Approval Date: _____, 2016

1. Structure of the Compliance Program.

NTSOC’s general philosophy with respect to compliance is expressed in the following policies adopted by the Board of Directors: (i) the Policy on Establishment of the Compliance Program (ii) this Implementation Plan; (iii) NTSOC’s Code of Conduct; (iv) the Policy on Conflicts of Interest; and (v) the Policy on the Role and Responsibilities of the Compliance Officer.

In addition, NTSOC shall establish more specific standards, policies, procedures, and protocols designed to promote compliance with applicable laws and the program requirements of federal, state, and private health plans (“compliance policies”). NTSOC’s compliance policies shall be developed under the direction of NTSOC’s Compliance Officer and approved by the President/CEO/Administrator and Board of Directors as necessary.

2. Development of Additional Policies.

Regularly, and at least annually, the Compliance Officer, in consultation with other appropriate staff, shall identify those activities for which specific compliance procedures shall be developed. Such activities may include those that have been identified as areas of concern by the Compliance Officer, Board of Directors, President/CEO/Administrator, or regulatory agencies. The list of activities identified for development of specific compliance policies shall be incorporated into the Compliance Officer’s annual work plan.

Approvals:

_____ President/CEO/Administrator Date _____	_____ Chair, Board of Directors Date _____
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NURSING AND THERAPY SERVICES OF COLORADO, INC. BOARD OF DIRECTORS POLICY	
CODE OF CONDUCT Compliance Policy II.A	Approval Date: _____, 2016

NTSOC aspires to the highest ethical standards of conduct and is committed to compliance with all applicable laws and regulations that govern its operations. We strive to conduct all of our activities with integrity and honesty and in accordance with applicable laws and the most ethical business practices. We want to provide our patients with the best and most ethical service possible. The foremost principle guiding NTSOC in all of its activities is to do the right thing, the first time, and all the time.

The culture of NTSOC and all its activities should at all times exemplify this commitment to ethics, integrity and quality service. In support of these objectives, NTSOC has developed this Code of Conduct as well as specific compliance policies to guide NTSOC’s directors, officers, employees, contractors and other affiliates in the conduct of NTSOC’s business.

1. Mission Statement.

NTSOC offers community services and in-home care for developmentally delayed and medically fragile children and adults, including in-home therapy services. NTSOC also provides case management for two Medicaid waiver programs within the State of Colorado and maintains a CNA training program. Additionally, NTSOC provides a multi-disciplinary outpatient therapy clinic.

We aim to provide high quality, cost-effective healthcare to all of our patients. To that end, we are committed to the delivery of safe, effective, efficient, compassionate and satisfying patient care. We treat all patients with warmth, respect, and dignity and provide care that is both necessary and appropriate. NTSOC has a comprehensive program to promote the quality objectives of the organization. In promoting a high quality of care, NTSOC is focused on the attentiveness and dedication of service to patients, clients and students. As a general principle, NTSOC aspires to a standard of excellence for all caregivers and is committed to the delivery of safe, effective, efficient, compassionate and satisfying care and services.

2. Purpose.

The Code of Conduct is intended to be a summary of conduct expected of all NTSOC employees and affiliates of NTSOC, but is not all-inclusive. NTSOC will develop additional standards and policies that address specific functions and activities of NTSOC. Employees should consult the specific NTSOC policies and procedures that apply to their duties at NTSOC. Employees should contact their supervisor or the Compliance Officer when a specific question or issue arises.

3. Responsibility.

The Code of Conduct is a critical component of NTSOC's overall Compliance Program. All volunteers, directors, officers, contractors, and other affiliates and representatives of NTSOC also shall comply with applicable provisions of the Code of Conduct.

The standards set forth in the Code of Conduct apply to all employees and contractors. The standards are mandatory and must be followed. Failure to follow this Code of Conduct or NTSOC's compliance policies may result in disciplinary action, up to and including termination of employment or other affiliation with NTSOC.

4. Acknowledgment.

Each employee shall sign an acknowledgment that they have read and understand this Code of Conduct.

5. Fundamental Commitment to Stakeholders.

- a. ***To our patients:*** We are committed to providing quality care that is sensitive, compassionate, promptly delivered, and cost-effective.
- b. ***To our NTSOC employees:*** We are committed to a work setting which treats all employees with fairness, dignity, and respect, and affords them an opportunity to grow, to develop professionally, and to work in a team environment in which all ideas are considered.
- c. ***To our third-party payers:*** We are committed to dealing with our third-party payers in a way that demonstrates our commitment to contractual obligations and reflects our shared concern for quality healthcare and bringing efficiency and cost effectiveness to healthcare.
- d. ***To our regulators:*** We are committed to an environment in which compliance with rules, regulations, and sound business practices is woven into the corporate culture. We accept the responsibility to aggressively self-govern and monitor adherence to the requirements of law and to our Code of Conduct.
- e. ***To the communities we serve:*** We are committed to understanding the particular needs of the communities we serve and providing these communities quality, cost-effective healthcare and services.
- f. ***To our suppliers:*** We are committed to fair competition among prospective suppliers and the sense of responsibility required of a good customer.

6. Professional Ethics.

- a. Patients and co-workers shall be treated with dignity and respect.
- b. Employees shall at all times perform their functions in adherence to the highest ethical and professional standards and conduct themselves with integrity in the workplace or any other location while on NTSOC business. Employees should remember that they are a reflection of NTSOC and should always conduct themselves in a manner that upholds the values and good reputation of NTSOC.

Employees should be familiar with and follow the policies and procedures set forth by NTSOC.

- c. All patient information shall be kept confidential as required by law and NTSOC's HIPAA/Privacy policies. Employees should be familiar with and follow the policies and procedures set forth by NTSOC.
- d. Employees are responsible for knowing and following all legal requirements relevant to performance of their job duties. The applicable Colorado and federal laws affecting NTSOC's activities will be reviewed at employee orientation and training sessions. Employees are not authorized to achieve any NTSOC objective by violating any Federal, Colorado, city, or other governmental or regulatory body's laws, statutes, regulations or generally accepted rules and standards.
- e. Employees shall not deceive, defraud or mislead any person or person associated or doing business with NTSOC.
- f. Employees shall not misrepresent NTSOC in any negotiations, business dealings, or agreements.
- g. Employees shall not use NTSOC's business or assets for personal benefit.
- h. NTSOC will not tolerate any form of sexual harassment. It is NTSOC policy to provide all employees with a work environment free from unwelcome sexual overtures. Supervisors must be alert to possible violations of this policy and foster an environment in which such conduct is not tolerated. Any questions concerning issues of sexual harassment should be directed either to the employee's supervisor, Human Resources, or the Compliance Officer. Employees should be familiar with and follow the policies and procedures set forth by NTSOC.

7. Claims Submission and Payment.

- a. Billing and collection activities shall be performed in accordance with all applicable state and federal laws, contractual requirements and NTSOC policies. Employees should be familiar with and follow the procedures set forth in the NTSOC Policies and Procedures Manual (Claim Development and Submission Process 16.1).
- b. Claims for payment to a government program or private payer shall be submitted only for services which were performed and only where there is adequate and proper documentation of the service as provided by applicable laws and/or contractual requirements. Unless otherwise permitted by law or a private payer contract, claims shall be submitted for payment only if the services provided were medically necessary and appropriately ordered. Employees are responsible for learning the documentation and medical necessity requirements applicable to the claims that they prepare and/or submit.

- c. No employee shall submit or cause to be submitted information to a government agency, patient, third party payer, vendor, or to NTSOC that the employee knows or should know is false. This standard applies to claims for an item or service the employee knows or should know was not provided, was fraudulent, was not medically necessary, was based on a billing code which would result in greater payment than the code appropriate for the item or service, or was rendered by a provider the employee knows has been excluded from participating in a federal health program or is otherwise not authorized to provide the service.
- d. NTSOC shall monitor claims information and payments and shall promptly refund any payments made by state or federal agencies or private payers which were made erroneously and of which NTSOC is aware.
- e. Employees shall notify their supervisor or the Compliance Officer if they believe that a staff member has engaged in possible misconduct. The Compliance Officer shall investigate the report in accordance with the procedures set forth in NTSOC's compliance policies. See Compliance Policy IV.A (Reporting Compliance Issues).
- f. If NTSOC has reason to believe that a staff member is engaging in misconduct, NTSOC shall take corrective action as appropriate under the circumstances. See Compliance Policy IV.B (Investigating and Responding to Compliance Issues).
- g. Employees shall not steal, embezzle or otherwise convert to the benefit of another person, or intentionally misapply any funds, money, premiums, credits or other assets of a provider or any healthcare benefit program, including Medicare, Medicaid or a private payer.

8. Relationships with Third Parties.

- a. Arrangements with physicians, vendors and other third parties will comply with applicable federal, state and local laws and regulations. (See Appendix 1 for a summary of key compliance laws.) Employees who perform contracting services should be familiar with the applicable laws and regulations affecting their area of contracting and should consult with their supervisor or the Compliance Officer if they have any questions or are unsure about a particular contractual arrangement.
- b. No employee shall knowingly and willfully solicit, offer to pay, pay or receive, anything of value, either in cash or in kind, directly or indirectly, in return for:
 - i. referring a person for any item of services covered by a Federal health program, including the Medicare and Medicaid; or
 - ii. leasing, purchasing, ordering, arranging or recommending leasing, purchasing or ordering any good, facility, service or item covered by Federal health program, including the Medicare and Medicaid programs.

9. Conflicts of Interest.

All employees shall be familiar with and abide by NTSOC's Conflict of Interest Policy (Compliance Policy II.B). Employees may not directly or indirectly participate in any personal business or professional activity or have a direct or indirect financial interest which conflicts with NTSOC's interests, patient interests, or the employee's duties and responsibilities as an employee of NTSOC. Employees should consult with the Compliance Officer if they are unsure whether a particular activity, relationship, or financial interest creates a conflict of interest. Actual or potential conflicts of interest should be reported to the Compliance Officer.

10. Reporting Compliance Matters.

- a. In order to assure compliance with applicable laws, NTSOC encourages all employees to ask questions, clarify their responsibilities and bring to NTSOC's attention questions, suspected wrongdoing, and areas for improvement.
- b. All employees have an obligation to assist NTSOC in promoting and assuring compliance with applicable laws, and to assist and cooperate with NTSOC in any compliance investigation.
- c. All employees and agents of NTSOC have a duty to report any suspected wrongdoing or violation of applicable laws or NTSOC policies or procedures. Employees also have a duty to report any act or omission that is below NTSOC's standard of care or that has caused or could cause injury to a patient or that violates a patient's rights. Employees should be familiar with and follow the procedures set forth in Compliance Policy IV.A (Reporting Compliance Issues).

11. Government Investigations.

NTSOC is committed to full compliance with all state and federal laws and will cooperate appropriately with government authorities in any investigation of NTSOC or its employees. See Compliance Policy IV.C (Cooperation with Government Authorities).

12. Records.

- a. Each employee shall maintain the necessary business records required for the employee's position. All business records containing patient or provider information shall comply with the applicable legal requirements and NTSOC policies for HIPAA compliance. (Compliance Policy X-Records Retention)
- b. An employee shall not create any false record or falsify any information in a patient or other NTSOC record.
- c. All patient and other NTSOC records shall be retained as required by law and NTSOC's record retention policies. An employee shall not destroy any patient or NTSOC record unless authorized by NTSOC's record retention policies. (Compliance Policy X-Records Retention)

13. Gifts.

Employees shall not solicit or accept a gift, including but not limited to cash, food, clothing, books, CDs, DVDs, services, etc. from patients, vendors or other third parties doing business with NTSOC. (Exception: If an employee feels that turning down a gift offered by a patient would be detrimental to the patient's mental well-being, the employee should consult with their supervisor or the compliance officer).

14. Substance Abuse.

NTSOC is committed to providing a work environment free of substance abuse. Employees shall be prohibited from the use of non-prescribed controlled substances, possession of any illegal drugs, drug abuse or being under the influence of such substances or alcohol on NTSOC's premises or while engaged in NTSOC's business.

15. Safety.

In all cases where a question of personal safety arises for individual employees, co-workers or other persons on NTSOC premises, or other locations where an NTSOC employee is present and fulfilling his or her work-related responsibilities, addressing the safety issue should take precedence. Employees should always be cognizant of the need to adhere strictly to all safety policies and regulations.

16. Questions.

Questions about the Code of Conduct or the appropriateness of any action should be referred to the employee's supervisor or the Compliance Officer.

17. Volunteers, Directors, Officers, Contractors and Other NTSOC Representatives.

For ease of reference, the provisions of this Code of Conduct are directed to employees of NTSOC. Notwithstanding this terminology, all volunteers, Directors, Officers, contractors, and other representatives of NTSOC shall perform their duties on behalf of NTSOC in accordance with the standards and requirements of this Code of Conduct.

18. Patient Rights.

NTSOC makes no distinction in the availability of services; the admission, transfer or discharge of patients; or in the care provided based on age, gender, disability, race, color, religion, or national origin. NTSOC recognizes and respects the diverse backgrounds and cultures of our patients and make every effort to equip our caregivers with the knowledge and resources to respect each patient's cultural heritage and needs. NTSOC is mindful that the populations in the community we serve are becoming even more diverse. Accordingly, NTSOC ensures that NTSOC employees are equipped to meet these articulated commitments for multi-cultural competency in patient care.

Each patient is provided with a written statement of patient rights and a notice of privacy practices. These statements include the rights of a patient to make decisions regarding medical

care, the right to refuse or accept treatment, the right to informed decision-making, and a patient's rights related to his or her health information maintained by the facility. Such statements conform to all applicable state and federal laws, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (hereinafter referred to as HIPAA).

NTSOC seeks to involve patients in all aspects of their care. As applicable, each patient or patient representative is provided with a clear explanation of care. Patients have the right to request transfers to other facilities. In such cases, the patient is given an explanation of the benefits, risks, and alternatives of the transfer.

In the promotion and protection of each patient's rights, each patient and his or her representatives are accorded appropriate confidentiality, privacy, security, advocacy and protective services, and the opportunity for resolution of complaints. Patients have the right to an environment that preserves dignity and contributes to positive self-image. Patients are treated in a manner that preserves their dignity, autonomy, self-esteem, civil rights, and involvement in their own care.

NTSOC maintains processes to support patient rights in a collaborative manner which involves NTSOC leaders and others. These structures are based on policies and procedures, which make up the framework addressing both patient care and organizational ethics issues. Each patient, or when appropriate, the patient's representative, is informed of the patient's rights in advance of furnishing or discontinuing care, the outcomes of treatment, treatment and the possibility of unanticipated outcomes. Patients are also involved as clinically appropriate in resolving dilemmas about care decisions. NTSOC maintains processes for prompt resolution of patient grievances which include informing patients of whom to contact regarding grievances and informing patients regarding the grievance resolution. NTSOC addresses the resolution of complaints from patients and their families. NTSOC colleagues receive training about patient rights in order to clearly understand their role in supporting them.

19. Patient Information.

NTSOC collects information about the patient's medical condition, history, medication, and family illnesses in order to provide quality care. We realize the sensitive nature of this information and are committed to maintaining its confidentiality. Consistent with HIPAA, we do not use, disclose or discuss patient-specific information, including patient financial information, with others unless it is necessary to serve the patient or required by law.

NTSOC employees must never use or disclose confidential information that violates the privacy rights of our patients. In accordance with our privacy and security policies and procedures, which reflect HIPAA requirements, no NTSOC employee, or other healthcare partner has a right to any patient information other than that necessary to perform his or her job. Subject only to emergency exceptions, patients can expect their privacy will be protected and patient-specific information will be released only to persons authorized by law or by the patient's written authorization.

Code of Conduct (Compliance Policy II.A) Appendix 2

Summary of Key Compliance Laws

As described in the Code of Conduct, NTSOC expects its agents, employees, and representatives to perform their responsibilities lawfully and with integrity. The Code of Conduct cannot, however, anticipate every situation that may arise. The following summary of key compliance laws is intended to provide an additional resource to guide the agents, employees, and representatives of NTSOC as they conduct their business activities.

1. Physician Self-Referral Law / the “Stark Law”.

Section 1877 of the Social Security Act (the Act) (42 U.S.C. 1395nn), also known as the physician self-referral law and commonly referred to as the “Stark Law” and its state law counterpart (collectively the “Stark Law”) prohibit a physician (and certain other health professionals) from referring Medicare or Medicaid patients to an entity for the furnishing of Designated Health Services if the physician or an immediate family member has a financial relationship with that entity, unless an exception to the Stark Law exists.

The prohibitions of the Stark Law are limited by the fact that it applies only to referrals of Designated Health Services as that term is defined by the Act. This definition applies to the following: (i) clinical laboratory services; (ii) physical therapy, occupational therapy and speech pathology services; (iii) radiology and certain other imaging services; (iv) radiation therapy services and supplies; (v) durable medical equipment and supplies; (vi) parenteral and enteral nutrients, equipment and supplies; (vii) prosthetics, orthotics and prosthetic devices and supplies; (viii) **home health services**; (ix) outpatient prescription drugs; and (x) inpatient and outpatient hospital services. 42 C.F.R. § 411.351.

The scope and application of the Stark Law are also limited by a number of exceptions which are described in federal regulations and apply to many common business relationships include professional services, leases, and fair market value compensation arrangements.

2. The Anti-Kickback Statute.

The Anti-Kickback Statute prohibits any person from knowingly and willfully soliciting, offering, paying or receiving kickbacks or any other remuneration in exchange for federal health program business, whether such kickback or remuneration is paid directly or indirectly, in cash or in kind. 42 U.S.C. § 1320a-7b(b). Violation of the Anti-Kickback Statute is a felony punishable by a maximum fine of \$25,000.00 per offense, imprisonment up to five years, or both. The Department of Health and Human Services’ Office of Inspector General (“OIG”) also may seek to impose civil monetary penalties and/or exclude from Medicare and Medicaid those persons who violate the Anti-Kickback Statute. 42 U.S.C. § 1320a-7a(a)(5).

The scope of the Anti-Kickback Statute is limited by the requirement that the prohibited remuneration must be knowingly and willfully offered, paid, solicited or received for referrals. This requirement has been interpreted in somewhat different ways by different courts. However, it is generally acknowledged that an express agreement to exchange money or services for referrals is not required and a violation may be evidenced by the circumstances surrounding a

particular situation. The Hanlester Network v. Shalala, 51 F.3d 1390, 1397 (9th Cir. 1995). Moreover, an intent to induce or pay for referrals of federal health care program business need not be the only reason that the remuneration is provided. A payment made for legitimate services with a secondary purpose of inducing or paying for referrals may violate the Statute. United States v. Greber, 760 F.2d 68, 72 (3rd Cir.), *cert. denied* 476 U.S. 988 (1985).

Although broadly stated, limitations on the potential scope of the Anti-Kickback Statute are established by “safe harbors” which apply to certain business arrangements such as leases and personal services contracts. See 42 C.F.R. § 1001.952. Full compliance with a safe harbor ensures that an arrangement will be immune from prosecution under the Anti-Kickback Statute. Failure to meet the requirements of a safe harbor, however, does not mean that an arrangement is illegal. Rather, arrangements which do not fall within a safe harbor must be reviewed on a case-by-case basis to determine if the parties are improperly paying or receiving remuneration in exchange for referrals of federal health care program business.

3. Prohibitions on False Claims.

There are a number of laws prohibiting the submission of false reimbursement claims to a federal or state health care program. These laws include the following:

- a. Federal False Claims Act; 31 U.S.C. § 3729 – 3733. The federal False Claims Act imposes liability on any person or entity who:
 - i. Knowingly files a false or fraudulent claim for payments to Medicare, Medicaid or other federally funded health care program;
 - ii. Knowingly uses a false record or statement to obtain payment on a false or fraudulent claim from Medicare, Medicaid or other federally funded health care program; or
 - iii. Conspires to defraud Medicare, Medicaid or other federally funded health care program by attempting to have a false or fraudulent claim paid.

While the False Claims Act imposes liability only when a person acts “knowingly,” the Act does not require that the person submitting the claims have actual knowledge that the claim is false. A person or entity who acts in reckless disregard or in deliberate ignorance of the truth or falsity of the information can also be found liable under the Act.

Examples of violations of the False Claims Act include the following:

- A physician who submits a bill to Medicare or Medicaid for medical services he knows or should know were not provided;
- A health care provider who submits records to Medicare or Medicaid that the provider knows or should know are false and that indicate compliance with certain contractual or regulatory requirements that were not met; and

- A facility that obtains interim payments from Medicare or Medicaid throughout the year and then knowingly files a false cost report at the end of the year in order to avoid making a refund to the government.

A person or entity that violates the False Claims Act is liable for significant fines and penalties. The fines include civil money penalties ranging from \$5,500 to \$11,000 per false claim, plus three times the damages sustained by the government because of the false claim and the government's costs of the civil action.

One of the unique aspects of the federal False Claims Act is the *qui tam* provision, commonly referred to as the whistleblower provision. This allows a private person with knowledge of a false claim to bring a civil action on behalf of the United States Government. The purpose of bringing the *qui tam* suit is to recover the funds paid by the Government as a result of the false claims. If the suit is ultimately successful, the whistleblower that initially brought the suit may be awarded a percentage of the funds recovered. Sometimes the United States Government decides to join the *qui tam* suit. The percentage the recovery awarded to the whistleblower is generally lower when the government intervenes. Additionally, the court may reduce a whistleblower's share of the proceeds if the court finds that the whistleblower planned and initiated the violation. A whistleblower that brings a clearly frivolous *qui tam* action can also be held liable for the defendant's attorneys' fees and costs.

The federal False Claims Act includes protections for people who file *qui tam* lawsuits. An employee who is discharged, demoted, suspended, threatened, harassed, or discriminated against in his employment as a result of the employee's lawful acts in furtherance of a false claims action is entitled to all relief necessary to make the employee whole. Such relief may include reinstatement, two times the amount of back pay, plus interest, and compensation for any special damages, including attorneys' fees and the costs of the litigation.

b. The Program Fraud Civil Remedies Act of 1986; 31 U.S.C. § 3801 – 3812

The Program Fraud Civil Remedies Act of 1986 ("PFCRA") provides administrative remedies for knowingly submitting false claims and false statements to federal agencies. The PFCRA imposes liability on a person or entity that files a claim that is false or is supported by a written statement that is false or omits a material fact.

A violation of the PFCRA results in a maximum civil penalty of \$5,000 per each wrongfully filed claim, plus an assessment of up to twice the amount of each false or fraudulent claim that has been paid. These remedies are separate from, and in addition to, any liability that may be imposed under the federal False Claims Act.

c. Colorado Fraud and Abuse Law: Colo. Rev. Stat. § 25.5-4-304 to 306.

The State of Colorado has adopted a Medicaid anti-fraud statute that is intended to prevent the submission of false and fraudulent claims to the Colorado Medicaid program. The statute makes it unlawful for any person to intentionally or with reckless disregard present a false claim to Medicaid, make a false representation of a material fact in connection with a claim; present a

cost document the person knows contains a false material statement; or make a claim for services payable by Medicaid with knowledge that the person who furnished the services was not licensed to provide such services.

Violations of the Colorado anti-fraud statute are civil offenses and are punishable by monetary penalties of \$1,000 per claim up to \$50,000 or twice the amount paid by the Medicaid program.

**Code of Conduct (Compliance Policy II.A)
Appendix 2 – Employment Acknowledgment Form**

Nursing and Therapy Services of Colorado

I acknowledge that I have been provided with a copy of the Code of Conduct of NURSING AND THERAPY SERVICES OF COLORADO, INC. (“NTSOC”) as well as NTSOC’s Conflicts of Interest policy, Reporting of Compliance Issues and NTSOC’s Notice Regarding Anti-Fraud Compliance. I also have received copies of the additional compliance documents described below. I have attended the initial employee training regarding the Code of Conduct and NTSOC’s Compliance Program. I agree to become familiar with and abide by the contents of all manuals/policies listed.

I agree to comply with NTSOC’s Code of Conduct and other compliance policies and understand that any violation of the Code of Conduct or any of NTSOC’s compliance policies may result in disciplinary action including but not limited to termination of my employment. I represent that I am in compliance with the Code of Conduct and other requirements of the NTSOC Compliance Program and policies with the following possible exceptions: _____

(provide a description of any actual or potential violations or conflict of interest.) I understand that my disclosure of a potential violation or conflict of interest does not mean that NTSOC will not take appropriate action.

I understand and agree that it is my responsibility to report any concerns regarding NTSOC’s operations or suspected violations of NTSOC’s Code of Conduct, compliance policies or applicable laws to my supervisor or the Compliance Officer of NTSOC.

List of Additional Compliance Policies Received:

Date

(Signature)

(Employee Name)

<p>NURSING AND THERAPY SERVICES OF COLORADO, INC. BOARD OF DIRECTORS POLICY</p>	
<p>CONFLICTS OF INTEREST AND FIDUCIARY DUTIES</p> <p>Compliance Policy II.B</p>	<p>Approval Date: _____, 2016</p>

All employees, directors, officers, supervisors and other representatives of NTSOC (“Representatives”) shall refrain from conflicts of interest as provided in Sections 1 and 2.a. and b. of this policy. Additionally, the directors, officers, and supervisors of NTSOC (“Management Representatives”) must comply with the additional described in Sections 2.a, 3, 4, and 5 of this policy.

1. Definitions.

- a. ‘Conflict of Interest’ means any situation in which a person’s judgment concerning the best interests of NTSOC is or may be affected or restricted by a relationship with, an existing financial interest in, a potential financial interest in, or an obligation to another person, business entity, association, charitable organization, or governmental agency on the part of the person or his/her immediate family.
- b. ‘Conflicting interest transaction’ means a contract, transaction, or other direct or indirect financial relationship between NTSOC and a person, a member of his or her immediate family, or an entity with which the person or a member of his or her immediate family is a director, officer, or has a financial interest. A conflicting interest transaction is one type of conflict of interest.
- c. ‘Disclosure’ means a disclosure of the nature of an actual or potential conflict of interest, identifying the nature of the conflict and the specific relationship which causes the conflict.
- d. ‘Immediate family’ means a person’s spouse or significant life partner, parents, siblings, children, children’s spouses, and grandchildren.

2. Conflicts of Interest.

All Representatives of NTSOC shall avoid conflicts of interest and shall refrain from participation in any actual or potential conflicts of interest except when such interests or activities have been expressly disclosed and authorized in accordance with the provisions of this policy.

a. Mandatory Disclosure.

Each NTSOC Representative shall have a duty to disclose the material facts of any actual or potential conflict of interest to the Compliance Officer. If the Representative is an officer, director, or supervisor, the disclosure also shall be made to the Board of Directors. All disclosures must be made in writing when feasible. If an actual or potential conflict of interest becomes apparent in the course of a meeting, or other circumstances in which a written disclosure is not feasible, the Representative must orally disclose the material facts of the conflict. The NTSOC Representative shall answer questions and provide additional information about the matter upon request.

b. Participation in Meeting or Decision-Making.

After disclosing an actual or potential conflict of interest, an NTSOC Representative who is not a director, officer or supervisor shall discontinue participation in any meetings, discussions, or decision-making pertaining to matter in which the conflict arises unless expressly authorized by the Compliance Officer. All directors, officers, and supervisors must follow the additional procedures described in section 2.c. after disclosing any actual or potential conflict of interest.

c. Additional Procedures for Management Representatives.

i. Recusal.

When an actual or potential conflict of interest arises in the course of a Board of Directors or committee meeting or teleconference, a Management Representative shall disclose the conflict and answer questions about the matter. The disclosing person shall then be recused from further discussion of the matter. The Board or committee shall discuss the disclosed conflict in the absence of the disclosing person and vote upon whether an actual conflict of interest is present. If an actual conflict of interest is present, the disclosing person shall remain recused. If an actual conflict of interest is determined not to exist, the disclosing person may return to participate fully in the meeting and decision.

ii. Decision-Making.

In any matter in which a Management Representative is recused from participation in a decision to be made by the Board of Directors or a committee, the disinterested members of the Board or committee shall specifically determine whether the transaction or matter subject to the conflict of interest is in the best interest of NTSOC, and whether it is fair and reasonable upon all of the facts and circumstances. The decision of the Board or committee shall be made in good faith by an affirmative vote of a majority of the disinterested directors or committee members. The Board or committee minutes and records should document the details of a conflict disclosure, the persons present at the meeting or teleconference, any discussion of the Board or committee, the votes taken and the names of the disinterested persons voting on each issue relating to the disclosure and any related transactions.

3. Fiduciary Duties of Management Representatives

- a. The Duty of Obedience. Each Management Representative shall obey the law in all actions associated with NTSOC, and shall approve actions of NTSOC only if the actions are consistent with NTSOC's Articles of Incorporation, Bylaws, duly adopted policies and procedures, and applicable laws and regulations, including all laws and regulations relating to the tax-exempt status of NTSOC.
- b. The Duty of Care. Each Management Representative shall have a duty to use the same degree of skill, care and diligence in managing the affairs of NTSOC as an ordinarily prudent person would exercise under similar circumstances, in a manner the person believes to be in the best interest of NTSOC.
- c. The Duty of Loyalty. Each Management Representative shall act in the best interests of NTSOC and avoid self-serving or related-party transactions.

4. Reliance for Board Actions.

To fulfill the duty of care, a Management Representative may rely upon the information, opinions, reports and statements, including financial statements and other financial data, prepared or presented by:

- a. Officers or employees of NTSOC whom the person reasonably believes are acting within a field of competence;
- b. Legal counsel, a certified public accountant, or another person as to matters reasonably believed to be within such person's professional or expert competence;
- c. Religious authorities who the person believes to be reliable and competent the matters presented; or
- d. A committee of the Board of Directors of which the person is not a member if the person reasonably believes the committee merits confidence.

When relying upon information, opinions, reports and statements prepared by third parties, a Management Representative shall require disclosure and recusal of any conflicts of interests as provided in this policy; an appropriate written and reasoned report from such third party; and comparability data for compensation decisions if appropriate.

5. Annual Statement of Affirmation.

Each Management Representative shall review and sign a copy of this policy at the initiation of his or her term of office, annually thereafter, and at the time of any significant change of duties.

<p>NURSING AND THERAPY SERVICES OF COLORADO, INC. BOARD OF DIRECTORS POLICY</p>	
<p>ROLE AND RESPONSIBILITIES OF THE COMPLIANCE OFFICER</p> <p>Compliance Policy III</p>	<p>Approval Date: _____, 2016</p>

1. Role.

The Compliance Officer shall be responsible for the day to day implementation of the Compliance Program.

2. Reporting and Oversight.

The Compliance Officer shall report to the President/CEO/Administrator and the Board of Directors and shall be subject to the authority and oversight of NTSOC's Board of Directors.

3. Authority of Compliance Officer.

The Compliance Officer shall have authority to:

- a. Consult outside legal counsel as needed;
- b. Conduct internal investigations of suspected wrongdoing and improper conduct;
- c. Recommend and approve employee discipline related to compliance issues;
- d. Interpret ambiguities in NTSOC's compliance policies;
- e. Review all documents and other information relevant to compliance activities, including without limitation billing records, marketing information and NTSOC's arrangements with other parties such as employees, patients, suppliers, agents, payers and independent contractors; and
- f. Maintain direct access to the President/CEO/Administrator and when appropriate, the Board of Directors.

4. Responsibilities of Compliance Officer.

The Compliance Officer shall have primary responsibility for developing and implementing NTSOC's Compliance Program. The specific responsibilities of the Compliance Officer shall include the following:

- a. Reviewing NTSOC's Code of Conduct, policies, procedure manuals and business practices for compliance with the legal standards applicable to NTSOC's operations;
- b. Developing and recommending compliance policies to the President/CEO/Administrator and the Board of Directors;
- c. Overseeing and monitoring the implementation of NTSOC's Compliance Program;
- d. Reporting on a regular basis to the President/CEO/Administrator and, as applicable, the Board of Directors, on the progress of implementation of NTSOC's Compliance Program and other matters required by NTSOC's compliance policies or as the Compliance Officer deems appropriate;
- e. Analyzing NTSOC's industry environment and the legal requirements with which it must comply and identifying, periodically, specific risk areas. (See list of potential risk areas attached as Appendix 1);
- f. Periodically reviewing and updating NTSOC's compliance policies to respond to changes in NTSOC's operations, the laws, policies and procedures of governmental agencies, and as appropriate, the requirements of private payers;
- g. Working with NTSOC's supervisors to develop standards of conduct, policies and procedures applicable to specific departments or activities of NTSOC;
- h. Recommending and monitoring, in conjunction with the relevant departments, the development of internal systems and controls to carry out NTSOC's compliance standards, policies and procedures;
- i. Developing, coordinating, overseeing and providing compliance education and training programs to inform NTSOC's employees, management, independent contractors and agents of the requirements of the Compliance Program and applicable state and federal laws and their compliance obligations;
- j. Coordinating verification of the qualifications and background of applicants and the discipline of employees who violate NTSOC's compliance policies;
- k. Developing mechanisms to detect potential compliance violations and promote adherence to NTSOC's compliance program;

- l. Developing policies and programs to solicit, evaluate and respond to questions, complaints and problems related to compliance and encourage employees to report suspected misconduct or noncompliance with applicable standards without fear of retaliation;
- m. Independently conducting or coordinating internal compliance investigations and any resulting corrective action;
- n. Designing and coordinating internal compliance reviews, monitoring activities and audits;
- o. Coordinating NTSOC's response to any external investigation and self-reporting or voluntary disclosure of compliance issues to regulatory agencies; and
- p. Preparing and maintaining appropriate documentation of NTSOC's Compliance Program, compliance policies and other compliance activities. Such documentation shall include records of requests for advice made to government agencies, including carriers and intermediaries, charged with administering a government health program and the responses to such requests. All such documentation shall be maintained for a minimum of seven years or such longer period as may be required by law.
- q. Developing and maintaining procedures for communicating changes and clarifications of NTSOC's compliance policies to employees and agents of NTSOC.
- r. Developing an annual work plan for approval by the President/CEO/Administrator and the Board of Directors which describes the education and training programs that will be provided, compliance issues that will be addressed through new compliance policies or policy modifications, procedures that will be used to evaluate the effectiveness of the Compliance Program, and other goals and objectives for the Compliance Program in the coming year.
- s. Other activities as assigned by the Board or the President/CEO/Administrator or identified in NTSOC's compliance policies.

5. Conflict of Interest.

The Compliance Officer shall not participate in any activities assigned under NTSOC's compliance policies or otherwise, which involve the audit, investigation or review of the Compliance Officer or of any activities under his or her direction or control. The President/CEO/Administrator shall appoint an alternate Compliance Officer who shall fulfill the responsibilities of the Compliance Officer when and if the Compliance Officer is unable to fulfill such responsibilities due to a conflict of interest. The alternate Compliance Officer shall perform

all of his/her duties in accordance with the provisions of this policy. An alternate Compliance Officer or auditing of the Compliance Officer's performance may be conducted by individuals or entities outside of NTSOC.

6. Compliance Committee.

Under the direction of the President/CEO/Administrator, the Compliance Officer shall appoint a Compliance Committee made up of representatives of various departments to assist the Compliance Officer with the identification of needed compliance policies, the development of the Compliance Officer's annual work plan, and other activities designated by the Compliance Officer or President/CEO/Administrator. To ensure organization-wide coordination of the Compliance Program, the Compliance Committee shall meet quarterly or more frequently as requested by the Compliance Officer or President/CEO/Administrator to discuss review and resolve compliance issues.

Roles and Responsibilities of the Compliance Officer (Compliance Policy III) Appendix 1

Potential Risk Areas

Areas of risk identified by the OIG in Compliance Program Guidance include, but are not limited to, the following:

- Billing for services not actually rendered;
- Billing for medically unnecessary services;
- Duplicate billing;
- False cost reports;
- Retention of overpayments;
- Improper referrals (*e.g.*, medical directors, physicians, hospitals, patients, etc.) that may violate the anti-kickback statute, Stark Law, or other similar Federal or State statute or regulations
- Knowingly billing for inadequate or substandard care;
- Insufficient documentation to evidence that services were performed and to support reimbursement;
- Billing for services provided by unqualified or unlicensed clinical personnel.

<p>NURSING AND THERAPY SERVICES OF COLORADO, INC.</p>	
<p>HANDLING POTENTIAL COMPLIANCE ISSUES:</p> <p>REPORTING COMPLIANCE ISSUES</p> <p>Compliance Policy IV.A</p>	<p>Approval Date: _____, 2016</p>

NTSOC shall maintain a reporting system whereby employees and other representatives and agents of NTSOC can report suspected criminal conduct or other violations of law, NTSOC’s Code of Conduct, or NTSOC’s compliance policies without fear of retaliation.

1. Duty to Report.

All employees and agents of NTSOC shall have a duty to report any suspected wrongdoing or violation of applicable laws or regulations, NTSOC’s Code of Conduct, or NTSOC’s compliance policies. Persons who fail to fulfill this duty may be subject to disciplinary action pursuant to this Compliance Plan and any other applicable NTSOC policies.

2. Methods of Reporting.

Suspected misconduct or violations of NTSOC’s compliance standards and policies may be reported by any of the following methods:

- a. Directly contacting NTSOC’s Compliance Officer at 719-574-5562, ext230;
- b. Contacting the employee’s supervisor. Supervisors who receive compliance reports shall forward them immediately to the Compliance Officer;
- c. Submitting a written report to the Compliance Officer using the Compliance Report Form, which may be obtained from the Compliance Officer or on NTSOC’s website; or
- d. Utilizing NTSOC’s internal “hotline” phone line (719-418-3400). The number for this internal hotline and the HHS-OIG hotline [1-800-HHS-TIPS (447-8477)] shall be posted in prominent locations in NTSOC.

3. Contents of Report.

Regardless of how a report is made, to be useful in the detection and prevention of misconduct, the report must contain specific information regarding the suspected misconduct, including when and how the conduct occurred or is occurring, the persons involved in the conduct, and the specific nature of the conduct. Employees may report suspected violations anonymously. NTSOC encourages persons making anonymous reports to maintain contact with the Compliance Officer, however, so that the Compliance Officer may obtain any additional information needed to properly investigate the report.

4. Written Record.

All reports, if not already provided in writing, shall be reduced to writing by the Compliance Officer using the Compliance Report Form that is Attachment A to this policy. The form shall be given a sequential compliance report identification number and entered onto the compliance report log. All reports shall be maintained by the Compliance Officer in a secure location. All reports and logs shall be maintained by the Compliance Officer for a period of not less than seven years.

5. Confidentiality of Reports.

NTSOC shall treat reports of suspected misconduct as confidential to the greatest extent possible, subject to NTSOC's obligation to investigate the report and take appropriate action to correct any violations or misconduct. NTSOC shall take reasonable steps to maintain confidentiality of the identity of any person providing information to NTSOC. NTSOC cannot, however, guarantee complete confidentiality of the identity of persons who make reports. In fulfilling its obligations to investigate and correct misconduct and to report certain misconduct to state and federal authorities, NTSOC may be unable to maintain the confidentiality of a reporting person's identity and such identity may become known or may have to be revealed by NTSOC.

6. Non-retaliation; False Reports.

NTSOC prohibits any form of retaliation against any employee or agent for filing a bona fide report under this policy or for assisting in any investigation regarding compliance matters. Persons who engage in such retaliation shall be subject to discipline pursuant to NTSOC's compliance policies. Should a reporting party become concerned that a retaliatory action is being initiated against him or her, in violation of this policy, the party should report the situation to the Compliance Officer immediately. If the employee fears that the Compliance Officer is involved in the action, the party shall contact the President/CEO/Administrator.

No employee shall be subject to disciplinary action solely on the basis that he or she mistakenly reported what he or she reasonably believed to be an act of wrongdoing, a violation of law, or a violation of NTSOC's Code of Conduct or compliance policies. However, if after investigating any compliance report, NTSOC determines that the report is not bona fide or that an employee has provided false information regarding the report, disciplinary action may be taken against the person who filed the report or gave the false information. Additionally, an employee will be

subject to disciplinary action, if it is determined that the report of wrongdoing was knowingly or willfully fabricated by the employee or was knowingly or willfully distorted, exaggerated, or minimized to either injure someone else or to protect himself or herself. An employee 'knowingly' provides false information if he or she knows or reasonably should know that the information is false or intentionally or recklessly disregards whether or not the information is false.

7. Discipline of a Reporting Employee.

An employee whose report of misconduct contains admissions of personal wrongdoing is not guaranteed protection from disciplinary action simply because he or she made the report. In recommending what, if any, disciplinary actions may be taken against a reporting employee, the Compliance Officer will take into account an employee's own admission of wrongdoing, provided, that the employee's involvement was not previously known to NTSOC or its discovery was not imminent, and that the admission was complete and truthful. The weight to be given to self-reporting will depend on all facts known at the time NTSOC makes its discipline decisions and the applicable disciplinary procedures set forth in NTSOC's compliance and human resources policies.

Attachment A - Compliance Report Form

NURSING AND THERAPY SERVICES OF COLORADO, INC.

CONFIDENTIAL AND PRIVILEGED

No.: _____

Received: Date _____

Time: _____

Date Violation Occurred: _____

Report Received by: _____

Position: _____

Reporting Person: _____

Position: _____

Persons and/or Departments Involved: _____

Description of Incident: _____

Type of Report:

Dishonesty and/or Fraud: _____

Billing: _____

Safety/Health: _____

Conflict of Interest: _____

Other: _____

Report Completed by: _____ Date: _____

(CONFIDENTIAL AND PRIVILEGED)

<p>NURSING AND THERAPY SERVICES OF COLORADO, INC.</p>	
<p>HANDLING POTENTIAL COMPLIANCE ISSUES:</p> <p>INVESTIGATING AND RESPONDING TO COMPLIANCE ISSUES</p> <p>Compliance Policy IV.B</p>	<p>Approval Date: _____, 2016</p>

When a compliance issue is reported or detected, the Compliance Officer shall take all reasonable steps to investigate the issue, respond appropriately, and take any necessary corrective action.

1. Investigation of Reports.

It is NTSOC's policy to take seriously all reports of misconduct, wrongdoing, or other compliance issues. Any such report, regardless how made, shall be forwarded to the Compliance Officer who shall assure that the following steps are taken as applicable:

- a. No promises will be made to the person making the report regarding his or her liability, the confidentiality of his or her identify or what steps NTSOC may take in response to the report.
- b. The Compliance Officer, in consultation with the President/CEO/Administrator and legal counsel as necessary, shall determine whether the alleged wrongdoing, if established, would be a violation of state or federal law (and if so, whether the violation is a criminal offense), a violation of NTSOC's compliance policies, or otherwise would put NTSOC at risk of economic injury, civil or criminal liability or injury to NTSOC's reputation.
- c. The Compliance Officer, in consultation with the President/CEO/Administrator and legal counsel as necessary, shall determine, commensurate with the gravity of the allegation, what steps will be taken to investigate the report. The Compliance Officer may investigate the report or may delegate the responsibility for such investigation to an appropriate person within or outside NTSOC. In some cases an investigation may be conducted by NTSOC's legal counsel in the course of providing legal representation to NTSOC on related issues.
- d. The investigation may include, as appropriate, review of documents, witness interviews, audits of NTSOC practices, and other appropriate actions. The person

responsible for conducting the investigation shall keep a record of all activities undertaken in the course of the investigation. The final investigation report shall be provided to the Compliance Officer (if conducted by another person), and to the President/CEO/Administrator and/or Board, as appropriate.

- e. If the Compliance Officer believes that the integrity of NTSOC's investigation is compromised because of the presence of any employee under investigation, such employee shall be removed from his or her current work activity until the investigation is complete.
- f. The Compliance Officer, or other person conducting the investigation, shall take appropriate steps to secure or prevent the destruction of documents or other evidence relevant to the investigation.

2. Corrective Action.

After the investigation is completed, the Compliance Officer shall, in consultation with legal counsel as necessary, determine whether a violation of state or federal law or NTSOC's compliance standards and policies has occurred. The Compliance Officer shall, in consultation with legal counsel, the President/CEO/Administrator, and/or other appropriate NTSOC personnel, develop a plan for corrective action to remedy the violation. Such plan for corrective action shall include, if applicable, any appropriate disciplinary action against any employees engaged in the misconduct or wrongdoing, in accordance with this Compliance Plan. Corrective action resulting from an investigation also may take the form of a systems change, an educational requirement or initiative, or a change in a policy, practice, or contract. The Compliance Officer shall monitor the implementation of all corrective action plans on a regular basis to assure that the plans are properly implemented and the misconduct or wrongdoing has been corrected and has not reoccurred.

3. Reporting.

As part of the Compliance Office's regular reports to the President/CEO/Administrator and Board of Directors, the Compliance Officer shall include a report summarizing all bona fide reports of wrongdoing, including the results of any investigation and any subsequent disciplinary or remedial actions taken.

4. Record-Keeping.

- a. All records of reports of misconduct or wrongdoing, including initial reports, records of investigations, and corrective action plans, shall be prepared and maintained in such a manner as to preserve all applicable legal privileges, including the attorney-client, work product and self-evaluative privileges, as appropriate. All such records shall be retained for the period of time specified in NTSOC's record retention policies.
- b. Records of the investigation should document each of the following steps:

- i. The alleged violation and how it was brought to the attention of the Compliance Officer.
 - ii. A description of the investigative process (including methodology and verification of the objectivity of investigators).
 - iii. Copies of key documents and a log of documents reviewed.
 - iv. The results of the investigation (including disciplinary actions taken and corrective measures implemented).
- c. The Compliance Officer shall coordinate the preparation and retention of records with legal counsel when involved in the investigation.

Attachment B – Corrective Action Tracking Form
NURSING AND THERAPY SERVICES OF COLORADO, INC.

Note: To be completed by the Compliance Officer

Refer to Compliance Report Form No. _____

Date Report Received: _____

Referred For Investigation To: _____

Investigative Results: (Attach if appropriate) _____

Persons who reported violation notified: Yes _____ No _____

Date: _____ Person's Name: _____

Corporate Compliance Officer (Signature)

Date

(CONFIDENTIAL AND PRIVILEGED)

<p>NURSING AND THERAPY SERVICES OF COLORADO, INC.</p>	
<p>HANDLING POTENTIAL COMPLIANCE ISSUES:</p> <p>COOPERATING WITH GOVERNMENT AUTHORITIES</p> <p>Compliance Policy IV.C</p>	<p>Approval Date: _____, 2016</p>

It is the policy of NTSOC to cooperate appropriately with enforcement and regulatory authorities in any alleged misconduct by NTSOC or its employees or agents.

1. The Compliance Officer shall be responsible for coordinating NTSOC's response to any governmental inquiry or investigation.
2. Upon learning of a government investigation or inquiry, the Compliance Officer may notify legal counsel, who shall assist in NTSOC's response to the matter.
3. The Compliance Officer, in consultation with legal counsel if needed, shall determine who shall be NTSOC's designated contact person for providing information and otherwise responding to government inquiries of investigations.
4. In coordination with legal counsel, if needed, the Compliance Officer shall review all documents before they are provided to the government and assert any applicable privileges such as the attorney-patient privilege. If immediate production is required, the Compliance Officer may coordinate with legal counsel to implement a procedure to log and copy any records produced.
5. In coordination with legal counsel, if needed, the Compliance Officer shall develop a plan for an internal review and analysis of the issue which is the subject of the investigation.
6. Upon learning of an investigation or request for documents, no relevant documents, including e-mail messages and computer records, should be destroyed. Responses to requests for documents may be coordinated with counsel.

NURSING AND THERAPY SERVICES OF COLORADO, INC.	
HANDLING POTENTIAL COMPLIANCE ISSUES: SELF-REPORTING Compliance Policy IV.D	Approval Date: _____, 2016

It is the policy of NTSOC to promptly self-report, as required by law or otherwise appropriate, any violation of a criminal, civil or administrative law or regulation. All self-reports should be coordinated by the Compliance Officer in accordance with the following:

1. Initial Investigation.

Whenever evidence of potential wrongdoing, misconduct, overpayment, or any other compliance issue is discovered, the Compliance Officer shall be notified in accordance with Compliance Policy IV.A. (Reporting Compliance Issues). As a general rule, NTSOC shall not make a self-report until the Compliance Officer has completed his or her investigation of the matter. However, after consultation with legal counsel, if needed, NTSOC may issue a self-report prior to full completion of the investigation if it is determined that the violation is supported by credible evidence and is of such significance as to warrant immediate action.

2. Decision to Report.

If, after investigation, the Compliance Officer has reason to believe that the situation constitutes a violation of criminal, civil or administrative laws or regulations, the Compliance Officer may consult with legal counsel to assess whether self-reporting is required or appropriate and applicable time frames for making a report.

3. Submission of the Report.

All reports or disclosures made to governmental entities on behalf of NTSOC shall be made by the Compliance Officer or President/CEO/Administrator in consultation with NTSOC's legal counsel, if needed.

4. Correction of Overpayments.

It is NTSOC's policy to identify and refund overpayments. Unless otherwise provided by NTSOC's compliance policies, all refunds due to government agencies shall be reported to the Compliance Officer who shall determine, in consultation with legal counsel, if needed, the appropriate procedures for making the refund

NURSING AND THERAPY SERVICES OF COLORADO, INC.	
EDUCATION AND TRAINING Compliance Policy V.	Approval Date: _____, 2016

The Compliance Program will not be effective unless NTSOC’s employees and agents understand NTSOC’s commitment to compliance, how the Compliance Program works and the scope of their personal compliance responsibilities. As a means of developing this understanding, NTSOC will provide compliance education and training to its employees and agents as provided in this policy.

1. General Compliance Education.

Employees will be required to attend an initial general education program regarding NTSOC’s Compliance Program. For new employees, this training shall be incorporated into the employees’ orientation and shall be provided within one month of hire.

The general education and training program shall include, but not be limited to, the following topics:

- a. NTSOC’s compliance philosophy and general commitment to compliance.
- b. The Code of Conduct and general compliance policies and standards applicable to all employees.
- c. Applicable Federal and State statutes, regulations and guidelines including fraud and abuse statutes and regulations.
- d. The employee’s obligation to adhere to all applicable laws, regulations and NTSOC standards of conduct and the consequences for violations.
- e. The employee’s obligation to report any suspected illegal or improper conduct and the procedures for making such reports.
- f. The role of the Compliance Officer and how to contact him or her with questions or reports.

The general education program shall be conducted by the Compliance Officer or a designee of the Compliance Officer who has sufficient knowledge and training to conduct the program. As part of the general training, the Code of Conduct shall be distributed to all employees along with

NTSOC's policies on Conflicts of Interest, Reporting Compliance Issues and Notice Regarding Anti-Fraud Compliance. At the end of this training session, every attendee shall be required to sign and date a statement that reflects his/her knowledge and commitment to the Code of Conduct. The signed attestation shall be retained in the employee's personnel file (or the contract file for an independent contractor or agent). The Code of Conduct shall be updated as applicable statutes, regulations and Federal health care program requirements are materially modified and employees shall be required to sign an updated attestation verifying their knowledge of and commitment to the modifications.

2. Targeted Training and Education.

In addition to the general compliance education and training all employees receive, those who are required to adhere to specific compliance standards or perform duties that require specific compliance training shall receive additional targeted training and education in the relevant areas.

Each supervisor, in consultation with and subject to the approval of the Compliance Officer, will develop a list of the positions under his or her supervision which require additional training and education, the topics to be included in the training, and the minimum number of hours of training per year required for each staff position. The list of positions requiring training and the training topics will be reviewed at least annually by the supervisor and the Compliance Officer. The Compliance Officer and supervisor shall develop a training program for such persons which shall include topics such as:

- a. Applicable compliance risk areas identified by the Office of Inspector General and other regulators;
- b. Applicable state and federal laws;
- c. Specific government and private payer reimbursement principles and service requirements;
- d. Prohibitions on paying or receiving remuneration to induce referrals;
- e. Improper alterations to documentation; and
- f. Appropriate documentation of diagnoses and services rendered including correct coding

Specific training and education shall be conducted at least annually and more frequently if necessary. Circumstances which may warrant more frequent training and education include changes in applicable laws or regulations, identification of specific risk areas, issuance of new government directives or discovery of areas of noncompliance. An initial Training Plan is attached as Addendum 1 to this policy.

3. Training and Education for Agents and Independent Contractors.

The Compliance Officer, in consultation with NTSOC's supervisors, shall identify any contractors and agents of NTSOC who shall be required to adhere to specific NTSOC compliance standards and/or participate in specific compliance training. When identifying such contractors and agents, the Compliance Officer shall consider whether a contractor or agent is authorized to act on behalf of NTSOC and whether it performs activities with a high compliance risk. The persons so identified shall receive information, education and training regarding NTSOC's general compliance standards and the specific compliance standards applicable to the duties the persons perform for NTSOC.

4. Administrative Procedures. The following procedures shall be applicable to all training and education conducted pursuant to this policy:
- a. The person(s) responsible for conducting a training and education program shall document the attendance at the program, as well as the topics covered. Any written materials provided at the program shall be retained and attached to the attendance list. A copy of the attendance list and training materials shall be provided to the Compliance Officer.
 - b. The training and education may utilize publications, lectures, videos, and/or other interactive activities designed to effectively communicate the information to employees and agents of NTSOC. Training materials shall be designed to be understandable by all levels of employees who receive the materials.
 - c. All training and education programs shall include a component to verify that persons receiving the training and education understand the materials provided.
 - d. Training instructors shall be knowledgeable in the specific area and may come from inside or outside NTSOC.
 - e. In lieu of internal training programs regarding specific compliance issues, employees may attend external training seminars with the approval of the Compliance Officer.
 - f. All training materials shall be reviewed and updated as necessary but at least annually by the applicable manager and/or the Compliance Officer.
 - g. Copies of NTSOC's Compliance Program Manual and applicable departmental policies and procedures shall be available in all departments of NTSOC.
 - h. Each employee shall receive a copy of NTSOC's Code of Conduct, Conflict of Interest policy, policy on Reporting Compliance Issues, and policy on Notice Regarding Anti-Fraud Compliance as well as specific compliance policies that are pertinent to the employee's position. The Compliance Officer, in consultation

with NTSOC's supervisors, shall determine which additional materials shall be provided to employees in a particular position.

- i. Targeted training shall be provided to directors, officers, supervisors, and such other employees whose actions affect the accuracy of the claims submitted to the government, such as employees involved in the coding, billing and marketing processes.
- j. Training should be designed to take into account the educational levels of employees and other factors that affect the employees' ability to comprehend the information.
- k. The training and education required by this policy is a condition of employment or contractual relationship with NTSOC. Failure to comply with applicable training requirements shall result in disciplinary action appropriate to the circumstances, including possible termination of employment.

Addendum 1 - Training Plan

(to be developed)

NURSING AND THERAPY SERVICES OF COLORADO, INC.	
AUDITS AND EVALUATIONS TO MONITOR COMPLIANCE Compliance Policy VI.	Approval Date: _____, 2016

NTSOC shall regularly monitor the effectiveness of its Compliance Program to verify that its Compliance Policies are being followed and enforced. This review process shall include but not be limited to the following:

1. Evaluation of the Compliance Program.

The Compliance Officer shall meet with NTSOC’s supervisors at least annually and shall review compliance issues that pertain to the activities that are under the direction or authority of the supervisors. The information obtained in the course of such reviews shall be used to develop the Compliance Officer’s work plan for the year.

The Compliance Officer shall conduct periodic reviews of various administrative aspects of the Compliance Program to assess adherence to the requirements of the Program and aid in the development of the Compliance Officer’s annual work plan. These reviews may include the following:

- a. interviews with or written questionnaires to employees and agents to determine their knowledge of and adherence to compliance standards;
- b. examination of record-keeping and retention;
- c. examination of education and training programs and attendance lists;
- d. examination of NTSOC’s contracts with providers and other independent contractors;
- e. review of employee screening procedures; and
- f. other components determined by the Compliance Officer.

The Compliance Officer may utilize, as necessary, any additional means of assessing the implementation of NTSOC’s Compliance Program, including the use of outside auditors and consultants

2. Audits of Operational Activities.

- a. The Compliance Officer shall coordinate regular audits and/or reviews of NTSOC's operations to evaluate compliance with NTSOC's Compliance Program and applicable laws and regulations. The Compliance Officer shall annually identify particular areas of NTSOC's operations for specific audits or review and shall incorporate such audits and reviews into the Compliance Officer's annual work plan. Areas subject to audit or review may include, as appropriate, any of the following:
 - i. activities which create exposure for potential violation of applicable laws, including without limitation activities which may trigger laws prohibiting unlawful referrals or kickback arrangements; coding; claims development and submission; and marketing activities;
 - ii. billing and collection procedures including applicable requirements for accurate coding and documentation of medical necessity;
 - iii. contracts and agreements;
 - iv. purchasing and ordering functions;
 - v. compliance with specific rules and policies which have been the focus of attention on the part of government agencies, fiscal intermediaries/carriers or law enforcement; and
 - vi. areas of concern specific to NTSOC that have been identified internally or by any governmental entity, law enforcement agency or third party payor.
- b. Audits and other reviews shall be conducted by persons who have knowledge of health care compliance requirements in the specific area and shall be subject to the supervision of the Compliance Officer. Persons responsible for conducting audits or reviews may be employees of NTSOC who are independent of the function subject to the audit or review or persons or entities outside NTSOC.
- c. The Compliance Officer may consult with legal counsel as appropriate with respect to the procedures for conducting, documenting and reporting the results of audits and review.
- d. The procedures described in this policy are not applicable to the investigation and response to reports of specific compliance issues received by the Compliance Officer. All such investigations shall be conducted in accordance with Compliance Policy IV.B.
- e. All audit and monitoring activities shall be conducted in such a manner as to maintain any appropriate legal privileges, including the attorney-patient, work product, quality management and self-evaluative privileges, as applicable. Legal counsel shall be consulted, as necessary, with respect to audit and monitoring activities.

3. Results of Audit and Monitoring Activities.

The results of all audit and monitoring functions shall be provided to the Compliance Officer, who shall report such results to the President/CEO/Administrator and Board of Directors on a regular basis, but no less frequently than annually. In the event any audit or review reveals potential violations or areas for improvement, the Compliance Officer shall take any appropriate action in accordance with NTSOC's compliance policies, including without limitation, conducting an investigation, imposition of disciplinary action if warranted, development of a corrective action plan, supplemental education and training, modification of NTSOC's compliance standards and policies, reporting to applicable government agencies and submission of any overpayments made to NTSOC, if applicable.

NURSING AND THERAPY SERVICES OF COLORADO, INC.	
EMPLOYMENT VERIFICATION PROCEDURES Compliance Policy VII.	Approval Date: _____, 2016

NTSOC will use due care not to delegate substantial discretionary authority to persons whom NTSOC knows, or should know through the reasonable exercise of due diligence, have a propensity to engage in illegal activities.

1. Requirements for All Employees and Independent Contractors.

NTSOC shall not employ or contract with any person or entity who has been convicted of a criminal offense related to health care or financial matters or who is or has been debarred, excluded or is otherwise ineligible from participating in any federal or state health care program, including without limitation, Medicare and Medicaid. Nothing in this policy shall prohibit NTSOC from refusing to employ an employee who has been convicted of any other criminal offense, at the discretion of NTSOC. I

In addition, pending the resolution of any pending charges or proposed debarment or exclusion, an employee shall be removed from direct responsibility for, or involvement in, any Federal health care program. Persons excluded from a federal or state health care program who have been reinstated may be considered for employment upon proof of reinstatement.

All applicants for employment and potential independent contractors shall be required to disclose any criminal conviction of a health care offense and any exclusion from a federal or state health care program. Failure to disclose such information, or the provision of false or misleading information, shall be grounds for immediate termination of the employment or independent contract relationship.

2. Additional Screening for Specific Positions.

In addition to the regular employment screening requirements for all applicants for employment or other contractual relationships at NTSOC, applicants for the positions listed below shall be subject to a background check as described in this policy:

- a. All members of senior management, including the President/CEO/Administrator and Chief Financial Officer;
- b. All billing supervisors and other billing personnel with discretionary authority to make billing decisions; and

- c. Any other persons who have discretionary authority to make decisions that may involve compliance with the law or oversight over any aspect of NTSOC's compliance program, as designated by the Compliance Officer.

3. Scope of Background Checks.

The background check required by this policy may include, without limitation, any of the following which are appropriate for the position in question, as determined by the Compliance Officer:

- a. Verification of licenses
- b. Verification of education
- c. Verification of past employment
- d. Verification of references provided by the applicant
- e. Verification of continuing education and appropriate education and training for the position in question
- f. Criminal background check and MVR
- g. Query of the following databases, as applicable:
 - i. Office of Inspector General's List of Excluded Individuals
 - ii. Colorado Department of Regulatory Agencies (DORA);
 - iii. Other applicable databases identified by the Compliance Officer.

4. Results of Background Check.

In the event the background check reveals any evidence of previous improper conduct or a propensity to commit such conduct, the Compliance Officer and President/CEO/Administrator shall be notified.

5. Regular Exclusion Checks for Current Employees.

The Compliance Officer will ensure that all active employees are checked against the Office of Inspector General's List of Excluded Individuals on a monthly basis.

NURSING AND THERAPY SERVICES OF COLORADO, INC.	
ENFORCEMENT OF STANDARDS AND DISCIPLINARY ACTION PROCEDURES Compliance Policy VIII.	Approval Date: _____, 2016

NTSOC's Code of Conduct and compliance policies and standards will be consistently enforced through appropriate disciplinary mechanisms, including, as appropriate, discipline of persons responsible for the failure to detect an offense. NTSOC may develop guidelines for disciplinary action, but the type of discipline imposed in each case will be determined based on the specific facts of the case.

1. Employee Conduct and Discipline.

All employees of NTSOC are required, as a condition of their employment, to comply with the Code of Conduct, NTSOC's compliance policies, and all federal and state laws and regulations applicable to the performance of their duties at NTSOC. Any violation of these standards will subject an employee to possible disciplinary action in accordance with NTSOC's human resources policies.

2. Responsibilities of All Employees.

All employees are required to report conduct by another employee, contractor, agent or patient of NTSOC which a reasonable person should know is criminal or violates any of NTSOC's compliance standards or policies. Negligently, knowingly or willfully providing any false information to NTSOC or to any government agency, patient, third party payer or vendor shall be grounds for disciplinary action.

3. Responsibilities of the Compliance Officer.

The Compliance Officer shall be notified of all employee compliance violations and shall be consulted regarding the appropriate disciplinary action for the violation. The Compliance Officer shall keep a record of all disciplinary actions for compliance violations and the specific grounds for those actions. This policy shall apply with equal force to all levels of employees. All employees will be educated about the disciplinary process in employee training programs.

4. Responsibilities of Supervisors.

Supervisors are responsible for complying with all applicable laws and NTSOC's compliance policies and for assuring that employees under their supervision comply with the same. Such persons also shall be responsible for initiating disciplinary action in coordination with the

Compliance Officer for employees who fail to comply with NTSOC's Code of Conduct and/or compliance policies. A supervisor shall be subject to discipline for his or her failure to comply with applicable laws and policies pursuant to this policy in the same manner as any other employee. In addition, a supervisor shall be subject to discipline if it is determined, in consultation with the Compliance Officer, that the supervisor was negligent in the supervision of employees or agents under his/her control or direction; knowingly or willfully failed to take reasonable measures to prevent, correct, or impose discipline for the misconduct of employees under their control or direction; or intentionally condoned or encouraged illegal or otherwise wrongful conduct. The performance evaluations of supervisors shall include an evaluation of the ability of the supervisor to detect and prevent compliance violations by employees or agents under his or her supervision, direction or control.

5. Contractors.

All contractors shall be required, as a term of their contractual relationship with NTSOC, to comply with all state and federal laws and regulations applicable to their performance of duties for NTSOC and to conform their conduct to NTSOC's compliance policies. Failure to comply with applicable laws and regulations and compliance standards and policies shall be grounds for termination of the contractual relationship with NTSOC. The foregoing requirements shall be effective with respect to all contracts made by NTSOC after the effective date of this policy.

6. Criminal Offenses.

Any person or entity who is charged with a criminal offense related to health care or proposed debarment or exclusion from a federal or state health care program shall promptly be removed from direct responsibility for or involvement in any activities of NTSOC related to a state or federal health care program, pending resolution of the matter. If resolution of the matter results in conviction, debarment or exclusion, NTSOC shall immediately terminate its employment or other contractual relationship with the person or entity.

7. Disciplinary Action Guidelines.

Each violation of NTSOC's Code of Conduct or compliance policies must be considered on a case-by-case basis to determine what disciplinary action may be applicable. Nothing in NTSOC's Compliance Program or this compliance policy shall be construed as preventing, limiting or delaying NTSOC from taking any disciplinary action, including immediate termination, which it deems appropriate in its sole discretion.

Depending upon the seriousness of the offense and other circumstances of the specific case, appropriate disciplinary action may include a written warning, suspension, or termination of employment for a first offense. As a general rule, disciplinary action shall be more severe for conduct that is a knowing, intentional or willful violation of the law or of NTSOC standards or policies. Other relevant circumstances may include whether the employee has committed previous violations; whether the employee self-reported the conduct and/or cooperated in the investigation; and other mitigating or extenuating circumstances. However, nothing in this policy shall create a prerequisite or limitation on the exercise of NTSOC's discretion to impose such discipline as it deems fit in a particular situation.

Nothing in this compliance policy is intended to alter the “at-will” nature of the employment relationship between NTSOC and its employees as set forth in NTSOC’s employment policies, procedures and/or manuals. Nothing in this policy shall prohibit NTSOC from enforcing its regular personnel policies.

NURSING AND THERAPY SERVICES OF COLORADO, INC.	
INFORMATION REGARDING COMPLIANCE WITH FRAUD AND ABUSE LAWS Compliance Policy IX	Approval Date: _____, 2016

It is the policy of NTSOC to comply with all applicable federal and state laws and regulations, including those related to the submission of claims and other documentation to state and federal health care programs such as Medicare and Medicaid. To further this policy, and to comply with Section 6032 of the Deficit Reduction Act of 2005, NTSOC shall ensure that all employees, including management, along with NTSOC’s contractors or agents, are provided with information regarding the federal and state false claims statutes, NTSOC’s own anti-fraud policies, and the role of such laws and policies in preventing and detecting fraud, waste and abuse in federal health care programs.

1. Information about False Claims Laws and Compliance Policies.

NTSOC shall provide all employees, including management, and any contractors or agents, with information regarding the federal and state false claim statutes, NTSOC’s own anti-fraud policies, and the role of such laws and policies in preventing and detecting fraud, waste and abuse in federal health care programs (the “Compliance Information”). This Compliance Information is provided in Attachment A to this Policy and may be amended by the Compliance Officer as necessary to reflect current laws.

2. Communications to Employees.

Upon adoption of this policy, NTSOC shall notify employees of this policy. This notification shall include information about how to access this policy, NTSOC’s other compliance policies, and the Compliance Information. A form for this notification is provided as Attachment B to this policy (the “Notice”). The Notice may be modified as needed by the Compliance Officer and shall be included in NTSOC’s employee orientation material and employee handbook.

3. Communication to Contractors and Agents.

NTSOC shall provide this Policy and the Notice to NTSOC’s contractors and agents and shall require such contractors to notify their employees and to comply with applicable laws and NTSOC’s Compliance Policies.

Attachment A

Information Regarding Compliance with Fraud and Abuse Laws

The information in this Notice describes the primary false claims laws that apply to NURSING AND THERAPY SERVICES OF COLORADO, INC. (“NTSOC”) and NTSOC’s policies adopted to comply with such laws.

1. **Federal False Claims Act; 31 U.S.C. §§ 3729 – 3733.**

One of the primary purposes of the federal False Claims Act is to combat fraud and abuse in government health care programs. The False Claims Act does this by making it possible for the government to bring civil actions to recover damages and penalties when healthcare providers submit false claims. The False Claims Act permits qui tam suits as well, which are law suits brought by individuals against healthcare facilities that submit false claims.

The federal False Claims Act imposes liability on any person or entity who:

- a. Knowingly files a false or fraudulent claim for payments to Medicare, Medicaid or other federally funded health care program;
- b. Knowingly uses a false record or statement to obtain payment on a false or fraudulent claim from Medicare, Medicaid or other federally funded health care program; or
- c. Conspires to defraud Medicare, Medicaid or other federally funded health care program by attempting to have a false or fraudulent claim paid.

While the False Claims Act imposes liability only when an individual acts “knowingly,” the Act does not require that the person submitting the claims have actual knowledge that the claim is false. A person or entity who acts in reckless disregard or in deliberate ignorance of the truth or falsity of the information can also be found liable under the Act.

Examples of violations of the False Claims Act include the following:

- a. A health care provider submits a bill to Medicare or Medicaid for medical services the provider knows or should know were not provided;
- b. A health care provider who submits records to Medicare or Medicaid that the provider knows or should know are false and that indicate compliance with certain contractual or regulatory requirements that were not met; and
- c. A provider that obtains interim payments from Medicare or Medicaid throughout the year and then knowingly files a false cost report at the end of the year in order to avoid making a refund to the government.

A person or entity that violates the False Claims Act is liable for significant fines and penalties. The fines include civil money penalties ranging from \$5,500 to \$11,000 per false claim, plus three times the damages sustained by the government because of the false claim and the government's costs of the civil action.

One of the unique aspects of the federal False Claims Act is the *qui tam* provision, commonly referred to as the 'whistleblower' provision. This allows a private person with knowledge of a false claim to bring a civil action on behalf of the United States Government. The purpose of bringing the *qui tam* suit is to recover the funds paid by the Government as a result of the false claims. If the suit is ultimately successful, the whistleblower that initially brought the suit may be awarded a percentage of the funds recovered. The court may reduce a whistleblower's share of the proceeds if the court finds that the whistleblower planned and initiated the violation. A whistleblower that brings a clearly frivolous *qui tam* action can also be held liable for the defendant's attorneys' fees and costs.

The federal False Claims Act includes protections for people who file *qui tam* lawsuits. An employee who is discharged, demoted, suspended, threatened, harassed, or discriminated against in his employment as a result of the employee's lawful acts in furtherance of a false claims action is entitled to all relief necessary to make the employee whole. Such relief may include reinstatement, two times the amount of back pay, plus interest, and compensation for any special damages, including attorneys' fees and the costs of the litigation.

2. **The Program Fraud Civil Remedies Act of 1986; 31 U.S.C. §§ 3801 – 3812.**

The Program Fraud Civil Remedies Act of 1986 (the "PFCRA") provides administrative remedies for knowingly submitting false claims and false statements to federal agencies. The PFCRA imposes liability on a person or entity that files a claim that is false or is supported by a written statement that is false or omits a material fact.

A violation of the PFCRA results in a maximum civil penalty of \$5,000 per each wrongfully filed claim, plus an assessment of up to twice the amount of each false or fraudulent claim that has been paid. These remedies are separate from, and in addition to, any liability that may be imposed under the federal False Claims Act.

3. **Colorado Fraud and Abuse Law: Colo. Rev. Stat. §§ 25.5-4-304 -306.** The

State of Colorado has adopted a Medicaid anti-fraud statute that is intended to prevent the submission of false and fraudulent claims to the Colorado Medicaid program. The statute makes it unlawful for any person to intentionally or with reckless disregard present a false claim to Medicaid, make a false representation of a material fact in connection with a claim; present a cost document the person knows contains a false material statement; or make a claim for services payable by Medicaid with knowledge that the individual who furnished the services was not licensed to provide such services.

Violations of the Colorado anti-fraud statute are civil offenses and are punishable by monetary penalties of \$1,000 per claim up to \$50,000 or twice the amount paid by the Medicaid program.

4. **NTSOC's Policies.**

NTSOC is committed to legal compliance. NTSOC expects all employees, management, and contractors or agents to be aware of the laws regarding fraud and abuse and false claims, and to identify and resolve any issues immediately.

NTSOC has adopted compliance policies regarding the detection and prevention of health care fraud and abuse. The compliance policies are available on NTSOC's website. These policies include the following:

- Code of Conduct (Compliance Policy II.A.)
- Investigating and Responding to Compliance Issues (Compliance Policy IV.B.)
- Audits and Evaluations to Monitor Compliance (Compliance Policy VI.)

NTSOC has also adopted a specific policy regarding reporting suspected misconduct. Compliance Policy IV A, entitled "Reporting Compliance Issues" establishes a reporting system whereby employees and other agents can report suspected criminal conduct or other violations of law, regulations or NTSOC's compliance standards and policies by others within the organization without fear of retaliation.

Pursuant to Compliance Policy IV A, all NTSOC employees and agents have a duty to report any suspected wrongdoing or violation of applicable laws, regulations or NTSOC's compliance standards or policies. Suspected misconduct may be reported directly to NTSOC's Compliance Officer, to the employee's supervisor, or by any other means established by the Compliance Officer. NTSOC will treat such reports as confidential to the greatest extent feasible. NTSOC prohibits any form of retaliation against any employee or agent for filing a bona fide report under NTSOC's reporting policy.

Employees, contractors and agents of NTSOC are responsible for complying with the Compliance Policies adopted by NTSOC. Contractors and agents are also responsible for assuring that their employees and agents comply with applicable laws and NTSOC compliance policies.

Attachment B

A Message from the Compliance Officer

As a provider of health care services to patients covered by federal health programs such as Medicare and Medicaid, Nursing and Therapy Services of Colorado (“NTSOC”) is subject to state and federal anti-fraud laws and regulations. Federal law requires NTSOC to notify all employees of the anti-fraud laws that apply to NTSOC, the rights of employees to be protected if they report violations, and NTSOC policies and procedures for detecting and preventing fraud.

NTSOC has adopted Compliance Policy IX (Information Regarding Compliance with Fraud and Abuse Laws). The policy includes Compliance Information regarding applicable anti-fraud laws and NTSOC policies. Policy IX and this Compliance Information are attached to this message.

In addition to Compliance Policy IX, NTSOC has adopted other compliance policies that address the detection and prevention of fraud and the procedures for reporting suspected violations. These policies are available on NTSOC’s website and at NTSOC’s headquarters.

Please review Compliance Policy IX and NTSOC’s other compliance policies. As an NTSOC employee, you are responsible for abiding by all applicable laws and NTSOC compliance policies. If you have any questions about the policies or the laws, feel free to contact me or your supervisor.

Thank you for your attention to this important matter.

Compliance Officer

NURSING AND THERAPY SERVICES OF COLORADO, INC.	
RECORD RETENTION Compliance Policy X	Approval Date: _____, 2016

NTSOC shall apply effective and cost efficient management techniques to maintain complete, accurate, and high quality records.

1. Retention of Records.

Records shall be retained in accordance with all applicable laws and regulations. Records containing confidential and proprietary information will be securely maintained, controlled and protected to prevent unauthorized access. NTSOC will retain all records (as defined below and including but not limited to electronic records and email) in accordance with a Record Retention Schedule adopted by and administered by the Chief Financial Officer (See Attachment A).

2. Scheduled Destruction of Records.

Except as provided in paragraph 3, records that have satisfied their required period of retention may be destroyed in an appropriate manner, under systems that comply with all applicable laws and regulations. Records to be destroyed shall be destroyed in a manner appropriate to safeguard the confidentiality of Protected Health Information. NTSOC shall destroy all records in accordance with a record retention schedule adopted and administered by the Chief Financial Officer.

3. Records That Should Not Be Destroyed.

Records that cannot be destroyed include records of matters that are the subject of a subpoena, governmental investigation or audit, or litigation, or records with a permanent retention requirement as stated in the retention schedule.

4. Records Relating to Subpoenas or Investigations.

In the event that NTSOC or any employee is served with any subpoena or request for documents, or becomes aware of a governmental investigation or audit concerning NTSOC, or the possible commencement of any litigation against or concerning NTSOC, the Compliance Officer shall be notified, and shall take appropriate steps to answer such subpoena or request and to notify the Chief Financial Officer and other appropriate personnel to suspend destruction of relevant records until such time as the Compliance Officer, acting on the advice of legal counsel if necessary, determines otherwise.

5. Responsibility.

All NTSOC employees and agents are responsible for ensuring that all records are created, used, maintained, preserved and destroyed in accordance with this policy.

6. Definitions

“Protected Health Information” shall have the meaning set forth in NTSOC’s HIPAA compliance policies.

“Records” include all books, papers, maps, photographs, notes or other documentary materials, regardless of physical form or characteristics, including electronic documents and email, made or received by NTSOC or its personnel in connection with the business, organization, functions, policies, decisions, procedures, operations, or other activities of NTSOC.

Attachment A

Record Retention Schedule

1. ACCOUNTING AND FINANCE

Record Type	Retention Period
Annual financial statements	Permanent
Depreciation schedules	Permanent
IRS Form 990 Tax Returns	Permanent
General Ledgers	Permanent
Business Expense Records	5 years
IRS Form 1099	5 years
Journal entries	5 years
Invoices	5 years
Medicare/Medicaid Claims and Cost-Reports	10 years

2. BANK RECORDS

Record Type	Retention Period
Check Registers	5 years/permanent
Bank Deposit Slips	5 years
Bank Statements and Reconciliation	5 years
Electronic Fund Transfer Documents	5 years

3. CONTRACTS

Record Type	Retention Period
Contracts and related correspondence (including any proposal that resulted in the contract and all other supportive documentation)	5 years after expiration or termination

4. CORPORATE RECORDS

Record Type	Retention Period
Articles of Incorporation	Permanent
Board Meeting/Board Committee Minutes	Permanent
Board Policies/Resolutions	Permanent
Bylaws	Permanent

Fixed Asset Records	Permanent
IRS Determination Letter	Permanent

5. CORRESPONDENCE

General Principle: Most correspondence and internal memoranda should be retained for the same period as the document they pertain to or support. For instance, a letter pertaining to a particular contract would be retained as long as the contract (7 years after expiration). It is recommended that records that support a particular project be kept with the project and take on the retention time of that particular project file.

Record Type	Retention Period
Correspondence or memoranda that do not pertain to documents having a prescribed retention period	3 years

6. ELECTRONIC RECORDS AND EMAIL

General Principle: Email and documents transmitted by email are similar to paper documents. They may be considered business records and are subject to this policy. The retention of email records will depend on the informational content of the email. Employees should appraise email records in the same way that they assess the value of other electronic or paper documents as provided in this Record Retention Schedule.

7. LEGAL, INSURANCE, AND SAFETY RECORDS

Record Type	Retention Period
Appraisals	Permanent
Insurance Policies	Permanent
Real Estate Documents	Permanent
Stock and Bond Records	Permanent
Leases	6 years after expiration
OSHA Documents	5 years
General Contracts	3 years after termination

8. MEDICAL RECORDS

Record Type	Retention Period
Patient Medical Records	10 years from date of last Patient contact if the patient is an adult (10 years from last contact or age of

majority –whichever is longer – for minor patients)

HIPAA Compliance Records

6 years

9. PAYROLL AND EMPLOYMENT TAX RECORDS

Record Type

Retention Period

Payroll Registers

Permanent

State Unemployment Tax Records

Permanent

Earnings Records

7 years

Garnishment Records

7 years

Payroll Tax Returns

7 years

W-2 Statements

7 years

10. PERSONNEL RECORDS

Record Type

Retention Period

Retirement Plan Documents

Permanent

Records Relating to Promotion, Demotion,
or Discharge after Termination

7 years

Accident Reports and Workers' Compensation Records

5 years

Salary Schedules

Permanent

Employment Applications

1 year

I-9 Forms

2 years after termination

Time Cards

7 years

NURSING AND THERAPY SERVICES OF COLORADO, INC.	
CONTRACT REVIEW Compliance Policy XI	Approval Date: _____, 2016

1. General Review and Authorization

All contracts shall be subject to the following review and approval requirements. Additional requirements for certain types of contracts are described in Section 2 below.

President/CEO/Administrator
 Chief Financial Officer (as necessary)
 Compliance Officer (as necessary)

2. Parties with Referral Relationships

Contracts with parties who have a referral relationship with NTSOC for any health care items or services must meet applicable requirements established by the federal and state Stark laws and Anti-Kickback statutes. In general, the minimum requirements for these agreements include a signed written contract, reasonable fair market value compensation that is set in advance, and a contract term of at least twelve months. Additional or different requirements may be applicable to certain types of agreements. Therefore, all contracts involving a party who makes referrals to, or receives referrals from, NTSOC shall be forwarded to the Compliance Officer who shall obtain legal review of the Agreement.