

Southern Tier Environments for Living, Inc.

Corporate Compliance Plan

Introduction

Southern Tier Environments for Living, Inc. is committed to establishing expectations regarding employee behavior that respects Federal, State and Local government laws and regulations and to act in a manner that protects the organizations assets from fraud, waste and abuse. The Corporate Compliance Plan describes key elements of the STEL, Inc. Corporate Compliance Program, and is intended to prevent, detect, and correct violations of applicable law, regulations, third party payer requirements, STEL's policies and procedures, the Code of Conduct and other applicable standards. STEL, Inc. is committed to the provision of ethical leadership that ensures adequate systems are in place to facilitate compliance and conformity to laws, regulations, policies and established procedures. This commitment extends to every aspect of our business as well as every work-related activity, and includes employees, subcontractors, consultants, members of the Board of Directors and anyone acting on behalf of STEL, Inc.

Vision Statement

Our vision is to evolve as the premier community resource leader of mental health rehabilitation and support services while promoting a mental health delivery system with individual choice and access to services.

Mission Statement

We are dedicated to providing exceptional services to enhance the quality life of individuals with mental illness and to promote personal growth and recovery. We are determined to manage all services in a fiscally responsible manner, ensuring value to our consumers, supporters, and communities.

Values and Principles

To fulfill our vision and achieve our mission, we abide by the enduring values that are the foundation of our business.

- Hope - We maintain a belief that people affected with serious mental illness can be successfully treated and experience a renewed sense of hope.
- Consumer Focus - We are deeply committed to meeting the needs of our consumers, and we constantly focus on consumer satisfaction.
- Empowerment - We believe that participation by our consumers and employees in organizational decisions and processes are essential to our success.
- Respect for People - We recognize that consumers and employees are the cornerstone of success. We value our diversity as a source of strength, and we are proud of our history of treating people with respect and dignity.
- Teamwork - We believe in active partnership among consumers, family members, service providers, and the community can lead to satisfying and productive lives.
- Performance - We strive for continuous improvement in our performance, measuring results carefully, and ensuring integrity and respect for people are never compromised.
- Professionalism - We are committed to providing highly competent employees who demonstrate knowledge, skill, and desire, in the services they provide; while upholding the highest ethical standards.
- Individuality - We acknowledge one's right to determine his/her individual path by employing his/her unique interests and abilities.

- Community - We recognize the value of our mutual relationship with the communities we serve. This relationship provides an exchange of resources and opportunities for the benefit of everyone.

Corporate Compliance Plan

The Corporate Compliance Plan provides standards of conduct and internal control systems that are reasonably capable of reducing the likelihood of fraud and abuse. Corporate Compliance means following Southern Tier Environments for Living, Inc. policies, which are designed to encourage ethical behavior. The purpose of a Corporate Compliance Plan is to help prevent and respond to fraud, abuse, and other unethical practices, and to ensure all employees and other agents are striving to meet the highest standards of ethical conduct.

The Southern Tier Environments For Living, Inc. employee personnel procedures and operations manual contains several policies that address a variety of corporate and ethical issues, and are designed to help employees understand their rights and responsibilities, to work effectively, and to behave and provide care in an ethical way.

Code of Ethics

Ethical practices mean working and providing care with methods that are honest, legal and respectful of others, and reflect the mission and values of the Southern Tier Environments for Living, Inc.

Southern Tier Environments for Living, Inc. expects all Agency associates, including directors, officers, staff members, and volunteers to maintain the highest ethical standards in the conduct of Agency affairs. All business conduct will be performed in accordance with the letter and spirit of relevant federal, state, and local laws and executed contracts. All associates will refrain from dishonest or unethical conduct.

All associates shall, during both working and non-working hours, act in a manner that will inspire public trust in their integrity, impartiality and devotion to the best interests of the Agency, its consumers, stakeholders and the communities we serve.

Non-Discrimination

Southern Tier Environments for Living, Inc. employees shall treat all persons with respect and shall not discriminate or harass in any manner, any person on the basis of race, color, religion, sex sexual orientation gender and or gender identity expression, marital or parental status, national origin, ethnicity, citizenship status, veteran or military status, age, disability or source of payment.

Southern Tier Environments for Living, Inc. recruits, hires, trains, promotes, assigns, transfers, lays off and terminates all members of its workforce based on the individual's ability, achievement, experience and conduct without regard to race, color, religion, sex sexual orientation gender and or gender identity expression, marital or parental status, national origin, ethnicity, citizenship status, veteran or military status, age, disability or source of payment.

Any violation of this code will subject the associate to administrative disciplinary action up to and including immediate discharge.

Conflicts of Interest

A conflict of interest arises when individuals have a financial or other interest that could influence their judgment or actions on behalf of STEL, Inc. Associates should avoid any situation that involves or may involve a conflict between their personal interest and the interest

of the Agency. As in all other facets of their duties, associates dealing with consumers, customers, suppliers, contractors, service providers or any person doing or seeking to do business with the agency are to act in the best interest of the agency. All associates shall make prompt and full disclosure in writing to their manager of any potential situation that may involve a conflict of interest. Such conflicts include:

- Ownership by associates or by a member of their family of a significant interest in any outside enterprise which does or seeks to do business with or is a service provider of the Agency.
- Serving as a director, officer, partner, consultant, or in a managerial or technical capacity with an outside enterprise that does or is seeking to do business with or is a service provider of the Agency. Exceptions to this can be approved by the Executive Director and in situations involving the Executive Director, then the Board President.
- Acting as a broker, finder, go-between or otherwise for the benefit of a third party in transactions involving or potentially involving the Agency or its interests.
- Any other arrangements or circumstances, including family or other personal relationships, which might dissuade the associate from acting in the best interest of the Agency.

Business Ethics

Southern Tier Environments for Living, Inc. - STEL, Inc. expects all Agency associates including directors, officers, staff members, and volunteers to maintain the highest ethical standards in the conduct of Agency affairs. All business conduct will be performed in accordance with the letter and spirit of relevant federal, state, and local laws and executed contracts. All associates will refrain from dishonest or unethical conduct.

All associates shall, during both working and non-working hours, act in a manner which will inspire public trust in their integrity, impartiality and devotion to the best interests of the Agency, its consumers, stakeholders and the communities we serve.

Any violation of this policy will subject the associate to administrative disciplinary action up to and including immediate discharge.

The intent of this policy is to ensure all associates conduct Agency's business with integrity and comply with all applicable laws and executed contracts in a manner that excludes considerations of personal advantage or gain. It should not be considered exhaustive. Rather, it provides guidance and set standards for all who represent the Agency. Any question regarding a particular relationship, gift of gratuity should be directed to the Human Resource Director or Corporate Compliance Officer.

Guidelines:

1. Business Courtesies:

Gifts, favors, and payments may be given to others at Agency expense, if they meet all of the following criteria:

- They are consistent with accepted business practices.
- They are of sufficiently limited value and in a form that will not be construed as a bribe or payoff.
- They are not in violation of applicable law and generally accepted ethical standards.
- Public disclosure of the facts will not embarrass the Company.

- Payments, commissions or other compensation to or for the benefit of associates of customers (or their family members or associates) not required by written contract are contrary to Agency policy.
- Approved by the Executive Director or authorized management personnel.

2. Business Referrals:

The Agency does not offer employees any Bonus for business referrals.

3. Gifts, Favors, Entertainment and Payments Received by Agency Associates:

Associates shall not seek or accept for themselves or others any gifts, favors, entertainment, payments without a legitimate business purpose nor shall they seek or accept personal loans (other than conventional loans at market rates from lending institutions) from any persons or business organizations that do or seek to do business with the Agency. In the application of this policy:

- Associates may accept for themselves and members of their families common courtesies usually associated with customary business practices. These include but are not limited to:
 - The vendor extends an invitation for lunch and/or dinner with the vendor, sometimes including spouses.
 - Gifts of small value from vendors such as calendars, pens, pads, knives, etc.
 - Tickets to events (such as sports, arts, etc.) are acceptable if offered by the vendor and the vendor accompanies the associate to the event. These are not to be solicited by the agency associate and must be approved by the associate's appropriate senior management staff, or Executive Director, or Board President. In situations involving the Executive Director approval shall be reviewed and determined by the Board President.
 - Overnight outings are acceptable under the condition that individuals from either the other companies or the vendor are in attendance. The associate must have prior approval from the appropriate agency personnel as outline above.
 - The receipt of alcoholic beverages is discouraged.
 - Gifts of perishable items usually given during the holidays such as hams, cookies, nuts, etc., are acceptable.
- A strict standard is expected with respect to gifts, services, discounts, entertainment or considerations of any kind from suppliers.
- Day outings such as golf, fishing, and hunting are acceptable with prior approval from the appropriate agency official. The vendor must be in attendance and participation by the associate's family members is not acceptable.
- Use of vendor's facilities (vacation homes, etc.) by associates or families for personal use is prohibited. In the event the vendor is present for the duration of the visit such a situation is acceptable as long as it is only once per year and for limited duration, i.e. a long weekend. The associate must have prior approval from the appropriate agency personnel.
- It is never permissible to accept a gift in cash or cash equivalent such as stocks or other forms of marketable securities of any amount.
- Management associates should not accept gifts from those under their supervision of more than limited value.

4. Conflicts of Interest:

Associates should avoid any situation that involves or may involve a conflict between their personal interest and the interest of the Agency. As in all other facets of their duties, associates dealing with consumers, customers, suppliers, contractors, service providers or any person doing or seeking to do business with the agency are to act in the best interest of the agency. Each associate shall make prompt and full disclosure in writing to his or her manager of any potential situation that may involve a conflict of interest. Such conflicts include:

- Ownership by associate or by a member of their family of a significant interest in any outside enterprise which does or seeks to do business with or is a service provider of the Agency.
- Serving as a director, officer, partner, consultant, or in a managerial or technical capacity with an outside enterprise that does or is seeking to do business with or is a service provider of the Agency. Exceptions to this can be approved by the Executive Director and in situations involving the Executive Director, then the Board President.
- Acting as a broker, finder, go-between or otherwise for the benefit of a third party in transactions involving or potentially involving the Agency or its interests.
- Any other arrangements or circumstances, including family or other personal relationships, which might dissuade the associate from acting in the best interest of the Agency.

5. Confidential Information:

The revelation or use of any confidential agency services, products, consumers, information, data on decisions, plans, or any other information which might be contrary to the interest of the Agency without prior authorization, is prohibited. The misuse, unauthorized access to, or mishandling of confidential information, particularly consumer and personnel information, is strictly prohibited and will subject an associate to the Discipline Policy up to and including immediate discharge.

6. Policy Communication & Annual Review:

New associates will receive a copy of this policy. All associates will review this policy on an annual basis via staff meetings, payroll announcement, instructor led training or by some other means.

7. Compliance:

Each management director, board member and company officer of the Agency is responsible for compliance in their area of responsibility. Any violation of this policy will subject the associate to administrative disciplinary action up to and including immediate discharge. Any Agency associate having knowledge of any violation of the policy shall promptly report such violation to the Human Resources Director or the Corporate Compliance Officer.

Corporate Compliance Program Elements

- Development and implementation of Written Standards of Conduct and Policies and Procedures
- Delegation of Authority to Compliance Officer and Compliance Committee
- Education, Training and Implementation

- Effective Lines of Communication and Complaint Procedures
- Investigations and Reporting
- Auditing and Monitoring Areas of Risk
- Corrective Action Plans and Sanctions
- Non-Retaliation for Good Faith Reporting of Compliance Related Concerns

Definitions

- **Fraud:** An intentional (willful or purposeful) deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to him/herself or some other person. It includes any act that constitutes fraud under applicable Federal or State law.
- **Abuse or Misuse:** Practices that are inconsistent with sound fiscal, business or medical practices, and that result in an unnecessary cost to the Medicaid Program, or in seeking reimbursement for goods or services that are not medically necessary or that fail to meet professionally recognized standard for healthcare.
- **Misutilization:** The incorrect, improper or excessive utilization of medical care and services which are not medically necessary at the recipient's insistence or request.
- **Risk Management –** clinical and administrative activities undertaken to identify, evaluate and reduce the risk of injury to patients, staff and visitors and the risk of loss to the organization itself.

Corporate Compliance Officer (CCO)

The Corporate Compliance Officer is an employee appointed by the Executive Director with the approval of the Board of Directors. The CCO is the individual who assists in ensuring that the compliance policies of the organization are carried out properly. Reports regarding incidents of suspected fraud and abuse are made directly to the Corporate Compliance Officer. An investigation will be conducted based on all reports, and corrective action will be applied to individuals for whom fraud and/or abuse are substantiated

The Corporate Compliance Officer will report directly to the Executive Director and shall report periodically to the Board of Directors on the activities of the compliance program.

The Southern Tier Environments For Living, Inc. Corporate Compliance Officer is:

Lynn Calpin, Quality Assurance Director
 Phone (716) 366-7792 ext. 214
 Fax (716) 366-4870
 Email calpinl@stel.org

The Corporate Compliance Officer is responsible for:

- Development and implementation of policies and practices designed to ensure compliance with the requirements of the Corporate Compliance Plan and with Medicaid program requirements, including written policies and procedures that describe compliance expectations as embodied in the Code of Ethics;
- Ensuring that periodic training is conducted for all staff, Board of Director members, and Corporate Compliance committee members, including compliance issues, expectations and the compliance program operation. Training shall ensure adequate staff training in areas of billing and chart documentation procedures;
- Ensuring that training is made part of the orientation for a new employee, appointee or associate, executive and governing body member;

- Periodically conducting internal audits to monitor the effectiveness of compliance standards and make revisions to the Corporate Compliance Program as appropriate;
- Establishing communication lines to the Compliance Officer, accessible to all employees, persons associated with the provider, executives and Board of Directors, allowing compliance issues to be reported;
- Ensuring that communication lines include a method for anonymous and confidential good faith reporting of potential compliance issues as they are identified;
- Establishing disciplinary policies that encourage good faith participation in the compliance program by all affected individuals, including policies that articulate expectations for reporting compliance issues and that assist in their resolution and outline sanctions for failing to report suspected behavior and encouraging, directing, facilitating or permitting non-compliant behavior;
- Ensuring that disciplinary policies are fairly and firmly enforced;
- Creating a system for routine identification of compliance risk areas, including internal and external audits for evaluation of potential identified non-compliance;
- Establishing systems for responding to compliance issues as they are raised, investigating potential compliance problems, responding to and correcting identified problems promptly and thoroughly and implementing policies, procedures and systems to reduce the potential for recurrence;
- Identifying and reporting compliance issues to OMIG or the DOH and refunding overpayments as necessary;
- Establishing and enforcing a policy of non-intimidation and non-retaliation for good-faith participation in the compliance program;
- Distributing Standards of Conduct and Code of Ethics to all staff and Board of Director members;
- Managing the employee reporting process and ensuring that employee reports are investigated within 30 days of the complaint;
- Ensuring that adequate, timely and appropriate notifications are made to the Medicaid program;
- Reporting to the Board of Directors regarding compliance issues on a periodic basis and providing a compliance status report to the Board of Directors.

Corporate Compliance Committee

The Corporate Compliance Committee has been established to provide oversight for regulatory and legal compliance issues and to assure that STEL, Inc. meets or exceeds the highest standards of regulatory and legal accountability as well as ethical activity by STEL, Inc. employees. Additionally, the Compliance Committee's role is to advise the Corporate Compliance Officer and assist in the implementation of the Corporate Compliance Plan. The Corporate Compliance Committee is comprised of individuals whose input is necessary for the proper oversight and implementation of STEL's Compliance Program.

This committee is comprised of the following members:

- Lynn Calpin, Quality Assurance Director and Compliance Officer
- Thomas Whitney, Executive Director
- Robert Roth, Assistant Executive Director
- Mark Wasiewicz, Human Resources Director
- Daniel Walawender, Comptroller
- Amber Hubbard, Accountant
- Steven Ald, Director of Real Estate Development
- Andrew Woloszyn, Property Management

The responsibilities of this committee are as follows:

- Monitor changes in the health care environment, including regulatory changes with which STEL, Inc. must comply and identifying the impact of said changes on specific risk areas;
- Assess existing corporate compliance plan, and policies and procedures for appropriateness and propose modifications as needed;
- Recommend and monitor the development of internal systems and controls that meet federal, state and local compliance laws and that conform to agency standards, policies and procedures;
- Develop and monitor communication processes and training programs to ensure Board of Directors and agency staff receive appropriate and timely education regarding corporate compliance issues;
- Develop and monitor agency strategies and approaches to promote compliance;
- Monitor internal and external audits and investigations to identify possible compliance risk areas and make recommendations to reduce risk;
- Assist the Officer in conducting investigations of complaints;
- Develop action plans based on audit findings;
- Review all investigations to ensure proper procedures were followed

Board of Directors

The STEL, Inc. Board of Directors has a duty of care obligation to exercise the proper amount of care in their decision making process. Directors are required to act in a “good faith” manner, with a level of care that an ordinarily prudent person would exercise in like circumstances and in a manner that they reasonably believe is in the best interest of the corporation. Regarding the Corporate Compliance Plan, the two principle obligations that they perform are to assure that a corporate information and reporting system exists and that the reporting system is adequate to assure the Board that appropriate information regarding compliance will come to their attention in a timely manner.

Employee Compliance Education/Training

The Corporate Compliance Officer shall oversee the development and scheduling of the initial training for all Southern Tier Environments for Living, Inc. employees, volunteers/interns, officers, managers, supervisors, Board members and long term temporary employees in Corporate Compliance requirements.

All new employees shall receive initial training as part of their new employee orientation. All new employees, current employees, volunteers/interns, and Board members will also be required to participate in training on an annual basis. Certain employees whose job responsibilities and obligations are identified as areas of high risk may also receive additional targeted compliance training.

The initial and on-going annual training will consist of a comprehensive review of the Agency's Corporate Compliance Program to include:

- The Corporate Compliance Plan and related compliance policies and procedures
- The Federal False Claims Act/Whistleblowing

All compliance and other training/education will be documented through sign-in sheets with the date, and title of training. Failure to comply with training requirements may result in disciplinary action, including termination.

The Federal False Claims Act (the Act)

The Act is a federal law that makes it possible for the Federal government to bring civil actions against health care providers and to recover damages and penalties when health care providers submit false claims. The Act establishes liability when any person or entity improperly receives from or avoids payment to the Federal government. The Act prohibits:

1. Knowingly presenting, or causing to be presented to the Government a false claim for payment;
2. Knowingly making, using, or causing to be made or used, a false record or statement to get a false claim paid or approved by the government;
3. Conspiring to defraud the government by getting a false claim allowed or paid;
4. Falsely certifying the type or amount of property to be used by the government;
5. Certifying receipt of property on a document without completely knowing that the information is true;
6. Knowingly buying government property from an unauthorized officer of the government, and;
7. Knowingly making, using, or causing to be made or used a false record to avoid, or decrease an obligation to pay or transmit property to the government. (False Claims Act, 2009)

Whistleblower Provision of the Act

The Federal False Claims Act contains a provision that allows a private person to bring civil actions for violations of the Federal False Claims Act on behalf of the Federal government. Persons bringing these claims are granted certain protections under the law. Specifically any whistleblower who is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against by his or her employer because of reporting violations of the Federal False Claim Act will be entitled to reinstatement with seniority and other monetary compensation.

The Corporate Compliance Officer shall oversee distribution of the Corporate Compliance Plan to every Southern Tier Environments for Living, Inc. employee and Board of Directors member. Within one week of receiving the Plan, each employee and Board of Directors member must sign and return an Acknowledgment Statement. The Acknowledgment Statement verifies that:

- The employee has received the Plan
- The employee has read and understands the Plan
- The employee has received the required training of the Corporate Compliance Plan
- The employee agrees to participate fully in the Corporate Compliance Program
- The employee agrees to report any lack or potential lack of compliance with the Medicaid program of which the employee is aware.

The Human Resource Director shall monitor the return of the Acknowledgment Statements from all members of the Board of Directors and employees and ensure its placement in each employee's personnel file. A list of employees who have received the Corporate Compliance Training and signed the Acknowledgment Statement will be provided to the Corporate Compliance Officer by the Human Resource Director on a quarterly basis. If an employee does not in good faith return the Acknowledgment Statement within a prescribed time, the Corporate Compliance Officer will notify the direct supervisor in order that the supervisor can take appropriate action.

Employee/Business Associates Expectations

STEL, Inc. mandates good faith participation by all employees and business associates in the Corporate Compliance Program. All affected individuals are required to adhere to all policies and expectations for reporting compliance issues and assist in any resolution process. Every employee has an individual responsibility to immediately report any activity involving or concerning STEL, Inc. that appears to violate the Compliance Program, the Code of Ethics or other agency policy. In support of this principle, STEL, Inc. has adopted a strict non-retaliation policy prohibiting any retaliation against any employee who in good faith reports a suspected or actual violation.

Employees may be subject to disciplinary action, up to and including termination from employment, suspended, or terminated for failure to adhere to compliance policies and expectations. This includes, but is not limited to:

1. Failing to report any suspected policy violation (s):
2. Participating in non-compliant behavior; or
3. Encouraging, directing, facilitating, or permitting either actively or passively non-compliant behavior.

Reporting Violations

If an employee or person associated with the agency becomes aware of any wrongdoing under the standards set forth in the Corporate Compliance Plan, the employee must report the wrongdoing to the Corporate Compliance Officer. An employee or person associated with the agency may contact the Corporate Compliance Officer through one of the methods listed below:

- Telephone: the Corporate Compliance Officer can be reached at 716-366-7792 ext. 214. Employees or persons associated with the agency may make a report anonymously. If they choose to use this option, they must provide enough information so that the investigation can be successfully completed.
- Inter-agency Mail or US Postal Service: a written reporting form shall be available at the STEL, Inc. administrative office or from the Corporate Compliance Officer for staff or any person associated with the agency to disclose wrongdoing. All information should be completed and submitted to the Corporate Compliance Officer. Employees or other persons reporting are encouraged to disclose their identity, but may choose to remain anonymous. If they choose to remain anonymous, they must provide enough information so that the investigation can be successfully completed.
- Electronic Mail: the Corporate Compliance Officer can be reached electronically at calpinl@stel.org. For anonymous reporting, employees or persons associated with the agency can go to the STEL web site at www.stel.org and click on **Corporate Compliance**.

If a report is filed in regards to the Corporate Compliance Officer, it should be directed to the Executive Director. The Executive Director will conduct an investigation of the Corporate Compliance Officer.

Investigation Process

The Corporate Compliance Officer has the authority and responsibility to investigate any potential compliance issue directly and in a timely manner. Upon receiving a telephone or written report of a wrongdoing under the Corporate Compliance Program, the CCO shall initially send a memorandum to the staff member reporting the incident acknowledging receipt of the complaint. The Corporate Compliance Officer shall determine whether an alleged wrongdoing has occurred as defined by the Code of Ethics statement or the Corporate Compliance Plan.

The Corporate Compliance Officer will determine whether the alleged wrongdoing:

- Is a violation of the Corporate Compliance Plan
- Is a violation of the Code of Ethics
- Is a violation of state or federal law
- Is a violation of STEL policies/procedures
- Places Southern Tier Environments for Living, Inc. at economic risk

If the Corporate Compliance Officer determines that the complaint does not meet the criteria of a corporate compliance complaint, the CCO will notify the complainant of the determination within ten days of receipt of the complaint.

The CCO shall report all instances of suspected non-compliance involving Medicaid fraud and abuse to the Executive Director. The CCO will conduct the appropriate investigation into the incident within 30 days of the complaint. A Summary Report for each complaint will be completed during that timeframe. The Summary report will include recommendations for program changes and corrective actions.

If the CCO, Executive Director, and legal counsel conclude that reporting to governmental authorities is or may be appropriate, they shall inform the Board of Directors immediately. The Executive Director, in consultation with the Board of Directors and legal counsel, shall determine whether there is credible evidence of a criminal, civil or administrative law violation. Violations shall be reported to the appropriate governmental authorities on behalf of Southern Tier Environments For Living, Inc. within a reasonable timeframe.

The Corporate Compliance Officer will report on a regular basis to the Corporate Compliance Committee. Any current corporate compliance issues will be reported to the Board of Directors at their meeting. Additionally, a corporate compliance status report will be presented to the Southern Tier Environments For Living, Inc. Board of Directors relating all allegations of wrongdoing, the results of subsequent investigations, and related corrective and/or remedial actions taken to prevent future wrongdoing.

The CCO is responsible for preparing a log of the investigation which will include documentation of the issue and a description of the investigative process, copies of interview notes and key documents, a log of the witnesses interviewed and the documents reviewed, the results of the investigation, any disciplinary action and the corrective action implemented to prevent recurrence.

Auditing and Monitoring

To ensure an effective Compliance Program, all activities that are subject to regulatory requirements will be monitored. The purpose of monitoring activities is to quickly discover any material violations of relevant laws and regulations and the corporate compliance program.

The internal auditing functions established to monitor compliance standards are:

- **Billing Audits:** billing audits are done to ensure that documentation supports the billing to Medicaid and other regulatory agencies.
- **Quality Assurance Program:** ensures that quality of care and/or medical necessity is the principle focus in the provision of services. Key indicators reviewed to assure program

objectives are met include: referrals, referral dispositions, discharges, hospitalization, incident reports, incarcerations and emergency room visits.

- Utilization Management Program: ensures that the appropriate level of care is provided to the consumer. Utilization reviews are conducted with residents within twenty eight (28) days of admission, six (6) months after admission, one (1) year after admission and annually thereafter.
- Record Quality Audits: thoroughness of clinical record documentation is reviewed with corrective action plans based on audit findings. Record quality audits are conducted twice a year.
- On-site Reviews: assists in identifying strengths and weaknesses of each program. Monitors programs against internal/external standards of compliance.
- Human Resources: education and licensure requirements are source verified. Employee and contractor Medicaid exclusionary screening, criminal checks and education verification is the responsibility of the Human Resource Director.

Billing and Claims Submission Standards

It is the policy of STEL, Inc. to comply with all laws and regulations relating the the claims for reimbursement from Medicaid, Medicare and other federal reimbursement programs, including all laws and regulations concerning the documentation, coding, billing and reporting related claims. Billing and claims shall be completed in a timely and proper manner documentation will be professionally maintained and available for audit and/or review.

It is against STEL, Inc. policies to:

- Engage in a pattern of duplicate billing.
- Offer pay, solicit, or receive a kickback, bribe or rebate for a referral of clients.
- Un-bundle services to enhance payment.
- Misrepresent the services rendered.
- Bill for non-covered services as covered services.
- Engaging in services that are not medically necessary.
- Misrepresent dates, frequency, duration, or description of services rendered or the identity of the recipient of the services or the individual who rendered the services.
- Intentionally submit incorrect, misleading or fraudulent information to an payer of medical services.
- Intentionally falsify, destroy, or withhold records relating to the billing and claims submission function.

If an employee suspects or becomes aware of any activities listed above, the employee has an obligation to report such activities in accordance with company policy.

Reporting Overpayments to the Medicaid Program

Billing Audits, Record Quality Audits and On-site Reviews are the internal review processes that identify routine and systematic errors within the Medicaid billing structure. When errors are discovered during internal auditing processes, management staff conducting the audit is required to report the finding(s) to the Corporate Compliance Officer. It is the responsibility of the CCO to report errors in a timely fashion to the Corporate Compliance Committee. The Committee determines if the organization has received overpayments from the Medicaid program based on the reported errors. A determination invaliding improper payment requires repayment of overpayments to the Medicaid program by voiding or adjusting the amount of the claim.

Non-Retaliatory Statement

Southern Tier Environments For Living, Inc. shall not discharge, demote, suspend, threaten, harass, or otherwise discriminate against an employee in the terms and conditions of employment because the employee initiates, aids, or participates in a proceeding or court action under the Medicaid False Claims Act.

Sanctions and Corrective Action Plans

Employees who have exhibited fraudulent practices will be subject to the STEL, Inc. disciplinary process. Disciplinary actions will be determined on a case-by-case basis and will be applied equitably and consistently, taking into consideration the underlying circumstances, and the degree of non-compliance, financial harm, negligence or reckless conduct.

Employee discipline may consist of one or more of the following corrective actions:

- Verbal warning
- First written warning
- Second written warning
- Suspension with pay
- Suspension without pay
- Involuntary termination

Medicaid related contractual agencies, if involved in fraudulent behavior, may have their contracts immediately terminated, unless a suitable correction plan is taken to address the behavior by the leadership of the contract agency.

A Corrective Action Plan shall be developed for incidents of non-compliance that require remedial action. The CCO and/or designee will:

- Develop a corrective action plan specifying the tasks to be completed, completion dates and responsible parties. Legal counsel and other personnel will be consulted as appropriate.
- Corrective Action Plans must be approved by the Executive Director.
- Make recommendations for sanctions or disciplinary action, in accordance with STEL, Inc. and Corporate Compliance Program disciplinary policies and procedures.

False Claims Act Wikipedia (2009) (on-line) Available: http://en.wikipedia.org/wiki/False_Claims_Act

Approved by: STEL Board of Directors

Date of Approval: January 30, 2017