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## **MISSION STATEMENT**

To create and maintain a dignified environment for our Residents and Employees that fosters our dedication to “Caring about you while caring for you”.

## **INTRODUCTION**

We are committed to full compliance with all Federal health care program requirements, including the commitment to prepare and submit accurate claims and provide quality care consistent with such requirements.

All Covered Persons are expected to comply with all Federal health care program requirements and with our Policies and Procedures and the Corporate Integrity Agreement.

Our Code of Ethical Conduct provides the necessary guidelines to assist us in carrying out our daily activities within appropriate ethical and legal standards. It is a requirement that all employees shall be expected to comply with all Federal health care program requirements and with the facility's own Policies and Procedures.

This Code establishes standards of behavior regarding compliance with applicable law governing financial relationships among health care providers and other potential sources of referrals, and is designed to ensure that the business and billing practices comply with applicable laws. This Code is intended to apply to all relationships between the facility and other institutional health providers and/or physicians, and between the facility and its vendors and suppliers. The Code of Ethical Conduct further reaffirms our commitment to deliver quality health care services that are consistent with applicable state and federal health and safety standards.

## **RESIDENT CARE AND RIGHTS**

Our mission is to provide quality healthcare to all of our residents. We treat all residents with respect and dignity and provide care that is both necessary and appropriate and that allows each resident to attain or maintain the resident's highest practicable physical, mental and psychosocial well-being. We make no distinction in the admission, transfer or discharge of residents or in the care we provide based on race, color, religion, or national origin. Resident care is based on identified resident healthcare needs, not on resident or organization economics. Upon admission, each resident is provided with a written statement of resident rights. Residents and their representatives will be accorded appropriate confidentiality, privacy, security and protective services, opportunity for resolution of complaints, and pastoral counseling. Residents are treated in a manner that preserves their dignity, autonomy, self-esteem, civil rights, and involvement in their own care.

## **REGULATORY COMPLIANCE**

Our services generally may be provided only pursuant to appropriate Federal, State, and local laws and regulations. Such laws and regulations may include subjects such as certificates of need, licenses, permits, access to treatment, consent to treatment, medical record-keeping, access to medical records and confidentiality, resident's rights, terminal care decision-making and Medicare and Medicaid regulations. The organization is subject to numerous other laws in addition to these healthcare regulations.

We will comply with all applicable laws and regulations. All employees, medical staff members and contract service providers must be knowledgeable about and ensure compliance with all laws and regulations; and should immediately report violations or suspected violations to a supervisor or member of facility management.

## **HEALTH INSURANCE PORTABILITY ACCOUNTABILITY ACT (HIPAA)**

It is our policy to respect and protect the privacy rights of residents, patients, their families, employees and third parties. All information (either hard copy, electronic, or verbal) associated with medical records, human resources, performance improvement, quality/risk management, research, financial, or organizational of any kind is strictly confidential and release of information should be directed to the source department for proper release. In addition, any information about the health facility's business, residents, families, employees or third parties which is disclosed or becomes known in the course of an employee's job must be kept confidential.

It is the expectation of the facility that all parties (including but not limited to staff, volunteers, students, residents, third parties, etc.) thoroughly understand that violation of any aspect of this policy will result in corrective action. We place significant trust in all who have access to sensitive information and with that trust comes a high level of responsibility.

Any breach of these confidentiality rules and expectations listed below is considered extremely serious and may result in the immediate termination of the violator.

Residents are required to consent (Admission Consent Form) to uses and disclosures of their protected health information (PHI) for the purposes of payment, treatment, and health care operations prior to using or disclosing his or her PHI to carry out treatment, payment or health care operations.

Any unauthorized disclosure of residents' protected health information (PHI) must be logged and reported to the Compliance Department immediately.

## **REFERRALS**

The Anti-Kickback statute states that anyone who knowingly and willfully receives or pays anything of value to influence the referral of federal healthcare business can be held accountable for a felony. Practices such as offering or receiving gifts to reward past or potential new referrals are prohibited.

We do not pay for resident referrals. We accept resident referrals and admissions based solely on the resident's clinical needs and our ability to render the needed services. We do not pay or offer to pay anyone – employees, physicians, or other persons – for referral of Medicare or Medicaid residents.

## **VENDOR RELATIONS AND GIFTS**

We will treat all vendor and supplier relationships in a fair and reasonable manner, consistent with all applicable laws and good business practices. We promote competitive procurement to the maximum extent practicable. Our selection of suppliers and vendors will be made on the basis of objective criteria including quality, price, delivery, and service. Our purchasing decisions will be made on the supplier's ability to meet our needs, and not on personal relationships and friendships. We will always employ the highest ethical standards in the administration of all purchasing activities.

Some compliance violations that can occur in vendor relationships include the following:

- Soliciting, accepting, or offering any gift of more than nominal value to or from residents, potential referral sources, or others with whom your facility has a business relationship
- Accepting items that are not covered by Medicare from vendors at reduced cost or no charge in return for ordering Medicare-reimbursed products from them.

Employees shall not accept money or gifts from residents, visitors, or those doing business with the company, of more than nominal value or any item if it is intended to influence your actions or decisions. "Nominal value" is any gift having a retail value of more than \$15 per item or \$75 in the aggregate per patient on an annual basis.

## **FINANCIAL REPORTING AND RECORDS**

Financial records serve as a basis for managing our business and are important in meeting our obligations to residents, employees, suppliers, and others. They are also necessary for compliance with tax and financial reporting requirements.

All financial information must reflect actual transactions and conform to generally accepted accounting principles. The facility maintains a system of internal controls to provide reasonable assurances that all transactions are executed in accordance with management's authorization and are recorded in a proper manner so as to maintain accountability of the organization's assets.

## **RECORDKEEPING AND DOCUMENTATION**

Accurate and complete recordkeeping and documentation is critical to virtually every aspect of our operations. It is our policy that all documentation shall be timely, accurate, and consistent with applicable professional, legal, and facility guidelines and standards. This includes all aspects of the facility's documentation, including resident assessments and care plans, clinical records, and all billing and payment documentation. Falsification of records is strictly prohibited, including

backdating of records, with the exception of appropriate late entries duly noted and made consistent with applicable professional and legal standards.

## **FALSE CLAIMS ACT**

The primary activities that constitute violations under the False Claims Act (FCA) are: 1) knowingly present, or cause to be presented, a false or fraudulent claim for payment or approval; 2) knowingly make, use, or cause to be made or used, a false record or statement material to a false or fraudulent claim; or 3) conspire to commit a violation of any of certain provisions of the False Claims Act (including the two listed above).

### ***Reverse False Claims Act***

1) Taking the affirmative action of using or causing to be used a false record or statement in order to avoid having to pay money to the government; and 2) affirmatively hiding the existence of the funds, or “improperly avoid[ing]” an “obligation” to pay the funds to the government.

In general, the False Claims Act covers fraud involving any federally funded contract or program, with the exception of tax fraud. An example is a health care provider bills Medicare and Medicaid for services that were not provided or were unnecessary.

### ***Liability for Violating the False Claims Act***

Violators of the False Claims Act are liable for three times the dollar amount that the government is defrauded (i.e., treble damages) and civil penalties for each false claim. Violators may also be excluded from participation in federal healthcare programs to include Medicare and Medicaid.

### ***Award for Blowing the Whistle under the False Claims Act***

A private party can receive a recovery under the FCA after filing a *qui tam* lawsuit and a subsequent settlement or favorable judgment is assessed as a result of the lawsuit. First, in order to be eligible to recover money under the Act, you must file a *qui tam* lawsuit. Further, a relator (i.e., the whistleblower that files a False Claims Act suit) receives an award only if, and after, the Government recovers money from the defendant as a result of the lawsuit.

### ***Non Retaliation Provision***

Under Section 3730(h) of the False Claims Act, any employee who is discharged, demoted, harassed, or otherwise discriminated against because of lawful acts by the employee in furtherance of an action under the Act is entitled to all relief necessary to make the employee whole.

## **STATE FALSE CLAIMS ACT (see specific State addendums in the Policies and Procedures Manual)**

Providers and individuals can be civilly or criminally liable for obtaining or attempting to obtain payments to which they are not entitled pursuant to the provider agreement, or the rules of the federal government, state departments of health or job and family services. No actual intent to deceive or defraud the government is necessary.

### ***Liability for Violating State Provisions for False Claims***

A provider or individual, who is found to have violated a State False Claims Act, could be subject to several civil penalties, including, but not limited to: payment of interest (at the maximum rate) on the amount of the excess payments for each false filing, and any other reasonable expenses determined by the court. Violators may also be excluded from participation in federal healthcare programs to include Medicare and Medicaid.

## ***State Whistleblower Protections***

State False Claims Acts provide protection for employees who report 1) a violation of state or federal law or 2) the misuse of public resources that the employee becomes aware of in the course of employment.

### **ELDER JUSTICE ACT -RESIDENT ABUSE**

#### **Duty to Report:**

All employees shall immediately report to the Administrator, Director of Nursing and/or Compliance Officer credible allegations of resident harm and such report shall be complete, full, and honest.

The Elder Justice Act is designed to provide federal resources to prevent, detect, treat, understand, intervene in and, where appropriate, prosecute elder abuse, neglect and exploitation. Elder abuse refers to the actions or lack of actions that harm an older adult or place them at risk of harm or within harm's way. The harm may be physical, mental, emotional and/or financial.

- **Serious bodily injury – within two hours.** If the person receiving care incurred serious bodily injury, then the employee is required to report the suspicion immediately, but no later than two (2) hours after forming a suspicion. Serious Bodily injury means an injury: 1) involving extreme physical pain, 2) involving substantial risk of health, 3) involving protracted loss or impairment of the function of a bodily member, organ, or mental faculty, or 4) requiring medical intervention such as surgery, hospitalization, or physical rehabilitation.
- **No serious bodily injury – within 24 hours.** If the person receiving care did not incur serious bodily injury, then an employee is required to report the suspicion no later than twenty-four (24) hours after forming the suspicion.

Employees must report suspicions of resident abuse or harm to the Director of Nursing or Administrator who will report it to the state survey agency, Adult Protective Services and to one or more law enforcement entities for the political subdivision in which the facility is located.

### **NON-RETALIATION**

We are committed to non-retaliation and to maintain, as appropriate, confidentiality and anonymity with respect to the Disclosure Program (Hotline). Facility Supervisors and Management shall not:

- Retaliate against any individual for reporting a suspected violation or questionable conduct or assisting in an investigation.
- Discharge, demote, suspend, threaten, harass, or deny a promotion or other employment-related benefit to an employee, or in any manner discriminate against an employee in the terms and conditions of employment because of lawful acts done by the employee; or
- File a complaint or report against a nurse or other employee with the appropriate state professional disciplinary agency because of lawful acts done by the nurse or employee for making a report, causing a report to be made, or for taking steps in furtherance of making a report to the Secretary or law enforcement of a reasonable suspicion of a crime against an individual residing in or receiving care from Facility's facility.

### **BILLING FOR SERVICES**

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

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

False claims and billing fraud may take a variety of different forms, including, but not limited to, false statements supporting claims for payment, misrepresentation of material facts, concealment of material facts, or theft of benefits or payments from the party entitled to receive them. Facility and employees shall specifically refrain from engaging in the following billing practices:

- Making claims for items or services not rendered or not provided as claimed (such as billing for three hours of therapy when only a few minutes were provided);
- Submitting claims to Medicare Part A for residents who are not eligible for Part A coverage; in other words, who do not require services that are so complex that they can only be effectively and efficiently provided by, or under the supervision of, professional or technical personnel;
- Submitting claims to any payor, including Medicare, for services or supplies that are not medically necessary or that were not ordered by the resident's physician or other authorized caregiver;
- Submitting claims for items or services that are not provided as claimed, such as billing Medicare for expensive prosthetic devices when only non-covered adult diapers were provided;
- Submitting claims to any payor, including Medicare and Medicaid, for individual items or services when such items or services either are included in the health facility's per diem rate for a resident or are of the type that may be billed only as a unit and not unbundled;
- Double billings (billing for the same item or service more than once);
- Providing inaccurate or misleading information for use in determining the Resource Utilization Groups (RUG) or other resident, payment or acuity classification scale score or ranking assigned to the resident, including but not limited to misrepresenting a resident's medical condition on the minimum data set (MDS);
- Paying or receiving anything of financial benefit in exchange for Medicare or Medicaid referrals (such as receiving non-covered medical products at no charge in exchange for ordering Medicare-reimbursed products); or
- Billing residents for services or supplies that are included in the per diem payment from Medicare, Medicaid, a managed care plan, or other payor.

If an employee has any reason to believe that anyone (including the employee himself or herself) is engaging in false billing practices, that employee shall immediately report the practice to his or her immediate supervisor, the Facility Hotline or the Compliance Officer or any of the officers designated to receive such report verbally or in writing. Failure to act when an employee has knowledge that someone is engaged in false billing practices shall be considered a breach of that employee's responsibilities and shall subject the employee to disciplinary action by Facility including possible termination of employment.

## **THERAPY SERVICES**

Physical therapy services provided to residents must:

- Relate directly and specifically to an active written treatment regimen established by the resident's physician after any needed consultation with the qualified physical therapist;
- Be reasonable and necessary to the treatment of the resident's illness or injury;
- Be of such a level of complexity and sophistication, or the condition of the resident must be such, that the services required can be safely and effectively performed only by a qualified physical therapist or under his or her supervision. Services not requiring the performance or supervision of a physical therapist are not considered reasonable or necessary physical therapy services, even if they are performed or supervised by a physical therapist;
- Be provided pursuant to an expectation that the condition will improve significantly in a reasonable (and generally predictable) period of time based on the assessment made by the physician, or the services must be necessary to the establishment of a safe and effective maintenance program required in connection with a specific disease state; and
- Be reasonable in terms of amount, frequency, and duration.
- Properly utilize therapy services and not inflate the severity of RUG classifications and obtain additional reimbursement;
- Must not over utilize therapy services billed on a fee-for-service basis to Part B under consolidated billing; and
- Must not stint on therapy services provided to patients covered by the Part A PPS.



## **PERSONAL OBLIGATION TO REPORT VIOLATIONS**

We are committed to ethical and legal conduct that is compliant with all relevant laws and regulations and to correcting wrongdoing wherever it may occur in the organization. All employees have an individual responsibility and are required to immediately report to your supervisor, Administrator or the Compliance Officer suspected violations of any Federal health care program requirements or of our Policies and Procedures. Reports shall be complete, full, and honest.

## **CORRECTIVE ACTION**

Where an internal investigation substantiates a reported violation, our policy is to initiate corrective action, including, as appropriate, making prompt restitution of any overpayment amounts, notifying the appropriate governmental agency, instituting whatever disciplinary action is necessary, and implementing systemic changes to prevent a similar violation from recurring in the future at any facility.

## **DISCIPLINE**

Failure to comply with Federal health care program requirements and with the facility's own Policies and Procedures and the failure to report such noncompliance will be considered a violation of the Code of Ethical Conduct. All violators of the Code of Ethical Conduct will be subject to disciplinary action. The precise discipline utilized will depend on the nature, severity, and frequency of the violation and may result in any of the following disciplinary actions:

- Verbal Warning
- Written Warning
- Written Reprimand
- Suspension
- Termination
- Restitution

## **DISCLOSURE PROGRAM - REPORTING COMPLIANCE CONCERNS**

We are committed to providing a way for you to confidentially and anonymously report suspected wrong-doing. All employees including supervisors and managers are responsible for promptly reporting actual or potential wrong-doing, including actual or potential violations of laws, regulations, policies, and procedures.

You have the right to use the confidential Disclosure Program. We have implemented a Hotline for employees who wish to make an anonymous and confidential report of ethical violations, violations of law, or any other information the employee feels he/she cannot otherwise report to a supervisor. The Compliance Hotline number is:

**1-877-531-7472**

If you feel uncomfortable making a report via the Compliance Hotline, you may send a written report to:

**Chief Compliance Officer  
Prestige Healthcare Management  
7400 New LaGrange Road, Suite 100  
Louisville, KY 40222**

Whether reporting by telephone or in writing, please provide as much detail as possible, including but not limited to, names, dates, times, location and the specific conduct you feel may violate the law or Facility policy.

We are committed to nonretaliation and to maintaining, as appropriate, confidentiality and anonymity with respect to such disclosures.

**No employee making a good faith report of a suspected violation shall be retaliated against.** However, any employee who knowingly makes false allegations shall be subject to disciplinary action in accordance with Company policy.

## EMPLOYEE CERTIFICATION OF COMPLIANCE

I have received and reviewed a copy of the Code of Ethical Conduct as part of my compliance training, and I understand, acknowledge, and accept its contents as they relate to my position. I have also had the opportunity to ask questions and discuss any aspects of the Code of Ethical Conduct with my immediate supervisor and will forward an original signed copy of this Certification Statement to my immediate supervisor.

Further, except as stated below or on the attached document, as of this date I have no knowledge of any transactions or events that appear to violate the Code of Ethical Conduct or company policies. I acknowledge my affirmative obligation to adhere to the principles and standards of the Code of Ethical Conduct and to report any violations or suspected violations of the Code of Ethical Conduct to my immediate supervisor or the Compliance Officer (by telephone or in writing), the Facility Hotline, or any other representatives designated to receive such reports. I also acknowledge that the Code of Ethical Conduct does not represent any type of employment agreement or contract and that my employment is on an "at-will" basis.

In addition, I understand that my compliance and support of Facility's Code of Ethical Conduct and participation in related activities and training will be an element considered in evaluations regarding promotion, compensation and continued employment.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Department or Facility