

SYRACUSE COMMUNITY HEALTH CENTER

***CODE OF CONDUCT PROGRAM ON
ETHICS AND COMPLIANCE***

"Do the Right Thing, It's the Right Thing to Do"

Code of Conduct Program on Ethics and Compliance

Adopted by :

SCHC Companies, Inc. and affiliates

I. PURPOSE AND SCOPE

This overview provides the Organization with an explanation of the *Code of Conduct and Program on Ethics and Compliance* ("Compliance Plan") as well as certain documentation and information related to its implementation.

The Compliance Plan adopted and implemented by the Organization sets forth the ethical and legal framework within which the Organization will operate. It delineates the Organization's commitment to its patients, third party payors, health care providers and others and essentially consists of three component parts. The first part is the *Program on Ethics and Compliance* ("Program") which essentially sets forth the framework for implementation of the Code of Conduct. The second part is the *Code of Conduct on Ethics and Compliance* ("*Code of Conduct*") which sets forth the ethical and legal principles upon which the Organization bases its actions and business dealings. The third component is comprised of policies (collectively "Policies") which address in greater detail certain ethical and legal principles and how the Organization intends to implement compliance with respect to them. It essentially carries through on the various principles established in the Code of Conduct and the framework set forth in the Program.

A. Program on Ethics and Compliance ("PROGRAM")

In order for the Code of Conduct to have its intended effect, it must be implemented and the Program effectuates this implementation. It must also have the formal endorsement of the leadership of the Organization. The Office of the Inspector General of the Department of Health and Human Services ("OIG") has repeatedly asserted that it is incumbent upon an organization's officers and managers to provide ethical leadership to the organization.

The OIG tends to focus on the words and actions of an organization's leadership as a measure of its commitment to compliance. Thus, the adoption of the Compliance Plan must be accomplished through its adoption by a unanimous vote of the governing body of the Organization (referred to herein as the "Board of Directors" or "Board"). This is done through a Board resolution adopted unanimously. A Board resolution may also be adopted to authorize the officers of the Organization to take the necessary steps to develop and implement a Compliance Plan.

B. Code of Conduct on Ethics and Compliance ("CODE OF CONDUCT")

The Code of Conduct serves as the foundation of the Compliance Plan. It provides guidance with respect to the fundamental ethical and legal principles upon which the Organization is based and is essentially limited to the "fraud and abuse" related high-risk area identified by the Organization. (For purposes of the Compliance Plan "fraud and abuse" includes improper business arrangements, relationships and referrals, and misrepresenting or over-charging with respect to the delivery of health care items or services). That is, the

Compliance Plan principally relates to "fraud and abuse" related ethics and compliance in the context of the Organization's relationships and business dealings with its patients, health care providers, third party payors and others.

The Code of Conduct also articulates the Organization's commitment to comply with all applicable ethical principles and legal requirements including Federal and state laws. It sets forth the mission, goals and ethical principles of the Organization with respect to compliance and its expectation that all persons associated with the Organization comply with these principles and requirements as set forth throughout the Compliance Plan. It also outlines consequences for failure to comply with these principles and requirements.

C. POLICIES

Unlike the Code of Conduct, which is designed to be a general statement of the fundamental standards of the Organization, the Policies articulate specific procedures to address "fraud and abuse" aspects of the daily operations of the Organization. A form for the policies has been established and each policy is available upon request.

I. PROGRAM ON ETHICS AND COMPLIANCE

The Organization has adopted this *Program on Ethic and Compliance* ("Program") for the purpose of demonstrating in the clearest possible terms the commitment of the Organization to maintain the highest possible standards of ethics and compliance. We seek to have this commitment permeate throughout the entire Organization at all levels. The Organization is also committed to the development and maintenance of systems to help ensure that the goals and objectives of the Organization regarding ethical and legal compliance are achieved. These systems are discussed further below.

1. *Designation of Compliance Officer*

In pursuing this commitment, the Organization has designated certain individuals to: (i) oversee compliance initiatives; and (ii) provide assistance to persons associated with the Organization in meeting the requirements associated with these initiatives, including requirements set forth in the Program, Code and policies, and those delineated by applicable laws.

The Organization has appointed an individual to serve as the Compliance Officer ("CO"). This individual shall be the principle person responsible for implementing the Organization's compliance initiatives including, but not limited to, having responsibility for the development, dissemination, implementation and oversight of the Program, Code and Policies. The individual who shall serve as the CO is listed in this *Compliance Plan* along with his/her address, telephone number and email address. The Organization will keep all personnel informed about any changes in the individual who holds the position of CO.

In furtherance of the Organization's goals and objectives with respect to compliance, the Organization has established a Compliance Committee ("Committee"), which is responsible for providing strategic direction to the Organization's compliance initiatives. The Committee is responsible for keeping the Board informed about implementation of these initiatives and their effectiveness.

3. *Education & Training*

The CO is responsible for distributing, and educating persons associated with the Organization about the Code and the Program and thus, the Organization's commitment to compliance with applicable laws and ethical principles. This educational objective is met through training seminars and/or workshops pertaining to ethical and legal compliance responsibilities or in any other manner the CO believes is appropriate. All employees will receive training on how to perform their jobs in compliance with the standards at SCHC and all applicable laws, rules and regulations. All employees will understand compliance is a condition of continued employment.

4. *Auditing and Monitoring*

The Organization recognizes the importance of performing periodic compliance audits. An ongoing evaluation process is critical to a successful compliance program. The Organization is committed to conducting its business with integrity and to always provide healthcare services and collect payment for such services in an ethical manner and in compliance with all applicable legal requirements and requirements of all payors. This commitment embraces various principles related to the claims processing activities including, without limitation, the submission of

claims to payors and the Organization's commitment to ensure that such claims are properly submitted and accurate.

With respect to such activities, the Organization has confidence in its employees and their ability and commitment to collect, manage and report data in an unbiased and ethical manner. The Organization further believes that all coding shall be in compliance with appropriate and up-to-date resources including, without limitation the appropriate edition of the Physician's Current Procedural Terminology ("CPT" Code"). Strict adherence to this and other applicable resources will promote consistency and accuracy of claims. Proper coding is based upon the premise that the codes used should accurately reflect the procedures performed during the patient encounter as documented by the medical record. Accordingly, the codes assigned should accurately reflect such procedures based upon the medical record documentation. The Organization provides support to claims processing personnel through seminars, training tools and other measures.

In order to ensure that the Organization is meeting its commitment with respect to claims processing activities, periodic auditing and monitoring of such activities as well as of the *Compliance Plan* will be conducted and documented in accordance with policies developed by the Organization. All personnel are expected to cooperate fully with all audit activities.

5. *Mandatory Compliance, Enforcement and Corrective Action*

The *Compliance Plan* and the policies, procedures and systems developed by the Organization to implement it are prerequisites to ongoing relationships with the Organization. Accordingly, all persons associated with the Organization, whether they are directors, officers, employees or agents, physician or non-physician alike, are required to sign various "affirmation statements" confirming that: (i) they have received and read, and that they understand, the *Compliance Plan*; and (ii) they understand that the *Compliance Plan* reflects mandatory principles and policies of the Organization. Any person newly associated with the Organization, regardless of their role within the Organization, is required to sign a New Employee Affirmation Statement as a condition to assuming their responsibilities with the Organization. Each employee is similarly required to sign an Annual Training and Affirmation Statement: personnel involved in claims processing are also required to sign a separate, additional affirmation statement. These various types of affirmation statements are set forth in the applicable policy.

Additionally, all persons associated with the Organization are also required to complete a questionnaire, as appropriate, pursuant to which they represent whether they have been convicted of any health care related offense. This questionnaire is included with the policies.

6. *Individual Reporting Obligation*

Any questions or concerns that any person has with respect to their obligations and responsibilities under the *Compliance Plan* should be brought to the attention of their supervisor immediately. Each person also has an individual responsibility to immediately report to their supervisor any activity or conduct that appears to be in violation of the *Compliance Plan*, or any law. The CO will disseminate information based upon the Policies regarding how and when to make such inquiries and to report possible violations. If for any reason a person

is uncomfortable in discussing any of these sorts of matters with their supervisor, then they should discuss/report them to the CO.

The Organization and CO will make every effort to maintain, within the limits of the law, the confidentiality of the identity of any individual who reports possible violations pursuant to the *Compliance Plan*. Complete confidentiality cannot be guaranteed if the Organization deems it necessary to investigate or take other action regarding the report. However, the Organization maintains a strict policy that there shall be no retribution or discipline for anyone who reports a possible violation in good faith or who reports what he or she reasonably believes to be an act of wrongdoing.

An individual whose report of misconduct contains an admission of personal wrongdoing, however, cannot be guaranteed protection against disciplinary action. In determining whether, and to what extent, to discipline an employee who reports wrongdoing for which the employee is partly or fully responsible, the Organization will consider the fact that the individual volunteered the information. Any individual who deliberately makes a false accusation with the purpose of harming or retaliating against another individual at the Organization will be subject to discipline themselves.

Violations of the Compliance Plan, failure to comply with applicable federal or state laws, and other types of misconduct threatens the Organization's status as a reliable, honest and Trustworthy provider capable of participating in federal health care programs. Detected but uncorrected misconduct can seriously endanger the mission, reputation, and legal status of SCHC. Therefore, the Organization is committed to correcting wrongdoing wherever it may occur in the Organization. All reported concerns will be promptly investigated as confidentially as possible under the circumstances. The CO shall coordinate any findings from investigations and recommend corrective action or changes that must be made. All persons associated with the Organization are expected to cooperate fully with all investigative efforts.

It is the policy of the Organization to initiate corrective action, including, when appropriate, making prompt restitution of any overpayment amounts, notifying the appropriate payor, instituting whatever disciplinary action is warranted and/or implementing systemic changes to prevent a similar violation from recurring in the future at the Organization. Corrective action will be taken by the Organization in accordance with applicable Policies on a timely basis after determining that there is credible evidence of a violation.

7. Discipline

Because violations of the *Compliance Plan* and applicable laws have potentially grave consequences for the Organization and its leadership, as well as other individuals involved, any person found to be in violation of this *Compliance Plan* 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 one, or a combination, of the following disciplinary actions which are listed in order of severity, but which may not necessarily follow through the various levels of discipline sequentially:

- Verbal warning;
- Written warning;
- Written reprimand;
- Suspension;

- Termination of employment or other relationship with the Organization;
- Restitution or fine

The precise disciplinary action taken in a particular instance shall be determined by the Board upon recommendation of the CO. The Board has full authority to adopt any of these disciplinary procedures in any combination as it shall choose in its sole discretion. Each person associated with the Organization should recognize the Board's authority with respect to such disciplinary procedures.

Questions and Answers

This *Compliance Plan* is not intended to provide answers to every question each person may have about the Organization's policies and Organizations, or applicable ethical principles and laws and regulations. The following questions and answers are intended to increase each person's understanding of how the guidance set forth in this *Compliance Plan* should be applied.

1. *If I have a question about workplace conduct or if I see something that I think may be improper, whom should I contact?*

The process for reporting perceived or actual violations builds on existing processes and established communication channels within our System of Care. First, discuss concerns with your immediate supervisor. If you are not comfortable talking to your supervisor, you may raise the issue directly with your director or any senior manager within our System of Care. If an issue requires further investigation, or if a concern remains, you may contact the Corporate Compliance Officer confidentially at the:

CORPORATE COMPLIANCE HOTLINE 234-0464

2. *What kind of situations should I Report?*

Promptly report situations you believe may be in violation of any law, policy or our Corporate Compliance Program. Key areas identified in our Corporate Compliance plan include:

- Conflicts of Interest
- Record Keeping and Retention
- Reimbursement, Billing and Claims Submission
- Patient Referrals and Referral Sources
- Confidentiality of Patient Information
- Proprietary Information
- Marketing Organizations / Advertising
- Gifts and Gratuities
- Business Transaction

3. *What happens when a call is made?*

The caller will be asked to identify him or herself (you can also choose to remain anonymous if you wish). All calls will remain confidential. Additional questions may be asked of you to gain further information. Call tracing or recording devices are not used. The focus is on the nature and content of the call, not the caller's identity.

4. *If I report activity which I think may be improper, will I get in trouble if it turns out to be o.k. to be involved in such activity?*

The Organization's *Compliance Plan prohibits* you from being reprimanded or disciplined for having honestly expressed a concern. As a person associated with the Organization, you have a responsibility to report suspected problems and you could be subject to discipline for not doing so. The only time a person will be disciplined for reporting misconduct, or suspected misconduct, is in circumstances where he or she knowingly and intentionally reported something that he or she knows to be false or misleading in order to harm someone else.

5. *What should I do if I am asked to do something that I think may violate the Compliance Plan?*

You should only engage in activity that is in compliance with the *Compliance Plan*. In these types of circumstances refuse to do it and immediately contact the Compliance Officer.

6. *How will I know if I am on ethical "thin ice"?*

If you are worried about whether your actions or those of others will be discovered, if you feel a sense of uneasiness about what you are doing, or if you are rationalizing your activities on any basis (such as perhaps the belief that "everyone does it"), you are probably on ethical "thin ice." In these circumstances, stop engaging in the action immediately, step back and consider what you are doing, and most importantly, get advice from a responsible person within the Organization such as the Compliance Officer.

II. CODE OF CONDUCT ON ETHICS AND COMPLIANCE

The purpose of the Code of Conduct on Ethics and Compliance ("Code") is to provide guidance to each person acting on behalf of the Organization regardless of the capacity in which they are serving, in carrying out their daily activities within appropriate ethical and legal standards. These persons include, without limitation, directors, officers, employees and agents, as applicable, and are sometimes collectively referred to in this Code as "colleagues" or "persons."

The obligations outlined in this Code apply to our relationships with patients, health care providers, payors and any other business or person with whom or with which we come in contact in our daily activities. This enables us to promote the mission and values of the Organization on a daily basis while furthering the Organization's business and strategic goals within appropriate ethical and legal parameters. This Code is also intended to ensure that each person conducts his or her daily activities with honesty, integrity, fairness and respect for others, and in accordance with applicable Federal and state laws and regulations.

1. *Mission and Values Statement*

Above all else, we, on behalf of Syracuse Community Health Center, are committed to providing quality health care services to all individuals, with a commitment to those might otherwise be excluded from the health care system, while remaining cost effective, efficient and competitive. In furtherance of this Mission, we, on behalf of the Organization, have adopted a set of values based upon the following principles:

- All patients of the Organization will be treated with compassion, respect and dignity and will be provided with quality health care services, regardless of the ability to pay for such services.
- In order to ensure the provision of quality health care services and to promote efficiencies in the delivery of such services, we will collaborate and network with other health care providers including, without limitation, physicians, medical Organizations, hospitals and other providers of health care items and services (collectively "health care providers") that share our values with respect to health care services.
- We, and others acting on behalf of SCHC, will act with honesty, integrity, fairness and respect in the way in which patient care services are delivered including, without limitation, in or interactions with patients, health care providers and third party payors.

2. *Federal and New York State Health Care Fraud and Abuse Laws.*

Both the federal and New York state governments fund health care programs that provide medical and mental health care benefits to qualified patients. Examples of such government health care programs include, but are not limited to, Medicare and Medicaid. To avoid waste, fraud and abuse in Medicare, Medicaid and other programs, there are Federal and State laws

designed to deter fraud and abuse, some of which will be described below.

a. *Federal False Claims Act, 31 UCS §§ 3729 -3733.*

i. The False Claims Act applies to any person (or entity) who:

1. Knowingly presents, or causes to be presented, to the United States Government, a false or fraudulent claim for payment or approval;
2. Knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government;
3. Conspires to defraud the Government by getting a false or fraudulent claim allowed or paid;
4. Has possession, custody, or control of property or money used, or to be used, by the Government and, intending to defraud the Government or willfully to conceal the property, delivers, or causes to be delivered, less property than the amount for which the person receives a certificate or receipt;
5. Authorized to make or deliver a document certifying receipt of property used, or to be used, by the Government and, intending to defraud the Government, makes or delivers the receipt without completely knowing that the information on the receipt is true;
6. Knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the Government, or a member of the Armed Forces, who lawfully may not sell or pledge the property; or
7. Knowingly makes, uses, or causes to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Government.

ii. Any person who engages in any of the above conduct may have violated the False Claims Act and may be liable for monetary penalties and damages, depending on the circumstances surrounding the false claim(s).

b. *Program Fraud Civil Remedies Act, 31 USC §§ 3801-3812 (PFCRA).* PFCRA provides for administrative remedies against any person who knowingly makes a claim or statement that the person knows or has reason to know is false, fictitious or fraudulent. The presence of a false claim is not required: a false statement is enough to trigger remedies under PFCRA.

c. *New York State False Claims Act, State Finance Law, Article 13.*

i. The New York State false claims act is very similar to the Federal False Claims Act. It prohibits the filing of a false claim which means that a person:

1. Knowingly presents, or causes to be presented, to any employee, office or agent of the state or a local government, a false or fraudulent claim for payment or approval;
2. Knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the state or a local government;

3. Conspires to defraud the state or a local government by getting a false or fraudulent claim allowed or paid;
4. Has possession, custody, or control of property or money used, or to be used, by the State or a local government and, intending to defraud the state or a local government or willfully to conceal the property or money, delivers, or causes to be delivered, less property or money than the amount for which the person receives a certificate or receipt;
5. Is authorized to make or deliver a document certifying receipt of property used or to be used by the state or a local government and, intending to defraud the state or a local government, makes or delivers the receipt without completely knowing that the information on the receipt is true;
6. Knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the state or a local government knowing that the officer or employee lawfully may not sell or pledge the property; or
7. Knowingly makes, uses, or causes to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the state or a local government.

ii. A person who does any of the above acts will be liable for a civil penalty of between \$6,000.00 and \$12,000.00 plus three times the amount of damages sustained by the state or local government. The amount of damages may be reduced if the violator self discloses the violation.

d. *Qui Tam Lawsuits.* The Federal False Claims Act and the New York State False Claims Act also provide for *qui tam* lawsuits through which any person (the "qui tam relator") may bring a civil action for himself or herself and on behalf of the US Government for any violation of the False Claims Act. If the qui tam relator ultimately wins the lawsuit or if there is a settlement of the lawsuit, he or she may share in a portion of any money recovered with the government and receive reimbursement for reasonable expenses, reasonable attorneys' fees and costs. Please note recovery by the qui tam relator is uncertain and dependent upon the facts and circumstances of the case.

e. *Non-Retaliation Policy.*

- i. The False Claims Act forbids retaliation by an employer against an employee who cooperates with investigators regarding potential False Claims Act violations or who commences qui tam actions in good faith. In accordance with such laws and its Corporate Compliance Program, SCHC fully complies with all applicable "whistle-blower" protections.
- ii. The False Claims Act specifically provides that any employee who is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment by his or her employer because of lawful acts done by the employee on behalf of the employer or others in furtherance of an action under the False Claims Act, including investigation for, initiation of, testimony for, or assistance in an action filed or to be filed under the False Claims Act, shall be entitled to all relief necessary to make the employee whole. Such relief may include

reinstatement with the same seniority status the employee would have enjoyed but for the discrimination; two times the amount of back pay; interest on back pay; and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees. The New York State False Claims Act has similar non-retaliation protections.

f. *Social Services Law § 145: Penalties.* Any person who submits false statements or deliberately conceals material information in order to receive public assistance, including Medicaid, is guilty of a misdemeanor.

g. *New York State Social Services Law § 145-b: False Statements.*

i. Under New York Social Services Law § 145-b, it is unlawful for any person, firm or corporation to knowingly by means of a false statement or representation (defined below), or by deliberate concealment of any material fact, or other fraudulent scheme or device, on behalf of himself/herself or others, to attempt to obtain or to obtain payment from public funds for services or supplies furnished or purportedly furnished under the Social Services Law, including Medicaid.

ii. "Statement or representation" includes, but is not limited to: a claim for payment made to the state, a political subdivision of the state, or an entity performing services under contract to the state or a political subdivision of the state; an acknowledgment, certification, claim, ratification or report of data which serves as the basis for a claim or a rate of payment, financial information whether in a cost report or otherwise, health care services available or rendered, and the qualifications of a person that is or has rendered health care services.

iii. For the violations described in section i above, the government may recover civil damages (plus interest) equal to three times the amount of the false claim or in the case of non-monetary false statements, three times the amount of actual damages or five thousand dollars, whichever is greater.

iv. DOH Penalties.

1. The Department of Health may require the payment of a monetary penalty by any person who fails to comply with the standards of Medicaid or of generally accepted medical Organization in a substantial number of cases or grossly and flagrantly violated such standards and receives, or causes to be received by another person, Medicaid payment when such person knew, or had reason to know, that:

- a. the payment involved the providing or ordering of care, services or supplies that were medically improper, unnecessary or in excess of the documented medical needs of the person to whom they were furnished;
- b. the care, services or supplies were not provided as claimed;
- c. the person who ordered or prescribed care, services or supplies which was medically improper, unnecessary or in excess of the documented medical need of the person to whom they were furnished was suspended or excluded from Medicaid at

the time the care, services or supplies were furnished; or
d. the services or supplies for which payment was received
we're not, in fact, provided.

- h. *New York State Social Services Law § 145-c: Sanctions.* It is a violation of the Law for any person to apply for or receive public assistance, including Medicaid, by intentionally making (or intending to make) a false or misleading statement. Social Services Law §145-c sets forth certain sanctions which may be imposed against a person for such illegal actions.
- i. *New York Social Services Law § 366-b.* Any person who obtains or attempts to obtain, for him or others, Medicaid benefits by false means is guilty of a Class A misdemeanor. In addition, any person who, with the intent to defraud, presents for payment any false or fraudulent claim, knowingly gives false information to obtain more money than he is legally entitled to, or knowingly gives false information in order to obtain authorization to provide items or services is guilty of a Class A misdemeanor.
- j. *New York Penal Law Article 155, Larceny.* A person steals property and commits larceny when, with the intent to deprive another of his property, wrongfully takes, obtains, or withholds such property by means of trick, embezzlement, false pretense or fraud. There are four levels of offenses, depending on the value of the property involved.
- k. *New York Penal Law Article 175, False Written Statements.* The crimes under Article 175, involve false written statements, including for example, filing false information, the falsification of business records and tampering with public records.
- l. *Insurance Fraud Under Article 176 of the New York Penal Law.* Under Penal Law § 176.05, a fraudulent health care insurance act is committed by any person who, knowingly and with intent to defraud, presents (or causes to be presented) to an insurer, including Medicaid, a claim for health benefits which such person knows to contain materially false or misleading information. There are six levels of offenses, generally depending on the value of the false claim. A person is guilty of aggravated insurance fraud when he commits a fraudulent insurance act, and has been previously convicted within the preceding five years of any offense also involving a fraudulent insurance act.
- m. *Health Care Fraud Under Article 177 of the New York Penal Law*
- i. Penal Law Article 177 also involves offenses of health care fraud. Under Article 177, a person is guilty of health care fraud when, with the intent to defraud a health plan (including Medicaid), he or she knowingly and willfully provides materially false information or omits material information for the purpose of requesting payment from a health plan for items or services and, as a result of such information or omission, payment is received for which he/she or another person is not entitled. There are five levels of offenses, depending on the value of the fraudulent claims.
- ii. It is a defense for crimes under Article 177 that the defendant was a clerk, bookkeeper or other employee (other than an employee charged with active

management and control, in an executive capacity, of the affairs of the corporation) who, without personal benefit, merely executed the orders of his or her employer/supervisor.

n. *Insurance Frauds Prevention.* Section 403 of the New York Insurance Law prohibits an individual, firm, association or corporation from committing a fraudulent insurance act as defined in Penal Law § 176.05. Violators may be subject to both criminal liability and money penalties.

3. *Employee Whistleblower Protection Rights/Non-Retaliation.*

o. *SCHC's Non-Retaliation Policy.* As set forth in greater detail below, the False Claims Act forbids retaliation by an employer against an employee who cooperates with investigators regarding potential False Claims Act violations or who commences qui tam actions in good faith. In accordance with such laws and its Corporate Compliance Program, SCHC fully complies with all applicable "whistle-blower" protections.

p. *Specific False Claims Act Protection.* The False Claims Act specifically provides that any employee who is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment by his or her employer because of lawful acts done by the employee on behalf of the employer or others in furtherance of an action under the False Claims Act, including investigation for, initiation of, testimony for, or assistance in an action filed or to be filed under the False Claims Act, shall be entitled to all relief necessary to make the employee whole. Such relief may include reinstatement with the same seniority status the employee would have enjoyed but for the discrimination; two times the amount of back pay; interest on back pay; and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees.

q. *New York Labor Laws Prohibiting Retaliatory Personnel Actions.* Two Laws prohibiting employer retaliation against employees are addressed below. The first is Labor Law § 740 and applies to employers in general. The second is Labor Law § 741, and is specific to health care providers.

i. *Labor Law § 740.* This law prohibits retaliatory personnel action by an employer against an employee who discloses or who threatens to disclose, to a supervisor or to a public body, an activity, policy or Organization of the employer that the employee believes in good faith to be in violation of law, rule or regulation which creates and presents a substantial and specific danger to the public health or safety, or which constitutes health care fraud.

1. The protection against retaliatory personnel action provided above pertaining to disclosure to a public body only applies where the employee has first brought the activity, policy or Organization believed to be in violation of law, rule or regulation to the attention of a supervisor of the employer and has afforded such employer a reasonable opportunity to correct such activity, policy or Organization.

2. Labor Law § 740 also prohibits an employer from taking

retaliatory personnel action against an employee who provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into a violation of law, rule or regulation by such employer. In addition, an employer may not take retaliatory personnel action against an employee who objects to, or refuses to participate in any such activity, policy or Organization in violation of a law, rule or regulation.

3. For purposes of Labor Law §740, "retaliatory personnel action" means the discharge, suspension or demotion of an employee, or other adverse employment action taken against an employee in the terms and conditions of employment.
 4. An employee who has been the subject of a retaliatory personnel action in violation of Labor Law § 740 may commence a civil court action within one year after the alleged retaliatory personnel action was taken. The employee may seek the following relief:
 - a. an injunction to restrain the employer's continued violation;
 - b. the reinstatement of the employee to the same position held before the retaliatory personnel action, or to an equivalent position;
 - c. the reinstatement of full fringe benefits and seniority rights;
 - d. compensation for lost wages and benefits; and e. payment by the employer of reasonable costs, disbursements, and attorney's fees.
 5. Labor Law § 740 does not diminish the rights, privileges, or remedies of any employee under any other law or regulation or under any collective bargaining agreement or employment contract. However, an action brought under § 740 is deemed a waiver of the rights and remedies otherwise available to the employee under any other contract, collective bargaining agreement, law, rule or regulation or under the common law.
- ii. *Labor Law § 741.* This law prohibits retaliatory action by *certain health care* employers against a health care employee who discloses or who threatens to disclose, to a supervisor or to a public body, an activity, policy or Organization of the employer or employer's agent that the employee, in good faith reasonably believes constitutes improper quality of patient care. Labor Law § 741 also prohibits retaliatory action by such employer if the employee objects to, or refuses to participate in any activity, policy or Organization of the employer that the employee, in good faith, reasonably believes constitutes improper quality of patient care.
1. Protection against retaliatory action does not apply unless the employee has first notified the employer of the improper quality of patient care and has afforded the employer a reasonable opportunity to correct such activity, policy or Organization. However, such notice is not required if there is an imminent threat to public health or safety or to the health of a specific patient and the employee reasonably believes in good

faith that reporting to a supervisor would not result in corrective action.

2. For purposes of Labor Law § 741, "retaliatory action" means the discharge, suspension, demotion, penalization or discrimination against an employee, or other adverse employment action taken against an employee in the terms and conditions of employment.
3. Under Labor Law § 741, an employee has two years from the date of the alleged retaliatory action to commence a lawsuit. In addition to the remedies that may be available to the employee a court may assess a fine up to \$10,000 against the employer if the court finds that the employer acted in bad faith. These fines are not paid to the employee but will be deposited into a statewide fund to improve patient care.

4. *Responsible Leadership*

While all individuals associated with the Organization have an obligation to follow the Code and promote the ethical and compliance goals of the Organization, the leadership of the Organization is expected to set an example and serve as a model. The Organization leaders are responsible for the dissemination of sufficient information to enable others associated with the Organization to comply with applicable laws, regulations and policies, and for the allocation of sufficient resources to do so.

Our leadership is also responsible for creating a culture within the Organization that promotes the mission and values of the Organization. Therefore, each individual in a leadership position, whether such person is a director or officer, manager or otherwise, physician or non-physician, is obligated to dedicate him or herself to the creation of a culture within the Organization

which promotes the highest standards of ethics and legal compliance. They are expected to promote the dissemination of information through written policies, seminars and otherwise, which will enable each person associated with the Organization to comply with the Code, and carry through their daily activities the ethical values of the Organization within the framework of applicable laws. Moreover, each individual in a leadership position is expected to work to create a culture throughout the Organization which encourages individuals to raise concerns when they arise, without fear of retribution and to promote the concept that business objectives will never be pursued at the expense of ethical and compliant behavior.

5. *Statements of Commitment*

We, on behalf of the Organization, desire to convey the following commitments to:

Our Patients: We remain committed to providing the highest quality patient care regardless of ability to pay for such care in a manner which is sensitive, compassionate, promptly delivered and cost effective.

Our Colleagues: We remain committed to fostering a work environment which treats all individuals with dignity, respect and fairness, and affords them each an opportunity to professionally develop and grow and

in which their ideas are considered.

Employees: We remain committed to fostering an environment where patients receive professional services of the highest quality in excellent facilities with modern equipment.

Third Party Payors: We remain committed to upholding our contractual obligations with all third party payors and to dealing with third party payors in a manner which reflects our concern for delivering appropriate and necessary health care through the services of qualified professionals in an efficient and cost effective manner.

Regulators: We remain committed to fostering an Organization culture in which compliance with applicable laws is woven into the fabric of the Organization.

Communities Served by the Organization: We are committed to understanding the needs of our service communities and providing them with quality, cost-effective healthcare which is delivered in compliance with ethical principles and all applicable laws.

6. *Relationships and Interactions with Patients*

It is the Organization's mission to ensure the provision of the highest quality health care services to patients. In this regard, all patients of the Organization shall be treated with respect and dignity. No employee of the Organization shall differentiate or discriminate in the access to, treatment or quality of medical and/or non-medical services rendered to patients on the basis of gender, race, color, religion or national origin or on any other basis whatsoever.

Additionally, unless otherwise consented to by patient, patients of the Organization shall only be provided with the medical care that is both medically necessary and appropriate. The Organization regards medically necessary and appropriate care generally as those healthcare services provided to patients of the Organization for the purpose of preventing, diagnosing or treating an illness, injury, disease or its symptoms in a manner that is: (i) in accordance with the generally accepted principles of good medical practice in the locale served by the Organization; and (ii) not primarily for the convenience of a patient, physician or other health care provider.

The Organization strives to involve patients in all aspects of their care. When appropriate, each patient shall be provided with a clear explanation of the care to be provided including, but not limited to, an explanation of: (i) the diagnosis; (ii) plan of treatment; (iii) estimates of the costs for the plan of treatment; (iv) the risks and benefits associated with the plan of treatment; and (v) treatment options.

In the provision of medical services to our patients, persons associated with the Organization will collect information about patients, possibly including, without limitation, information about their medical condition, history, medical treatment, medication and family

illness ("Confidential Information"). We recognize the sensitive nature of this information and are committed to maintaining its confidentiality. Due to its sensitive nature, no person associated with the Organization will release or discuss any such Confidential Information with others unless it is necessary to promote the medical care of the patient or required by law. Patients can expect that their Confidential Information will be protected and that it will only be released to persons authorized by law or by the patient him/herself.

7. *Relationships and Interactions with Third Party Payors*

The Organization is committed to dealing with all government and private insurance payors (sometimes collectively referred to as "third party payors" or "payors") in a way that: (a) reflects our desire to comply with our contractual obligations to those payors; (b) demonstrates our concern for delivering quality and cost-effective health care; and (c) illustrates our commitment to comply with all applicable laws and regulations including those particularly related to the submission of bills to payors. Accordingly, each person associated with the Organization will take great care to ensure that any submissions to payors on behalf of such person and/or the Organization are truthful, accurate, timely and in compliance with all pertinent laws and regulations.

8. *Business Relationships and Arrangements*

The Organization is firmly committed to structuring and maintaining its business relationships and arrangements in precise compliance with all applicable legal and ethical requirements. As part of meeting such requirements and adhering to applicable ethical and legal standards associated with such relationships, the Organization adheres to the following principles:

- ***Referrals:*** Neither the Organization, nor any person associated with the Organization, will pay or offer to pay, or solicit or receive, anything of value, whether directly or indirectly, in exchange for the referral of patients. Patients are treated by the Organization, or referred to other health care providers, solely on the basis of their medical needs and the Organization's ability to render the necessary services and not as a result of any financial relationship. Similarly, when making patient referrals to another health care provider, we, on behalf of the Organization, will not take into account the volume or value of referrals that the health care provider has made in the past, or may make in the future, to the Organization. Violation of this policy may have grave legal consequences for the Organization and the individuals involved, including civil and criminal penalties, and possible exclusion from participation in federally funded healthcare programs and with private payors. Moreover, Organization disciplinary procedures may result in the termination of such individuals' employment and/or any other existing relationship with the Organization.
- ***Conflicts of Interest*** The Organization desires to avoid relationships with health care providers and others, with whom or which the Organization or any person associated with it may have a conflict of interest. Therefore, the Organization and all persons associated with it shall use their best efforts to determine if any such conflicts exist with respect to particular arrangements.
- ***Sanctioned Individuals*** The Organization seeks to avoid relationships with any person who has been convicted of a criminal offense or found liable for civil

monetary penalties for violation of any law or regulation regarding the provision of, or billing for, health care services, or that has been listed as barred, excluded or otherwise ineligible for participation in any Federal or state funded program. Accordingly, the Organization will conduct searches and investigations into the background of all persons associated with the Organization.

In the event any subcontractors are engaged by the Organization to perform billing or coding services (i.e., billing company), the Organization will take great care to ensure that such subcontractor meets applicable legal and regulatory requirements and has the necessary skills, quality assurance processes, systems and procedures to ensure that claims submitted to payors are accurate and complete. The Organization contracts only with those subcontractors that have adopted their own ethics and compliance programs in accordance with the Office of Inspector General's Compliance Program Guidance for Third Party Medical Billing Companies or any similar or subsequent applicable guidance issued by the government.

9. Fraud & Abuse

The Organization and each person or subcontractor entity (e.g., billing company) associated with it are prohibited from intentionally presenting, or causing to be presented, false, fictitious or fraudulent claims, or information in support of such claims, for the purpose of obtaining inappropriate reimbursement from a payor. Additionally, each such person or entity is prohibited from: (a) making a false statement or misrepresenting a material fact in connection with any application for benefits from, or payment by, a payor; (b) making a false statement or misrepresenting a material fact in connection with the operation of the Organization in order to qualify the Organization for payment by a payor; or (c) charging or accepting from payors payment in excess of the agreed upon payor rates of payment. The actions prohibited by this paragraph include, but are not limited to, the following:

- Intentionally billing payors for items or medical services that are not actually documented or cannot be verified by the patient's medical record;
- Intentionally using a billing code that provides a higher reimbursement rate than a billing code that actually reflects the service furnished to the patient; or
- Intentionally billing patients for the difference between the Organization's fee for the service and the amount received from the appropriate payor, except as otherwise permitted by the payor or by law.

It is the Organization's policy to be forthright in dealing with all billing inquiries from payors. Any requests for information shall be answered with complete, factual and accurate information. Moreover, it is the Organization's policy to cooperate with and be courteous to all payor representatives and governmental inspectors, and to provide them with the information to which they are entitled during an inspection. So as to ensure that all inquiries regarding billing may be handled uniformly and in accordance with this policy, in the event that any person is contacted by any payor representative or a government agent, inspector or representative, he/she is to immediately contact the Organization's Compliance Officer identified below.

10. Actions in Response to Investigations

The Organization provides a variety of services to patients and treats patients who are beneficiaries of a variety of governmental and private programs. These services and the practice

of medicine by the Organization are subject to a number of laws and regulatory requirements. Accordingly, prior to, or at any time, during or following an inspection or investigation by a payor representative, including, but not limited to, governmental representatives, no person should ever conceal, destroy or alter any documents of the Organization, or lie or make misleading statements. Additionally, you should not attempt to cause another employee of the Organization to fail to provide accurate information or to obstruct, mislead or delay the communication of information or records relating to a possible violation of the law.

11. *Conflicts of Interest*

A conflict of interest may occur if the outside activities or personal interests of a person associated with the Organization influences, or appears to influence, their ability to make objective decisions in the course of their job responsibilities. A conflict of interest may also exist if the demands of any outside activity impairs or distracts a person from the performance of their job or causes them to use Organization resources other than for carrying-out Organization purposes. Such conflicts can exist for decision-makers at all levels of the organization. This includes members of the Board of Directors, administration and management, physicians, volunteers and other employees. All persons associated with the organization are expected to recognize situation where conflicts could occur including, but not limited to, deriving unethical personal benefit from the exercise of one's authority.

Accordingly, it is the obligation of each person associated with the Organization to ensure that he/she remains free of conflicts of interest in the performance of their duties on behalf of the Organization. Each person must, therefore, obtain the approval of the Organization before pursuing any activity which might constitute a conflict of interest. If a person has a question about whether an outside activity might constitute a conflict of interest, he/she should discuss the activity with his/her supervisor or the Compliance Officer, as appropriate.

i. Prevent Conflicts of interest by:

- **Avoiding and Disclosing Conflicts:** In performing our responsibilities to SCHC, we do not let our judgment become impaired or even appear to be impaired by outside personal or financial interests.
 - Whenever there is a conflict of interest, report the situation to a supervisor, manager or SCHC Compliance Officer
 - We do not use our positions or knowledge that we gain from SCHC for personal advantage.
- **Hiring the Most Qualified Candidates:** SCHC hires the most qualified candidates for any position, without giving a preference to relatives of employees or associates of our System of Care.
- **Unbiased, Non-exploitative Supervision:** Supervision and evaluation of staff, residents and students are conducted objectively and judgments about performance are made fairly and without personal bias.

12. *Medical Necessity: Reasonable and Necessary Services*

While physicians and other licensed health care professionals are able to order any services that are appropriate for the treatment of their customers, Medicare and other government and private health care plans will only pay for those services that meet appropriate medical

necessity standards (as in the case of Medicare, "reasonable and necessary services"). Providers may not bill for services that do not meet the applicable standards.

Therefore, the Organization should ensure that claims are submitted only for the services that the Organization believes are medically necessary and that were ordered by a physician or other appropriately licensed individual. Upon request, the Organization should be able to provide documentation to support the medical necessity of a service (or re-certification) that the Organization has provided.

13. Antitrust and Trade Regulation

It is the policy of the Organization to avoid any activities that unfairly or illegally reduce or eliminate competition, control prices, allocate markets, or exclude competitors.

All Organization employees or contractors shall comply with the letter and spirit of all antitrust laws of the United States and of the State of New York. No employee or contractor of the Organization shall have authority to engage in conduct that does not comply with this policy or to authorize, direct, approve, or condone such conduct by any other person.

Employees or contractors shall not enter into understandings or agreements (whether written or oral) that could unfairly or illegally reduce or eliminate competition, control prices, allocate markets, or exclude competitors. This includes agreements or information sharing with other Organizations or carriers that affect prices, charge profits, and service or supplier selection.

Employees or contractors who negotiate or enter into contracts with competitors, potential competitors, contractors or suppliers shall do so on a competitive basis based upon such factors as price, quality, and service. This policy is especially important for employees or contractors having purchasing, planning or marketing responsibilities.

Employees or contractors who attend association or professional association meetings or who otherwise come in contact with competitors should avoid discussions at those meetings regarding pricing or any other topic which could be interpreted as collusion or cooperation between competitors.

Any employee or contractor who suspects that a violation of the antitrust and trade regulation laws has occurred shall disclose that information to the Compliance Officer.

14. Record Retention

All records of the Organization shall be maintained according to Medicare, Medicaid, and all Federal, state and local regulatory guidelines, and any other record retention policy of the Organization.

15. Controlled Substances

Certain colleagues may routinely have access to prescription drugs, controlled substances and other medical supplies which are involved in the services rendered by the Organization. Many of these substances, and their use, are governed and monitored by governmental bodies and thus they may only be administered by physician order. It is of paramount importance that these items be handled properly and only by authorized individuals in order to minimize risks to the Organization, colleagues and patients. Each person must, therefore, immediately report to

the Organization any incident of diversion, or improper use, of drugs.

16. Professional Courtesy

The Organization recognizes that it has long been an Organization in the medical profession to provide professional courtesy discounts to family members of persons associated with a medical Organization, staff member of the hospital and medical staff with which an Organization is affiliated, and to the family and friends of other health care providers with whom or which an Organization has a relationship. The Organization further recognizes that changes in government regulation and policy necessitate changes in these types of Organizations. Accordingly, the Organization will not extend professional courtesy to anyone other than employees of the Organization in accordance with Uniform Personnel Policy #517.

This policy of precluding professional courtesy does not apply to circumstances where the Organization determines that a patient cannot pay due to financial hardship. That is, the patient is would not otherwise receive care because of their inability to pay for the services. In such circumstances, a written statement must be obtained from the "indigent" patient, along with evidence of their inability to pay (e.g., copy of tax return), in accordance with all applicable legal requirements.

17. Relationships with Subcontractors, Suppliers and Institutions

The Organization is committed to managing its relationships with subcontractors, suppliers and institutions in a fair and reasonable manner, consistent with all applicable laws and good business Organizations. The Organization desires to promote competitive procurement to the maximum extent practicable. Accordingly, the selection of subcontractors and suppliers will be based upon objective criteria including quality, technical excellence, price, delivery, adherence to schedules, service and maintenance and adequate sources of supply. Purchasing decisions will therefore be made on the basis of a supplier's ability to meet the Organization's needs and not on personal relationships or on the basis of any other benefit. The Organization will always employ the highest ethical standards and business Organizations in source selection and all purchasing activities.

18. Research

The Organization is committed to following the highest ethical standards in any research conducted by its physicians and professional staff. The Organization will not tolerate any intentional research misconduct including, without limitation, the making-up or changing of any results or the copying of results from other studies without the appropriate research having been performed.

All patients of the Organization who are asked to participate in a research project will be provided with a full explanation of alternative services that might prove beneficial to them and of the risks, expected benefits and alternatives. All procedures to be performed will be full explained, especially those that are experimental in nature. No person associated with the Organization will compromise a patient's access to services as a result of a patient's refusal to participate in a research study.

All persons associated with the Organization who are involved in conducting research of

any type or nature whatsoever (physicians and others alike), are responsible for maintaining the highest ethical standards in all respects including in any written or oral communications regarding the research projects. They are also responsible for following appropriate research guidelines including, without limitation, those set forth by the Federal government and the sponsors of research studies. As in the case of all record-keeping including financial and accounting records, the Organization maintains a strict policy regarding the submission of only true, accurate and complete costs related to research funds.

19. *Environmental Considerations*

SCHC works to maintain a safe, functional and effective environment in which the health, safety, privacy and comfort of customers, visitors, employees, volunteers and contractors are the first priority. A Safety Program has been developed by SCHC Safety Committee to eliminate or minimize any hazards to health and safety in accordance with applicable law.

1. Reporting Unsafe Situations: We report to our supervisor or the Safety Officer any conditions that may be hazardous or that may violate safety standards.
2. Hazardous Materials: All employees who deal with hazardous materials must comply with all applicable environmental laws and regulations and follow the environmental and safety procedures in SCHC training programs and safety rules and regulations.

20. *Political Activity*

SCHC is a tax-exempt corporation and is prohibited from participating in political campaign. Therefore, we maintain that no Center resources are used to support or oppose political candidates. Where its experience may be helpful, the Hospital may publicly offer recommendations concerning legislation or regulations being considered. In addition, it may analyze and take public positions on issues that have a relationship to the operations of the Hospital when the Hospital's experience contributes to the understanding of such issues.

21. *Gifts & Gratuities*

It is the Organization's desire to at all times preserve and protect its reputation and to avoid the appearance of impropriety.

1. Gifts from Patients. Except as set forth in this policy, employees are prohibited from *soliciting* tips, personal gratuities or gifts from patients or their family members and from accepting monetary tips or gratuities. Employees may accept if offered, gifts of a nominal value from patients such as flowers, food or candy so long as it is valued at less than \$25.00 per year. Monetary gifts of cash or cash equivalent such as stocks or other forms of marketable securities of any amount may not be accepted. When in doubt about the value of a gift, family members should consult with the Corporate Compliance Officer or Corporate Counsel to determine an appropriate value. If the Corporate Compliance Officer or Corporate Counsel is not available, then contact the Director, Human Resources. If a patient or another individual wishes to present a monetary gift, he/she should be referred to the appropriate department director or vice president or Syracuse

Community Health Center Foundation.

11. Gifts Influencing Decision-making. Employees will not accept or solicit, individually or on behalf of the Health Center or the Health Center Foundation, gifts, favors, services, entertainment or other things of value to the extent that decision-making or actions affecting the Health Center might be influenced. Similarly, the offer or giving of money, services or other things of value with the expectation of influencing the judgment or decision making process of any purchaser, supplier, customer, government official or other person by the Hospital is absolutely prohibited. Any such conduct must be reported immediately to the employee's supervisor.
111. Gifts From Existing Vendors. Employees may not accept personal gifts from vendors which have more than a nominal value (\$25.00) without approval of the appropriate department director or vice president, nor may they solicit personal gifts from vendors, suppliers, contractors or other persons. To the extent possible, these gifts should be shared with the employee's co-workers.
- IV. Vendor Sponsored Entertainment. At a vendor's invitation, an individual may accept occasional meals or refreshments at the vendor's expense, which are modest in value and served in relation to an informational, educational or scientific meeting or presentation to the staff. Any meals or refreshments intended to influence or affect decision-making or actions of the Health Center are not permitted.

Nothing in this policy will prohibit a department director or supervisor from establishing stricter rules relating to the acceptance of gifts, gratuities or other things of value from vendors.

22. *Marketing*

SCHC may use marketing and advertising activities to educate the public, provide information to the community and increase awareness of our services. SCHC will present only truthful, fully informative and non-deceptive information in these materials.