

COMMUNITY
OPTIONS NY INC.
CORPORATE
COMPLIANCE PLAN

December 8, 2023
July 2024

CORPORATE COMPLIANCE PLAN

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CORPORATE COMPLIANCE PLAN

CORPORATE COMPLIANCE PLAN/CODE OF CONDUCT

POLICY

It is Community Options New York Inc. (CONY) policy to comply with applicable federal, state and local laws and regulations and payer requirements. It is also CONY's policy to adhere to the Code of Conduct that is adopted by the Board of Directors, the Chief Executive Officer and the Compliance Committee. The "Code of Conduct" describes the behaviors and practices that are expected by those who work at, or for, CONY. The Corporate Compliance Plan operationalizes these expectations. It provides the practices, rules and laws related to each expectation, as well as a description of how an instance of failure to comply, both suspected and actual, is identified, managed, investigated and corrected.

CONY's Compliance Program guides the organization's governing body, CEO, managers, clinicians, billing personnel and other employees in the efficient management and operation of an organization relative to its services and programs. The Compliance Program is to be used to augment and complement existing quality assurance and utilization review programs currently in place. It is incumbent upon CONY's Senior Management to provide ethical leadership to the organization and to assure that adequate systems are in place to facilitate ethical and legal conduct. The Compliance Program also sends an important message to employees that while CONY recognizes that mistakes occur, employees have an affirmative, ethical duty to come forward and report erroneous or fraudulent conduct, so that it may be addressed.

Implementation of this Compliance Program guidance may not entirely eliminate fraud and abuse. It is the responsibility of CONY to mold the concepts contained within the program guidance to its individual culture, and institute a program that monitors the individual elements to assure ongoing program effectiveness. The Compliance Program promotes adherence to legal and ethical obligations.

Written Policies and Procedures and Standards of Conduct (18 NYCRR § 521-1.4(a))

CONY maintains written policies and procedures, and standards of conduct. Policies and procedures and standards of conduct are presented to the Compliance Committee for review prior to submitting them to the Board of Directors for review and approval.

Annually, the Corporate Compliance Officer conducts an assessment of CONY's Compliance Plan, Policies and Procedures, and Standards of Conduct to determine:

- a. If policies, procedures, and standards of conduct have been implemented.
- b. If policies, procedures, and standards of conduct are being followed.
- c. Whether policies, procedures, and standards of conduct are effective.
- d. Whether any updates are required.

Role in Compliance

The CONY Compliance program applies to all persons (affected individuals) who are impacted CONY's risk areas including employees, chief executive and senior administrators, managers, governing body, corporate officers, contractors, agents, subcontractors and independent contractors. Employees, contracted practitioners, volunteers, interns, members of the Board of Directors, appointees, vendors, non-employees associated with CONY and other affected individuals shall acknowledge that it is their responsibility to report any suspected instances of suspected or known noncompliance to their immediate supervisor or Corporate Compliance Officer. Reports may be made anonymously without fear of retaliation or retribution. Failure to report known noncompliance or making reports which are not in good faith is grounds for disciplinary action, up to and including termination. Reports related to harassment or other workplace-oriented issues is referred to Human Resources

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COMPLIANCE OFFICER (18 NYCRR § 521.1.4(b))

The Corporate Compliance Officer appointed is Lisa Smith, Vice President of Compliance & Quality Assurance, who has a direct line of communication to the President of CONY and Board of Directors. The Corporate Compliance Officer can help you when you are unable, for any reason, to assure yourself that the conduct in question is in fact appropriate, or if you believe that the problem has not been effectively remedied. Lisa Smith, Vice President of Corporate Compliance may be contacted at:

Community Options Inc.
Telephone: 609-951-9900
Anonymous Reporting Hotline 833-719-0366
Email: Lisa.Smith@comop.org

The Compliance Officer oversees CONY's compliance program, including drafting, implementing and updating policies and procedures to comply with federal, state laws and other rules and regulations required by CONY's funding and oversight entities. Methods are established that are designed to improve CONY's quality of service and reduce the risk of fraud, waste and abuse. Additional responsibilities include:

- Conducting an annual evaluation of CONY's compliance program effectiveness.
- Updating the CONY's Compliance Work Plan annually to reflect the findings of the annual evaluation and recommendations made by the Compliance Committee Charter.
- Update CONY's Compliance Plan, Standards of Conduct, and policies and procedures as needed based identified needs and changes to federal and state laws and regulations/standards associated with Corporate Compliance.
- Investigate and/or coordinate internal investigations related to CONY's compliance, fraud, waste and abuse program.
- On a quarterly basis, the Board of Directors will receive an update on compliance related activities, including any identified areas of risk and/or concern.

COMPLIANCE COMMITTEE CHARTER (18 NYCRR § 521.1.4(c))

The Compliance Officer also participates in CONY's Compliance Committee (QI Committee). The Committee provides reports to the Board of Directors for any potential areas of non-compliance which require investigating areas of concern raised and remedying any deficiencies. Members of the Compliance Committee include the Chief Compliance Officer, Corporate Compliance Officer, and other members of Senior Management.

The responsibilities of the committee include:

- Analyzing legal requirements with which the agency must comply.
- Review existing policies and procedures which address the risk areas pertaining to the compliance program.
- Working with departments to develop policies and procedures addressing risk areas and encourage compliance according to legal and ethical requirements.
- Development of internal systems and controls monitoring the effectiveness of compliance policies and procedures.
- Determining appropriate strategies promoting compliance and detection of any potential violations.
- Monitoring internal and external audits to identify potential non-compliance issues.
- Monitoring implementation of corrective and preventative action plans.
- Developing a process to solicit, evaluate, and respond to complaints and problems.

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COMPLIANCE PROGRAM

Employees, board members, appointees, vendors, contracted providers, interns, volunteers, and non-employees associated with CONY are expected to uphold CONY's Code of Conduct and report concerns to the Compliance Officer directly and timely.

Reports of any compliance concerns may be made in person, in writing, over the telephone, or by email at the addresses and number designated above. Reports may also be made by calling the anonymous hotline at 833-719-0366, by email to Lisa.Smith@comop.org or can be marked "CONFIDENTIAL" and placed in a sealed envelope. In this situation, the reporter must provide as much information as possible regarding the concern.

Reports and communications received are deemed to be confidential and privileged. Upon receipt, the communication is reviewed, and appropriate investigatory steps are initiated by the Compliance Officer. The cooperation of the reporting individual may be sought during any investigation.

Conversely, the failure to cooperate with an investigation is considered unacceptable. Upon conclusion of the investigation, the Compliance Officer makes a recommendation to the Chief Executive Officer and/or Board of Directors for necessary follow-up action to be taken and determines which individuals shall have responsibility for such action.

CONY is dedicated to handling inquiries efficiently, effectively and fairly. Nevertheless, any dissatisfaction with the Compliance Officer's actions or determinations also must be effectively and properly addressed and may be brought directly to the Board President, or to the President's designee.

Elements of CONY's Compliance Program

This Compliance Plan is a critical element to implementing an effective compliance program as required by the Federal Office of the Inspector General and New York State Office of the Medicaid Inspector General. Those elements include:

1. Written Policies, Procedures, and Standards of Conduct.
2. The designation of a Compliance Officer and a Compliance Committee that operates and monitors the Compliance Program and initiates the actions necessary to correct any compliance problems.
3. Compliance Program Training and Education.
4. Lines of Communication. Procedures to require employees to bring Compliance matters to the attention of the Compliance Committee without fear of retaliation, threats or punishment,
5. Disciplinary Standards.
6. Auditing and Monitoring.
7. Responding to Compliance Issues

CONDUCT OF EMPLOYEES, BOARD MEMBERS, VENDORS AND ASSOCIATES

At the core of CONY's Compliance Plan is the expectation that employees, board members, appointees, vendors, contracted providers, interns, volunteers, and non-employees associated with CONY follow not only the letter, but also the spirit and the intent of applicable laws, rules and regulations. To that end, all should fully comply with statutes, regulations and guidelines applicable to federal and state health care programs. Internal policies and protocols are honored as well, and all parties avoid not only improper conduct, but also

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the appearance of impropriety. Transparency is paramount to CONY's success and employees. CONY believes in fairness and honesty and expects individuals, employees, board members, vendors and associates are treated equally. CONY respects the dignity of all persons, and expect that others also demonstrate that level of respect toward others.

Certain behavior assists in the fostering of such an environment, including that:

- Supporting those who obey the applicable laws, rules, regulations, policies or guidelines.
- Expecting honesty, trust and fair dealing in our relationships with others.
- Creating a professional atmosphere and encourage conduct in which we can take pride.
- CONY does not condone those who act in such a manner as to potentially bring discredit to our organization or tarnish our reputation.
- CONY does not permit behavior that improperly discriminates against others, or that diminishes the dignity of others.
- Fosters an environment in which inappropriate or unlawful behavior is tolerated, encouraged, supported or is not effectively addressed and eradicated.
- CONY does not allow any employees, board members, appointees, vendors, contracted providers, interns, volunteers, and non-employees associated with CONY to ignore, condone, promote or fail to report inappropriate or unlawful behavior if it becomes evident.

The New York State Office of the Medicaid Inspector General ("OMIG") has identified seven (7) areas that mandatory compliance programs must address. These areas are defined under 18 NYCRR Section 521.3. CONY's Compliance Plan provides you with guidance on each of those seven (7) areas below, as well as other risk areas CONY has identified as important to address.

Disciplinary Standards (18 NYCRR § 521-1.4(f))

Violations of CONY's Compliance Plan, Policies and Procedures and Code of Conduct will result in disciplinary action as outlined in the Employee Handbook. The Compliance Officer along with Human Resources will enforce disciplinary standards fairly and consistently.

COMPLIANCE AREA NO. 1: BILLINGS

Compliance with billing requirements applicable to CONY is being met in the following ways:

1. Internal controls for documentation during service delivery entry and billing,
2. Billing office internal review results shared with Compliance,
3. Conduct reviews for repeat billing denials,
4. Conduct internal and external audits for services being billed,
5. Self-assess to determine if number and value of adjustments are appropriate, and
6. Ensure separation of duties in billing and receipts functions.
7. Quarterly audits by the Quality Assurance Department to assure accuracy of submitted claims, and results of audits are provided to the Compliance Committee for review.

However, compliance requires the commitment of all employees. Therefore, it is important for you to understand the key laws and rules that govern billing as well as the importance of complying with billing requirements and the risks of non-compliance.

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Fraud and Abuse Laws

“Fraud and Abuse” laws encompass a wide range of statutes and regulations that make certain billing practices unlawful and, in some cases, criminal. Below is a discussion of the key legal provisions to be aware of.

False Claims Act and Related Statutes

Most of our individuals are beneficiaries in the Medicaid and Medicare Programs. The following laws make it illegal for any person to: (i) knowingly* present, or cause to be presented a false or fraudulent claim to Medicare or Medicaid for payment or reimbursement for caring for such beneficiaries; (ii) knowingly make, use or cause to be made or used, a false record or statement material to a false or fraudulent claim; (iii) conspire to commit a violation of these laws; (iv) knowingly make, use or cause to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the government, or (v) knowingly conceal or knowingly and improperly avoid or decrease an obligation to pay or transmit money or property to the government.

**“Knowingly” means that the person has actual knowledge of the information, acts in deliberate ignorance of the truth or falsity of the information, or acts in reckless disregard of the truth or falsity of the information and requires no proof of specific intent to defraud.*

- Federal Civil False Claims Act 31 U.S.C. 3729-3733
- Whistle Blower Protections
- New York State False Claims Act (State Finance Law §191)
- Federal Program Fraud Civil Remedies Act 31 U.S.C 3801-3812
- Section 145-b of the New York State Social Services Law
- Article 177 of the New York State Penal Law (the “Health Care Fraud” Laws)
- Section 366-b of the New York State Social Services Law
- New York Labor Laws §740-741

To comply with the relevant false claim’s laws, and to further verify the accuracy and appropriateness of claims submitted, CONY has implemented the following to detect and prevent the following examples of false claims:

1. **Filing of claims for services not rendered.** CONY uses an electronic health record “Therap” to capture documentation. Employees have individual password protected user accounts which is monitored by program administration. Documentation is reviewed by the Program Director for billing submission. Furthermore, Billing staff must review the completeness and check for inconsistencies in the documentation supporting the bill prior to submitting a claim.
2. **Submission of any claim which contains false information.** Claim forms must be reviewed for accuracy prior to presentation for payment.
3. **Filing a claim for wrong service or wrong billing code.** Electronic Health Record templates are established with proper billing codes to match service authorizations. The Electronic Health Record built in quality control will not allow billing claim if service authorization is not attached. Further, Therap quality controls require documentation such as duration and/or service delivery to determine that the level of services provided is adequate to support a claim for payment.
4. **Filing of claims for services rendered that were not medically necessary.** Documentation

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submitted must be consistent with medical necessity requirements (“reasonable and necessary” in the context of Medicaid/Medicare). Parties shall communicate effectively so that documentation is consistent.

Quality Assurance and the Compliance Officer or designee conducts reviews to determine the accuracy of documentation utilized to support claims for reimbursement.

Questions or Concerns about Billing

CONY is committed to compliance with statutes, regulations, and guidelines applicable to federal and state health care programs, as well as private health care programs and payors, including a commitment to prepare and submit accurate bills. Therefore, employees and billing or coding consultants are expected to comply with statutes, regulations, and guidelines for federal and state health care programs, as well as the requirements of existing corporate integrity agreement(s) with the Office of the Inspector General.

If there is an uncertainty as to a claim or billing practice, employees are expected to contact their supervisor or contact the Compliance Officer immediately.

Possible consequences of any evidence of non-compliance include termination of employees and cancellation of agreements with contractors. Employees, board members, appointees, vendors, contracted providers, interns, volunteers, and non-employees associated with CONY may also use the confidential disclosure program of CONY to report any suspected violations.

Anti-Kickback Laws

The state and federal anti-kickback laws generally prohibit the knowing and willful solicitation or offer, receipt or payment of any remuneration (the transfer of anything of value) directly or indirectly, overtly or covertly, in cash or in kind, in return for referring an individual to a person or in return for purchasing, leasing, ordering or arranging for or recommending purchasing, leasing or ordering any goods, facility, service or item for which payment may be made in whole or in part under a federal health care program. It is important to note that an actual referral to or the mere recommendation of a service or item in return for anything of value can implicate these laws where the referral or recommendation was made with the intention of garnering a benefit.

Under the federal anti-kickback prohibition, a conviction can result in a fine of \$25,000 or imprisonment for five (5) years, or both. In addition, submitting a claim to Medicaid and Medicare that is the result of a violation of the anti-kickback statute also constitutes a violation of the False Claims Act.

Examples of the following practices have been found by government agencies to implicate the anti-kickback laws;

1. Free goods and services to or from referral sources;
2. Free items such as computers, supplies and products;
3. Gifts in exchange for new or continued business;
4. Discounts that are not properly documented and reported, or which are given with the intent to induce referrals to more profitable business.

COMPLIANCE AREA NO. 2: PAYMENTS

To safeguard that CONY is appropriately paid in compliance with laws and requirements, CONY takes the following actions to:

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1. Track and analyze any overpayments and denials upon discovery and if necessary, disclose under NYS OMIG regulations
2. Share results of accounts receivable internal audits with the compliance officer
3. Conduct internal and external audits for payments received to assess accuracy of billing and resulting payments
4. Determine if billing and payment compliance programs are effective and if needed, corrected as necessary.

In addition, when an overpayment is identified, an analysis is conducted and reported to the Corporate Compliance Officer for investigation if required within 60 days. Any inquiry or investigation is reviewed with Compliance Committee to ensure all regulations were followed.

COMPLIANCE AREA NO. 3: MEDICAL NECESSITY & QUALITY OF CARE-

To establish that CONY provides and is paid for medically necessary, code-compliant care and services, CONY's Corporate Compliance Officer and Committee:

1. Provides compliance oversight of the quality process
2. QA Department conducts internal audits to assess if quality requirements are being met and provide reports to respective clinicians and updates the Compliance Committee .
3. Each clinician is expected to conduct self-review assessments and findings are reported to immediate supervisor.

Medical Necessity

The appropriateness, reasonableness, and necessity of medical services provided are a top priority. The medical care evaluation process is utilized to determine medical appropriateness of care.

Quality of Care

CONY is committed to providing the care and services necessary to attain or maintain individuals' highest practicable physical, mental and psychosocial well-being in accordance with expectations and requirements of applicable laws. Everyone is entitled to receive ethical treatment in accordance with accepted standards of care and the CONY Quality Improvement Plan. It should be the expressed goal of all parties to treat individuals, guardians and families with courtesy, compassion and dignity, while recognizing and honoring their rights to privacy and confidentiality. In this connection, parties shall fully familiarize themselves with the CONY Individual Bill of Rights and conduct themselves in a manner that aligns with these rights.

In order to achieve this high level of care, CONY:

1. Performs a comprehensive, accurate assessment of each individual and develop a comprehensive care plan that includes measurable objectives and timetables.
2. Provides adequate staffing levels of trained and supervised staff.
3. Implements an on-going quality improvement effort.

Recognizing that there may be some complications that are not preventable, the Quality Assurance Department conducts reviews to rule out deviations from acceptable standards of care.

Quality Assurance and Performance Improvement

It is expected that all parties, regardless of responsibility, participate as appropriate in our quality improvement efforts. As part of the overall quality assurance and performance improvement plan, it is the responsibility of each of us to familiarize ourselves with the quality improvement activities applicable to our positions and to fully participate in and cooperate with the goal of total quality improvement.

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COMPLIANCE AREA NO. 4: GOVERNANCE

To provide that CONY has in place a governing body that faithfully and effectively discharges its oversight responsibilities, CONY has undertaken the following:

1. Adopt a meaningful Conflict of Interest policy for governing body and management with reporting of unresolved conflicts
2. Conduct education and training for new Board Members and annually for all Board of Directors.
3. Include the governing body in compliance plan review and approval process
4. Include governing body in annual self-assessment and work plan process to include planning, tracking progress and budgeting
5. Provide audit reports and investigations to Board of Directors as necessary

Below is a description of the key laws as well as policies that frame CONY's governance:

Non-Profit Revitalization Act of 2013

The primary statutory framework for lawful governance of a New York not-for-profit corporation such as CONY is the Non-Profit Revitalization Act of 2013. This Act overhauls the laws governing New York State's non-profit sector. It amends numerous sections of the New York Not-for-Profit Corporation Law and several sections of other New York laws, including, but not limited to, the Executive Law, Education Law, Religious Corporations Law and the Estates, Powers and Trusts Law. The purpose of the Act is two-fold: to reduce unnecessary and expensive regulatory burdens on nonprofits and to strengthen nonprofit governance and accountability. Its key requirements include:

1. Independent Board oversight overcompensation—prohibits any director, member or officer of a not-for-profit corporation whose compensation is being deliberated or voted on by the corporation's board or committee from participating in such board or committee deliberation or vote.
2. Independent Board Leadership—prohibits any employee of a not-for-profit corporation from serving as chair of the corporation's board or holding any other title with similar responsibilities.
3. Board Oversight of the CONY's Financial Processes and Audit.
4. Board Oversight of Related Party Transactions—prohibits any not-for-profit corporation from entering into a related party transaction unless such transaction is determined to be fair, reasonable and in the corporation's best interest.
5. Conflict of Interest Policy
6. Whistleblower Policy

Conflict of Interest

A conflict of interest can arise where an employee, board member, vendor or associate stands to benefit personally or at the expense of CONY or where that individual is in a position to put his or her personal interests above those of CONY. For the purposes of this section, "individual" is defined as an employee, member of the Board of Directors, Administration or Department Head. While conflicts can arise in many different contexts, CONY expects that employees do not seek to benefit themselves, their family members, or significant others at the expense of their affiliation with CONY. Employees are required to be familiar with the policies in this area.

Each year members of the Board of Directors, Administrative Staff, Department Heads, and employees are expected to complete and sign CONY's "Code of Conduct" upon hire.

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Although it is difficult to set forth all possible situations which might be considered as conflicting with CONY's interest, the following are examples of situations which employees must avoid:

1. No employee should engage in or be employed by another organization that may interfere with the efficient performance of their duties as a CONY employee.
2. No employee should have a financial interest in another organization or firm that is doing, or seeking to do, business with CONY, or which is a competitor of CONY. However, ownership of less than one percent of the securities of a publicly traded organization or firm shall not be considered significant or contrary to CONY's policy.
3. Employees are required to disclose if they serve in any capacity such as a director, officer, in an organization that is competitive with CONY. This provision does not include DSP employees, as it is understood that DSP employees may accept similar work with other health care organizations or companies.
4. No officer, manager, or supervisor should accept a position as an outside corporate director without the approval of the Board of Directors.
5. No employee should use other organization or Agency positions for personal gain such as by soliciting or accepting for personal benefit business opportunities that might otherwise accrue to the benefit of CONY.
6. No employee should use for his or her personal benefit or disclose to unauthorized person any confidential or proprietary information about CONY or its operations.
7. No employee should borrow money from individuals or business associates (other than banks or other lending institutions) who conduct business with CONY.
8. No employee should compete with CONY by selling or offering to sell services similar to services offered by CONY.
9. No employee should purchase services or products for CONY from their family members, or from business organizations with which they or their family are associated, without first obtaining written permission from the Compliance Officer, or designee.

Whistleblower Protection

Under federal and state law, CONY is responsible to inform employees, board members, vendors and associates (each, a "Covered Person") regarding (1) the Federal False Claims Act (the "FCA"), the New York State False Claims Act (the "NYSFCA") and other applicable New York State civil and criminal laws regarding false claims; and (2) protections for employees as whistleblowers under Federal and State laws. Covered Persons should be aware of the laws regarding fraud and abuse and false claims and report any issues immediately in accordance with this policy.

New York Labor Law § 740 also states that an employer may not take any retaliatory action against an employee if the employee discloses information about the employer's policies, practices or activities to a regulatory, law enforcement or other similar agency or public official. Protected disclosures are those that assert that the employer: (1) is in violation of a law that creates a substantial and specific danger to the public health and safety; or (2) has committed health care fraud (as defined in Penal Law Article 177).

Under New York Labor Law § 741, protected disclosures are also those that the employee believes in good faith to constitute improper quality of individual care. This employee disclosure is protected only if the employee first brought up the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation. This is unless the danger is imminent to the public and the employee believes in good faith that reporting to a supervisor would not result in corrective action.

Any person reporting his/her own violation cannot utilize anonymous reporting to satisfy his/her obligation to

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report a Concern. In that circumstance, the person should report the concern directly to the Compliance Officer. (See policies: False Claims Act, Deficit Reduction Act of 2005 and Whistleblower Policy.

Political Activity

Federal and state laws limit the nature and extent to which we as an organization may participate in the political process. CONY is prohibited by law from contributing to political candidates or officeholders. Our employees, of course, may participate in the political process if they desire to do so. Such participation, to the extent it includes campaigning or soliciting political support or contributions, must take place off grounds, unless specifically authorized. Our assets also cannot be used to support political activity or political candidates. Unless authorized, employees should not use their affiliation with CONY in such a way as to suggest or imply that CONY supports a particular candidate, party or issue.

Not-for-profit and Tax Exemption Considerations

CONY is a not-for-profit organization and entitled to taxation exemption. CONY cannot act for the benefit of an independent or private for-profit entity. This is commonly referred to as “private inurement” and is illegal under not-for-profit tax laws. CONY cannot authorize or pay compensation and benefits that are unreasonable or in excess of the “fair market”. CONY procures fair market value for rental property or space, services or materials purchased. Additionally, fair market value applies to excessive compensation or benefits and can be subject to taxation. This can lead to other sanctions including civil liability, personal liability of our Board members, senior officers and the recipients of the “excess” amounts, as well as the potential loss of our tax-exempt status.

Loans and Advances

Loans or guarantees to/for Board Members, Executive Officers, or members of their families are also specifically prohibited by applicable law or regulation and CONY policy.

Charitable Contributions

As a not-for-profit charitable organization, CONY depends upon contributions to support its programs and other charitable objectives. Fundraising activities are approved by and coordinated with Fundraising Development personnel.

Voluntary donations accepted must be unrelated to the value of any prospective services or supplies or to any actual or prospective referrals of business between donor and CONY. If solicitation of monies or goods from vendors to CONY is suspected, this is referred to the Compliance Officer for full investigation. Federal and state laws prevent kickbacks or payments for preferred treatment. Donations are referred to the attention of the Fundraising Department. Any monetary donations or other items of value received on behalf of CONY, either as gifts or donations, are deposited in an appropriate institutional account. Donations or contributions are never used for personal benefit, or for the benefit of any person or entity other than CONY; violations of this policy constitute grounds for termination.

Wage and Hour Issues

As an employer, we are required to comply with applicable wage and hour laws, and other laws governing the employment relationship. CONY employees are entitled to receive fair and equitable wages and benefits in connection with service provided, and employees that are eligible may receive overtime pursuant to applicable policies or collective bargaining agreements. Employees are encouraged to bring any concerns or dissatisfaction in this regard to Human Resources, any member of the Compliance Committee, or to the Compliance Officer.

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COMPLIANCE AREA NO. 5: MANDATORY REPORTING

CONY seeks to address this area of compliance through the following measures:

1. Periodic review and testing of comprehensiveness of mandatory reporting of billing, payment, quality and contract matters
2. Report, repay and explain overpayments as required by the Affordable Care Act. The Corporate Compliance Officer assesses comprehensiveness of process and report to Chief Executive Officer.
3. Conduct reviews and investigations for identified or reported areas of overpayment.

CONY adheres to numerous reporting requirements under state and federal laws, and it is CONY's policy to comply with reporting requirements. CONY employees have a responsibility to report reporting requirements.

Reporting Requirements

Reports to various governmental bodies are required to be made in certain circumstances in connection with the following:

1. Billing and Overpayments
2. Professional misconduct by licensed health care professionals;
3. Infection Control
4. Allegations of Abuse/Neglect and/or Significant Incidents under OPWDD Part 624/625 regulations.
5. Employees or Vendors identified on the Medicaid Exclusion List
6. Misappropriation of Funds
7. Loss and/or Destruction/ Damage of Records

Self-Disclosure:

Community Options, Inc. New York is required to report, return, and explain any overpayments that is received to the New York State Office of the Medicaid Inspector General (OMIG) Self-Disclosure Program within sixty (60) days of identification, or by the date any corresponding cost report was due, whichever is later.

Community Options, Inc. New York is required to report to the New York State Office of the Medicaid Inspector General (OMIG) Self-Disclosure Program any records that have been damaged, lost, or destroyed. This should be reported as soon as practicable, but no later than thirty (30) calendar days after discovery.

Overpayment

Routine internal audits are conducted to review compliance with Medicaid requirements and identify any Medicaid fund overpayments that may have been received. If overpayments exist, Community Options, Inc. New York is obligated to take corrective action, which includes reporting and returning any Medicaid overpayment identified to OMIG's Self-Disclosure Program. Voiding or adjusting claims does not satisfy Community Options, Inc. New York's obligation to report and explain the identified overpayment.

Damaged, Lost or Destroyed Records

Pursuant to Title 18 of the New York Codes Rules and Regulations, Section 504.3, Community Options, Inc. New York is required to prepare and maintain contemporaneous records demonstrating their right to receive payment under the medical assistance program and furnish the records, upon request. If Community Options, Inc. New York becomes aware that their records have been damaged, lost or destroyed a report of that information to the Self-Disclosure Program is made as soon as practicable, but no later than thirty (30) calendar days after discovery.

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Reporting and Refunding Overpayments:

60-day Rule

In compliance with the Affordable Care Act, CONY report and return any payor overpayment within 60 days after identification (or the date any corresponding cost report is due) or whichever is later (“the 60-day Rule”). Refer to Section 1128J(d) of the Social Security Act. There is no minimum monetary threshold; identified overpayments must be returned.

Reviews, Approvals and Inspections

DOH, OMIG and OPWDD laws and regulations impose numerous recordkeeping and reporting obligations, in addition to those discussed elsewhere in this Compliance Plan. CONY employees are expected to become familiar with these requirements and to maintain compliance. Failure to comply can lead to monetary penalties, to the implementation of detailed plans of correction, and in extreme circumstances, to the restriction of certified programs and services. Questions on specific provisions of state or federal requirements, or suspected violations, should be directed to the Administration, any member or the Compliance Officer.

Questions and Concerns About Mandatory Reporting

Any person who is aware of any incident or situation that may require reporting to a governmental agency should take steps necessary to bring it to the attention of the Compliance Officer. CONY may notify its legal counsel if warranted. If any employee intentionally fails to make a report required by a governmental body or attempts to cover up facts that would warrant such a report, he or she is subject to internal disciplinary action, up to and including termination, and could also face criminal charges.

COMPLIANCE AREA NO. 6: CREDENTIALING

Licensed health care professionals providing individual care services must be fully capable of providing clinical responsibilities, with the mandatory education, licensure, and experience to do so known as “credentialing.” Below are some of the ways CONY is addressing this requirement:

1. Requiring copies of licenses and credentialing upon hire
2. Periodically check accuracy and comprehensiveness of active credentialing
3. For associates (non-employees) that provide Medicaid reimbursable services: Determine if they are independently required to have a compliance program
4. Check excluded party lists as recommended.

Professional Licensure and Credentialing

No health care professional is permitted to provide individual care services on behalf of CONY unless it has been demonstrated that he or she possesses the education, licensure, and experience necessary to perform his or her clinical responsibilities. Health care providers shall be properly credentialed. CONY checks the status of the employee or independent contractors’ credentials upon hire and maintain a file on each health care provider that contains documentation of the clinician’s credentials.

Personnel involved in hiring or engaging clinicians or health care providers should diligently be aware of credentialing requirements. Information or documentation indicating that anyone in CONY has not adhered to the requirement for credentialing or licensure, should immediately be brought to the attention of CONY Administration or the Compliance Officer

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Federal and New York State Exclusion Screening

The New York State Office of Medicaid Inspector General has issued clear guidelines against contracting with or employing individuals or vendors who have been excluded from federal and state program reimbursement. Through a special advisory bulletin dated May 2013, providers were given guidance on the scope and frequency of screening employees and contractors. The effect of an OMIG exclusion from federal and state health care programs is that no federal or state health care program payment may be made for any items or services:

1. Furnished by an excluded individual or entity; or
2. Directed or prescribed by an excluded physician (See 42 CFR S. 1001.1901). An excluded individual or entity that submits a claim for reimbursement to a federal health care program, or causes such a claim to be submitted, may be subject to a CMP of \$11,181 to \$22,363, increasing annually to reflect inflation, for each item or service furnished during the period that the person or entity was excluded (See 42 U.S.C. S.1320a-7a(a)(1)(D)). The individual or entity may also be subject to triple damages for the amount claimed for each item of service. (See 42 U.S.C. S. 1320a- 71a(a)).

Accordingly, CONY does not enter business relationships with individuals or entities that have been excluded from participation in any federal or state program.

On a monthly basis, CONY checks employees, vendors, and Board Members against the General Services Administration (GSA) Excluded Parties List System (EPLS), OIG List of Excluded Individuals/Entities (LEIE), OIG Most Wanted, Specially Designated Nationals, Office of Foreign Assets Control (SDN-OFAC), and the NYS OMIG Exclusion list. These federal and state lists maintain information regarding entities debarred, suspended, proposed for debarment, excluded or disqualified under the non-procurement common rule, or otherwise declared ineligible from receiving federal or state contracts, certain subcontracts, and certain federal assistance and benefits.

COMPLIANCE AREA NO. 7: BUSINESS OPERATIONS AND EMPLOYMENT MATTERS

In addition to rules and standards for corporate compliance, there are expectations and standards regulating other areas of CONY operations. Employees are expected to follow CONY policies highlighted below.

Harassment, Discrimination and Employment Issues

Consistent with its mission values, CONY is committed to equal opportunity and the respect for human dignity. Unequal treatment or discrimination based upon gender, color, race, national origin, age, religious affiliation or belief, disability, sexual orientation or other non-performance which is inconsistent with CONY's mission is unacceptable. We hire, promote and retain employees based upon their ability to meet occupational qualifications, and to effectively and efficiently carry out the obligations of their job. CONY does not condone and does not tolerate, conduct which demeans or undermines our individuals, families and employees or which creates or encourages a hostile or oppressive working environment.

Harassment of any sort is not tolerated, including such behaviors as violence, intimidation, sexual advances, exploitation and derogatory conduct that reflects unfairness. In relationships where there is unequal power, such as those between supervisor and his or her direct report, the person in the position of authority is obligated to avoid potential conflicts of interest, abuse of power, sexual or romantic relationships, or exploitation of any type of those he or she supervises. CONY has developed and maintains various employment-related policies that are available through the Human Resources Department. CONY expects that employees are familiar with and adhere to these policies.

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Immigration

We are not permitted to employ anyone who is not a citizen or permanent resident of the United States, unless that person holds an appropriate visa or work authorization which allows him or her to work in the United States. It is our policy to fully comply with the immigration laws and, therefore, no person shall be permitted to work without providing documentation of citizenship or immigration status to our Human Resources Departments. Any concerns regarding immigration issues should be brought to the attention of the Human Resources Department.

Corporate Assets

Employees are responsible for the use of CONY property, assets and resources employed or entrusted, (ex: computers, furniture, telephones, etc.) and not use CONY assets, information, or position for personal gain.

Use of Alcohol or Illegal Drugs

CONY is committed to a workplace that is free from the influence of alcohol and illegal drugs.

No employee may consume alcohol or other intoxicants while on duty. CONY employees under no circumstances can use, possess, sell, purchase, provide, or be under the influence of alcohol or illegal drugs while on duty.

Gifts and Gratuities

It is CONY's policy that the receipt or giving of gifts by CONY personnel with vendors, governmental officials, or others who interact with CONY is prohibited. No CONY employee or Board Member should offer or receive a gift in circumstances where it could appear that the purpose of the gift is to improperly influence CONY's relationship with a vendor, regulator, or other person or entity, including individuals supported by CONY.

Employees may refer those offering them gifts to the Fundraising Office where they are able to donate to CONY in that employee's name. Donations received in this manner are used for the benefit of CONY Individuals.

Business Expenses

Similar to the receipt of or giving of gifts or entertainment, improper use by CONY personnel of business accounts for expenses may present potential conflicts of interest. Other expenses, such as meals and business expenses must be reasonable and follow CONY's Travel and Expense policies. Business expenses must be supported by appropriate documentation and properly recorded on CONY's records.

COMPLIANCE AREA NO. 8: EDUCATION & TRAINING (18 NYCRR § 521-1.4(d))

CONY is committed to complying with the OIG and OMIG's directive for education and training of employees and board members and to assuring a culture of compliance. Compliance training is conducted during orientation for new employees and within three months of appointing new board members. On an annual basis, employees and board members are trained on the Corporate Compliance Plan. In addition, mandatory education and training in specific compliance areas is conducted periodically. Additional training is provided for those with billing responsibilities. Attendance and participation in training programs is a condition of continued employment.

In addition to periodic training, the Compliance Officer disseminates any relevant, new compliance information to relevant parties.

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COMPLIANCE AREA NO. 9: PROTECTION OF CONFIDENTIAL INFORMATION

Confidential Information—Protected Health Information (“PHI”)

CONY recognizes the paramount importance of confidentiality in the provision of health care and services. It is CONY’s policy to keep information and records pertaining to an individual’s care, treatment, and services confidential in accordance with law. Personnel with access to confidential patient information and records are required to strictly adhere to CONY’s confidentiality/HIPAA HITECH policies. Individual’s protected health information should never be copied in any format for personal use. No reference to protected health information in any manner should be made on any social media network. Only those authorized to transmit protected health information via email may do so using encryption only. Any copies of protected health information created for appropriate purposes must be removed from the copier (original and copies) immediately. Conversations regarding individuals must never occur in public areas, such as the elevator, café or hallway. Documents containing protected health information or sensitive information must not be left in public view, or in unsecured locations. Computers or terminals with access to confidential information should not be left unattended and should be locked when not in use. Passwords should never be shared.

Any employee who intentionally breaches an individuals’ privacy will be terminated. If you become aware of unauthorized or inappropriate disclosure by CONY personnel of confidential information or documents, you should contact your supervisor, the Compliance Officer, or a Compliance Committee member immediately.

Access to confidential information in the patient record is permitted only to personnel involved in planning or providing patient care or evaluating the quality of care and those responsible for payment for care on behalf of the patient, and as required by law. Any CONY personnel engaging in unauthorized disclosure of information or in violation of the privacy rights of CONY patients or others, may be subject to immediate termination, in addition to possible civil or criminal sanctions. Any personnel who becomes aware of such unauthorized disclosure should report it immediately to their supervisor or the Corporate Compliance Officer.

Security

CONY complies with the Security Rule (45 CFR Part 160 and Part 164, Subparts A and C), which establishes a national set of security standards for protecting certain health information that is held or transferred in electronic form, or “electronic protected health information” (e-PHI). Within HHS, the Office for Civil Rights (OCR) has responsibility for enforcing the Privacy and Security Rules with voluntary compliance activities and civil money penalties. The Security Rule does not apply to PHI transmitted orally or in (non-electronic) writing.

Cyber Security

CONY maintains an antivirus package, strong firewalls and ransomware as security to protect the digital workplace from the cyber threats that exist or may exist in the future. Employees are trained on awareness of the need for data security and integrity. CONY’s IT Department has developed strategies and put systems in place in the event of a rapid response to a threat or breach, as well as preparedness. CONY recognizes the best protection is education. CONY’s IT Department provides leadership and employees information and resources to understand threats, how to identify a possible breach attempt and to be aware of risks. This provides an excellent first line of cyber defense. Staff have been educated about encrypting emails containing PHI, and routine system back-ups of data are conducted.

Social Networking

CONY recognizes that social networking may be used by employees for personal, and in some cases, business purposes. CONY also understands how the use of internet social network sites and blogs can shape the way

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the public views our services, employees and customers. CONY respects the right of any employee to maintain a personal blog or post a comment on social networking sites. However, CONY is also committed to ensuring that the use of such communications maintains CONY's identity, integrity and reputation in a manner consistent with our values and policies. Employees are not to publish pictures or stories about individuals supported and any employee who chooses to do so will be held responsible and is grounds for disciplinary action.

Proprietary Information—Confidential Business Information

Employees of CONY are responsible and accountable for the integrity and protection of business information used in connection with job duties. Examples of confidential information include:

1. Business information, such as financial, contract information and development plans;
2. Personnel information, such as job titles, levels, duties, skills or salaries; and
3. Any information disclosure of which could adversely affect the interests of CONY.

Employees shall not during the term of employment or any time after termination, without the prior written consent of CONY, disclose to any person, corporation, business, or other legal entity; or use for any purpose whatsoever, any business, financial, technical, or other information of CONY of a confidential nature, or not generally or publicly known. Employees shall not share the use of such information, any vendor or any person, firm or corporation employed by or doing business with CONY.

Employee Privacy

CONY maintains personal information about Employees for various purposes, primarily relating to establishing and managing the employment. CONY may also maintain personal information from other sources including previous employers, personal references or other third parties to whom the employee has given permission to disclose the information. An employee's consent may be required to request, use or disclose personal information. CONY considers both the sensitivity of the personal information and the purposes for which CONY uses the information. CONY shall not use or disclose personal information for purposes other than what is authorized or required by law.

CONY may disclose personal information about its employees for human resources and benefits administration and in the context of providing references regarding current or former employees in response to requests from prospective employers. Although CONY protects and limits the use of personal information about employees that is disclosed to third parties, CONY is not responsible for the subsequent uses or disclosure of the subject personal information by the third-party recipient such as government agencies.

Accuracy, Retention and Destruction of Records

Accuracy and reliability in the preparation, maintenance and submission of documentation and records, whether in hard copy or electronic is required by law, as well as CONY policies. Documentation including individual records, payroll records, billing documentation and invoices must be maintained in accordance with CONY policies and procedures. Assets and funds must be recorded in accordance with proper accounting procedures and CONY policies.

The law requires CONY to retain certain records and documents for specified periods of time (10 years). In order to comply with these obligations, CONY has implemented systems of controls and policies to assure proper maintenance, retention and destruction of records. Employees are expected to uphold these policies. No employee is to destroy or discard any records if they may be the focus of a pending investigation, or subject

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to a pending request. Employees should contact their supervisor or the Compliance Officer in the event of a potential violation of policies. Please refer to Documentation Retention and Destruction of Records Policy. Records provide a basis for future treatment decisions and support for billing, as well as an important historical account of the actions taken by CONY personnel. There are specific protocols on the completion, maintenance, and modification of these records, and employees are expected to comply fully with these protocols. Failure to do so can result in disciplinary action.

Key Component to Compliance: AUDITING (18 NYCRR §521-1.4(g))

To assess compliance in our operations, CONY conducts periodic audits that are performed by internal or external auditors. These audits are supervised by an Administrator and/or Compliance Officer or his/her designee. Audits include various departments and are designed to address payments, billing and other relevant compliance issues.

CONY is committed to conducting its business ethically and in conformance with federal and state laws and regulations. Employees and independent contractors who upon investigation are found to have committed violations of applicable laws and regulations, the Corporate Compliance Program or the Code of Conduct is subject to appropriate disciplinary action, up to and including termination of employment or contract.

The following actions may result in disciplinary action up to and including termination:

1. Authorization of/or participation in actions that violate the law, regulations and
2. Corporate Compliance Program, including the Code of Conduct, and related policies and procedures.
3. Failure to report a violation by a peer or subordinate;
4. Failure to cooperate in an investigation;
5. Retaliation against a person for reporting a possible violation or participating in an investigation.

Human Resources is responsible for verifying that disciplinary actions taken as a result of the violation of CONY's Code of Conduct and/or Corporate Compliance Program is appropriately documented and maintained in the staff member's personnel file or in vendor file.

Disciplinary actions related to non-compliance with the law, regulations, and Corporate Compliance Program, including the Code of Conduct, is consistent with actions taken in similar instances of non-compliance.

When the determination is made that a compliance violation has occurred, the Compliance Officer notifies the CEO, and for independent contractors, the contractor's representative.

Ongoing evaluation is critical in detecting non-compliance and helps with the success of CONY's Compliance Program. An ongoing auditing and monitoring system, implemented by the Compliance Officer is an integral component of our auditing and monitoring systems. This ongoing evaluation shall include the following:

1. Review of relationships with third-party contractors, specifically those with substantive exposure to government enforcement actions;
2. Compliance audits of compliance policies and standards; and
3. Review of documentation and billing relating to claims made to federal, state, and private payers for reimbursement, performed internally or by an external consultant as determined by Compliance Officer.

The Corporate Compliance Committee reviews auditing, assessment, and monitoring activities designed to detect and prevent ethical or legal violations. QA Department conducts assessments (audits) that help to verify

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that CONY's practices are evaluated for consistency in application of policies and procedures and the implementation of appropriate corrective action(s) have been taken. Each audit, assessment or monitoring process is designed and implemented to program needs and provides for a complete representation of the integrity of procedures across organization and program regulations.

The Compliance Officer and the Director of QA recommends and facilitates auditing and monitoring of the identified risk areas related to compliance with laws and regulations, as well as CONY policies, procedures, and standards of conduct. Risk areas may be identified through the regular course of business, external alerts, or internal reporting channels.

Potential risks are assessed by the Compliance Committee, based on information received through seminars and training sessions, CONY's independent auditors and provider network member trade organizations relative to current audit activities both nationally and statewide. Division Directors/designees address any weaknesses identified by the audit process.

The compliance audit, in some cases, may generate a repayment with an appropriate explanation to the payer.