

# ELDERWOOD CODE OF CONDUCT PRINCIPLES

**DO THE RIGHT THING** – means that we are dedicated to Quality, Integrity and Honesty in everything we do on the Company's behalf.

**RESIDENTS COME FIRST** – means we will always exert our best efforts to provide quality care and quality of life to those we serve, to respect their privacy, the confidentiality of their personal health information, and the circumstances that have placed them in our trust.

**RESPECT FOR THE LAW AND GOVERNMENT PROCESS** – We are a highly regulated business. Achievement of the Company's objectives and furtherance of the Company's reputation for Quality, Integrity and Honesty requires an effort to familiarize ourselves and comply with the many laws that govern all aspects of our operations and the processes by which those laws are adopted, implemented and enforced.

- We do not tolerate unlawful discrimination against residents, fellow employees or anyone who does business with the Company.
- We make all business decisions on the Company's behalf on the basis of the merits presented. We do not offer, solicit or accept any gifts, gratuities or other benefits made for the purpose of influencing those decisions.
- We create and maintain accurate, thorough and timely records of all our service, billing and other business activities. We do not destroy, alter, or amend any Company records except as may be expressly directed by Company policy.
- We respect the privacy and confidentiality of all personal identifying information of those in our care or those in our employ and we use or disclose such information only in strict compliance with the law.

- We maintain in good standing at all times, all licenses, permits, certifications or authorities required for us to perform our jobs.
- We cooperate in accordance with Company policy, all government investigations or other processes designed to ensure compliance with the laws that govern us.

**INTEGRITY IN THE WORKPLACE - RESPECT FOR COMPANY ORGANIZATION PROCESS AND REPUTATION** – We are members of an integrated team. We understand that all of our activities can affect how our colleagues do their jobs, the Company's attainment of its objectives, and its reputation for excellence. We take initiative but we know our limits. We make a commitment to understand and comply with all of the Company's policies and procedures respecting the conduct of our personal or professional business.

**RESPECT FOR COMPANY RESOURCES** – means that at all times, we dedicate our professional efforts and all Company property or other resources used in our jobs to further the best interests of the Company and its customers.

**COMMUNICATION IS KEY** – means that we make an effort to understand, promote and help enforce the principles set forth here and in the Code of Conduct by asking questions, by communicating with our colleagues, by raising concerns or reporting situations which we know or reasonably believe may constitute violations of those principles, by investigating those concerns, and by taking appropriate enforcement action where necessary. The Company encourages reporting of known or suspected violations and will not tolerate retaliation or retribution against any report made in good faith or when they suspect or know that those principles, policies or procedures may be or are being violated.

If you become aware of any compliance issues or have any questions regarding the information contained in this letter, please contact the Compliance Officer, our Compliance Hotline at 1-855-663-0144 or by clicking the "Compliance" link on the Company's websites.

Questions on this document can be sent to [credentialing.elderwood.com](mailto:credentialing.elderwood.com)

## **ELDERWOOD ADMINISTRATIVE SERVICES**

### **CORPORATE COMPLIANCE PROGRAM OVERVIEW DEFICIT REDUCTION ACT NOTICE**

Our Company is committed to preventing and detecting fraud, waste and abuse. In support of this commitment, the Company has established a Corporate Compliance Program. The purpose of the Corporate Compliance Program is to establish appropriate controls that will help ensure consistent compliance with the federal and State laws that govern our activities, and to detect violations of the law by employees and others affiliated with the Company.

Elements of the Company's Corporate Compliance Program include:

- A Compliance Officer who is responsible for the day-to-day operations of the Corporate Compliance Program.
- Written standards of conduct, policies and procedures which describe compliance expectations and promote the Company's commitment to compliance for all employees.
- Regular, effective education and training programs for all employees whose job descriptions include activities that are subject to the Corporate Compliance Program.
- A system that encourages open reporting of any compliance concerns to the Compliance Officer and allows for confidential and anonymous reporting of compliance issues or concerns.
- A policy of non-intimidation and non-retaliation for good faith reporting of compliance issues or concerns.
- Disciplinary policies that encourage good faith participation in the Compliance Program.
- A system to respond to allegations of improper or illegal activities and the enforcement of appropriate disciplinary action against employees who have violated the Corporate Compliance policies.
- Compliance audits and/or other evaluation techniques to monitor compliance and assist in the reduction of potential problem areas.

A goal of the Corporate Compliance Program is to educate appropriate employees with respect to federal and State laws and regulations with which they must comply. In this regard, the federal Deficit Reduction Act ("DRA") requires the Company to provide all employees with "detailed information" about:

- The federal False Claims Act
- The federal administrative remedies associated with the False Claims Act
- State laws pertaining to civil or criminal penalties for false claims and statements
- Whistleblower protections provided under federal and State laws
- The role of federal and State laws in preventing and detecting fraud, waste and abuse

## **Federal and State Statutes False Claims and Whistleblower Protections**

Numerous federal and State laws prohibit health care providers from submitting “false” or “fraudulent” claims to Medicare and Medicaid and other federally-funded health care programs and also provide “whistleblower” protections for individuals reporting such claims. Presented below is a listing and description of various federal and State statutes related to the filing of false Medicare and Medicaid claims.

### **Federal False Claims Laws**

1. **False Claims Act, 31 U.S.C. 3729-3733**

The federal False Claims Act imposes penalties and fines on individuals and entities that file false or fraudulent claims for payment from Medicare, Medicaid, or other federal health programs. The penalty for filing a false claim is \$5,500 - \$11,000 per claim and the recoverable damages are between two and three times the value of the amount falsely received. In addition, the false claims filer may have to pay the government’s legal fees.

The False Claims Act allows private individuals to file lawsuits in federal court, just as if they were federal prosecutors. If the suit eventually concludes with payments back to the government, the person who started the case can recover 25-30% of the proceeds if the government did not participate in the suit, or 15-25% if the government did participate in the suit.

2. **Administrative Remedies for False Claims, 31 U.S.C. 3801-3812**

This statute allows for administrative recoveries by federal agencies. If a person submits a claim that the person knows is false, or contains false information, or omits material information, then the agency receiving the claim may impose a penalty of up to \$5,000 for each claim. The agency may also recover twice the amount of the claim.

Unlike the False Claims Act, a violation of this law occurs when a false claim is submitted, not when it is paid. Also, unlike the False Claims Act, the determination of whether a claim is false and the imposition of fines and penalties is made by the administrative agency, not by prosecution in the federal court system.

### **Federal Whistleblower Protection**

1. **Federal False Claims Act (31 U.S.C. 3730(h))**

An employee who is “discharged, demoted, suspended, threatened, harassed or in any manner discriminated against” because of the employee’s lawful acts under the federal False Claims Act is entitled to reinstatement, double back pay with interest, special damages, litigation costs and reasonable attorneys’ fees.

**DRA and FCA Law summaries for your State can be found at:**

<http://www.elderwood.com/compliance>