

Compliance Plan



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Introduction

The HANCI Board of Directors has adopted and mandates this Compliance Plan to ensure accountability and compliance with a variety of federal and state laws, rules and regulations to uphold and fulfill the requirements of regulatory agencies.

The HANCI Board of Directors recognize that employees will encounter situations that pose ethical, policy, legal and regulatory issues in connection with our agency's business activities. HANCI expects and requires that you will resolve these issues by complying with all applicable laws and regulations and by acting ethically and in accordance with the agency's standards of professional excellence. The Compliance Plan is a tool to help you to meet this Health Association of Niagara County Inc. objective.

You are encouraged to adhere to this Compliance Plan. You are encouraged to talk to your supervisor or the HANCI Corporate Compliance Officer about any question of proper business conduct, even if it does not seem important at the time. You must avoid any activities that could involve HANCI in unethical or unlawful conduct. If you fail to adhere to this Compliance Plan, then you are acting outside the scope of the authority given to you by HANCI and you will be held personally responsible for the consequences of your unauthorized conduct.

Adherence to this Compliance Plan is a condition of employment. Failure to adhere to this Compliance Plan could result in very serious consequences to both the individuals involved and HANCI. If you violate this Compliance Plan, then you will be subject to appropriate disciplinary and remedial sanctions up to and including immediate discharge and possible legal action by HANCI.

Protection from Retaliation

An individual who reports incidents that he or she believes to be violations of this Compliance Plan, or who is involved in an investigation under this Compliance Plan, will not be subject to reprisal or retaliation as a result of such reporting or involvement. Retaliation is a serious violation of this Compliance Plan and should be reported immediately. The report and investigation of allegations of retaliation will follow the procedures set forth in this Compliance Plan. Any person found to have retaliated

against an individual for reporting or for participating in an investigation of allegations will be subject to appropriate disciplinary action.

Reporting Possible or Suspected Violations

Each employee has an obligation to alert HANCI to any situation in which the Compliance Plan is being violated or is about to be violated. You should make a report if you are concerned that a HANCI practice or operation or an employee action violates a law, rule or regulation, Agency policy, or accounting or auditing principle or practice. Furthermore, you must make a report if you have been asked by a supervisor or another employee to do something that you believe will result in a violation of a law, rule or regulation, agency policy, or accounting or auditing principle or practice. Report all possible or suspected violations to the Corporate Compliance Officer at extension 110.

HANCI's Compliance Plan meets the legal requirements of the seven steps of the Federal Sentencing Guidelines located at <http://www.ussc.gov>, the Social Services Law Section 363-d, and the eight elements of 18 NYCRR Part 521.

This Compliance Plan addresses eight elements:

1. Written policies and procedures that describe compliance expectations;
2. Designation of employee vested with the responsibility for the day-to-day operation of the compliance program;
3. Effective compliance training and education programs;
4. Organizational communication program for compliance plan and its officer;
5. Disciplinary systems and policies that encourage good faith participation in compliance program;
6. Internal risk audits and self-assessments for routine identification of compliance risk areas;
7. Reporting systems for responding to compliance issues; and
8. Non-intimidation and non-retaliation policy for good faith participation in compliance program.

Element 1. *Written Policies and Procedures.*

The HANCI Board of Directors mandates development and distribution of written compliance policies and procedures that describe HANCI compliance expectations as embodied in HANCI's Code of Conduct.

Standards of Conduct

The HANCI Board of Directors has directed its Executive Director to develop standards of conduct for all employees according to agency policies and procedures. Agency leadership has articulated a clear commitment to comply with all federal and state standards, with an emphasis on preventing fraud and abuse. This plan states the agency's mission, goals, and ethical requirements of compliance and reflects a carefully crafted, clear expression of expectations for all HANCI Board of Directors, Executive Director, management, employees, and where appropriate, contractors and other referring agencies.

The standards will be distributed to all employees in a comprehensible form (i.e., translated into other languages and written at appropriate reading levels, where appropriate). The HANCI Employee Handbook addresses standards of conduct and is regularly updated as applicable statutes, regulations and governmental health care program requirements are modified.

Risk Areas

HANCI's policies and procedures take into consideration the regulatory exposure for each function or department of the agency and potential risk areas. These individual policies and procedures will continue to be coordinated with the appropriate training and educational programs with an emphasis on areas of special concern that have been identified by the HANCI Compliance Committee through its investigative and audit functions.

Additional risk areas have been assessed and incorporated into the agency's policies and procedures and training developed as part of the Compliance Plan.

Claim Development and Submission Process

With respect to reimbursement claims, HANCI's policies

and procedures reflect and reinforce current federal and state statutes and regulations regarding the submission of claims for Medicaid and Medicare cost reports. These policies create a mechanism for the accounting staff to communicate effectively and accurately with the appropriate department designated. The policies and procedures will include but are not limited to:

- Providing for proper and timely documentation of all nursing, paraprofessional and professional services prior to billing to ensure that only accurate and properly documented services are billed;
- Requiring supporting documentation for all billed services. This documentation, which may include patient records, should record the length of time spent in providing the service, and the name of the individual providing the service;
- Stating that agency records and medical notes used as a basis for a claim submission will be appropriately organized in a legible form so they can be audited and reviewed;
- Verifying that the billed services and activities correspond with the care plan.

Element 2. *Corporate Compliance Officer and Committee.*

HANCI's Executive Director has designated a Corporate Compliance Officer to be responsible for the day-to-day operation of the Compliance Plan and corresponding programs. The Corporate Compliance Officer will report directly to the Executive Director. The Corporate Compliance Officer will ensure that the Compliance Plan is maintained, consistent with federal and state and/or other applicable statutes.

A Compliance Committee will meet quarterly or on an ad-hoc basis to review policies and procedures, resolve compliance issues and review complaints or questions. This committee will include, but will not be limited to, HANCI's Executive Director, a representative of the HANCI Board of Directors, HANCI's Corporate Compliance Officer, a representative of the Human Resource department, members of management, and a representative of the community.

Corporate Compliance Officer

The Corporate Compliance Officer's primary responsibilities will include:

- Overseeing administration of the Compliance Plan;
- Reporting to the Executive Director and the Compliance Committee;
- Continuing to identify strategies to reduce the agency's vulnerability to fraud, abuse and waste;
- Periodically revising the program in light of changes in the needs of the agency, and/or laws and regulations;
- Developing, coordinating, and participating in training programs that focus on the elements of the Compliance Plan;
- Ensuring that all appropriate employees and management are knowledgeable of and comply with agency compliance standards;
- Ensuring that independent contractors and referring agencies are aware of requirements of the Compliance Plan with respect to coding, billing, and marketing;
- Independently investigating and acting on matters related to compliance, including flexibility to design and coordinate internal investigations (e.g., responding to reports of problems or suspected violations) and any resulting corrective action with all departments, providers and referring agencies and, if appropriate, independent contractors; and
- Developing additional agency policies and procedures that encourage members and employees to report suspected fraud and improprieties without fear of retaliation.

The Corporate Compliance Officer has the authority to review documents and information relevant to compliance activities, including, but not limited to, patient records, billing records, marketing efforts, records, and agency business associations, partnerships and contract agreements, in an attempt to conduct internal and external audits.

Compliance Committee

The HANCI Compliance Committee will assist the Corporate Compliance Officer in the implementation of the Compliance Plan. The Committee's functions include:

- Analyzing the agency's internal and external

- healthcare environment, the legal requirements with which it must comply, and specific risk areas;
- Assessing existing policies and procedures that address these areas for possible incorporation into the Compliance Plan;
- Working with internal departments to develop standards of conduct and policies and procedures to promote compliance with HANCI's program;
- Recommending and monitoring, in conjunction with all departments, the development of internal systems and controls to carry out the agency's standards, policies and procedures as part of its daily operations; and
- Determining appropriate methods, such as emails, drop-boxes and other fraud-reporting mechanisms, to promote compliance with the program and detect potential violations.

Element 3. Training and Education.

The Board of Directors of HANCI realizes that for its Compliance Plan to be effective all appropriate employees must be trained on the importance of complying with applicable laws. This training and education will include executives and governing body members and include Section 6032 of the Deficit Reduction Act 6032, the Federal and State False Claims Acts, and the Whistleblower Act.

Training will include overview of the Compliance Plan, HANCI's standards of conduct policy, and any other applicable agency policies and procedures. The training will also focus on federal and state laws and regulations as they relate to compliance and HANCI. Attendance and participation in these training programs will be a condition of continued employment, and failure to comply will result in disciplinary action. The Compliance Officer will document and retain all records of its training of employees, including attendance logs and material distributed at training sessions.

Training sessions

- New hire orientation
- Annual in-services
- Continuing education classes as needed

Education and Communication

- Memoranda and written correspondence regarding updates, changes and reminders

Element 4. Organizational Communication Lines to the Corporate Communication Officer.

Access to the Corporate Compliance Officer

Employees are encouraged to ask questions and report problems to their immediate supervisor and the Corporate Compliance Officer.

- Supervisors and managers play a key role in responding to employee concerns, and serve as the first line of communication.
- To encourage communication, confidentiality and non-retaliation, all agency policies and procedures will be enforced.
- An open line of communication between the Corporate Compliance Officer and employees is critical to success.
- Employees are encouraged to refer to agency policies and procedures on problem solving and reporting suspected violations of laws, practices and/or HANCI policies in accordance with the HANCI Employee Handbook.

Reporting Possible Violations

HANCI encourages the use of e-mails, written memoranda, drop box, newsletters, and other forms of information exchange to maintain open lines of communication. Employees are encouraged to report suspected violations anonymously.

A report log will be maintained by the Compliance Officer and reviewed by the Compliance Committee. This log will record such communications, including the nature of any investigation and its results. Such

information will be included in reports to the Compliance Committee and if necessary to the Board of Directors.

The agency will strive to maintain the confidentiality of an employee's identity, but HANCI will explicitly communicate that there may be a point where the individual's identity may become known or may have to be revealed in certain instances when governmental authorities become involved.

HANCI recognizes that assertions of fraud, abuse and waste by employees who may have participated in illegal conduct or committed other malfeasance raise numerous complex legal and management issues that should be examined on a case-by-case basis. The Compliance Officer will work closely with Human Resources and/or legal counsel, who will provide guidance regarding such issues.

Element 5. Disciplinary Systems and Policies That Encourage Good Faith Participation in the Compliance Program

Disciplinary Policy and Actions

Failure to comply with the agency Standards of Conduct and the Compliance Plan will result in disciplinary action.

- The disciplinary policies and procedures for non-compliant behavior are based on agency disciplinary policies and procedures that are set forth in the HANCI Employee Handbook.
- Policies and procedures for ensuring due diligence in hiring, credentialing or retaining employees and suppliers must be continuously observed.
- HANCI will take appropriate action against employees, referring agencies or suppliers if screening reveals a concern.

Element 6. Internal Risk Audits and Self-Assessments for Routine Identification of Compliance Risk Areas.

Auditing and Monitoring

Audit and other risk evaluation processes will be used to monitor compliance and assist in risk assessment.

- Audits are conducted by internal and/or external sources.
- The Compliance Committee and Compliance Officer have developed auditing policies and procedures and an annual plan for routine auditing and monitoring activities.
- The Compliance Officer will maintain all records of Compliance Plan monitoring in a secure location.
- Results of audit findings conducted by the Compliance Officer will be reported to the Executive Director, Compliance Committee, and the HANCI Board of Directors.

Element 7. Reporting Systems for Responding to Compliance Issues.

Reporting Suspected Violations of Law, Practices, or HANCI Policies

In compliance with the agency problem solving procedure set forth in the HANCI Employee Handbook and whistleblower policy, employees must report violations of suspected violations of law, regulations, and internal policies to Human Resources. Employees who report violations will not be subject to retaliation for acting on the duty to report.

Broad categories of suspect conduct include, but are not limited to: violation of law or government regulations; violation of policies; mismanagement; waste of HANCI's

resources or funds; abuse of authority, or wrongful conduct.

Examples include, but are not limited to: dishonest acts and/or fraudulent activity; harassment; discrimination; violation of controlled substance laws; embezzlement; theft of money, tangible property, trade secrets or intellectual property; destruction, removal or concealment of property; alteration or falsification of paper or electronic documents; false claims or misrepresentation of facts; inappropriate use of computer systems (viewing of obscene materials or websites); bribery; kickbacks; or illegal rebates.

False allegations of alleged activity will be subject to corrective action, up to and including termination of employment.

Retention of Records

In accordance with agency policies and procedures, all business records are maintained for a minimum of seven years or as specified by law.

Compliance as an Element of a Performance Plan

HANCI will require that the Compliance Plan be a factor in evaluating the performance of employees. In addition, all management will:

- Discuss with employees the compliance policies and procedures, and legal requirements applicable to their respective functions;
- Inform all employees that strict compliance with these agency policies and procedures and requirements is a condition of employment;
- Disclose to all employees that the agency will take disciplinary action for violation of these policies and procedures or requirements; and
- Be made aware that they may be sanctioned for failure to adequately instruct their subordinates or for failing to detect noncompliance with applicable policies and procedures and legal requirements, where reasonable diligence on the part of the director or supervisor would have led to the discovery of any problems or violations and given HANCI the opportunity to correct them earlier.

Element 8. Non-Intimidation and Non-Retaliation Policy for Good Faith Participation in Compliance Program.

The Board of Directors has mandated that its policies on non-intimidation and non-retaliation are at the very core of creating the type of compliance culture that leads to the development of a safe environment, in which an employee can, in good faith, fully participate in the Compliance Program.

A Final Word: Making this Compliance Plan an “Effective” and Living and Breathing Document

Lastly, the Board of Directors, in order to make this Compliance Plan an effective and living and breathing document – has created a Standing Committee called the Committee on Compliance and Internal Risk Audits. Additionally, the Board of Directors through the HANCI Executive Director has appointed members of senior management to be accountable and responsible for the core elements of this Compliance Plan.



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