

Cantex

Continuing Care Network



COMPLIANCE, CODE OF CONDUCT & ETHICS PROGRAM



Compliance, Code of Conduct & Ethics Program

Cantex Continuing Care Network

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Compliance, Code of Conduct & Ethics Program Cantex Continuing Care Network

Cantex Continuing Care Network (CCCN) strives to follow principles which promote the highest levels of excellence within our company. One such guiding principle is that of stewardship. This principle, applied to our industry of health care, provides a mandate to serve the patients entrusted to our care, using the resources we have been provided, with the highest moral and ethical standards. Throughout every level of our company we make the commitment to provide our services in this manner.



CCCN Compliance, Code of Conduct and Ethics Program is the means we use to accomplish this level of excellence. Its purpose is to provide a clear understanding of our commitment to following ethical and legal principles as well as a reference point for guidance and instruction to all of our employees.

CCCN is dedicated to fully following all laws and regulations related to all aspects of the health care services we provide. These services include skilled nursing, home health, hospice, rehabilitative therapy and pharmacy care. It is our intent to provide these services with the highest level of integrity through adherence to all compliance and ethics policies and procedures provided within this program.

Our Compliance, Code of Conduct and Ethics Program will evolve continually and grow as we seek to identify and eliminate fraud and abuse. This growth will occur through consistent compliance committee oversight, ongoing monitoring and auditing of risk, provision of training to our employees, promoting compliance reporting, investigating and providing discipline for non-compliance, and ongoing re-evaluation of the program's overall effectiveness.



Code of Conduct

WHAT IS THE CCCN CODE OF CONDUCT?

The CCCN Code of Conduct describes our operating philosophies and employee standards which serve as our standard and expectation of employee conduct. The Code of Conduct is a critical component of CCCN's overall Compliance Program.

The management and administration of CCCN established the Code of Conduct for the purpose of guiding the actions of management, employees, medical staff, agents, and contractors in the provision of quality care to the patients.

Operating Philosophies

CCCN strives to provide the best possible quality of services to all our patients. This is accomplished through treating all patients and family members with the utmost respect, honoring their rights and needs, and adhering to all laws and regulations that govern our services.

We are committed to providing fair, unbiased and impartial treatment to all individuals and organizations with whom we interact.



EMPLOYEE STANDARDS

Employee standards are guidelines CCCN expects their employees to follow. Agreement and commitment to these guidelines enables CCCN and its employees to act in an ethical manner and maintain compliance with policies and laws. The employee standards that CCCN employees are expected to follow include:

- ▶ Employees shall perform his or her duties in good faith and to the best of his or her ability.
- ▶ Employees shall refrain from any illegal conduct including engaging in any business practice intended to unlawfully obtain favorable treatment or business from any government entity, physician, patient, vendor, or any other party.
- ▶ Employees shall not disclose confidential medical or personal information pertaining to patients without the express written consent of the patient or appropriate legal representative.
- ▶ Employee shall promptly report all violations or suspected violations of any pertinent statutes and regulations, policies and procedures, or this Code of Conduct by contacting his or her supervisor and/or calling the Compliance Hot Line at 1 (888) 226-8390 x 109.
- ▶ Employees shall participate in scheduled training regarding applicable state and federal laws and standards and will comply with CCCN's Patient Care Management System and Financial Management Systems as appropriate, based on job duties.
- ▶ Employees shall not destroy or alter facility information or documents in anticipation of, or in response to, a request for documents by any applicable governmental agency or from a court of competent jurisdiction.
- ▶ Employees shall notify his or her supervisor, who will in turn notify General Counsel, immediately upon the receipt (at work or at home) of a subpoena or other agency or government request for information regarding their employer.
- ▶ Employees shall not participate in any agreement or understanding with a competitor of CCCN to illegally fix prices, agree to labor costs, allocate markets, or engage in boycotts. Before considering any such agreement or entering into discussions related to these issues, an employee shall first speak with his or her immediate supervisor and obtain the advice of General Counsel concerning antitrust issues.

STAYING COMPLIANT

What should I do if I am offered a gift card from a vendor who is simply thanking us for our business?

CCCN prohibits its employees from accepting any gift or gratuity from vendors and/or contractors if the value is more than a nominal value.

What if our marketing staff would like to provide a gift in the form of entertainment to a vendor or contractor?

CCCN prohibits the giving of gifts of more than a nominal value to persons or businesses that may influence the referral of business to CCCN.



Gifts

Accepting and offering gifts of any kind can raise significant ethical issues or violate federal and state laws. Employees of the organization may not receive any gift they believe is offered in an attempt to influence decisions or actions. Employees should return such gifts and report the incident or actions to their supervisor. Examples of such gifts include gift certificates and gift cards, as they are considered “cash in kind”. Token promotional items, such as key chains, pens, or pencils marked with donor’s name, are not considered inappropriate when given in individual or limited quantities.

Kickbacks

Any payment or receipt of payments that can be considered as kickbacks for use or remuneration of supplies, services, goods, products, or items is prohibited. This includes knowingly or willfully offering, paying, asking, or receiving money or other benefits, directly or indirectly, in return for favorable terms or treatment.

Payments and Discounts

The receipt of payments, discounts, or gifts that may be considered remuneration for referral of patients is strictly prohibited. The payment of or receipt of any such remuneration for the purchase, lease, ordering, or in return for buying services or supplies is prohibited.



Loans, Rebates, and Services

The offer or delivery of loans, rebates, services, or remuneration of any goods, products, services, or items is barred by law. Payment of any kind, connected to patient referrals, is prohibited.

Entertainment

Business dealings may include a shared meal or similar social occasions, which may be proper business activities. More extensive entertainment will rarely be consistent with organizational policy and should be reviewed and approved by the Director of Compliance and/or General Counsel. CCCN prohibits the giving of gifts of more than nominal value to a person or persons which would influence the referral of business. Consequently, all factors would need to be considered when making such a purchase, including whether any other gifts have been provided or will be provided, including meals, snacks, and gift baskets.

WHAT IS MEDICARE FRAUD?

Medicare fraud is making false statements or representations to obtain benefit or payment where no entitlement exists.

Acts of Medicare fraud may be committed either for the person's own benefit or for the benefit of some other party. These acts can include knowingly billing for services that were not furnished and/or supplies not provided, billing Medicare for appointments which were not kept, and knowingly altering claims forms and/or receipts to receive a higher payment amount.

CCCN does not tolerate Medicare fraud. Any employee who knowingly commits an act of this nature will be subject to disciplinary actions. A conviction of Medicare fraud may include fines, exclusion from Medicare participation for a length of time or indefinitely, civil liability, and imprisonment.

WHAT IS ABUSE OF MEDICARE?

These are practices that, either directly or indirectly, result in unnecessary costs to the Medicare Program.

Medicare abuse includes any practice that is not consistent with the goals of providing patients with services which are medically necessary, meet professionally recognized standards, and are fairly priced.

Examples of Medicare abuse may include misusing codes on a claim, charging excessively for services or supplies and billing for services that were not medically necessary.

Both fraud and abuse can expose providers and individuals to criminal and civil liability.



HOW DOES CCCN PREVENT MEDICARE FRAUD AND ABUSE WITHIN OUR COMPANY?

CCCN bears a great responsibility to the public to bill accurately for actual services rendered in a timely fashion. We are committed to 100% accuracy in our financial dealings. Those dealing with billing and claims are expected to maintain the highest standard of integrity, honesty, and diligence in the performance of these important duties. Any intentionally false, inaccurate, or questionable issues related to claims, coding, or billing should be reported immediately to the billing supervisor or Director of Compliance.

Examples of practices which may be considered fraudulent or abusive include:

- ▶ Claiming reimbursement for services that were not rendered or provided as claimed and submitting claims for equipment, medical supplies, and services that are not medically necessary.
- ▶ Failure to refund credit balances timely.
- ▶ Knowingly billing for inadequate or substandard care.
- ▶ Providing misleading information about a patient's medical condition on Minimum Data Sets (MDS) and/or providing inaccurate information used to determine the Resource Utilization Group (RUG) assigned to the patient.
- ▶ Upcoding the level of service provided.
- ▶ Billing patients for separate items or services which are included in the per diem rate otherwise covered by the third party payer (also known as unbundling).
- ▶ Forging physician or beneficiary signatures on documents used to verify that services were ordered and/or provided.
- ▶ Failing to maintain sufficient documentation to establish that the services were ordered and/or performed.
- ▶ Submitting false cost reports.



STAYING COMPLIANT

How do I report observed or suspected fraud or abuse?

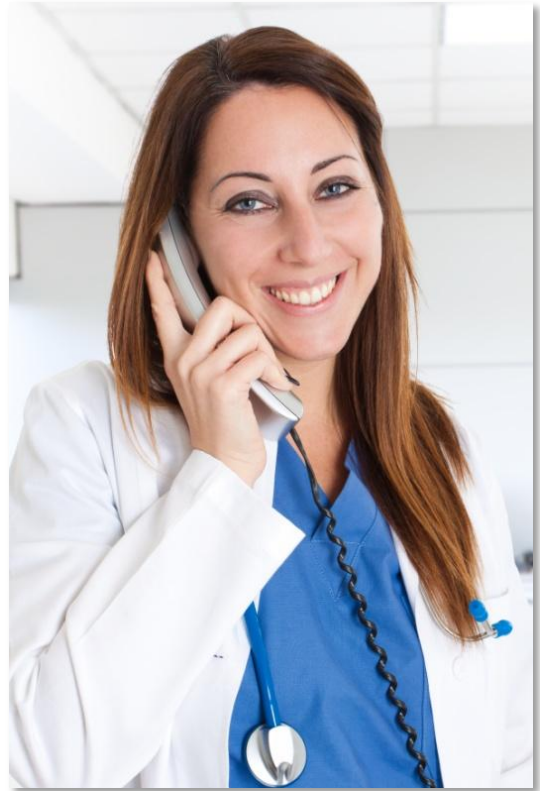
Each employee shall report any suspected or observed fraud and/or abuse to their immediate supervisor, the Director of Compliance, or by calling the Compliance Hotline. Any employee utilizing these reporting methods will be treated fairly without threat of retaliation or retribution.

**The Compliance Hotline
can be called
24 hrs a day/ 7 days per week
at (888) 226-8390 x109**

Each employee will be provided specific instruction in the availability and use of the compliance hotline at time of hire and yearly thereafter.

What happens once fraud or abuse is reported?

Any information dealing with a compliance issue of suspected or observed fraud or abuse will be investigated promptly. Once the investigation is completed, corrective action will be taken, where appropriate, including disciplinary action in accordance with Human Resources.



KEY LAWS AND STATUTES IN HEALTH CARE COMPLIANCE

The following statutes and laws are an integral part of the compliance and ethics landscape within the health care industry. Each of these relates specifically to the identification and/or prevention of fraud and abuse at state and federal levels.

False Claims

CCCN is committed to following all laws, including the federal and state False Claims Acts and laws prohibiting arrangements or schemes to defraud health care programs or payers. We will not knowingly present or cause to be presented a false or fraudulent claim to any payer. Further, we will not knowingly make, use or cause to be made or used false records or statements, or keep reimbursement to which we are not entitled.

The Federal and Texas False Claims Acts contain provisions that allow individuals with actual knowledge of alleged false claims to sue on behalf of the government, and provide protections against retaliation for employees who bring such lawsuits.

If you have a concern that a false claim may have been made, you should contact the Director of Compliance or General Counsel immediately, or call the Compliance Hotline to make an anonymous report. Failure to notify the Director of Compliance or General Counsel or calling the Compliance Hotline may lead to disciplinary action, up to and including termination.

Anti-Kickback Statute

The Anti-Kickback Statute makes it a criminal offense to knowingly and willfully offer, pay, solicit, or receive any remuneration to induce or reward referrals of items or services reimbursable by a federal health care program. Where remuneration is paid, received, offered, or solicited purposefully to induce or reward referrals of items or services payable by a federal health care program, the Anti-Kickback Statute is violated. Criminal penalties for violating the Anti-Kickback Statute may include fines, imprisonment, or both. If an arrangement satisfies certain regulatory safe harbors, it is not treated as an offense under the statute. More information about regulatory safe harbors is available at:

<https://oig.hhs.gov/compliance/safe-harbor-regulations>

Preventing Fraud and Abuse (cont'd)

Physician Self-Referral Law (Stark Law)

The Physician Self-Referral Law (Stark Law) prohibits a physician from making a referral for certain designated health services to an entity in which the physician (or an immediate member of his or her family) has an ownership/investment interest or with which he or she has a compensation arrangement, unless an exception applies. Penalties for physicians who violate the Physician Self-Referral Law (Stark Law) include fines as well as exclusion from participation in all federal health care programs. For more information, visit the Centers for Medicare & Medicaid Services (CMS) website, at:

<https://www.cms.gov/Medicare/Fraud-and-Abuse/PhysicianSelfReferral>

Criminal Health Care Fraud Statute

The Criminal Health Care Fraud Statute prohibits knowingly and willfully executing, or attempting to execute, a scheme or artifice:

- ▶ To defraud any health care benefit program; or
- ▶ To obtain by means of false or fraudulent pretenses, representations, or promises any of the money or property owned by, or under the custody or control of, any health care benefit program in connection with the delivery of or payment for health care benefits, items, or services. Proof of actual knowledge or specific intent to violate the law is not required. Penalties for violating the Criminal Health Care Fraud Statute may include fines, imprisonment, or both.



STAYING COMPLIANT

Is it okay to use company property for personal use?

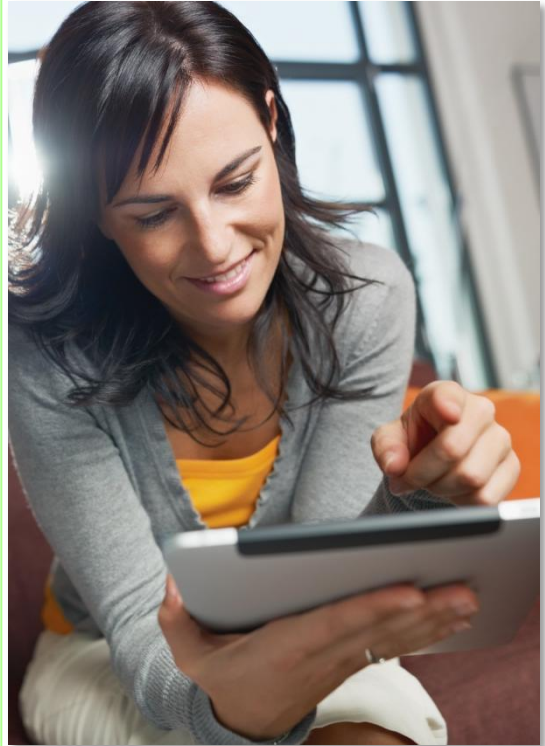
No. CCCN property should be used for business purposes only and should not be used for personal benefit. This includes owned, rented, or leased property, equipment, vehicles, supplies, computer systems or software, or any other forms of property. The assets of individuals or companies with which we do business, while in our care or use, should be treated with the same respect as property owned by CCCN.

What should I do if I suspect inappropriate behavior between a staff member and a patient?

Any employee who suspects or observes fraud and/or abuse must report the matter immediately to their supervisor. If the employee does not wish to report to his or her supervisor they may call the Director of Compliance directly or call the Compliance Hotline.

**The Compliance Hotline
can be called
24 hrs a day/ 7 days per week
at (888) 226-8390 x109**

Any employee utilizing these reporting methods will be treated fairly without threat of retaliation or retribution.



COMPLIANCE HOTLINE POLICY

The Compliance Hotline can be called 24 hrs a day/7 days per week at (888) 226-8390 x109. Any information dealing with a compliance issue of suspected or observed fraud or abuse will be investigated promptly. Once the investigation is completed, corrective action will be taken, where appropriate, including disciplinary action.

Each employee will be provided specific instruction in the availability and use of the Compliance Hotline at time of hire and yearly thereafter.



COMPLIANCE POLICIES

Patient Referrals

Patients served by CCCN may be referred to other organizations or providers as is medically necessary for the treatment of their condition. The choice of providers should be made by the patient or the patient's guardian or other responsible party, with guidance from his or her physician as to which providers are qualified and medically appropriate. Referrals to or from CCCN by providers who have a financial relationship with CCCN may be made only if specific provisions under the law are met. Any referral or pattern of referral that is questionable should be brought to the attention of the Director of Compliance, who is obligated to review that action with the advice of General Counsel.

Exclusion Verification Review

To ensure that potential and current employees, vendors, and contractors of CCCN have not been excluded or sanctioned from participation in federal health care programs, CCCN will perform initial, annual, and/or ongoing exclusion reviews for all employees, vendors, contractors, and physicians. This exclusion review will utilize the OIG/GSA exclusion lists to determine eligibility for participation in federal health care programs.

At hire and at time of annual review, HR will review OIG/GSA exclusion lists to determine if any current employees, vendors, and contractors have been added to the list. If any employees are identified on the list General Counsel will be contacted for advice and direction on proceeding with appropriate course of action.

Discipline and Enforcement

To ensure that potential and current employees, vendors, and contractors of CCCN understand the degree and enforcement of disciplinary action as a result of failing to comply with all statutes, regulations, and policy and procedures, CCCN will provide appropriate disciplinary action for any and all employees who knowingly and willingly violate any federal or state regulations, statutes, and company policies and procedures. This discipline may consist of the following: oral warning, written warning, suspension, and up to and including termination.

Internal Auditing and Monitoring

CCCN will complete consistent and ongoing monitoring and auditing of all our business locations including skilled nursing facilities, home health, hospice and pharmacy. The auditing and monitoring process will be based on the following structure:

Facility Staff will conduct general daily and weekly oversight for each of their respective departments related to compliance, non-compliance, and prevention of fraud and abuse. Any violations of policy identified will be reported to their immediate supervisor and a plan of correction will be developed.

Regional Staff will complete monthly and/or quarterly audits utilizing standardized audit tools for each respective department. Regional staff will report any compliance violations to their immediate supervisor and the Director of Compliance and will develop a plan of correction with discipline as appropriate. The Director of Compliance will provide oversight of these reviews and will be involved with plans of correction as appropriate.

The Director of Compliance will complete annual audits for each location within CCCN. These audits will utilize a standardized auditing tool which will be used to develop any plans of correction where violations or deficits are found. Performance improvement plans will be developed as appropriate based on the results of these annual audits.

An Internal Audit Team consisting of the Director of Compliance and the Sr. Director of Rehab/ Reimbursement will complete four annual audits for locations who have demonstrated unusually high and/or low key indicators including case mix, length of stay, and billing practices. These audits will be used to develop action plans where appropriate as well as performance improvement plans.

Monitoring will be completed monthly by the Sr. Director of Rehab/Reimbursement to determine any high and/or low key indicators including case mix, length of stay, and billing practices. This monitoring may result in the need for investigations to be completed by the Director of Compliance and appropriate staff.

Training for Prevention of Healthcare Fraud and Abuse

CCCN will provide training to our employees at the time of hire, and annually thereafter, which pertains specifically to the detection and prevention of fraud, waste, and abuse. Training will be specific to all individuals and their job functions within CCCN. Training will include pre-test and post-test data, taken by each employee, as a measurement of the training effectiveness.

STAYING COMPLIANT

What should I do if information containing protected health information (PHI) is lost or misplaced?

Immediately report the incident to the Director of Compliance at

(214) 954-4114 x133
or call the
Compliance Hotline at
(888) 226-8390 x109

Upon reporting this matter you should be prepared to provide detailed information about what information was lost or misplaced so that an appropriate review can be completed to determine reporting requirements.



Health Insurance Portability and Accountability Act (HIPAA)

All CCCN employees have the responsibility of ensuring that the Protected Health Information (PHI) of patients and employees remain secure and confidential. PHI is defined as individually identifiable health information which can be transmitted or maintained in any form or medium, including electronic health information. CCCN takes reasonable measures to ensure the security of all PHI including: use of password protection, encryption of transferred information, restrictions of unauthorized software, limited accessibility, and guidelines for maintaining paper documentation and storage.



In the event of any known unauthorized exposure of PHI, immediately report this to the Director of Compliance or our Compliance Hotline at (888) 226-8390 x 109. This will allow us to conduct our own investigation and notify affected parties and agencies, if warranted.

Failure to follow these HIPAA guidelines may result in fines and penalties to CCCN.

HIPAA Compliance for Contractors and Vendors

All contractors and/or vendors conducting business on behalf of CCCN must adhere to all applicable laws and regulations related to the Health Information Portability and Accountability Act (HIPAA). All contractors and/or vendors are required to have their own compliance program in place and are expected to be in full compliance with the standards set forth in CCCN's Code of Conduct. Additionally, these entities must show proof of appropriate licensure, certification, and evidence of no criminal convictions which would prohibit them from working within any division of CCCN.

Cantex Compliance and HIPAA Statement

The appointed leader or facilitator must read the Cantex Compliance and HIPAA statement aloud to the audience prior to each of the following meetings: Operations conference call, “Stand Up” meeting, Weekly Care Coordination meeting and Rehab Documentation training sessions.

Cantex Compliance Statement

Cantex is dedicated to providing the highest quality and most effective care to our patients in an ever changing health care environment. The company sets goals and targets based upon past performance, industry data, and trends to achieve efficient operations in providing care to our patients. As set forth in the Code of Conduct and Compliance policies, Cantex is committed to ethical business practices and compliance with all laws, rules, regulations, and policies that govern our industry. Cantex has zero tolerance for fraud and abuse and for any actions that are not conducted in accordance with responsible and ethical behavior.

HIPAA Statement

The information discussed and compiled for this teleconference call is considered privileged and confidential and is a part of our overall quality assurance program. The information discussed may contain protected health information as defined by HIPAA. It is the policy of the company to maintain the privacy of our patients' health information. Participants in this call have been categorized as appropriate to have access to protected health information in order to carry out the operations of the company; you are requested to refrain from using patient names or social security numbers on the teleconference or in any documents circulated among the participants in this call.

Employee Acknowledgement for Compliance, Code of Conduct & Ethics Program

Certificate of Compliance

1. I have read the entire Compliance, Code of Conduct and Ethics Program. I have had the opportunity to ask any questions with regard to its contents and I understand fully how the policies relate to my position.
2. I hereby acknowledge my obligation and agreement to fulfill those duties and responsibilities as set forth in the Compliance, Code of Conduct and Ethics Program and to be bound by these standards.
3. I further certify that, throughout the remainder of my association with the Company, I shall continue to comply with the terms of the Compliance, Code of Conduct and Ethics Program
4. I understand that violations of the Compliance, Code of Conduct and Ethics Program may lead to disciplinary action, including discharge.

Signature

Date

Printed Name

Title/Position within the Company

Facility Name

Business Telephone Number (with Area Code)

The first copy is to be retained by the employee/ officer/ Board Member/ contractor.

The second copy is to be retained for the employee/ officer/ Board Member/ contractor's record

Certificate of Compliance

1. I have read the entire Compliance, Code of Conduct and Ethics Program. I have had the opportunity to ask any questions with regard to its contents and I understand fully how the policies relate to my position.
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