



# QUALITY *Life* SERVICES™

## Code of Conduct

### **Purpose:**

**Our Code of Conduct describes Quality Life Services' quality, risk management and compliance program and serves as an internal resource to reinforce our mission and values. Our Code highlights and provides general guidance with respect to many of the important laws, regulations, ethical standards, policies and procedures our employees, contractors, students and volunteers are expected to understand and follow when performing responsibilities on behalf of our organization.**

### **Collectively, our Code of Conduct:**

- *promotes organization-wide integrity;*
- *encourages the reporting of concerns and issues;*
- *increases opportunities to correct issues that are identified;*
- *minimizes potential penalties for non-compliance;*
- *enhances our ability to provide quality care and customer service and*
- *encourages continuous improvement of our organization.*

## **Our Mission**

Quality Life Services promotes a family culture that respects and values our residents, employees and contractors. We recognize the valuable contributions our staff make to our organization whether they work in one of our skilled or long term care nursing homes, personal care home, pharmacy, transitional care unit, home health/hospice or our home office. We are all part of a team that provides quality hands-on care and other valuable services, all of which contributes to QLS's mission, legacy and success.

Since 1973, we have provided the residents of our communities with quality, compassionate and safe nursing care. As Quality Life Services has grown and the long term care industry has changed, we have simultaneously improved our organization and the care we give. Our commitment to "family" is expressed by our long-standing Mission Statement: *"A Family Business Woven with Traditional Values Dedicated to Providing Quality Living Opportunities and Services to Our Communities"*.

## Our Values

### **SAFETY**

At QLS, safety means providing quality nursing care, including a complete understanding of residents' goals of care and dedicating the resources necessary to improve or maintain the residents' health. A safe nursing home environment means having effective processes and employee training to prevent the occurrence of errors and adverse events. QLS is committed to being a learning environment in which we continue to evaluate and improve our processes as needed.

### **COMMUNICATION**

QLS promotes and maintains a culture of open communication. We encourage everyone in our homes (residents, employees, family members, contractors) to ask questions and seek clarification concerning the quality of care we provide, how we conduct our business, how we treat the residents and each other or matters that may raise ethical or legal concerns.

### **INTEGRITY**

Through our employees, volunteers, contractors, officers and directors, we are committed to acting with fairness, honesty, integrity and in compliance with all applicable standards of the healthcare industry.

### **COMPASSIONATE RELATIONSHIPS**

Our quality efforts are designed to provide care that meets the unique needs of each resident. We will ensure that our staff treat residents and their family members with respect, dignity and compassion. Equally important are our efforts to ensure that all of our staff members treat each other with respect, dignity and compassion.

### **APPEARANCE**

We are committed to furnishing and maintaining our nursing and personal care homes in a manner that reflects our residents' needs and expectations for a welcoming, clean, safe and attractive home-like environment. Every member of our QLS family has an important role to play to ensure that we meet our commitment to this important Value.

# OUR QUALITY, RISK MANAGEMENT AND CORPORATE COMPLIANCE PROGRAMS

## ADMINISTRATIVE STRUCTURE

**RISK MANAGEMENT COMMITTEE:** Quality Life Services' Risk Management Committee shall serve in an oversight capacity by providing the organization with expertise and resources to assess regulatory and operational risk areas which are applicable to long term care and institutional pharmacies and to ensure that such risk areas are being adequately addressed. The Committee members shall be responsible for the development and implementation of relevant policies and procedures, educational programs for the reporting of issues and concerns, measurement tools to monitor compliance in identified risk areas and recommending corrective action as appropriate.

The Risk Management Committee's primary responsibilities include:

- To develop an organization-wide risk assessment plan based on the legal and regulatory requirements, rules and standards that apply to the long term care industry and to Quality Life Services;
- To periodically assess policies, procedures, operational practices and facilities and make necessary additions or changes based on identified deficiencies, risk areas or changes to laws, regulations or standards;
- To review and evaluate legal actions filed against the organization concerning the quality of care rendered as well as any potential claims that may arise from incidents that occur in the homes or pharmacy;
- To report the results of internal and external audits, risk assessments, licensure surveys, corrective action plans, monitoring plans, complaints, reports (including calls to the "Q-Line") and investigations for the purpose of identifying deficiencies in quality, customer service or regulatory compliance, and ensuring that appropriate follow-up and / or corrective action was taken;
- To provide or oversee the provision of appropriate education regarding our policies and procedures that promote compliance with legal, regulatory, operational and ethical requirements;
- To determine the appropriate strategies to manage risk and promote compliance within our organization, including the reporting, detection and response to potential violations through a hotline and internal reporting mechanisms;
- To coordinate with appropriate persons or operational areas within our organization to ensure that new employees receive compliance training within 60 days of hire, and existing employees receive a minimum of one (1) to three (3) educational hours per year in corporate compliance. Training methods may include web-based training, training conducted during staff meetings or in-person trainings conducted either on-site or off-site.

The Risk Management Committee shall periodically update or revise its areas of focus or the resources dedicated to certain risks in light of changes in the organization's needs and/or legal and regulatory developments. The Risk Management Committee shall provide periodic reports on its objectives and status of its major initiatives to the Board of Directors.

**QUALITY COMMITTEE:** The Quality Committee shall serve in an oversight capacity by providing the organization with expertise and resources to continuously improve the way Quality Life Services provides care, treatment and customer service. The Quality Committee shall develop an organizational Quality Assurance and Performance Improvement Plan with the overall objective of maintaining a safe, homelike environment that nurtures the physical, social, emotional, and spiritual needs of our residents, families, care partners and the community. The Quality Committee's primary responsibilities include:

- To review and recommend a Quality Assurance and Performance Improvement Plan with annual and long term improvement targets;
- To review and recommend quality/safety-related policies and standards;
- To approve and monitor a dashboard or workplan of key performance indicators compared to organizational goals and industry benchmarks;
- To review and make recommendations on the nursing homes' corrective plans with regard to negative variances and serious errors;
- To periodically assess policies, procedures and operational practices, including periodic "peer reviews" of our nursing homes and our pharmacy, and make necessary additions or changes based on identified deficiencies, risk areas or changes to laws, regulations or standards;
- To report the results of internal and external audits, licensure surveys, corrective action plans, monitoring plans, complaints, reports (including calls to the "Q-Line") and investigations for the purpose of identifying deficiencies in quality or customer service, and identifying and implementing appropriate follow-up and / or corrective action; and
- To provide appropriate education regarding our policies and procedures that promote our "culture of family" as well as our quality, operational and customer service standards.

**CORPORATE COMPLIANCE OFFICER:** The Corporate Compliance Officer shall be an employee of Quality Life Services and shall report to the Quality Life Services Board of Directors, or a committee thereof. The Corporate Compliance Officer shall serve as the Chair of the Risk Management Committee and shall provide regular reports to the Committee regarding the objectives and status of risk management and compliance initiatives. The Compliance Officer's primary responsibilities include:

- To inform the organization and lead appropriate follow-up actions in response to Office of Inspector General (OIG) and Center for Medicare and Medicaid Services (CMS) audits and reports, the annual OIG Workplan, educational programs sponsored by professional associations such as the Health Care Compliance Association, American Health Care Association and the American Health Lawyers Association, and major deficiencies resulting from licensure surveys and reported complaints and issues as may be appropriate;
- To ensure that the compliance activities of QLS satisfy the requirements set forth in CMS's regulations regarding Conditions of Participation for long-term care facilities;

- To establish a process to ensure that independent contractors and agents who furnish physician, nursing, or other health care services to the residents of the nursing homes are aware of the legal rights of residents and other applicable requirements described in the Code of Conduct;
- To verify that a process is in place to ensure that QLS employees, independent contractors, vendors and physicians are not “excluded individuals” with respect to their ability to participate in federal health care programs by conducting regular checks of the OIG’s List of Excluded Individuals and Entities and other relevant governmental lists;
- To investigate and act on matters related to compliance, including the flexibility to design and coordinate internal investigations, and to recommend appropriate corrective action (e.g., making necessary improvements to policies and practices and verifying that appropriate disciplinary action was taken in response to violations of compliance policies); and
- As appropriate, coordinate with external legal counsel in the appropriate reporting of self-discovered violations of federal or state laws, regulations or program requirements.

The Compliance Officer has the authority to review all documents and other information that are relevant to compliance including, but not limited to, internal and external communications, contracts with referral sources, financial records, personnel records, medical and billing records and documents regarding the marketing efforts of Quality Life Services and its arrangements with other health care organizations and providers.

**COMPLIANCE LIASIONS:** The following positions serve as compliance liaisons who serve as the primary points of contact at their respective sites or operational areas of responsibility in connection with the administration of the Quality, Risk Management and Corporate Compliance Program and the communication of Program policies, procedures, standards and trainings:

- The Nursing Home Administrators of the QLS nursing homes;
- The Director of Personal Care Services;
- The Vice President of Home Care and Hospice;
- The Director of Pharmacy Services;
- The Director of Clinical Reimbursement Services;
- The Director of Information Systems and Chief Security Officer;
- The Director of Facilities Management and Maintenance;
- Designated privacy and security liaisons throughout the organization to assist with training, coordination, risk assessment, follow-up and mitigation to help us ensure the privacy and security of our residents’ protected health information.

### **LIVING OUR VALUES**

QLS’s policies and standards provide helpful guidance and allow us to demonstrate our Values of *Safety, Communication, Integrity, Compassionate Relationships and Appearance*. Our policies provide direction to assist us with following the standards of the governmental agencies that oversee our operations. Given that the operations of health care organizations are overseen by many governmental agencies, many of our standards include the procedures we have put into place to make sure we are complying with the laws and regulations of such agencies.

## **Promoting Quality Care**

Quality Life Services shall provide the necessary nursing care and continuum of services to attain and maintain our residents' highest practicable physical, mental and psychosocial well-being in accordance with a comprehensive assessment and plan of care. As part of our ongoing efforts to deliver safe, effective and compassionate care to our residents, we will ensure that:

- There is a comprehensive, accurate assessment of each resident's functional capacity and a comprehensive care plan that includes measurable objectives and a timetable to meet the resident's medical, nursing, rehabilitative, spiritual, mental and psychosocial needs;
- Each resident receives appropriate treatment and services to address his / her clinical conditions and spiritual needs;
- Medically appropriate, individualized measures and processes are followed to help reduce the incidence of pressure ulcers, dehydration, malnutrition, incontinence of the bladder, falls and mental or psychosocial problems;
- Prescription drug usage (including psychotropic medications) is properly prescribed, administered and monitored and efforts are made to safely reduce psychotropic medication usage as appropriately directed by a physician;
- Staffing levels and competencies are appropriate for the resident population;
- Appropriate services are provided to assist residents with activities of daily living (e.g., feeding, dressing, bathing, etc.);
- Life enrichment (activities) programs are provided to meet the individual needs of residents for enjoyment and meaning; and
- The care plan includes opportunities for establishing and documenting goals of medical care in an environment that is as calm and which is as inclusive of resident and family input as is reasonably possible.

## **Honesty in our Activities and Communications**

Quality Life Services strives to ensure integrity in all activities conducted by or on behalf of our organization and promotes honesty in all levels of interaction within the organization. Our employees will honestly represent Quality Life Services at all times in the performance of their responsibilities including their communications with residents, family members, members of the health care team, supervisors, vendors, consultants, legal counsel, agents of federal governmental bodies and auditors, among others. Staff shall ensure that all information contained in business and medical records is complete and accurate at all times. Our marketing materials and communications will contain only truthful and fully informative information, consistent with our respective facilities' licenses and service delivery capabilities.

In accordance with our governmental investigations policy, QLS will provide documents and otherwise fully cooperate in a courteous manner with investigators from governmental agencies and licensing bodies, provided such cooperation is within the authorized scope of the investigation.

## Ensuring Ethical Business Transactions

- Gifts. Business transactions shall be free of soliciting, accepting or offering inappropriate gifts, which could be viewed as inducements to influence business decisions. Employees shall not accept gifts, favors, services, entertainment or other things of more than nominal value (*generally less than \$5.00*). Items such as flowers or food to be shared by staff members are acceptable. Similarly, the offer or giving of money, services or other things of more than nominal value with the expectation of influencing the judgment or decision-making of any purchaser, supplier, customer, government official or other person is absolutely prohibited.
- Conflicts of Interest. It is the policy of Quality Life Services that all directors, officers, employees and other representatives avoid actual or any potential conflicts of interest. A *conflict of interest* exists whenever a director, officer or other representative has an outside financial, ownership or investment interest, which may be direct or indirect through a family member or friend, which conflicts with the individual's duties or responsibilities on behalf of Quality Life Services *or* may adversely affect the individual's judgment in the discharge of his or her responsibilities to Quality Life Services. Any actual or potential conflict shall be brought to the immediate attention of the administrator of the home or to the Chief Quality Officer. Officers, directors, nursing home, personal care and home health/hospice administrators, QLS directors and other employees whose duties may involve the selection and retention of vendors are required to accurately complete and submit a conflict of interest disclosure statement when requested to do so by Quality Life Services.

## Privacy and Security of Information

Our policies require that our employees shall maintain the confidentiality of Quality Life Services' business, strategic and financial information and shall use this information only as needed to perform their specific job duties on behalf of Quality Life Services. In addition, employees are expected to maintain the confidentiality of residents' protected health information in accordance with applicable laws and regulations, as well as the policies, procedures and training materials provided by Quality Life Services. Employees will be trained to use and disclose only the minimum amount of information necessary to perform their job duties and when responding to a request for specific health information.

Our organization performs a risk assessment in accordance with federal privacy regulations in circumstances where there is a risk that PHI has been compromised. We understand that an incident is presumed to be a breach unless the risk analysis reveals that there was a "low probability" that the PHI was compromised.

QLS's information systems are the exclusive property of our organization and are to be used for business purposes only. This includes but is not limited to desktop computer equipment; hard drives; printers; handheld devices; software and operating systems; telephones; and network and/or Internet-related accounts providing electronic mail ("e-mail"), browsing, newsgroup access and social networking access. Our authorized users should only use our information systems for business related purposes and never for personal gain or profit.

Effective information security is a team effort involving the participation and support of every Quality Life Services employee and affiliate who handles information and / or information systems. Every computer

user is responsible for being aware of QLS's security standards, and to conduct their activities accordingly. For example, employees are responsible for reporting promptly the theft, loss or unauthorized disclosure of QLS's proprietary information and to keep passwords and/or passphrases secure.

## **Residents' Rights**

Residents have the right to dignity and to a care environment that promotes freedom of choice, self-determination and reasonable accommodation of individual needs. Residents are provided with a written statement of their rights upon admission to our nursing homes or home health/hospice program. In furtherance of these rights, Quality Life Services will ensure that policies are implemented and effective processes exist and are followed to ensure:

- *Non-Discrimination*: Residents are not excluded from, denied benefits to, or otherwise discriminated against on the grounds of race, color, national origin, disability, age, sex or gender identity in admission to, participation in, or receipt of the services and benefits under any of Quality Life Services' programs and activities;
- *Access to Services*: Residents have appropriate access to care and services;
- *Right to Accept or Refuse Treatment; Advance Directive*: Residents are informed and are provided with written information about their right to accept or refuse medical or surgical treatment and, at their option, to formulate an advance directive;
- *Right to Participate in Decision-making*: Residents or their health care representative are fully informed in advance about their care and treatment and of any changes in that care or treatment that may affect the resident's well-being, as well as such persons' rights to participate in the planning of such care and treatment, including any changes in care and treatment;
- *Dignity*: Residents receive personal privacy and a commitment to uphold their dignity;
- *Timely Access to Records*: Residents shall receive timely access to their personal health records upon request;
- *Freedom of Choice of Provider*: Residents' rights to use a physician of his or her own choice and to purchase prescribed medications from the pharmacy of their choice; and
- *Financial Affairs*: The residents' financial affairs are appropriately safeguarded in accordance with applicable laws and regulations.

## Notification in the Event of Adverse Consequences

QLS will immediately inform the resident, resident's physician, resident's representative or an interested family member and (if the resident has elected and is participating in a hospice program) the hospice administrator when any of the following has occurred:

1. An accident involving the resident which results in injury and has the potential for requiring physician intervention;
2. A significant change in the resident's physical, mental or psychosocial status (i.e., a deterioration in health, mental or psychosocial status in either life-threatening conditions or clinical complications);
3. A need to alter treatment significantly (i.e., a need to discontinue an existing form of treatment due to adverse consequences or to commence a new form of treatment); or
4. A decision to transfer or discharge the resident from the home.
5. In the event there is an alleged violation involving mistreatment, neglect or abuse, including injuries of unknown source and/or misappropriation of resident property, the procedures outlined in Quality Life Services' Resident Protection from Abuse Policy will be followed.

**EXHIBIT "A" DESCRIBES THE SPECIFIC RESPONSIBILITIES OF EMPLOYEES AND CONTRACTORS TO REPORT POSSIBLE CRIMINAL ACTIVITY UNDER THE ELDER JUSTICE ACT. OUR CLINICAL PROVIDERS ARE NOTIFIED OF THESE RESPONSIBILITIES THROUGH A SPECIFIC PROVISION IN THEIR SERVICES CONTRACT AND/OR THROUGH INFORMATION CONTAINED IN THE "CULTURE OF FAMILY" BOOKLET DISTRIBUTED TO THE CLINICAL PROVIDER.**

## Non-Discrimination

Quality Life Services does not exclude, deny benefits to, or otherwise discriminate against any person on the ground of sex (including gender identity) in admission to, participation in, or receipt of the services and benefits under any of its health programs and activities, and in staff and employee assignments, whether carried out by Quality Life Services directly or through a contractor or any other entity with which Quality Life Services arranges to carry out its programs and activities.

Quality Life Services' nursing homes provide free aids and services to people with disabilities to communicate effectively and provides free language services to people whose primary language is not English.

## **Accuracy of Billing and Cost Reporting**

Quality Life Services will comply with all applicable rules and standards for submitting claims for reimbursement and will implement appropriate measures designed to ensure that:

- We bill for items or services actually rendered;
- We submit claims for items and services that are medically necessary;
- We submit claims to Medicare Part A and Medicare Replacement plans only for residents who meet eligibility criteria for Part A;
- We provide accurate information about a resident's medical condition on the Material Data Sheet ("MDS") and with respect to the determination of the Resource Utilization Group ("RUG") score assigned to the resident for reimbursement;
- We accurately code the level of service provided;
- We bill for all necessary items that are required to be included in our per diem rate from Medicare or the Medicare Replacement plan.
- We maintain sufficient documentation to support the diagnosis, justify treatment, document the course of treatment and results and promote continuity of care; and
- We prepare and file cost reports that are complete, accurate and consistent with laws and regulations that set forth the methods for claiming reimbursement for the allowable costs of providing care and services to program beneficiaries.
- With respect to the furnishing of services or merchandise under Medicare and Medical Assistance Program, we do not:
  - o Knowingly or intentionally present a false or fraudulent claim or cost report;
  - o Knowingly presenting any claim or cost report for medically unnecessary services;
  - o Knowingly submitting false information in order to obtain greater compensation;
  - o Knowingly submitting false information in order to obtain authorization for the furnishing services;
  - o Submit a duplicate claim for services, supplies or equipment for which the provider has already received or claimed reimbursement;
  - o Submit a claim for services, supplies or equipment that were not rendered to a Medical Assistance recipient; or
  - o Make false statements in the application for enrollment as a provider.

## **Avoiding Kickbacks, Inducements, and Self-Referrals**

The Anti-Kickback Statute makes it a crime for any person to knowingly and willfully offer or pay any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce a person to make referrals for services that may be covered by a federal health care program or to purchase, lease, order or arrange for or recommend purchasing, leasing, or ordering any services that may be covered by a federal health care program. The Anti-Kickback Statute also prohibits any person from soliciting or receiving any remuneration in return for making referrals for federal program-covered services or purchasing, leasing, ordering, or arranging for or recommending purchasing, leasing, or ordering any service covered by a federal health care program.

We will avoid all arrangements that violate the Anti-Kickback law, including the following:

- routinely waiving coinsurance or deductible amounts without a good faith determination that the resident is in financial need or absent reasonable efforts to collect the cost-sharing amount;
- accepting or offering financial remuneration or anything else of value to or from an actual or potential referral source in exchange for the referral of federal healthcare program business (which includes the referral of person to a home health agency, hospice company or nursing home);
- entering into financial arrangements with physicians that exceed fair market value or fail to meet legal requirements; and
- entering into arrangements with vendors that result in any of our nursing homes receiving free services or non-covered items at below market prices or at no charge.

Any discounts or rebates received by a QLS entity for healthcare products or services we use will be properly disclosed on our cost reports and as otherwise required.

The Stark Law prohibits a physician from making referrals to an entity for the furnishing of Designated Health Services (“DHS”) which include, but are not limited to, ancillary services, clinical laboratory services, outpatient prescription drug services, physical and occupational therapy, and imaging services, if the physician or an immediate family member has a financial relationship (ownership or compensation) with the entity unless an exception applies. Further, the entity may not submit a claim to or bill for DHS furnished pursuant to a prohibited referral, and no payment may be made under Medicare for DHS furnished pursuant to a prohibited referral.

### **False Claims Act Laws**

Quality Life Services is committed to conducting its operations so as to prevent any violation of the fraud and abuse laws and regulations that apply to the billing and payment of claims. The law defines fraud as the making of false statements or representations of material facts to obtain some benefit or payment for which no entitlement would otherwise exist. The False Claims Act is a federal law which imposes civil liability on any person or entity that knowingly submits, or causes to be submitted, a false or fraudulent claim for payment or approval to the U.S. government or its contractors or agents. Entities found to have violated the FCA are subject to a civil penalty of not less than \$10,781 and not more than \$21,563 per false claim, plus three times the amount of damages which the Government sustains. The FCA also prohibits knowingly making or using (or causing to be made or used) false records or statements in order to get a claim paid or approved by the federal government or its contractors or agents. *Additional information about the False Claims Act is attached to this Code of Conduct in Exhibit “B”.*

### **Communication**

Quality Life Services believes that providing the communities we serve, residents/families, employees and our contracted vendors with meaningful information is a critical component of helping us to communicate how we live our Values and make our organization successful. We will maintain a current copy of our Code of Conduct on our organization’s home page. Our newly hired and current employees receive a booklet titled, *“Our Culture of Family”* that summarizes the concepts set out in this Code of Conduct including our organization’s history, Mission and Values, our commitment to safety, our expectations for communication, reporting and maintaining compassionate relationships, how we maintain our commitment to business and

organizational integrity and our expectations for the appearance of our facilities. All employees sign an affirmation statement expressing their commitment to upholding our values. A similar booklet is distributed to QLS's clinical vendors.

- ***Raising Questions and Concerns***

Quality Life Services promotes and maintains a culture of open communication that encourages all of our employees and customers to ask questions and to report any concerns or problems. Employees are encouraged to ask questions and report concerns to their immediate supervisor first. QLS employees are empowered to resolve any concern they can handle safely and competently on their own or with some guidance or instruction from a supervisor. Other concerns may be more complex, involve a more serious medical matter, require a more detailed review of something that happened or require more staff or expertise to resolve. In these circumstances, the matter should be formally reported, documented and corrected in accordance with our detailed Concern Procedure

If reporting the matter to the supervisor is not suitable for the issue or concern, the matter may be reported to a member of the Human Resources Department, to the Compliance Officer by email to [compliance@qualityliveservices.com](mailto:compliance@qualityliveservices.com) or through our Quality Care and Compliance Line ("Q-Line") at 866-884-6852.

The Q-Line is confidential and is available to all employees, contractors, residents, family members and the community to report concerns regarding quality, care, ethics or known or suspected instances of non-compliance with a law or regulation. Individuals shall be encouraged to call the Q-Line when: 1) the individual has not received a satisfactory response to a previously reported issue, (2) the individual is uncomfortable using the normal chain of command; and 3) the individual desires to report the matter without releasing his / her name or other identifying information.

It is the policy of Quality Life Services that employees and contractors shall not suffer any retaliation or other reprisal should they raise questions and concerns in good faith or exercise any right under, or participates in any process established by, federal, state, or local law, regulation or policy.

- ***Investigations and Corrective Action***

Once a concern or grievance, QLS responds as quickly and effectively as possible with the goal of always providing outstanding customer service. Ultimately, our goal is to continuously improve. All reported concerns and issues are logged and responded to promptly, including implementing any necessary changes to policies or practices as a result of the report.

Consistent with federal regulations, the Administrator of each QLS nursing home serves as the Grievance Official responsible for overseeing the concern and grievance process in the home, receiving and tracking concerns and grievances through to their conclusion, leading any necessary investigations, maintaining confidentiality and issuing written grievance decisions to the resident or representative.

## - **Training**

Quality Life Services has developed and continues to implement and maintain a training program for all staff. Training methods include computer based learning, monthly “Culture of Family” training on topics in support of our Values including our compliance policies, procedures and standards and in-person training provided by our vendors and professional associations in which we are members, such as the American Health Care Association and Pennsylvania Health Care Association. Since 2016, our internal training has been supported by a test administered to all staff to assist us with evaluating our staff’s understanding of our Values and important organizational policies.

## **Record Management**

Quality Life Services has developed a written record retention policy to ensure that records are preserved consistent with state and federal record retention requirements including standards adopted by the Commonwealth of Pennsylvania for long term care facilities, Center for Medicare and Medicaid standards and PA standards for medical assistance patients. Our policy includes procedures to avoid inappropriate disclosure of protected health information in connection with the disposal of such information.

## **Hiring/Contracting with Non-Excluded Persons**

The Office of Inspector General of the U.S. Department of Health and Human Services is authorized by law to exclude from Federal health care program participation any individual or entity convicted of a “program-related” crime; a crime related to patient abuse or neglect; or certain felonies related to health care delivery, governmental health care programs, or controlled substances. Quality Life Services routinely checks the OIG’s List of Excluded Providers and Individuals and does not employ or contract with any person or entity that is debarred, suspended or excluded from or declared ineligible to participate in any federal health care program.

## **Monitoring and Auditing**

Our organization has implemented a variety of systems to monitor compliance with applicable laws, and regulations. We have developed specific audit criteria to ensure that deficiencies in the billing process are identified and corrected and that the claims submitted for the services provided to our residents are accurate and in compliance with requirements for participation in third party reimbursement programs. Our internal peer review program assists our skilled nursing homes with meeting identified Pennsylvania Department of Health regulations governing skilled nursing facilities, DOH Life Safety requirements federal Medicare Conditions of Participation and other applicable federal regulations. Our peer review program also assists our personal care homes with meeting applicable Pennsylvania Department of Human Services operational, administrative and safety regulations.

## **Disciplinary Guidelines**

Our Code of Conduct contains general information and guidelines to help our organization understand and live our Values consistent with our commitment to comply with applicable laws, regulations and ethical standards. This Code does not replace or modify our organization's policies.

All employees, contractors, volunteers, vendors, officers and directors are expected to comply with applicable policies and standards of Quality Life Services, including applicable administrative and departmental policies and procedures and the policies and standards.. Failure to comply with any component of a Quality Life Services policy will result in disciplinary action as described in our Employee Handbook or the taking of remedial action under a contractual arrangement.

## EXHIBIT "A"

### ELDER JUSTICE ACT INFORMATION

THE ELDER JUSTICE ACT IS A LAW WHICH WENT INTO EFFECT AS PART OF THE "AFFORDABLE CARE ACT". THE ELDER JUSTICE ACT IS DESIGNED TO UNCOVER CRIMES AGAINST CARE RECIPIENTS IN LONG-TERM CARE FACILITIES. THE ELDER JUSTICE ACT REQUIRES EACH OWNER, OPERATOR, EMPLOYEE, MANAGER, AGENT OR CONTRACTOR OF A NURSING HOME FACILITY (A "COVERED INDIVIDUAL") TO REPORT TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND AT LEAST ONE LOCAL LAW ENFORCEMENT ENTITY, "ANY REASONABLE SUSPICION OF A CRIME" (AS DEFINED BY THE LAW OF THE APPLICABLE POLITICAL SUBDIVISION) AGAINST ANY INDIVIDUAL WHO IS A RESIDENT OF, OR IS RECEIVING CARE FROM, THE FACILITY.

COVERED INDIVIDUALS SHOULD REPORT TO THE PENNSYLVANIA DEPARTMENT OF HEALTH AND TO THE LOCAL POLICE DEPARTMENT SERVING THE COMMUNITY WHERE THE RESIDENT IS RECEIVING CARE. THE REPORT SHOULD CONTAIN THE NAME OF THE PERSON MAKING THE REPORT AS WELL AS THE DATE AND TIME OF HIS / HER AWARENESS OF THE INCIDENT. GENERALLY, SUSPICIOUS EVENTS MUST BE REPORTED WITHIN 24 HOURS; HOWEVER, ANY EVENT RESULTING IN "SERIOUS BODILY INJURY" MUST BE REPORTED NO LATER THAN TWO (2) HOURS AFTER FORMING THE SUSPICION.

"SERIOUS BODILY INJURY" IS DEFINED AS "AN INJURY — (I) INVOLVING EXTREME PHYSICAL PAIN; (II) INVOLVING SUBSTANTIAL RISK OF DEATH; (III) INVOLVING PROTRACTED LOSS OR IMPAIRMENT OF THE FUNCTION OF A BODILY MEMBER, ORGAN, OR MENTAL FACULTY; OR (IV) REQUIRING MEDICAL INTERVENTION SUCH AS SURGERY, HOSPITALIZATION OR PHYSICAL REHABILITATION."

## EXHIBIT "B"

### Summary of Federal and Pennsylvania False Claims Acts

#### **The Federal False Claims Act (31 U.S.C. §3729):**

The False Claims Act makes it unlawful for any person to knowingly present, or cause to be presented, to the United States Government a false or fraudulent claim for payment or approval or a false record or statement to get a false or fraudulent claim paid or approved by the Government, including claims submitted by healthcare providers to Medicare or Medicaid. The terms "knowing" and "knowingly" mean that a person, with respect to information (1) has actual knowledge of the information; (2) acts in deliberate ignorance of the truth or falsity of the information; or (3) acts in reckless disregard of the truth or falsity of the information. No proof of specific intent to defraud is required. A person who violates the False Claim Act is liable to the United States Government for a civil penalty of not less than \$10,781 and not more than \$21,563, plus 3 times the amount of damages *per false claim* and the costs of the civil action against the entity that submitted the false claims.

The federal False Claims Act contains a "qui tam" or "whistleblower" provision. This allows a private person with knowledge of a false claim to bring a civil action on behalf of the United States Government. The purpose of bringing the qui tam suit is to recover the funds paid by the Government as a result of the false claims. Sometimes the United States Government decides to join the qui tam suit. If the suit is ultimately successful, the whistleblower who initially brought the suit may be awarded a percentage of the funds recovered. Because the Government assumes responsibility for all of the expenses associated with a suit when it joins a false claims action, the percentage is lower when the Government joins a qui tam claim. The federal False Claims Act also contains a provision that protects a whistleblower from retaliation by his employer. This applies to any employee who is discharged, demoted, suspended, threatened, harassed, or discriminated against in his employment as a result of the employee's lawful acts in furtherance of a false claims action. The whistleblower may bring an action in the appropriate federal district court and is entitled to reinstatement with the same seniority status, two times the amount of back pay, interest on the back pay, and compensation for any special damages as a result of the discrimination, such as litigation costs and reasonable attorneys' fees.

#### **Pennsylvania Law (62 P.S. §1407):**

Pennsylvania also has a law designed to prevent and detect fraud, waste, and abuse in the Pennsylvania medical assistance program. The law describes certain prohibited acts which are subject to criminal penalties and civil remedies. For example, the Pennsylvania law makes it unlawful for any person to:

- Knowingly or intentionally presenting a false or fraudulent claim or cost report for furnishing services or merchandise under medical assistance;
  - Knowingly presenting any claim or cost report for medically unnecessary services or merchandise under medical assistance;
  - Knowingly submitting false information in order to obtain greater compensation than that to which one is legally entitled for furnishing services or merchandise under medical assistance;
  - Knowingly submitting false information in order to obtain authorization for furnishing services or merchandise under medical assistance;
  - Submitting a duplicate claim for services, supplies or equipment for which the provider has already received or claimed reimbursement;
  - Submitting a claim for services, supplies or equipment that were not rendered to a recipient;
  - To make a false statement in the application for enrollment as a provider;
- and
- To solicit or receive or to offer or pay any remuneration, including any kickback, bribe or rebate, directly or indirectly, in cash or in kind from or to any person in connection with the furnishing of services or merchandise for which payment may be in whole or in part under the medical assistance program

Any person who commits any of these acts is guilty of a third degree felony, punishable by a fine of \$15,000 and seven years imprisonment. Subsequent offenses are second degree felonies, punishable by a fine of \$25,000 and ten years imprisonment. Any person convicted of such acts must repay the amount of excess benefits or payments, plus interest, and up to three times the amount of excess benefits or payments. Any person convicted of the above acts shall be ineligible to participate in the medical assistance program for a period of five years from the date of conviction. In addition, the Department of Human Services has the authority to immediately terminate the provider agreement and to institute a civil suit. Any action taken by the Department of Human Services against a provider will be forwarded to the Medicaid Fraud Control Unit of the U.S. Department of Justice and to the appropriate licensing board of the Pennsylvania Department of State.

Pennsylvania law also makes it unlawful to knowingly or intentionally make or cause to be made a false statement or misrepresentation or to willfully fail to disclose a material fact regarding eligibility, including, but not limited to, facts regarding income, resources or potential third-party liability, for either themselves or any other individual in connection with the application for any medical assistance benefits or payments. A violation of this provision of state law is a crime and such person shall pay restitution of any medical assistance benefits and must forfeit any rights to benefits during any period of incarceration (62 P.S. §1408).

Pennsylvania has its own whistleblower protection law. Like the federal False Claims Act, the Pennsylvania whistleblower law includes provisions to prevent employers from retaliating against employees who make a good faith report of wrongdoing or waste involving their employer.