

**Home Bound
Healthcare, Inc.
Corporate Compliance
Program**

Home Bound Healthcare's Commitment to Compliance

Home Bound Healthcare, Inc. ("Home Bound") is committed to maintaining an environment that promotes ethical conduct and strict adherence to all Federal, State and local laws in its business operations and in its care for patients. In an effort to bring this commitment into everyday practices, the Governing Body has adopted the following mission, goals and ethics policy:

Home Bound Healthcare's Corporate Compliance Mission

It is the mission of Home Bound Healthcare to maintain a work environment that promotes the highest ethical standards of business and care for its patients. Home Bound believes that the foundation of quality patient care and good business practices is rooted in compliance with Federal, State and Local laws governing the provision of healthcare.

Home Bound Healthcare's Corporate Compliance Goals

- I. The Prevention of Fraud and Abuse - This goal is paramount to Home Bound's commitment to compliance and is the primary goal of Home Bound's corporate compliance program. Home Bound believes that educating all employees, affiliated providers and healthcare professionals in the service of Home Bound about fraud and abuse prevention, and the laws regarding fraud and abuse, is the greatest tool in meeting this goal.
- II. The Swift Identification of Unethical/Unlawful Activities or Poor Quality Services - Home Bound is committed to establishing and maintaining effective systems and mechanisms to quickly identify activities that violate ethical standards and/or Federal, State or Local laws. Home Bound believes that approaches to monitor, test and evaluate ongoing ethical, lawful and quality practices must be creative, flexible and consistently in place. To meet this challenge Home Bound has hired a full-time Corporate Compliance Officer, has developed a Corporate Compliance Program, and has created a Corporate Compliance Committee. In addition, a variety of reporting mechanisms (i.e. Anonymous Hot Line, E-mail, Person-to-Person, etc) have been established to provide an easily accessible method of reporting complaints, concerns or issues of unethical, unlawful or poor quality practices.
- III. The Enforcement of Standards and Prompt Response to Detected Offenses with Corrective Action(s) – Critical to an effective compliance program is a commitment to correcting offenses, violations or episodes of non-compliance

Home Bound Healthcare's Corporate Compliance Ethics Policy

Home Bound believes that compliance with Federal, State and Local laws, as well as maintaining the highest ethical standards of care, is the responsibility, without exception of every employee including Governing Body members, senior management, supervisors, direct care givers or anyone who might perform work for, or on behalf of, Home Bound Healthcare, Inc. This also includes any affiliated providers and/or healthcare professional operating under Home Bound's control. A Code of Conduct has been created to clearly communicate these standards to every person working for, or on behalf of, Home Bound Healthcare. Vital to the spirit and intent of this document is the requirement that each person must perform their duties, regardless of department or affiliation, truthfully, honorably and with full adherence to Federal, State and Local laws.

Home Bound Healthcare, Inc. Corporate Compliance Program

Purpose

The purpose of Home Bound's Compliance Program is three-fold. First, is for the prevention of fraud and/or abuse by employees, contracted vendors or other entities that perform work on behalf of Home Bound. Second, is to establish mechanisms and systems to quickly identify and correct issues that may lead to unethical, unlawful or poor quality activities or events so that corrective action(s) can be swiftly implemented. Finally, is to develop, implement and maintain a system of enforcement standards and prompt reaction(s) to identified areas of concern and/or offenses.

Compliance Program Elements

Home Bound believes that the use of internal controls that efficiently monitor adherence to applicable statutes, regulations and program requirements offer the most consistent and effective basis of its corporate compliance program. The elements of Home Bound's compliance program are consistent with the seven elements recommended by the Department of Health and Human Services' Office of Inspector General ("OIG"). Home Bound is dedicated to allocating the necessary resources to develop and implement all elements of this program. These seven fundamental elements are:

- I. Implement written policies, procedures and Code of Conduct;
- II. Designate a Corporate Compliance Officer and Corporate Compliance Committee;
- III. Conduct effective training and education;
- IV. Develop effective lines of communication;
- V. Enforce standards through well-publicized disciplinary guidelines;
- VI. Conduct internal monitoring and auditing; and
- VII. Respond promptly to detected offenses and develop corrective action(s).

Compliance Program Activities & Compliance Committee Responsibilities

Home Bound's Corporate Compliance Program is operated and monitored by the Corporate Compliance Committee. Members of the Compliance Committee are appointed with the approval of the Governing Board. The Corporate Compliance Officer chairs this committee and directs its activities.

The Compliance Committee's primary functions include: (a). Analyzing and knowing all the laws, regulations and statutes that Home Bound is required to follow; (b). Identifying areas or activities that pose risk for violation of these laws, statutes or regulations; (c). Assessing existing policies and procedures that address these risk areas for possible incorporation into the compliance program; (d). Working with each discipline/department to develop Code of Conduct and policies and procedures to promote compliance with these laws, statutes and regulations; (e). Recommending and monitoring the development of internal systems and controls to carry out Home Bound's standards, policies and

procedures as part of their daily operations; (f). Determine the best strategies/approaches to promote compliance and detect potential violations via fraud reporting mechanisms; (g). Develop a system to solicit, evaluate and respond to complaints and problems; and (h). Monitor internal and external audits and investigations for the purpose of identifying troublesome issues and deficient areas and implementing corrective and preventive actions.

The Compliance Committee will concentrate resources, time and effort to meet these functions via the following approaches/objectives:

1. ***Policies & Procedures:*** Evaluate current policies and procedures to determine effectiveness and compliance with statutes, regulations and program requirements. Update, create, and/or revise policies and procedures when areas of weakness are identified or when industry changes warrant such. Identify areas that pose the greatest risk/exposure of unethical, unlawful or poor quality practices. Develop policies and procedures that clearly communicate to every employee and agent their responsibilities. Ensure that policies are understandable and communicated to relevant personnel, vendors and/or other business associates. Ensure that these policies, procedures and standards are incorporated into yearly performance evaluations so that employee adherence can be regularly assessed and addressed as warranted.

Policies and procedures that are an area of special focus for the Compliance Committee are:

- Policies and procedures regarding the claim development and submission process
- Policies and procedures regarding anti-kickback and self referral issues
- Policies and procedures regarding the retention of records
- Policies and procedures regarding the inclusion of corporate compliance knowledge and adherence into performance evaluations, promotions and supervisory duties
- Policies and procedures regarding disciplinary actions for compliance violations
- Policies and procedures for reporting suspected fraud, waste, abuse or other improprieties without fear of retaliation
- Policies and procedures regarding initial and ongoing employee corporate compliance and ethics education/training

2. ***Training and Education:*** Every Home Bound Employee is required to participate in basic Corporate Compliance training upon hire and, at least, annually thereafter. Employees whose job functions require additional compliance training specific to their duties must participate in ongoing training. The Committee will identify training and education needs. General compliance training and job-specific compliance training will be reviewed at least annually by the committee and updated and/or revised as warranted. The Committee will also determine educational needs for vendors, affiliates and agents. The Committee will utilize numerous resources to direct the development and content of educational programs. Some of these resources may include, but not be limited to: (a). Information obtained from ongoing auditing results; (b). Complaints/concerns received from patients, families, employees, vendors, etc; (c). Results of regulatory inspections; (d). Changes in Home Health governing statutes, regulations and/or conditions of participation; and (e). Newly identified areas of risk.

3. ***Foster Effective Lines of Communication:*** The Compliance Committee will ensure that employees, vendors, agents and patients have effective and efficient methods to report issues, make complaints and raise questions. This includes: the availability of an anonymous “Hot-Line” number; the creation of procedures that will protect the anonymity of complainants and protect

whistleblowers from retaliation; unrestricted access to the corporate compliance officer that offer avenues outside the normal chain of command or supervisors that cannot be diverted by other personnel; post care satisfaction questionnaires; and voluntary participation in the CAHPs program. Additionally, the Compliance Committee will be responsible developing an effective means of communicating policies, procedures, standards, expectations and educational materials to all employees and agents of Home Bound. The Committee will consider the form of communication (i.e. written, video, audio, etc); the frequency of delivery; and the educational level of the audience when developing lines of communication. The primary goal of this objective is to foster understanding and knowledge among all staff and Home Bound agents. The Committee's primary training and educational targets are: (a). Current Federal, State and Local laws governing the Home Health industry; (b). Teaching all employees and agents about Home Bound's Code of Conduct, the Home Bound Corporate Compliance Program, and relevant policies and procedures; and (c). Educating employees, patients and agents regarding the process to submit a complaint/concern.

4. ***Developing a System to Respond to Allegations of Improper or Illegal Activities:*** The Compliance Committee will be responsible for developing disciplinary guidelines and enforcing appropriate disciplinary action(s) when violations of compliance policies, applicable statutes/regulations or Federal Healthcare requirements are found. It is also the responsibility of the Compliance Committee to clearly communicate these disciplinary guidelines through well-publicized means that may include, but not be limited to: notices in the Employee Handbook; inclusion in ongoing training and education programs; and individual counseling and training sessions as warranted. The Compliance Committee will monitor that policies, procedures and systems are in place that ensure: (a). consequences of non-compliance are consistently applied and enforced; and (b). that all levels of employees are subject to the same type of disciplinary action for the commission of a similar offense.

5. ***Ensure that Internal Monitoring and Auditing Programs are Consistently Performed:*** The Compliance Committee develops, implements and regularly utilizes various programs and studies, including quality improvement/monitoring studies to evaluate compliance and assist in the reduction of identified problem areas. This is accomplished via the identification of risk areas (those duties, job assignments or responsibilities that pose risk for unethical or unlawful activity) and the subsequent development and implementation of monitoring systems to evaluate and test these risk areas for compliance. The Committee has great discretion in developing and implementing needed systems of "checks and balances". This includes the ability to utilize outside consultant/auditing firms to perform various evaluations when deemed necessary. The Compliance Committee has considered the OIG's special areas of concern when prioritizing risk areas for ongoing monitoring as they apply to Home Bound. These areas are:
 - Billing for items or services not actually rendered
 - Billing for medically unnecessary services
 - Duplicate billing
 - False cost reports
 - Credit balances – failure to refund
 - Home Bound's incentives to actual or potential referral sources (i.e. physicians, hospitals, patients, etc) that may violate the anti-kickback statute or other similar Federal or State statute or regulation
 - Joint ventures between parties, one of whom can refer Medicare or Medicaid business to the other
 - Stark physician self-referral law

- Billing for services provided to patients who are not confined to their residence (or “home bound”)
- Billing for visits to patients who do not require a qualifying service
- Over utilization and under utilization
- Knowingly billing for inadequate or substandard care
- Insufficient documentation to evidence that services were performed and to support reimbursement
- Billing for unallowable costs of home health coordination
- Billing for services provided by unqualified or unlicensed clinical personnel
- False dating of amendments to nursing notes
- Falsified plans of care
- Untimely and/or forged physician certifications on plans of care
- Forged beneficiary signatures on visit slips/logs that verify services were performed
- Improper patient solicitation activities and high-pressure marketing of uncovered or unnecessary services
- Inadequate management and oversight of subcontracted services which result in improper billing
- Discriminatory admission and discharge of patients
- Compensation programs that offer incentives for number of visits performed and revenue generated
- Patient abandonment in violation of applicable statutes, regulations and Federal Health care program requirements
- Knowing misuse of provider certification numbers, which results in improper billing
- Duplication of services provided by assisted living facilities, hospitals, clinics, physicians, and other home health agencies
- Knowing or reckless disregard of willing and able caregivers when providing home health services
- Failure to adhere to home health agency licensing requirements and Medicare conditions of participation
- Knowing failure to return overpayments made by Federal health care programs

Additional risk areas will be identified on an ongoing basis as monitoring analysis and industry trends dictate.

6. ***The Investigation and Remediation of Identified Systemic Problems:*** The Compliance Committee ensures that areas of concern, complaints, etc. are investigated and identified issues of non-compliance are quickly abated and resolved. This can be done via new policy and procedure development, disciplinary action(s), system changes, educational sessions, or any other method that the Committee determines appropriate to prohibit further incidents of non-compliance.
7. ***Ensuring that Employees and All Other Business Agents or Contractors are Qualified to Provide Services:*** The Compliance Committee ensures that systems are in place to effectively assess the qualifications and caliber of employees, volunteers, contractors, agents or any other business associate. At a minimum, these mechanisms for hiring and retention will specifically include: (a). Non-employment of, retention of, or association with, sanctioned individuals or those listed on the OIG’s list of excluded providers; (b). Ensuring that all licenses and certifications are in good, unrestricted standing; (c). Ensuring that registered sexual offenders, those listed on the “Most Wanted” list and other conviction sites are not hired or retained; (d). Ensuring that employees meet criminal history policy requirements; and (e). Ensuring that reasonable and prudent background checks have been completed.