

ESSENTIAL SENIOR HEALTH AND LIVING

ETHICS AND COMPLIANCE

MISSION:

Committed to creating an environment that fosters compassionate care and meaningful relationships with those we serve.

CORE VALUES:

Service: Extending ourselves to heal and comfort our community.

Enthusiasm: Showing our love for our residents with eager enjoyment and approval.

Respect: Respecting the inherent value of each person.

Value: Demonstrating open, honest, and sincere behavior in all our interactions.

Excellence: Pursuing only the highest standards of quality in all that we do.

THE CORPORATE COMPLIANCE AND ETHICS PROGRAM:

Essential Senior Health and Living (ESHL) is committed to the highest standards of ethics, honesty, and integrity in pursuit of its mission. Members of the Board of Directors (Board), the President/CEO, members of senior management, employees, medical staff, volunteers, vendors, independent contractors, and others representing ESHL are expected to adhere to these standards of conduct in the discharge of their duties. The ESHL Corporate Compliance and Ethics Program demonstrates the commitment to ethical conduct and compliance by setting forth guidelines for conduct designed to prevent and detect violations of law and encouraging compliance by providing support, training, and educational resources to assist ESHL in fulfilling its responsibilities. The program is designed to assist and facilitate ESHL in fulfilling its compliance responsibilities by creating a process to monitor compliance efforts and documenting the expectations for members of the ESHL community in the performance of their responsibilities at ESHL.

ORGANIZATIONAL STRUCTURE:

ESHL has a Corporate Compliance and Ethics Committee, chaired by the Corporate Compliance Officer (CCO) and composed of members of senior management necessary to support the CCO in fulfilling his or her responsibilities under the Program. The CCO reports on compliance activities to the ESHL Board. Each Essential Senior Health and Living nursing facility in the corporation has a Compliance and Ethics Committee, chaired by a Facility Compliance and Ethics Liaison. The CCO will oversee the Liaisons.

THE CORPORATE COMPLIANCE AND ETHICS COMMITTEE:

The committee is composed of members of senior management of ESHL and its entities.

The Corporate Compliance and Ethics Committee has oversight responsibilities for the compliance activities of ESHL and assists in fulfilling its legal compliance obligations, providing support for functions related to ESHL operations and activities. This committee provides a forum for discussion of compliance-related issues and the status of action plans developed to resolve those issues. The Corporate Compliance and Ethics Committee oversees the following areas of compliance activity:

- Informing, training, and educating the ESHL community about the ESHL Code of Conduct and ethical obligations under that code.
- Monitoring compliance activities, including policies, procedures, training and education programs at each of the organization's nursing facilities.
- Serving as a resource to ESHL on matters of compliance and legal and regulatory changes and assessing and identifying areas of risk.
- Maintaining the anonymous hotline/email account managed by and seen only by the professional assigned to answer and the CCO for confidential reporting of compliance matters.
- Assisting operational units in developing corrective action plans.
- Recommending and reviewing disciplinary action for violations of the code.

The Corporate Compliance and Ethics Committee advises the CCO and assists in the development and implementation of the Program. The duties and responsibilities of the Corporate Compliance and Ethics Committee include:

- Assisting in the development of a risk-based compliance and ethics plan that addresses regulatory compliance with all governing bodies and regulatory agencies, including but not limited to the Centers for Medicaid Services (CMS), Indiana Department of Social Services (DSS), Indiana Department of Public Health (ISDH), the Office of Inspector General (OIG).
- Delegating primary responsibility for compliance with standards and regulations of the Department of Labor (DOL), Internal Revenue Service (IRS), Drug Enforcement Administration (DEA) and Quality Improvement Organizations (QIO).
- Coordinating efforts, communication and reporting between the CCO, and Privacy Officer and compliance management in all Essential Senior Health and Living facilities to ensure effective monitoring and reporting. Within the various facilities, departments of the organization, and the system and its entities, management will have day-to-day oversight and responsibility to ensure that internal controls over compliance are in place and working effectively.
- Maintaining a system to solicit, evaluate and respond to complaints and problems.
- Periodically reviewing the Code policies and procedures as well as other compliance-related policies as requested; approving appropriate additions, deletions, and/or revisions as recommended by the CCO and ensuring that all officers, directors, employees, contractors and volunteers are familiar with the Code through training and educating and fulfilling their duties for completing the annual disclosure statement.
- Monitoring compliance education activities and scope and providing input to the overall content of annual training. In addition, ESHL nursing facilities and departments may consult with the CCO regarding general and specialized compliance training sessions based on unique requirements.

- Performance of a compliance effectiveness performance assessment to identify inherent business risks and evaluate internal compliance controls necessary for an effective Program. The assessment may include an evaluation of policies and implementing procedures, the accuracy of medical coding and billing, and the level of employee awareness regarding Corporate Compliance and Ethics Programs. From the assessment, the Corporate Compliance and Ethics Committee will approve recommendations for improvement and support the implementation of those actions.

The Corporate Compliance and Ethics Committee consists of the following members of senior management:

- President and Chief Executive Officer
- Vice-President and Chief Financial Officer
- Director of Quality Oversight and Infection Prevention
- Facility Administrators

Management staff will be invited to attend committee meetings when appropriate, including but not limited to the Director of Nursing and Assistant Director of Nursing.

THE AUDIT, COMPLIANCE, AND RISK (ACR) COMMITTEE:

The ACR is a standing committee of the ESHL Board and provides a direct, open channel of communication to the Board for the external and internal auditors.

The ACR is comprised of 3 or more Board members and/or such other non-trustees as the Board may appoint. At least one ACR member shall have accounting or related financial management experience. All voting members shall meet the standards for Board independence. The ACR oversees the comprehensive audit, risk and compliance functions, and programs.

The ACR ensures that quality accounting practices, internal controls, and independent, external auditors are retained to deter and uncover fraud, anticipate financial and non-financial risks, and promote accurate, high-quality, and timely disclosure of financial and related information to the Board and others as appropriate.

The ACR also has full power and authority, as delegated by the Board, to engage the independent external auditors and approve the provision of all special, non-audit services that may be undertaken by the external auditors.

Specific ACR responsibilities may include:

- Approving the scope and approach of external audit services, reviewing the audit results, and overseeing follow-up on significant findings.
- Overseeing the adequacy of internal controls.
- Overseeing the quality, integrity, appropriateness, and acceptability of financial reports and accounting policies and practices, and the processes that produce them.
- Overseeing the management of risk.
- Overseeing the internal audit function, including reviewing and approval of the annual work plan, coordination of the plan with the independent auditors, as necessary, and the overseeing of special projects, including any corresponding work plans.

- Overseeing the maintenance of regular unimpeded access to ESHL's internal auditor on at least a quarterly basis. The Internal Audit Plan may include specific topics selected from the current or previous year's Office of Inspector General's (OIG) work plan.

The ACR also ensures compliance with legal, regulatory, and other policies, procedures, and laws, as well as the ESHL Code. Specific responsibilities include:

- Oversight of the Program, its implementation, and assessment of any exposures.
- Oversight of the yearly conflict-of-interest survey and reporting process
- Oversight of yearly assessment to ensure that the ESHL Board is composed of a majority of independent Directors.

Board of Directors

The CCO reports directly to the Board. The Board receives at least quarterly briefings from the Chief Compliance Officer on areas of significant compliance risk. The board also receives guidance on compliance from the ACR.

Document retention

All documents will be maintained for a period of time consistent with state or federal laws and ESHL policy.

Policies and procedures

All policies and procedures related to the Program or any federal healthcare rule or regulation shall be reviewed and revised on a yearly basis or as necessary.

ESHL CODE OF CONDUCT:

The following areas are covered in the ESHL Code of Conduct:

- Reporting violations of the standards
- Following all federal healthcare program rules and regulations
- Compliance with the law
- Providing excellent patient care
- Preparing and submitting accurate claims
- Protecting confidential information
- Adhering to anti-referral and healthcare fraud and abuse legislation
- Not accepting inappropriate gifts or gratuities
- Not giving inappropriate gifts to residents, physicians and vendors
- Avoiding conflicts of interest
- Following antitrust regulations
- Keeping accurate and complete records
- Conducting political activities according to the law
- Protecting the environment
- Providing a safe workplace
- Not tolerating harassment or discrimination
- Appropriately using assets

- Protecting access to information systems
- Adhering to intellectual property laws
- Ensuring and maintaining the privacy and security of confidential resident, employee and business information collected and maintained by ESHL

This Code provides the guiding standards of conduct for all members of the ESHL community and sets forth ESHL's commitment to good practices and compliance with applicable laws and regulations. Senior management is responsible for ensuring that the Code is observed by all members of the ESHL community under their direct and indirect supervision.

Statement of receipt and acknowledgment

ESHL employees, volunteers and contracted individuals shall acknowledge receipt of the ESHL Code and accept individual responsibility for knowing and adhering to the Code annually. The Code shall be signed by all employees as part of the new employee orientation and during the annual Education Fair at each facility. Volunteers and contracted individuals should also sign acknowledgments.

Compliance with the law

ESHL is committed to compliance with all applicable laws, rules and regulations. It is the responsibility of each member of the ESHL community to follow, in the course and scope of his or her employment at, or affiliation with, ESHL, all applicable laws, rules, regulations and policies and to maintain an educational, healthcare, and business environment that is committed to integrity and ethical conduct.

Documentation of healthcare services

ESHL is committed to accurate and complete documentation of healthcare services. ESHL has adopted policies and procedures designed to deal with misconduct healthcare services. It is essential that the delivery of healthcare services be conducted and documented as required by applicable laws, rules and regulations. Federal regulations relating to accurate reporting and appropriate expenditure of grant funds shall be followed. Additionally, members of the ESHL community shall follow laws and regulations governing the requirements of billing for healthcare services.

Kickbacks

ESHL is committed to following federal and state anti-kickback laws and regulations. When someone who can influence ESHL purchasing decisions takes money or anything of value from a vendor, it may be considered a kickback and is illegal. Additionally, members of the ESHL community should be aware that if someone refers a patient to another provider and receives something of value in exchange, it may be considered a kickback. Anti-kickback rules also apply to the recruitment of physicians.

Market competition

ESHL is committed to complying with state and federal antitrust (monopolies) laws and regulations. ESHL policy and business practices prohibit setting charges in collusion with competitors, certain exclusive arrangements with vendors, and the sharing of confidential information with competitors

Purchasing

All purchasing decisions shall be made without any conflicts of interest. Any concerns about the legality of a proposed transaction, such as inducements offered by vendor or supplier, should be discussed with the supervisor or the CCO.

Conflict-of-interest

ESHL is committed to following and enforcing its conflict-of-interest policy. All members of the ESHL community should avoid potential or perceived conflict of interest. Any concerns about a proposed transaction that may involve inducements offered by a vendor or supplier or a business relationship with a company that is connected with you or a family member should be discussed with the CCO.

Screening to ensure eligibility to participate in federal healthcare programs

All employees, medical staff members, contractors, and vendors providing services to ESHL shall comply with all applicable laws and ESHL policies. The organization reviews at least once per year all employees. Medical staff members, contractors and vendors of the organization are also reviewed against Medicare exclusion lists. A similar scan is run for all new employees and vendors of the organization prior to hiring these individuals to provide services to ESHL.

Environment

ESHL is committed to complying with all applicable laws and maintaining all necessary environmental permits and approvals. Environmental compliance includes the proper handling, storage, use, shipment, and disposal of all materials that are regulated under any applicable environmental law. If any employee has knowledge that a spill, release or discharge of any material regulated pursuant to an applicable environmental law has occurred, the employee shall immediately report such an event to ensure the necessary actions are taken. Necessary action may include evacuating employees, reporting such event to a governmental authority if required, pursuant to any environmental law and containing and cleaning up any such spill, release or discharge. Employees should also report any other violations of applicable environmental law of which they have knowledge that could endanger the health and safety of other individuals.

Confidentiality

ESHL is committed to the appropriate protection of confidential information. The organization is required under Health Insurance Portability and Accountability Act of 1996 (HIPAA) rules and regulations to protect the confidentiality of patient protected health information. Many members of the ESHL community have access to various forms of sensitive, confidential and proprietary information. ESHL policy prohibits seeking, disclosing or giving of such information, including confidential information, except as allowed or required by law.

Controlled substances

ESHL has a zero tolerance policy which prohibits the unlawful possession, use, manufacture or distribution of illegal drugs and alcohol on its property or as part of any ESHL sponsored activity.

Discrimination

ESHL is committed to the principles of equal employment and affirmative action. ESHL does not discriminate on the basis of race, color, religion, sex, national or ethnic origin, age, disability, sexual orientation, or military service in administration of educational policies, programs or activities, its admission policies, its scholarship and loan programs or employment. The CCO in conjunction with the CEO has responsibility for monitoring affirmative action and assisting with application and interpretation of laws that impose those obligations on ESHL.

Any member of the ESHL community who experiences harassment or discrimination on the basis of sex, race, color, religion, national origin, age, disability, or sexual orientation should immediately seek assistance from the CCO. The CCO in conjunction with the CEO either receives or is informed of all complaints of unlawful discrimination raised within the ESHL community and assists in the resolution of those complaints. ESHL prohibits retaliation against members of the ESHL community who, in good faith, make complaints of harassing or discriminatory conduct.

ESHL follows a zero tolerance policy.

Response to investigation

ESHL is committed to cooperating with government investigators as required by law. If an employee receives a subpoena, search warrant, or other similar document referring to any ESHL entity, before taking any action, the employee shall immediately contact the Administrator of the facility. The Administrator, in conjunction with the CEO of ESHL is responsible for authorizing the release or copying of documents. If a government investigator, agent or auditor comes to an ESHL facility, the Administrator and/or CEO may be contacted prior to an employee cooperating with such investigator, agent or auditor.

Compliance training

ESHL is committed to providing compliance training and education with applicable laws, rules and regulations. All employees, contracted individuals, and board members of the organization will receive compliance training each year, specifically related to the Code and ESHL's program. Employees in specific departments or job functions such as billing, coding, nursing, and physicians, may receive, as needed, additional specific hours of training each year related to compliance and their job function.

Medical staff that do not participate in general compliance training will receive a compliance training package that includes the ESHL Code and policies, procedures and training materials as applicable.

Billing and claims

ESHL is committed to charging, billing, documenting and submitting claims for reimbursement for ESHL services in the manner required by applicable laws, rules and regulations. All employees should know and carefully follow the applicable rules for submission of bills and claims for reimbursement on behalf of ESHL entities. If you know or suspect that a bill or claim for reimbursement is incorrect, you are required to report it immediately to the CFO or the CCO. If the organization becomes aware of any overpayments, these shall be repaid to the fiscal intermediary or other payer in accordance with federal and state law and applicable rules and regulations. Remedial action shall be completed as required.

Patient referrals

ESHL is committed to the lawful referral of ESHL patients to services outside ESHL for the delivery of appropriate patient care. If a referring physician, or his or her immediate family member has an ownership or investment interest in or compensation arrangement with the entity to which a patient is referred, and payment of referred services will be made from a federal or state healthcare program, such as Medicare or Medicaid, a federal law, commonly referred to as the Stark Law, may prohibit the referral.

Reportable event

If the organization becomes aware of any reportable event, such as reimbursement overpayment, or criminal activity, it shall be reported as required under federal or state law.

Cost reporting

ESHL files a cost report with the Medicare program each fiscal year that includes fiscal, statistical, and operational information about each facility. ESHL has taken steps to ensure the completeness and accuracy of the information that is submitted in these filings.

Disciplinary action

All members of the ESHL workforce community carry out their duties pursuant to ESHL policies and as required by law. ESHL workforce members may report violations of local, state, or federal laws, rules or regulations to the Administrator, the CCO, the CEO or CFO. Failure to report violations may result in disciplinary actions up to and including termination. Disciplinary actions shall abide by all substantive and procedural protections applicable to the Discipline and Termination policy.

The CCO has no disciplinary enforcement authority. The CCO may investigate, evaluate and make recommendations consistent with ESHL policies and procedures as they apply to employees and the medical staff. Any disciplinary action shall be determined in conjunction with the CEO and the HR consultant and enforced by the appropriate supervisor.

Reporting compliance concerns

ESHL is committed to following local, state and federal laws, rules and regulations. The CCO shall ensure that the confidential hotline/email is available to report potential violations. ESHL workforce members are required to report to the CCO, Administrator or the confidential email any potential job-related criminal conduct or other situation that may endanger the health and safety of any individual. All persons making reports are assured that such reports will be treated confidentially and shared with others only on a bona fide, need-to-know basis. ESHL will take no adverse action against persons making reports in good faith and prohibits retaliation against persons who make such reports. False accusations made with the intent of harming or retaliating against another person may subject the accuser to disciplinary action up to and including termination.

Members of the ESHL community wanting to report a violation or a potential problem may contact the confidential email Essential.Compliance@eshl.org or call the hotline at 765-227-3401. This hotline is available 24 hours per day. There is a confidential voicemail in the event the number is not answered right away. The hotline number is posted at each facility.

ESHL CORPORATE COMPLIANCE AND ETHICS CODE OF CONDUCT

MESSAGE FROM CEO

Dear ESHL Employee:

Essential Senior Health and Living (ESHL) is committed to the highest standards of ethics, honesty, and integrity in pursuit of its mission. Members of the Board of Directors (Board), the President/CEO, members of senior management, employees, medical staff, volunteers, vendors, independent contractors, and others representing ESHL are expected to adhere to these standards of conduct in the discharge of their duties. The ESHL Corporate Compliance and Ethics Program demonstrates the commitment to ethical conduct and compliance by setting forth guidelines for conduct designed to prevent and detect violations of law and encouraging compliance by providing support, training, and educational resources to assist ESHL in fulfilling its responsibilities. The Corporate Compliance and Ethics program "Code of Conduct" is available on ESHL's website for your reference. The Code of Conduct is also available in booklet form in the front office and on Paychex.

ESHL has a Corporate Compliance and Ethics Committee, chaired by the Corporate Compliance Officer (CCO), and composed of members of senior management necessary to support the CCO in fulfilling his or her responsibilities under the Program. The CCO reports on compliance activities to the ESHL Board. Each Essential Senior Health and Living nursing facility in the corporation has a Compliance and Ethics Committee, chaired by a Facility Compliance and Ethics Liaison. The CCO will oversee the Liaisons.

The Corporate Compliance and Ethics Committee consists of the following members of senior management:

- President and Chief Executive Officer
- Vice-President and Chief Financial Officer
- Director of Quality Oversight and Infection Prevention
- Facility Administrators

Violations of the ESHL Compliance and Ethics Guide policies and any suspected violations of federal, state, or local law, may include but are not limited to the following:

- Medicare/Medicaid rules and regulations
- Self-referral laws
- Anti-Kickback statute, theft, or bribe violations
- Fraudulent billings or collections
- Environmental hazards
- Conflicts of interest
- Any and all potential criminal violations

To report a violation or a potential problem, you may contact the confidential email Essential.Compliance@eshl.org or call the hotline at 765-227-3401. This hotline is available 24 hours per day. There is a confidential voicemail in the event the number is not answered right away. The hotline number is posted at each facility.

There will be no reprisals against any employee reporting a violation or suspected violation in good faith. You may remain anonymous if you wish. Ethics and compliance with laws are vital to ESHL's future success. Please do your part by reporting any issues or problems that come to your attention.

Best Regards,

Beth Harpe, CEO
Essential Senior Health and Living

OVERVIEW

The United States Sentencing Commission defines a Compliance and Ethics Program as a “program that has been reasonably designed, implemented, and enforced so that it generally will be effective in preventing and detecting criminal conduct. Failure to prevent or detect the instant offense, by itself, does not mean that the program is not effective. The hallmark of an effective program to prevent and detect violations of law is that the organization exercises due diligence in seeking to prevent and detect criminal conduct by its employees or other agents.”

The Corporate Compliance and Ethics Program is intended to establish a framework to be used by ESHL for current product and services as well as business development to ensure compliance. It is not intended to set forth all of the substantive programs and practices of ESHL that are designed to achieve compliance.

ESHL recognizes the need to conduct business with honesty and integrity and in compliance with all applicable federal and state laws. This recognition is supported by an organizational commitment to promote ethical and compliant business operations through the implementation of a systematic plan. ESHL is committed to conducting its business according to the highest standards of honesty and fairness. This commitment to observing the highest ethical standards is designed not only to ensure compliance with the applicable laws and regulations in the various jurisdictions where we operate, but also to earn and keep the continued trust of our clients, shareholders, personnel and business partners.

This guide is not intended to be an exhaustive guide to all the detailed rules and regulations governing the services provided by ESHL. Rather, it is intended to establish certain guiding principles and corporatwide policies designed to ensure that each ESHL facility and their personnel have a common vision of ESHL’s ethical standards and operate in accordance with those standards.

The guide is directed at providing business conduct and operational guidance to employees, independent contractors, and consultants who may be engaged in activities that pose specific areas of risk or vulnerability for ESHL.

Some specific areas of potential risk or vulnerability include daily activities related to contracting, sales and marketing, claims processing, integrity of data systems, and record retention. The guide establishes minimum standards to be observed by all ESHL employees, independent contractors, consultants, board members, and includes the following policies:

1. Quality of care policy statement
2. Contract review policy statement
3. Employee background checks
4. Prohibition against retaliation
5. Discipline for violations
6. Responding to government investigations
7. Prohibition on kickbacks
8. Record retention
9. Periodic testing of claims system
10. Conflict of interest policy statement
11. Billing and coding policy statement
12. Accounting and financial reporting policy statement
13. Training
14. Monitoring and auditing
15. Annual risk assessment

ANSWERS TO COMMONLY ASKED QUESTIONS:

1. Who does this guide apply to?

Unless specifically stated otherwise, the policies set forth in this guide apply to all ESHL companies and to their directors, officers, employees, independent contractors, and volunteers doing business with or on behalf of ESHL and its wholly owned subsidiaries.

2. What are my responsibilities as an ESHL employee?

As an ESHL employee, you are expected to conduct yourself in a manner appropriate for your work environment and to be sensitive to and respectful of the concerns, values, and preferences of others, including your fellow employees, residents and families. All ESHL employees are expected to familiarize themselves with the policies in this guide and to abide by them in the daily performance of their job responsibilities. ESHL employees are encouraged to promptly report any practices or actions that you believe to be inappropriate or inconsistent with the policies and procedures set forth in this guide or that you believe may compromise the ethical standards or integrity of ESHL.

3. How do I report misconduct or other matters that I believe should be reported under the policies and procedures set forth in this guide?

ESHL has adopted a policy statement on handling employee complaints in addition to a whistleblower policy as noted in the employee handbook. Taking proactive steps to prevent problems is part of the ESHL culture, and speaking to the right people is one of your first steps to understanding and resolving what often can be difficult questions. All ESHL employees are encouraged to promptly report any practices or actions that they believe are inappropriate or inconsistent with company policy, including but not limited to those policies and procedures set forth in this guide. Anyone reporting misconduct in good faith will be protected against retaliation.

Employees are encouraged to report to their immediate supervisor or alternatively may report to the Facility Compliance Liaison or the CCO. Reports may be made via phone, email, mail or face to face.

Anonymous reporting is also permitted by calling the hotline at 765-227-3401 or going through the confidential email at Essential.Compliance@eshl.org. Contact information shall be posted in an inconspicuous locations -throughout the facility for all employees, contractors and volunteers to see.

4. What is a hotline/confidential email?

A hotline/confidential email provides a risk-free way for you to anonymously report suspected violations of ESHL compliance policies or procedures or the Code of Conduct as outlined in the employee handbook without fear of retribution.

5. What should I report to the hotline/confidential email?

You may use the hotline/confidential email to report any and all concerns that you may have about ESHL or your fellow teammates, residents and families. However, this hotline/email is used primarily to report violations related to unethical employee conduct, violations of the ESHL Compliance and Ethics Guide policies and any suspected violations of federal, state, or local law, which may include but are not limited to the following:

- Medicare/Medicaid rules and regulations
- Self-referral laws
- Anti-Kickback statute, theft or bribe violations
- Fraudulent billings or collections
- Environmental hazards
- Conflicts of interest
- Any and all potential criminal violations

This confidential hotline/email is available 24 hours per day, seven days per week, 365 days per year. The person receiving the info from this email is a professional, trained to communicate without revealing the identity of the caller. They are also trained to provide reports of suspected violations and to take the appropriate action steps to address.

6. Who do I contact if I have a question?

The guide can serve only as a general standard of conduct. It cannot substitute for personal integrity and good judgement and cannot spell out the appropriate response to every type of situation that may arise. If you have questions about the interpretation or application of the policies or procedures of this guide to a particular situation, or if you believe that there is a conflict between the policies of this guide and other ESHL policies, please consult your immediate supervisor, the facility Compliance Liaison, or the CCO.

CORPORATE COMPLIANCE AND ETHICS PROGRAM POLICIES

Compliance and Ethics Committee

The ESHL Corporate Compliance and Ethics Committee will administer ESHL's Corporate Compliance and Ethics Program. The CCO shall chair the Corporate Compliance and Ethics Committee. The Facility Compliance Liaisons shall chair the Facility Compliance and Ethics Committees which are responsible for carrying out the Corporate Compliance and Ethics Program at the facility level and report to the Committee. The purpose of the committees is to monitor the organization to ensure consistent application of relevant laws and rules, including those relating to billing and collection practices; to proactively identify problem areas; and to recommend, establish, and implement, as appropriate, solutions and system improvements. The Corporate and Facility Compliance and Ethics Committees may consist of representatives from the following ESHL departments and/or groups:

- Compliance/Administrators
- Finance/C.F.O
- Operations Management/C.E.O
- Clinical Operations Management/Director of Quality Oversight and Infection Prevention
- Information Systems and Technology

ESHL may engage outside legal counsel and/or expert consultants to assist the Corporate Compliance and Ethics Committee, as appropriate. ESHL's Board of Directors may also approve adjustments to Compliance and Ethics Committee membership from time to time.

QUALITY OF CARE POLICY

ESHL will provide high quality, cost effective care to residents in accordance with the highest professional standards. We will respect each resident's dignity and their right to privacy of their medical information in accordance with operative rules and regulations, including the HIPAA privacy regulations. We will listen to our residents, their families and visitors to understand any concerns or complaints and will involve residents in the decision-making process regarding their care and quickly and efficiently respond to their questions, concerns and needs.

We will maintain complete and accurate medical records and accurately communicate information to residents, families and payers, including insurance companies and health plans as requested and appropriate. Only those clinical staff appropriately licensed and credentialed will provide resident evaluations, and they will supervise all care provided by assistants and aides. All licensed and professional staff will maintain their credentials in good standing and will keep current in practice techniques and emerging areas of clinical practice to enhance resident care.

COMPLIANCE TRAINING AND EDUCATION POLICY

We recognize and understand that ongoing investment in and commitment to effective training at all levels is essential to attain the desired standards of excellence in service and to adhere to our Corporate Compliance and Ethics Program. ESHL's "do the right things" philosophy is instilled in every employee and the commitment to compliance and ethical behavior begins at new employee orientation.

All ESHL employees undergo annual training that contains – as necessary and appropriate to their job title and function – any new, updated, or revised information, policies, or procedures regarding resident care, billing, documentation, confidentiality, privacy, security, and other pertinent company policies and procedures. Ad hoc training for appropriate department directors is also utilized, including in response to audit and monitoring findings.

CONTRACT REVIEW POLICY

ESHL will have all contracts where the other party is a referral source or potential referral source and all other material contracts to which ESHL is a party, assumes obligations for, or incurs liability under, reviewed by both the CEO and CFO prior to ESHL entering into such agreements. The term contract is defined as any written agreement, including Memorandum of Understanding, Letter of Intent, Letter Agreement, Countersigned letter of Understanding, Proposal, etc., which ESHL is a party to, assumes obligations under or incurs liability for. (A "material contract" is a contract with an annual expenditure greater than \$5000 or with a term longer than one year and for which ESHL has no ability to terminate without reason or cause prior to expiration of that term.) Legal counsel is responsible for performing compliance and legal reviews. Directors, or other authorized ESHL representatives, may not enter into, or sign, any contract with a referral source or potential referral source or any material contract prior to the completion of a contract review. The CEO or CFO shall be the only persons designated to sign contracts for ESHL.

EMPLOYEE BACKGROUND CHECK POLICY

ESHL will conduct criminal background checks and investigation for state licensure including sanctions and/or exclusions from any federal healthcare program upon hire, for all employment applicants and independent contractors who are offered a position and: (i) who are licensed healthcare providers or (ii) whose employment or contractor duties involve direct patient care, information technology, finance or billing and claims processing.

ESHL will not employ or contract with individuals or entities when a background check or investigation demonstrates that the individual or entity has been convicted of any felony criminal offense or sanctioned and/or excluded from any federal healthcare program within the past five years. In addition, ESHL will immediately suspend and/or terminate any current employee or independent contractor if ESHL learns of any said conviction or sanctions and/or exclusions. In the event a current employee/contractor has pending criminal charges, a decision will be made by the CEO based upon the circumstances surrounding each case. The sanctions may include but are not limited to Administrative leave until resolution of the case.

All employment applicants are required to disclose at the time of application any criminal convictions, sanctions, and/or exclusions from any federal healthcare program. Any and all employment offers extended on behalf of ESHL to persons subject to this policy are contingent upon successful passage of a criminal background investigation.

ESHL also requires background checks from any temporary agency providing contracted persons to perform services for ESHL. ESHL requires written proof that said temporary personnel have not been subject to any criminal conviction or sanction and/or exclusion from any federal healthcare program prior to starting work with ESHL.

Individuals subject to this policy as also subject to periodic background investigations during the term of their employment or independent contract relationship with ESHL as follows:

- Criminal background check
- Office of Inspector General (OIG) list of excluded providers

POLICY AGAINST RETALIATION

ESHL strictly prohibits any type of retaliation against any individual who, in good faith, reports any alleged compliance policy violation or illegal activity occurring at ESHL. This policy is applicable to any report or violation made to a supervisor, a member of the Executive Management Team, the CCO or any government official or entity.

Any person violating this policy will be subject to disciplinary action in accordance with the ESHL employee handbook, which may include termination of employment.

POLICY AGAINST KICKBACKS

ESHL will not offer, pay, solicit, or accept any compensation including any kickback, bribe, or rebate, directly or indirectly, overtly or covertly, in cash or in kind in exchange for a referral for admission or to induce purchasing, leasing, ordering, arranging for, or recommending the purchase, lease, or order of any good, facility, service or item covered under a federal healthcare program. ESHL will not engage in transactions that violate relevant and applicable federal or state anti-kickback statutes.

DISCIPLINE FOR VIOLATIONS POLICY

ESHL will discipline, as appropriate, any employee or independent contractor who knowingly and willingly engages in activities that violate ESHL's Corporate Compliance and Ethics Program policies or procedures and/or applicable federal and state laws. Disciplinary action will be dispensed in a manner consistent with the ESHL policy on rules of conduct, as defined in the employee handbook, and without regard to seniority, position, and/or title of the violator.

ACCURATE BOOKS AND RECORDKEEPING POLICY

ESHL will maintain accurate books and records in support of all claims filed for reimbursement from any federal, state, or private healthcare program. ESHL's employees and contractors are prohibited from making false statements in any ESHL book or record, including but not limited to all business records, patient medical records, and medical billing records, or on any ESHL document prepared for or filed with any government or private entity or person.

RECORD RETENTION POLICY

ESHL shall retain all recorded information, regardless of medium, that is generated and/or received in connection with ESHL transactions and legal obligations, for the applicable required retention period(s) as set forth under federal and state law.

ESHL records will be destroyed after all applicable retention periods have expired. Records shall be kept in their original form or in an acceptable alternative form for storage. All records shall be maintained in a usable condition and in an appropriate environment to secure the integrity of the information. Confidentiality of all records pertaining to patient care or billing will be maintained in accordance with applicable federal and state laws and regulations.

BILLING AND CODING POLICY

ESHL is committed to fair and accurate billing in accordance with all applicable federal and state laws and regulations, payer rules and procedures, and ESHL policies and procedures. We understand that all claims for services submitted to any private insurance program or payer, Medicare, Medicaid, or other federally funded healthcare programs have to be accurate and correctly identify and document the services ordered and performed. ESHL will bill only for services actually provided and documented in the patient's medical records and will charge for all healthcare services provided. ESHL will not engage in and/or permit known upcoding or unbundling of services rendered and/or other improper billing practices intended to increase reimbursement.

ESHL will require payment of insurance copayments and deductibles and waive required fees only following a determination of patient financial need in accordance with ESHL's applicable policies and procedures and after reasonable collection efforts have failed. ESHL will use systematic methods for analyzing the payments received and will reconcile any overpayments in a timely manner after discovery, review, and confirmation that overpayment should not be applied to any outstanding accounts receivable owed to ESHL.

ESHL will assign diagnostic, procedural, and other billing codes that accurately reflect the services that were provided. ESHL will periodically review coding practices and policies, including software edits, to facilitate compliance with all applicable federal, state and private payer healthcare program requirements and will investigate inaccurate billings and payments to determine whether changes to current protocol or other remedial steps are necessary.

PERIODIC TESTING OF CLAIMS SYSTEM POLICY

ESHL will periodically audit its manual and automated billing systems to ensure proper operation of all steps required to generate claims for healthcare services. Comprehensive audits should be conducted no less than annually to ensure timely detection and corrective action of system failures or errors. If a billing systems audit reveals system failures or errors, the department manager responsible for the audit should immediately consult with the CCO to determine whether the failure necessitates corrective action.

REGULATORY INQUIRIES, INVESTIGATIONS AND LITIGATION POLICY

Governmental agencies, regulatory organizations and their authorized agents may, from time to time, conduct surveys or make inquiries that request information about ESHL, its patients, or others that generally would be considered confidential or proprietary. All regulatory inquiries concerning ESHL should be handled by the CCO and/or the HR department.

Regulatory inquiries may be received by mail, email, telephone, or by personal visit. In the case of a personal visit, demand may be made for the immediate production or inspection of documents. ESHL employees receiving such inquiries should refer such matters immediately to the Administrator who will then talk to the CCO.

CONFLICT-OF-INTEREST POLICY

ESHL expects officers, employees, vendors and volunteers to avoid any activities that may involve a conflict of interest. A "conflict of interest" exists when a person's private interest interferes or even appears to interfere in any way with the business interests of ESHL. Employees should avoid conflicts as well as the appearance of conflicts between their private interests and the business interests of ESHL.

A conflict of interest may occur if outside activities or personal interests influence or appear to influence the ability of a person to make objective decisions in the course of their job responsibilities. Any questions about whether an outside activity might be or appear to be a conflict of interest should be directed to the CCO or the Administrator.

ACCOUNTING AND FINANCIAL REPORTING POLICY

All accounting entries, as well as all internal and external ESHL financial reports, must be prepared accurately and on a timely basis in accordance with generally accepted accounting principles (GAAP) and applicable government regulations.

ESHL shall maintain a high level of accuracy and completeness in the documentation and reporting of financial records. These records serve as a financial basis for managing ESHL's business and are important in meeting our obligations to our patients, employees, suppliers and others. They are also necessary for compliance with tax and financial reporting requirements. ESHL maintains a system of internal controls to provide reasonable assurances that all financial transactions are executed in accordance with management authorization and recorded in a proper manner so as to protect and maintain accountability of company assets.

AUDITING AND MONITORING POLICY

ESHL recognizes the need for ongoing internal auditing and monitoring to ensure a successful business and Corporate Compliance and Ethics Program. As such, ongoing internal compliance auditing and monitoring is performed through the coordination of activities administered by appropriate personnel under the direction of the CCO. Areas of concern or vulnerability are addressed, when applicable, by way of a corrective action plan with appropriate follow-up.

ESHL has established a compliance calendar on an annual basis that includes monitoring activities as well as informal and formal routine audit activities. ESHL also recognizes the need for ongoing external auditing and monitoring to ensure our clients, and employees that our commitment to compliance is supported objectively. Compliance monitoring and auditing will be conducted externally through payer audits, external accreditation agency review, if applicable, and through independent third-party examination of annual financial reports and compliance activity.

ANNUAL IDENTIFICATION OF RISK AREAS

ESHL will annually review key areas of potential compliance risk and set forth a system to identify risk elements in each key area. The annual risk assessment will take into consideration the annual work plans published by the OIG or the Department of Health and Human Services. Applicable risk elements will be converted to revisions to policies and procedures, monitoring and auditing, and annual training, as necessary.

ESHL CORPORATE CHARTER

PURPOSE

The purpose of the ESHL Charter is to set forth the appointment of the Chief Compliance Officer (CCO) and formally invest the responsibilities by Board of Trustee endorsement.

APPOINTMENT OF CHIEF COMPLIANCE OFFICER

Effective May 20, 2021, the Board of Essential Senior Health and Living appoints Pamela Sipes as the director of audit and compliance/CCO and invests in her the principal duties and responsibilities as outlined in the ESHL Corporate Charter, including the oversight of the Corporate Compliance and Ethics Program and the Facility Compliance and Ethics Committees.

DELEGATION OF AUTHORITY AND RESPONSIBILITY

In exercising its authority and carrying out its responsibilities, the Compliance and Ethics Committee shall:

- Review and make recommendations to the Board addressing ESHL's compliance practices generally.
- Review and make recommendations to the Board regarding resources needed by the CCO to effectively manage ESHL's Corporate Compliance and Ethics program.
- With the CCO, review ESHL's Corporate Compliance and Ethics Program and Code of Conduct at least annually and make recommendations to the Board with respect to changes.
- Meet regularly with management of ESHL to assess ESHL's Compliance and Ethics Program, as well as any specific material compliance issues.
- Confer regularly with ESHL's CCO and legal counsel regarding ESHL's Compliance and Ethics Program and any specific material compliance issues. IT is the intention of the Board and committee that such consultations be deemed to constitute communications for the purpose of obtaining legal advice and are therefore privileged attorney-client communications.
- Retain such legal and other experts as the committee may deem appropriate to assist the committee in the discharge of its duties.
- Conduct such investigations into matters relating to ESHL's legal compliance as the committee may deem necessary.
- Report committee actions to the full Board, with such recommendations as the committee deems appropriate.

ANNUAL REVIEW

The committee shall evaluate its performance on an annual basis and develop a criterion for such evaluations. In addition, at least annually, this charter shall be reviewed and reassessed by the committee and any proposed changes shall be submitted to the Board for approval.

ORGANIZATIONAL STRUCTURE

CORPORATE COMPLIANCE AND ETHICS COMMITTEE:

C.E.O.

C.F.O.

DIRECTOR OF QUALITY OVERSIGHT AND INFECTION PREVENTION
FACILITY ADMINISTRATORS

FACILITY COMPLIANCE AND ETHICS COMMITTEE:

ADMINISTRATOR

DIRECTOR OF QUALITY OVERSIGHT AND INFECTION PREVENTION

1 NURSE

1 C.N.A.

1 DIETARY PERSONNEL

1 HOUSEKEEPING/LAUNDRY PERSONNEL

SOCIAL SERVICE DIRECTOR

PRIVACY OFFICER WILL BE EACH INDIVIDUAL ADMINISTRATOR

Community LTC, INC
Corporate Compliance and Ethics Organizational Chart
EFFECTIVE May 15, 2021



