



National Lutheran
Communities & Services

Compliance and Ethics Program

Code of Conduct

Code of Conduct



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NLCS Guiding Principles in Practice

Two are better than one, because they have a good reward for their toil. For if they fall, one will lift up the other; but woe to one who is alone and falls and does not have another to help.

Ecclesiastes 4: 9 -10 (NRSV)

RESPECT AND PROFESSIONALISM: THE LEAST WE CAN DO

- a. We will respect each other's work space, (e.g. respect meetings, conversations or phone calls already in progress, and closed doors).
- b. We use basic principles of common courtesy: saying hello, please, thank you, you are welcome, or my pleasure.
- c. We never intentionally subvert or surprise another partner in public. When this happens accidentally we go to them quickly, explain the situation, ask forgiveness, and plan together how to correct the situation.
- d. We are sensitive to others' workload and deadlines.
- e. While we can disagree behind closed doors, we will work to support each other with our teams and in public.
- f. We will be thoughtful enough to know when our work will impact a partner's sandbox (e.g., building a new policy/procedure, visiting another location, creating a program that is different than other parts of the organization, or dealing with a personnel issue) and will work with them in advance to minimize the fall out.

COMMUNICATION: THE BEST TOOL FOR OUR TEAM

- a. We earn the right to be heard by actively listening to one another, seeking first to understand.
- b. We welcome other members to our work spaces.
- c. We suspend our disbelief and counter-points when engaging one another; we state our disagreement or other opinion respectfully.
- d. We are aware of our surroundings so that confidential or private matters are not discussed in public areas.
- e. We take responsibility and are accountable for communicating information to our team members.
- f. We recognize the power of words to shape NLCS and impact one another; accordingly we use words exclusively to advance the organization and build each other up.

TIME AND RESOURCES: OUR GREATEST CHALLENGE

- a. We will give priority to and respect other's schedules, and keep appointments. When there is a need to postpone or cancel, we give as much notice as possible. When someone must return to their place of work after their shift has ended, we will respect their time and be mindful of interrupting during time off; including differences in schedules e.g. staff that work night shifts sleep during the day.
 - b. We will maintain focus in meetings by muting phones, closing laptops, and avoiding other distracting and de-focusing behaviors. We realize in certain circumstances, employees in specialized roles may need to keep their device on, and they should advise the group at the start of the meeting of the possible interruption.
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- c. We will begin and end meetings on-time.
- d. We use email with tact and thoughtfulness, as it is easy to misunderstand tone in emails. We answer emails/voice mails in a timely way (within 48hrs unless there are extenuating circumstances).
- e. We will actively look for ways to manage expense and prize being a financially fit organization, positioning us for a healthy today and hope-filled tomorrow.
- f. We will seek to find synergies whether it is people, processes, or materials to keep NLCS streamlined and efficient, allowing us to more readily grow and take on new challenges.

SERVICE: OUR HIGHEST CALLING

- a. We provide service to our customers (e.g. residents/patients, their families, each other, our teams/departments, board members, vendors, clients, visitors/guests, volunteers, the constituent synods, and the greater communities in which we serve).
- b. We smile; it's free and does wonders.
- c. We spend time getting to know our customers, their needs, desires, hopes, and wants.
- d. We make our customers our priority by treating them each as unique and important, attending to details to ensure their experience with us surpasses their expectation, helping them find solutions that are meaningful to them, and following up to ensure satisfaction in the delivery of service.
- e. We understand that every action we take can be directly tied to our customers' needs/desires. We believe that the details matter and act accordingly.
- f. We serve motivated by love for our neighbor and based on a model of Christian charity.

CONFLICT: NECESSARY FOR OUR SUCCESS

- a. We are partners, strong and resolved who will inevitably have conflict. Even at these times we start from a position of respect and believe that doing so can make us more effective as individuals, a team, and an organization.
 - b. We own our thoughts, feelings, and actions, and work diligently to understand those of our partners'. When we are confused by a perceived gap between someone's behavior and position we acknowledge our reaction and ask for clarity (e.g. when you said you were calm but raised your voice it makes me think you're losing control, can you help me understand what happened?)
 - c. We proactively seek resolution, giving time and space when requested, but not isolating partners with whom we have disagreements.
 - d. We work directly with partners with whom we have issue, not involving others until we have first worked with the other individual. When we do involve others it is to have them come with us as we try to resolve the issue together.
 - e. When someone comes to us with an issue about another we first ask if they have spoken to them. If they have not, we re-direct before engaging the issue. If they have, we go to listen and gain understanding from both parties and mediate a solution.
 - f. When a partner chooses to break relationship and trust by not acting in accordance with these Principles in Practice or the spirit which they represent, individual team members are expected to document the offense(s), directly address the individual informing them of their course of action, and elevate the issue to their supervisor for resolution.
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Table of Contents

Scope of our Program	1
Compliance Officer	1
Compliance Program Management	2
Introduction	4
A Shared Responsibility	5
A Personal Obligation	5
Reporting Compliance Concerns	6
Compliance Line	6
Resident Rights	7
Abuse and Neglect	8
Elder Justice Act	9
Resident Confidentiality/HIPAA	9
Resident Property	10
Providing Quality Care	10
Medical Services	11
Professional Excellence	12
Hiring and Employment Practices	12
Employee Screening	12
Licensure and/or Certification Verification	13
Employee Relations	13
Workplace Safety	13
Drug and Alcohol Abuse	14
Organizational Relations	14
Proprietary Information	14
Gifts	15
Business Courtesies	15
Conflict of Interest	16
Use of Property	16
Computers /Internet	17
Vendor Relationships	17
Marketing and Advertising	17
Regulatory Excellence	18
Billing and Business Practices	18
Referrals and Kickbacks	19
Inducements to Prospective Residents	20

Copyright Laws	20
Financial Practices and Controls	20
Fair Dealing.....	20
Document Creation, Use and Maintenance	21
Voluntary Disclosure.....	21
Government Investigations.....	21
Disciplinary Action.....	22
Compliance Questions.....	22
Conclusion	23

Scope of our Program

Our Compliance and Ethics Program Code of Conduct covers the compliance issues, laws and regulations, and guidelines that are relevant to a provider of senior services including Senior Living Communities that provide a wide range of healthcare services. This includes but is not limited to Medicare and Medicaid regulatory issues; guidelines from the Office of Inspector General, Internal Revenue Service, and the Office of Civil Rights of the Department of Health and Human Services, Occupational Safety and Health Administration; as well as other federal and state regulatory and business issues. The program fosters a culture of compliance that promotes legal and ethical behavior in the workplace by creating processes that detect and prevent fraud, waste, abuse, and policy violations. **The Code of Conduct is supported by our compliance policies and procedures and should be read and understood jointly with those policies and procedures.**

We use the term team member to define the various individuals who are associated with National Lutheran Communities & Services (NLCS). All individuals, including employees, contractors, volunteers, directors, and officers are members of our team in providing care and services to our residents. We use the term Resident to refer to individuals who receive the various types of healthcare and other services that we provide.

Any questions regarding the policies in this Code of Conduct, compliance policies, or related references, should be directed to your immediate supervisor, the Compliance Official, a member of the Compliance Committee, or the Compliance Officer.

National Lutheran Communities & Services is a faith-based organization providing services to seniors in a variety of settings. NLCS is licensed under the laws of Maryland and/or Virginia to provide the following services:

- Skilled Nursing
- Assisted Living
- Independent Living
- Home Care
- Hospice

Compliance Officer

The Friends Services for the Aging (FSA) Vice President of Compliance, Karla Dreisbach, CHC, CHPC, serves as our Compliance Officer. She has the responsibility to assist the Compliance Official, the High-Level Official, and the Board of Directors/Trustees in designing and overseeing efforts in establishing, maintaining, and monitoring compliance within our organization.

NATIONAL LUTHERAN COMMUNITIES & SERVICES

The Compliance Officer works with each of our Executive Directors and our Compliance Official and has direct reporting responsibility to the Board of Directors. The Compliance Officer is responsible for continued coordination with the Compliance Official for the development, implementation, training, monitoring, and enforcement activities related to the overall compliance program. The Compliance Officer is assisted by Peace Church Compliance Program (PCCP) Compliance Managers and Compliance Specialists in providing services to our organization.

Compliance Program Management

Our Board of Directors/Trustees, through the President and Chief Executive Officer (CEO) Larry Bradshaw, carries the overall responsibility for creating a culture that values and emphasizes compliance and integrity.

The Compliance Official is responsible for coordinating the day-to-day compliance activities in conjunction with the Compliance Officer. These activities include audits, responses to hotline calls, and leading the organization's Compliance Committee. The high-level official sets the tone for a community wide commitment to compliance and is accountable to assure that the compliance program and adherence to the Compliance and Ethics Program is attained. The Privacy Officer and is responsible for assisting with the implementation of the HIPAA Privacy Rule. The Security Officer and is responsible for assisting with the implementation of the HIPAA Security Rule and issues related to electronic protected health information. A list of the current officials and officers is located in the conclusion.

The NLCS' Compliance Committee is comprised of members of the management team and other key staff positions. The Compliance Official is the chairperson for this committee. The committee meets at least quarterly, and more frequently as needed.

NATIONAL LUTHERAN COMMUNITIES &
SERVICES
FROM THE CHIEF EXECUTIVE OFFICER

January 1, 2018

Dear Employee and Team Members:

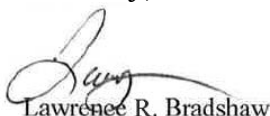
National Lutheran Communities & Services (NLCS) has 125 years of tradition in providing home and healthcare services to senior adults with compassion, respect and dignity of each resident and team member. We strive to follow the organization's Lutheran heritage of ethical and moral decision-making for all who live and work here.

The healthcare industry is constantly changing and being impacted by numerous laws and regulations. In our desire to establish a work place that complies with these laws and regulations, we have developed a Compliance and Ethics Program that supports NLCS, its affiliates and team members in making the right decisions. This document, called the Code of Conduct, represents the primary focus for our Compliance and Ethics Program. The Code of Conduct not only reflects our heritage and values, but also serves as a bold statement that influences how we enhance a resident's quality of life.

The Compliance and Ethics Program and the Code of Conduct only exist to guide our normal decisions that are both ethical and compliant with applicable laws, statutes and regulations. Our Code of Conduct does not replace each person's obligation of making wise, fair and honest decisions. It is intended to explain our personal and organizational responsibility and to reflect those areas in which improper or unwise decisions can harm our entire organization and our commitment to share Christian love and compassion to those we serve.

We value your contribution to our residents and appreciate your support in properly maintaining the most ethical work place possible. We commend you for your commitment of honesty and integrity, which are also part of our values at NLCS. Each team member is responsible in helping to protect our work environment that complies with laws and regulations. I thank you for your commitment and contribution to NLCS, but most importantly, to our residents.

Sincerely,



Lawrence R. Bradshaw

NATIONAL LUTHERAN COMMUNITIES & SERVICES

Code of Conduct

Introduction

The Code of Conduct is the foundation of the Compliance and Ethics Program. The Code of Conduct is a guide to appropriate workplace behavior; it will help you make the right decisions if you are not sure how to respond to a situation. All team members must comply with both the spirit and the letter of all federal, state, and local laws and regulations that apply to the healthcare and other services that our organization provides, as well as all laws that apply to our business dealings. Violations of these laws and regulations can result in severe penalties for us and the individuals we do work with including financial penalties, exclusion from participation in government programs, and, in some cases, imprisonment.

As team members, we share a commitment to legal, ethical, and professional conduct in everything that we do. We support these commitments in our work each day, whether we care for residents, order supplies, prepare meals, keep records, pay invoices, or make decisions about the future of our organization.

The success of NLCS as a provider of healthcare and other services depends on you, your personal and professional integrity, your responsibility to act in good faith, and your obligation to do the right things for the right reasons.

The Compliance and Ethics Program provides principles and standards to guide you in meeting your legal, ethical, and professional responsibilities. As a team member, you are responsible for supporting the Compliance and Ethics Program in every aspect of your workplace behavior. Your continued working relationship with our organization includes understanding and adhering to the Compliance and Ethics Program.

The Code of Conduct discusses the importance of:

Care Excellence – providing quality, compassionate, respectful, and clinically-appropriate care.

Professional Excellence – maintaining ethical standards of healthcare and business practices.

Regulatory Excellence – complying with federal and state laws, regulations, and guidelines that govern healthcare, housing services, and other services we provide.

A Shared Responsibility

Because we are in the business of caring for and providing services for others, it is critical that each of us adheres to appropriate standards of behavior. As individuals and as an organization, we are responsible to many different groups. We must act ethically and responsibly in our relations with:

- Residents and their families;
- Colleagues and co-workers;
- Volunteers and affiliated colleagues;
- Healthcare payers, including the federal and state governments;
- Regulators, surveyors, and monitoring agencies;
- Physicians, Nurse Practitioners, Physician Assistants;
- Vendors and contractors;
- Business associates; and
- The communities we serve.

Any compromise in our standards could harm our residents, our co-workers, and our organization. Like every organization that provides healthcare, we do business under very strict regulations and close governmental oversight. Fraud, waste, and abuse are serious issues. Sometimes even an innocent mistake can have significant consequences that could result in substantial penalties to NLCS.

All team members are required to complete training on the Code of Conduct and the Compliance and Ethics Program as a condition of employment or business relationship. The Code of Conduct sets forth mandatory standards.

There is no justification for departing from the Code of Conduct no matter what the situation may be.

Every team members is responsible for ensuring that he or she complies with the Code of Conduct and all policies and procedures. Any team member who violates any of these standards and/or policies and procedures is subject to discipline up to and including termination.

A Personal Obligation

As we are each responsible for following the Code of Conduct in our daily work, we are also responsible for enforcing it. This means that you have a duty to report any problems you observe or perceive, regardless of your role.

As a team member, you must help ensure that you are doing everything practical to comply with applicable laws. If you observe or suspect a situation that you believe may be unethical, illegal, unprofessional, or wrong, or you have a clinical, ethical, or financial concern, you must report it. You are expected to satisfy this duty by complying with the **Three Step Reporting Process**. If you fail to report noncompliance with the Code of Conduct, policies and procedures, or applicable federal or state laws, you will be subject to discipline up to and including termination. We have a zero tolerance for retaliation. No one may retaliate against a member who reports a concern in good faith.

Reporting Compliance Concerns

The Three Step Reporting Process

First, talk to your supervisor. He or she is most familiar with the laws, regulations, and policies that relate to your work.

Second, if you do not want to talk to your supervisor, seek out another member of the leadership team or someone from human resources.

Third, if you still have a concern, contact the Compliance Official, a member of the organization's Compliance Committee, or the Compliance Officer.

You may also call the toll free Compliance Line number at any time.

Compliance Line

Compliance Line at 800-211-2713
All calls are confidential and you may call
***ANONYMOUSLY* if you choose.**

The Compliance Line is available 24 hours a day, 7 days a week, for callers to report compliance-related issues. Concerns that are reported to the Compliance Line are taken seriously.

You can make calls to the Compliance Line without fear of reprisal, retaliation, or punishment for your actions. Anyone, including a supervisor who retaliates against a team member for contacting the Compliance Line or reporting a compliance issue in any other manner, will be disciplined.

Care Excellence

Our most important job is providing quality care to our residents. This means offering compassionate support to our residents and working toward the best possible outcomes while following all applicable rules and regulations including the Medicare Conditions of Participation.

Resident Rights

Residents receiving healthcare and other services have clearly defined rights. A document describing these rights is provided to each resident upon admission and is posted in conspicuous locations throughout the organization for the residents' and your reference. To honor these rights, we must:

- Make no distinction in the admission, transfer, or discharge of a resident, or in the care we provide on the basis of race, gender, age, religion, national origin, disability, color, marital status, veteran status, medical condition, sexual orientation, or other protected class status, insurance, or financial status;
- Treat all residents in a manner that preserves their dignity, autonomy, self-esteem, and civil rights;
- Protect every resident from physical, emotional, verbal, or sexual abuse or neglect;
- Protect all aspects of resident privacy and confidentiality;
- Respect residents' personal property and money and protect it from loss, theft, improper use, and damage;
- Respect the right of residents and/or their legal representatives to be informed of and participate in decisions about their care and treatment;
- Respect the right of residents and/or their legal representatives to access their medical records as required by the Health Information Portability and Accountability Act (HIPAA);
- Recognize that residents have the right to consent to or refuse care and the right to be informed of the medical consequences of such refusal;
- Protect residents' rights to be free from physical and chemical restraints; and
- Respect the residents' right to self-determination and autonomy.

Abuse and Neglect

We will not tolerate any type of resident abuse or neglect – physical, emotional, verbal, financial, or sexual. Residents must be protected from abuse and neglect by team members, family members, legal guardians, friends, or any other person. This standard applies to all residents at all times.

Federal law defines abuse as the willful infliction of injury, unreasonable confinement, intimidation, or punishment with resulting physical harm, pain, or mental anguish. This presumes that instances of abuse of all residents, even those in a coma, cause physical harm, or pain or mental anguish. Neglect means failure to provide goods and services necessary to avoid physical harm, mental anguish, or mental illness. The failure to follow a resident's care plan may constitute abuse.

The States of Maryland and Commonwealth of Virginia defines abuse as the infliction of injury, unreasonable confinement, intimidation or punishment with resulting physical harm or pain or mental anguish, or deprivation by an individual, including a care taker of goods or services that are necessary to attain or maintain physical, mental and psychosocial well-being. This presumes that instances of abuse of all residents (customers), even those in a coma, cause physical harm, or pain or mental anguish. The term includes the following:

- Verbal Abuse - Any use of oral, written, or gestured language that willfully includes disparaging and derogatory terms to clients or their families, or within their hearing distance, regardless of age, ability to comprehend or disability.
- Sexual Abuse – includes sexual harassment, sexual coercion or sexual assault
- Physical Abuse – Includes hitting, slapping, pinching, kicking. The term also includes controlling behavior through corporal punishment or deprivation
- Mental Abuse – includes humiliation, harassment, threats of punishment or deprivation
- Involuntary Seclusion – Includes separation of a resident (customer) from other residents (customers) or from his or her room or confinement to his or her room against the resident's (customers) will or the will of the resident's (customers) legal representative.
- Neglect – The deprivation by a caretaker of goods or service which are necessary to maintain physical or mental health.

*Any TEAM MEMBER who abuses or neglects a resident is subject to termination. In addition, legal or criminal action may be taken. Abuse and neglect **MUST BE REPORTED IMMEDIATELY** to your supervisor or other member of management.*

Elder Justice Act

The Elder Justice Act requires timely reports of any reasonable suspicion of a crime against a resident of a long term care facility. You must report your reasonable suspicion to the Virginia Department of Social Services (for Virginia) or Maryland Department of Health and Mental Hygiene (for Maryland) and local law enforcement within two (2) hours if the suspected crime involves serious bodily injury or within 24 hours if the suspected crime does not involve serious bodily injury.

DO NOT call the Compliance Line for allegations of abuse or neglect.

Report abuse or neglect immediately to your supervisor or administrator!

Resident Confidentiality/HIPAA

All team members must use and disclose medical, financial, or personal information only in a manner consistent with the HIPAA Privacy policies and procedures and state and federal law. You are responsible for keeping resident protected health information (PHI) confidential. PHI is defined as individually identifiable health information that is transmitted or maintained in any form or medium, including electronic health information.

Any unauthorized exposure of PHI which compromises the security or privacy of information is a potential breach.

If you become aware of an actual or potential breach of any protected or sensitive information it is important that you report it immediately to your supervisor or the Privacy Officer.

If the disclosure results in a breach, NLCS must investigate and comply with all state and federal HIPAA regulations for breach notification.

Resident Property

Team members must respect residents' personal property and protect it from loss, theft, damage, or misuse. Team members who have direct access to resident funds (e.g., resident trust funds) must maintain accurate records and accounts.

Providing Quality Care

Our primary commitment is to provide the care, services, and resources necessary to help each resident reach or maintain his or her highest possible level of physical, mental, and psychosocial well-being. NLCS has policies and procedures and provides training and education to help each team member strive to achieve this goal.

Our care standards include:

- Accurately assessing the individual needs of each resident and developing interdisciplinary care plans that meet those assessed needs;
- Reviewing goals and plans of care to ensure that the residents' ongoing needs are being met;
- Providing only medically necessary, physician prescribed services and products that meet the residents' clinical needs;
- Confirming that services and products (including medications) are within accepted standards of practice for the resident's clinical condition;
- Ensuring that services and products are reasonable in terms of frequency, amount, and duration;
- Measuring clinical outcomes and resident satisfaction to confirm that quality of care goals are met;
- Providing accurate and timely clinical and financial documentation and record keeping;
- Ensuring that residents' care is given only by properly licensed and credentialed providers with appropriate background, experience, and expertise;
- Reviewing resident care policies and procedures and clinical protocols to ensure that they meet current standards of practice; and

- Monitoring and improving clinical outcomes through a Quality Assurance Performance Improvement (QAPI) Committee with established benchmarks.

Medical Services

We are committed to providing comprehensive, medically necessary services for our residents. The Medical Director provides oversight to physicians and other medical providers and services as defined by state and federal regulations. The Medical Director oversees the care and treatment policies and is actively involved in the Quality Assurance Performance Improvement (QAPI) Committee.

Professional Excellence

The professional, responsible, and ethical behavior of every team member reflects on the reputation of our organization and the services we provide. Whether you work directly with residents or in other areas that support resident services, you are expected to maintain our standards of honesty, integrity, and professional excellence, every day.

Hiring and Employment Practices

NLCS is committed to fair employment practices. When hiring and evaluating, we:

- Comply with federal, state, and local Equal Employment Opportunity laws, hiring the best qualified individuals regardless of race, color, age, religion, national origin, gender identity, sexual orientation, genetic information, or disability. All promotions, transfer evaluations, compensation, and disciplinary actions also follow this policy.
- Conduct employment screenings to protect the integrity of our workforce and welfare of our residents and team members.
- Require all who need licenses or certifications to maintain their credentials in compliance with state and federal laws. Documentation of licenses or certifications must be provided.

Employee Screening

Employees are screened in accordance with federal and state law to ensure the safety of our residents. Screening procedures have been implemented and are conducted prior to hire and monthly thereafter.

NLCS is prohibited by federal law from employing, retaining, or contracting with anyone who is excluded from any federal or state funded programs. Screening of all team members through the Office of Inspector General's List of Excluded Individuals and Entities, GSA's System of Award Management, and the Maryland and Virginia's Medicaid Excluded Provider List database is conducted prior to hire and at a minimum of quarterly thereafter.

As long as you are employed or affiliated with NLCS, you must immediately report to your supervisor:

- If you are arrested or indicted for a criminal offense;
- If you are convicted of an offense that would preclude employment in a healthcare facility;

- If action has been taken against your license or certification;
or
- If you are excluded from participation in a federal or state healthcare program.

Licensure and/or Certification Verification

We are committed to ensuring that only qualified professionals provide care and services to residents. Practitioners and other professionals treating residents must abide by all applicable licensing, credentialing and certification requirements. In addition, every effort is made to validate licenses and certification through the appropriate state or federal agency.

Employee Relations

To maintain an ethical, comfortable work environment, staff must:

- Refrain from any form of sexual harassment or violence in the workplace;
- Treat all colleagues and co-workers with equal respect, regardless of their national origin, race, color, religion, sexual orientation, age, gender identity, (specific to organization policy) or disability;
- Protect the privacy of other team members by keeping personal information confidential and allowing only authorized individuals access to the information;
- Not supervise or be supervised by an individual with whom they have a close personal relationship; and
- Behave professionally and use respectful communication at all times.

Workplace Safety

Maintaining a safe workplace is critical to the well-being of our residents, visitors, and co-workers. That is why policies and procedures have been developed describing the organization's safety requirements. Every team member should become familiar with safety regulations and emergency plans regarding fire and disaster in his or her work area.

In addition to organizational policies, we must abide by all environmental laws and regulations. You are expected to follow organizational safety guidelines and to take personal responsibility for helping to maintain a secure work environment. If you notice a safety hazard, you must take action to correct it if you can or to report it to your supervisor immediately.

Drug and Alcohol Abuse

We are committed to maintaining a team dedicated and capable of providing quality resident services. To that end, you are prohibited from consuming any substance that impairs your ability to provide quality services or otherwise perform your duties.

You may never use, sell, or bring on our property alcohol, illegal drugs, and/or narcotics or report to work under the influence of alcohol, illegal drugs, and/or narcotics. For a team members who appears to have work performance problems related to drug or alcohol use, a drug and alcohol screening will be conducted and appropriate action will be taken, if necessary.

Illegal, improper, or unauthorized use of any controlled substance that is intended for a resident is prohibited. If you become aware of any improper diversion of drugs or medical supplies, you must immediately report the incident to your department supervisor, the Compliance Official, the Compliance Officer, or use the Compliance Line. Failure to report a known instance of noncompliance with this policy may result in disciplinary action against the team members, up to and including termination.

Organizational Relations

Professional excellence in organizational relations includes:

- Complying with federal tax law to maintain tax exempt status under section 501(c)(3) of the Internal Revenue Code;
- Maintaining company privacy and keeping proprietary information confidential;
- Avoiding outside activities or interests that conflict with responsibilities to NLCS and reporting such activity or interest prior to and during employment;
- Allowing only designated management staff to report to the public or media; and
- Requiring that NLCS complies with the licensing and certification laws that apply to its business.

Proprietary Information

In the performance of your duties you, may have access to, receive, or may be entrusted with confidential and/or proprietary information that is owned by NLCS and that is not presently available to the public. This type of information should never be shared with anyone outside the organization without authorization from a member of the leadership team.

Examples of proprietary information that should not be shared include:

- Resident and team member data and information;
- Details about clinical programs, procedures, and protocols;
- Policies, procedures, and forms;
- Training materials;
- Current or future charges or fees or other competitive terms and conditions;
- Current or possible negotiations or bids with payers or other clients;
- Compensation and benefits information for staff;
- Stocks or any kind of financial information; and
- Market information, marketing plans, or strategic plans.

Gifts

You may not accept any tip or gratuity from residents and you may not receive individual gifts from residents. You may not give gifts to residents.

Team members may accept gifts from “gift funds” established from resident funds so long as the gifts provided to employees are of equal value and the contributions by residents to the “gift fund” are voluntary and anonymous.

You may not borrow money from nor lend money to residents; nor may you engage with residents in the purchase or sale of any item. No team members may accept any gift from a resident under a will or trust instrument except in those cases where they are related by blood or marriage.

Team members may not serve as a resident’s executor, trustee, administrator, or guardian or provide financial services or act under a power of attorney for a resident except in those cases where they are related by blood or marriage unless otherwise allowed by state law.

Business Courtesies

NLCS prohibits any team members from offering, giving, soliciting, or accepting business or professional courtesies including entertainment and gifts that could be interpreted as attempts to influence decision making. Under no circumstances will a team member solicit or accept business courtesies, entertainment or gifts that depart from the Business Courtesies policy.

Conflict of Interest

A conflict of interest exists any time your loyalty to the organization is, or even appears to be, compromised by a personal interest. There are many types of conflict of interest and these guidelines cannot anticipate them all, however the following provide some examples:

- Financial involvement with vendors or others that would cause you to put their financial interests ahead of ours;
- Team member/Officer participation in public affairs, corporate or community directorships, or public office;
- An immediate family member who works for a vendor or contractor doing business with the organization and who is in a position to influence your decisions affecting the work of the organization;
- Participating in transactions that put your personal interests ahead of NLCS or cause loss or embarrassment to the organization;
- Taking a job outside of NLCS that overlaps with your normal working hours or interferes with your job performance; or
- Working for NLCS and another vendor that provides goods or services at the same time.

All team members must seek guidance and approval from our CEO or Compliance Official before pursuing any business or personal activity that may constitute a conflict of interest.

Use of Property

We must protect the assets of the organization and ensure their authorized and efficient use. Theft, carelessness, and waste have a direct impact on the organization's viability. All assets must be used solely for legitimate business purposes.

Everyone must make sure that they:

- Only use property for the organization's business, not personal use;
- Exercise good judgment and care when using supplies, equipment, vehicles, and other property; and
- Respect copyright and intellectual property laws; or
- If unable to assess the copyright or intellectual property laws, never copy material and/ or download software.

Computers /Internet

Team members are expected to use computers, email, and internet/intranet systems appropriately and according to the established policy and procedure. You are not permitted to use the Internet for improper or unlawful activity or download any games or music without prior approval.

Internet use can be tracked and how you use your time on the Internet may be monitored. You should have no expectation of privacy when you use our computers, email, and internet/intranet system. Our organization has the right to sanction or discipline employees who violate the Code of Conduct in a digital, cyber, or other non-face-to-face environment.

Vendor Relationships

We take responsibility for being a good client and dealing with vendors honestly and ethically. We are committed to fair competition among prospective vendors and contractors for our business. Arrangements between NLCS and its vendors must always be approved by management. Certain business arrangements must be detailed in writing, and approved by management. Agreements with contractors and vendors who receive resident information, with the exception of care providers, will require a Business Associate Agreement (BAA) with the organization as defined by HIPAA. Contractors and vendors who provide resident care, reimbursement, or other services to resident beneficiaries of federal and/ or state healthcare programs are subject to the Code of Conduct and must:

- Maintain defined standards for the products and services they provide to us and our residents;
- Comply with all policies and procedures as well as the laws and regulations that apply to their business or profession;
- Maintain all applicable licenses and certifications and provide evidence of sanction screening, current workers compensation, and liability insurance as applicable; and
- Require that their employees comply with the Code of Conduct and the Compliance and Ethics Program and related training as appropriate.

Marketing and Advertising

We use marketing and advertising activities to educate the public, increase awareness of our services, and recruit new team members. These materials and announcements, whether verbal, printed, or electronic, will present only truthful, informative, non-deceptive information.

Regulatory Excellence

Because we are in healthcare, we must follow the many federal, state, and local laws that govern our business. Keeping up with the most current rules and regulations is a big job – and an important one. We are all responsible for learning and staying current with the federal, state, and local laws, rules, and regulations, as well as the policies and procedures that apply to our job responsibilities.

Billing and Business Practices

We are committed to operating with honesty and integrity. Therefore, all team members must ensure that all statements, submissions, and other communications with residents, prospective residents, the government, suppliers, and other third parties are truthful, accurate, and complete.

We are committed to ethical, honest billing practices and expect you to be vigilant in maintaining these standards at all times. We will not tolerate any false or inaccurate coding or billing. Any team member who knowingly submits a false claim, or provides information that may contribute to submitting a false claim such as falsified clinical documentation, to any payer – public or private – is subject to termination. In addition, legal or criminal action may be taken.

Prohibited practices include, but are not limited to:

- Billing for services or items that were not provided or costs that were not incurred;
- Duplicate billing - billing items or services more than once;
- Billing for items or services that were not medically necessary;
- Assigning an inaccurate code or resident status to increase reimbursement;
- Providing false or misleading information about a resident's condition or eligibility;
- Failing to identify and refund credit balances;
- Submitting bills without supporting documentation;
- Soliciting, offering, receiving, or paying a kickback, bribe, rebate, or any other remuneration in exchange for referrals; and/or
- Untimely entries into medical records.

If you observe or suspect that false claims are being submitted or have knowledge of a prohibited practice, you must immediately report the situation to a supervisor, the Compliance Official, the Compliance Officer, or call the Compliance Hotline. Failure to report a known prohibited practice will subject you to disciplinary action up to and including termination.

Referrals and Kickbacks

Team members and related entities often have close associations with local healthcare providers and other referral sources. To demonstrate ethical business practices, we must make sure that all relationships with these professionals are open, honest, and legal.

Resident referrals are accepted based solely on the clinical needs and our ability to provide the services. NLCS never solicits, accepts offers, or gives anything of value in exchange for resident referrals or in exchange for purchasing or ordering any good or service for which payment is made by a federal health care program. Anything of value includes any item or service of value including cash, goods, supplies, gifts, “freebies,” improper discounts or bribes.

Accepting kickbacks is against our policies and procedures and also against the law. A kickback is anything of value that is received in exchange for a business decision such as a resident referral. To assure adherence to ethical standards in our business relationships, you must:

- Verify all business arrangements with physicians or other healthcare providers or vendors in a written document; and
- Comply with all state and federal regulations when arranging referrals to physician-owned businesses or other healthcare providers.

You cannot request, accept, offer, or give any item or service that is intended to influence – or even appears to influence – the referral, solicitation, or provision of healthcare service paid for by any private or commercial healthcare payer or federal or state healthcare program, including Medicare and Medicaid, or other providers.

Inducements to Prospective Residents

You may not provide anything of value including goods, services, or money to prospective residents or any beneficiary of a federal or state healthcare program that you know or should know will likely influence that person's selection of a provider of healthcare services.

For the purposes of this policy, anything of value includes but is not limited to any waiver of payment, gift, or free service that exceeds a value of \$10 per item or \$50 annually in total. If you have a question about whether a particular gift or service would be considered "of value," ask your supervisor or the Compliance Official.

Copyright Laws

Most print and electronic materials are protected by copyright laws. Team members are expected to respect these laws and not reproduce electronic print or printed material without obtaining permission as required by the writer or publisher. When in doubt, ask your supervisor.

Financial Practices and Controls

Ensuring that financial and operating information is current and accurate is an important means of protecting assets. Each one of us must make sure that all information provided to bookkeepers, accountants, reimbursement staff, internal and external auditors, and compliance staff are accurate and complete. This includes ensuring the accuracy of clinical documentation which supports our reimbursement. We must also comply with federal and state regulations when maintaining clinical records, accounting records and financial statements, and cooperate fully with internal and external audits.

Fair Dealing

All team members must deal fairly with residents, suppliers, competitors, and one other. No team member, manager, or director shall take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

Document Creation, Use and Maintenance

Every team member is responsible for the integrity and accuracy of documents, records, and e-mails including, but not limited to, resident medical records, billing records, and financial records. No information in any record or document may ever be falsified or altered.

You must not disclose, internally or externally, either directly or indirectly, confidential information except on a **need to know** basis and in the performance of your duties. Disclosure of confidential information externally must follow organization policies.

Upon termination of employment, you must promptly return all confidential information, medical and/or business, to the organization. Examples of confidential business information include potential or threatened litigation, litigation strategy, purchases or sales of substantial assets, business plans, marketing strategies, organizational plans, financial management, training materials, fee schedules, department performance metrics, and administrative policies.

Voluntary Disclosure

It is our policy to voluntarily report known overpayments and any improper/irregular conduct, including fraudulent conduct, which affects any federal or state healthcare program. Reporting will be completed within the time frames identified under the Patient Protection and Affordable Care Act.

Government Investigations

NLCS is committed to cooperating with requests from any governmental inquiry, audit, or investigation. You are encouraged to cooperate with such requests, conscious of the fact that you have the following rights:

- You have the right to speak or decline to speak;
- You have the right to speak to an attorney before deciding to be interviewed; and
- You can insist that an attorney be present if you agree to be interviewed.

In complying with our policy you must not:

- Lie or make false or misleading statements to any government investigator or inspector;
- Destroy or alter any records or documents;

- Attempt to persuade another team member or any person to give false or misleading information to a government investigator or inspector; or
- Be uncooperative with a government investigation.

If you receive a subpoena or other written or oral request for information from the government or a court, contact your supervisor, the Compliance Official, or the Compliance Officer before responding.

Disciplinary Action

Disciplinary action will be taken against anyone who fails to act in accordance with this Code of Conduct, the Compliance and Ethics Program, supporting policies and procedures, and applicable federal and state laws. Disciplinary action may be warranted in relation to violators of the Compliance and Ethics Program and to those who fail to detect violations or who fail to respond appropriately to a violation, whatever their role in the organization. When taking disciplinary action against a team member, we will utilize standard disciplinary processes which may lead to the termination of business relationships and agreements. The Compliance Officer may initiate and recommend corrective or disciplinary action against a team member through the Compliance Official and CEO and may also monitor appropriate implementation of the disciplinary process. We will discipline anyone who engages in prohibited retaliatory conduct.

Compliance Questions

The laws applicable to our operations are numerous and complicated. When you are not sure whether a particular activity or practice violates the law or the Compliance and Ethics Program, you should not guess the correct answer. Instead, you should immediately seek guidance from your department supervisor or the Compliance Official. You will not be penalized for asking compliance-related questions. In fact, we are intent on creating a culture in which you should feel comfortable asking questions to ensure you understand the duties that are imposed upon you under this Code of Conduct, the Compliance and Ethics Program, and other applicable federal and state laws.

Conclusion

The Compliance and Ethics Program is critical to NLCS' continued success. You are crucial in ensuring the integrity of NLCS. The Code of Conduct and the Compliance and Ethics Program set standards for the legal, professional, and ethical conduct of our business. Some key points to remember are:

- NLCS and all of our team members are committed to personal and organizational integrity, to acting in good faith, and to being accountable for our actions.
- The Code of Conduct and the Compliance and Ethics Program prepare us to deal with the growing complexity of ethical, professional, and legal requirements of delivering healthcare in the CCRC environment.
- The Compliance and Ethics Program is an ongoing initiative designed to foster a supportive work environment, provide standards for clinical and business conduct, and offer education and training opportunities for team members.

The success of the NLCS Compliance and Ethics Program depends on our commitment to act with integrity, both personally and as an organization. As a team member, your duty is to ensure that the organization is doing everything practicable to comply with applicable laws. You are expected to satisfy this duty by performing your responsibilities in accordance with professional standards, the regulations guiding our business practices, and our policies and procedures.

Your Compliance Official

Camille Roussel
240-751-4121

Your Compliance Officer

Karla Dreisbach, CHC, CHPC
215-646-0720

Your High Level Official

Lawrence Bradshaw, President and CEO

Your Privacy Officer

Therese Provencher

Your Security Officer

Jae Shin

Toll-Free Compliance Line

1-800-211-2713

Peace Church Compliance Program

Friends Services for the Aging (FSA), along with the Brethren, Mennonite, and Quaker organizations involved in providing services to the elderly, have established a collaborative Compliance and Ethics Program known as the Peace Church Compliance Program (PCCP).

FSA
670 Sentry Parkway
Suite 120
Blue Bell, PA, 19422-2325
215-646-0720