Woods Services, Inc. (Woods)

CODE OF CONDUCT

and

COMPLIANCE PLAN

Introduction to the Compliance Program

This Code of Conduct and Compliance Plan applies to Woods Services, Inc., and all affiliated and related entities ("Woods" or "we"). Employees, officers, board members, volunteers, vendors, contractors, and agents who work for Woods (collectively, "Personnel" or "you") are affected by various levels of corporate responsibilities relating to compliance issues, and are subject to this Code of Conduct and Compliance Plan. Personnel have an obligation to understand the role compliance plays in the performance of each person's specific job. Accordingly, this Code of Conduct and Compliance Plan will be electronically disseminated to all Personnel, with a printed copy available upon request.

THE CODE OF CONDUCT AND COMPLIANCE PLAN SHOULD BE READ IN CONJUNCTION WITH THE EMPLOYEE HANDBOOK AND COMPLIANCE WITH THE REQUIREMENTS OF BOTH IS EXPECTED AND REQUIRED. HOWEVER, WHERE THE CODE OF CONDUCT AND HANDBOOK CONTAIN PROVISIONS THAT ARE CLEARLY DIFFERENT FROM OR CONFLICT WITH EACH OTHER, THE PROVISIONS OF THE CODE OF CONDUCT AND COMPLIANCE PLAN SHOULD BE FOLLOWED.

Our Why

Mission

Woods Services supports children and adults with disabilities or challenges to achieve their highest potential and independence through innovative and individualized approaches that promote learning and personal fulfillment.

Vision

We envision a world where an individual has opportunities and supports that promote self-determination, dignity, respect, the joy of achievement and a fulfilling life.

Woods is passionate about the programs we offer, which have goals of making positive changes in the lives of the people we serve (hereinafter, “Individuals”). We recognize the uniqueness of every person and are committed to advocating for and delivering best practice and high-quality integrated care that champions every individual’s potential for growth, well-being, dignity, and purpose. Woods is committed to providing quality care in compliance with all applicable laws and regulations.

Woods is committed to integrity, compliance with applicable legal standards, and the highest level of professionalism from all of our employees and all others who act on our behalf. As part of that commitment, Woods maintains a comprehensive compliance program, which it describes and implements through this Code of Conduct and Compliance Plan, along with written policies and procedures that apply to specific entities and programs.

Our goal is to approach compliance not simply as a set of written policies and procedures, but as a "culture of compliance," striving at all times to promote high standards of compliance, not only in providing services, but in dealing with those who pay for our services, including government health programs and private insurers. Maintaining a culture of compliance depends on openness of communication without fear of reprisal. If you are aware of behavior that is illegal or unethical, you must report it. If you are unsure if something violates this Compliance Plan, you should seek guidance from either your supervisor or your Compliance Officer. You will never be penalized, or retaliated against in any way, for making a good faith report of behavior that you believe is illegal, inappropriate, or otherwise violates our Code of Conduct and Compliance Plan.

Violating the Code of Conduct and Compliance Plan is a serious matter and will be treated as such. We expect and want to ensure professional and appropriate behavior throughout the organization. Inappropriate and/or illegal behavior may result in disciplinary action, up to and including termination of employment or association. Conversely, we want to support and reward appropriate actions. Compliance is one of the cornerstones of professional success at Woods.

1. What is Compliance?

“Compliance” refers to obeying laws, regulations, policies, and procedures related to the way in which Woods provides services. Compliance also includes how we bill for the services we provide. It also means obeying all laws, regulations, policies, and procedures related to the way in which Personnel interact with others, both inside and outside of Woods, including other employees, suppliers, contractors, and payers. It also refers to how we treat the Individuals that we serve and how we ensure that Individuals receive the highest quality of care available. Woods expects that all Personnel will follow all laws and regulations and applicable professional standards in performing their duties.

2. Why is Compliance Important?

Woods, through its Personnel, has an obligation to fully comply with all applicable requirements of federal and state-funded programs. Failure to comply, or other misconduct, could result in the loss of accreditation or licensing, individual and institutional civil penalties, individual criminal charges, and employee discipline, up to and including termination.

- Woods' compliance program is designed to detect and prevent misconduct, fraud and abuse, and to ensure compliance with all applicable laws and regulations.
- Woods' compliance program provides education and training to help Personnel understand and adhere to all legal requirements.

3. Misconduct, Fraud and Abuse

Some prohibited activities that may be considered to be misconduct, fraud and abuse are:

- Abusing or mistreating Individuals or any violation of an Individual's rights.
- Billing Individuals for services not provided
- Misrepresenting the services actually provided
- Multiple billing for the same services
- Upcoding services rendered to obtain greater reimbursement than is proper
- Billing Medicaid for services that could be billed to another payer source
- Falsely certifying that unnecessary services were medically necessary
- Receiving bonus payments in exchange for the referral of Individuals to providers or suppliers that bill government programs
- Paying bonuses or improperly rewarding physicians or vendors for referring Individuals to Woods programs
- Receiving referral payments (commonly known as "kickbacks") in exchange for purchasing, leasing or ordering of any goods, services or facilities
- Receiving payments for recommending the purchase, lease or ordering of any goods, facilities or services from a third party
- Falsifying expenses
- Falsifying cost report information.

4. Code of Conduct – see also Employee Handbook

`This Code of Conduct will help guide the actions of Woods Personnel.

All Personnel shall be given a copy of this Compliance Plan and Code of Conduct and required to sign the Acknowledgement stating that they have read and understood the Woods Compliance Program and Code of Conduct and will comply with the Woods Compliance Program and Code of Conduct when providing services for Woods. This includes independent contractors and vendors.

Standards of Conduct

1. Woods has worked hard to achieve a reputation for integrity and honesty. We strive to operate our business ethically and in full compliance with applicable laws. Engaging in illegal acts or unethical conduct is not acceptable and will not be tolerated.

2. Each supervisor and manager is responsible for assuring that all Personnel he or she supervises or manages are acting appropriately and in conformance with applicable laws, regulations, and this code.

Care of Individuals Served

1. Individuals are to be treated with dignity and respect, with recognition of their rights to security and appropriate personal privacy. We do not tolerate abusive treatment and strictly follow all applicable laws and rules regarding the prevention and reporting of abuse and neglect.

2. Personnel will strictly comply with all applicable statutes and regulations regarding physical restraints, as applicable to their program. Individuals will be physically restrained only when necessary to ensure their safety, the safety of other individuals, and/or Personnel safety. Restraints will be performed only by appropriately trained Personnel in accordance with applicable program policy and procedure.

3. Personnel will safeguard the privacy and confidentiality of Individual records maintained by Woods as a part of providing services to them - including mental health records, physical health records, and education records - in accordance with applicable requirements of the Federal Health Insurance Portability and Accountability Act (HIPAA) as amended, 42 C.F.R. Part 2, federal and state laws specifically governing the confidentiality of mental health and substance abuse treatment records, state identity theft protection laws and all other applicable state and federal laws and regulations

   Examples of Required Procedures and Safeguards include:

   - Never leave paperwork lying about.
   - Never have in your possession any Individual's personal health information that is not necessary for you to perform your job.
   - Do not participate in conversations that include Individual's personal health information in such settings that persons not authorized to have access to or knowledge of the information may overhear the conversation.
   - Be careful of revealing Individual personal health information to family members of the Individual who have not been authorized to receive the information.

- Immediately report to your supervisor or Compliance Officer : (1) lost or stolen documents or electronic devices that contain Individual personal health information (2) suspected or known unauthorized sharing or divulging of Individual personal health information by a co-worker, (3) any event or occurrence that you know or suspect an Individual's personal health information was divulged without a written authorization.

4. All Personnel must remain aware of the particular vulnerability of many Individuals who may, for example, have experienced abuse or exploitation in the past. Personnel shall not exploit the relationship of trust with an Individual in any way. There must be no sexual relationship of any kind with an Individual. A strictly professional relationship with the Individuals served is expected and required at all times.

<u>Gifts, Entertainment, Campaigns, and Government Officials</u>

1. Personnel are prohibited from soliciting or from accepting tips, personal gratuities, or cash equivalent gifts from Individuals, or Individual's families or guardians; however, Personnel may accept perishable items of modest value such as food or flowers, provided that it is shared with other Personnel in that department or unit.

2. Personnel shall not accept any bribe, kickback or cash payment for any reason from any vendor or business associate.

3. Apart from solicitations to donors by Trustees or Development for charitable contributions as part of on-going capital or fund-raising campaigns, Personnel shall not ask a vendor for, or solicit or insinuate to a vendor that they would like, a gift, gratuity or business courtesy. Neither Trustees nor Development shall participate in the selection of any vendors.

4. Personnel shall not offer or give any bribe, kickback, payment, gift, or thing of value to any person or entity with which the company has or is seeking a business relationship.

5. Other than as set forth in number 6 below, Personnel shall not accept any gift in the form of cash or a cash equivalent (such as a gift certificate), or any gift, gratuity, entertainment opportunity, or business courtesy from any person or entity with which the company has or is seeking a business relationship. All Personnel must promptly report the offering of such a gift, gratuity, entertainment opportunity, or business courtesy to their supervisor. Any questions or unresolved issues should be referred to the Compliance Officer, or the Woods System of Care (WSOC) Legal Office.

6. Personnel may accept gifts from vendors of nominal value, such as lunches or breakfasts not to exceed $35 each, or dinners not to exceed $75 each and gifts aggregating not more than $150 in any given twelve (12) month period. Further guidance on the

acceptance of gifts in these or other circumstances should be sought from the WSOC Legal Office.

7. Personnel shall not directly or indirectly authorize, pay, promise, deliver, or solicit any payment, gratuity, or favor for the purpose of influencing any political official or government employee in the discharge of that person's responsibilities. Personnel may make personal contributions to candidates and/or Political Action Committees ("PACs") as long as Woods is not implicated in any way (e.g. Personnel cannot use letter head, cannot engage in political activities on company time, do not have Woods pay for the mailing, do not use a Woods computer if making the contribution online, etc.). Any questions concerning this policy should be referred to the Compliance Officer or WSOC Legal Office.

<u>Billing and Government Agencies</u>

1. Personnel shall be honest in all dealings with government agencies or representatives. No misrepresentations will be made and no false bills or requests for payments or other inaccurate documents will be submitted to Government agencies or representatives. Personnel certifying the correctness of records, including bills or requests for payment, shall have knowledge that the information is accurate and complete before making such a certification.

2. All billing for services shall comply with applicable laws and regulations, and payer requirements. This includes, but is not limited to, ensuring that services provided are supported by appropriate documentation capable of verifying the services that are billed. Any potential overpayments, whether initially identified by Woods or by the payer, will be promptly reviewed and, if confirmed, returned to the payer in accordance with any deadlines set by applicable law or payer requirements.

3. Personnel will be familiar with and adhere to relevant federal and state anti-kickback and self-referral laws. Anti-kickback laws generally prohibit making or accepting a payment (in cash or in kind) in exchange for the purchase, recommendation to purchase, or referral of any kind of health care goods, services, or items that are paid for by a federal health care program, such as Medicare or Medicaid. The self-referral laws, in turn, impose substantial potential fines against a health care provider that bills for certain services rendered to patients referred by a physician who maintains a contractual or business relationship with the provider. Education and training will be provided to help familiarize Personnel with these requirements.

4. Personnel who believe that a service has been excessively or inappropriately billed to a third party shall report that information to a supervisor or to the Compliance Officer.

5. Personnel who are contacted by persons outside of Woods, who claim to be investigating possible fraud, compliance with government regulations or accrediting standards or any other legal/investigative requests, shall immediately report such

contact to and obtain the approval of the WSOC Legal Office before granting the person(s) access to any of Woods facilities and/or information.

6. Personnel are prohibited from making the following arrangements with other providers:

    - The referral of Medical Assistance (MA) recipients directly or indirectly to other practitioners or providers for financial consideration or the solicitation of MA recipients from other providers.
    - The offering of, or paying, or the acceptance of renumeration to or from other providers for the referral of MA recipients for services or supplies under the MA program.
    - The solicitation or receipt or offer of a kickback, payment, gift, bribe, or rebate for purchasing, leasing, ordering, or arranging for or recommending purchasing, leasing, ordering or arranging for a good, facility, service or item for which payment is made under MA.
    - The solicitation, receipt, offer, or payment of a renumeration, including a kickback, bribe or rebate, directly or indirectly, in cash or in kind, from or to a person in connection with furnishing of services or items or referral of a recipient for services and items.

7. Unethical, illegal, and prohibited billing practices include, but are not limited to:

    - Billing for services not rendered or not provided as claimed.
    - Double billing, or billing for unnecessary services.
    - Exaggerating the amount of time and units of services actually provided.
    - Submitting bills for non-covered services as if covered.
    - Failing to refund overpayments.
    - Falsifying a required signature.
    - Altering a treatment document which supports service rendered.

<u>Conflicts of Interest</u>

1. Other than their compensation from Woods, Personnel shall not have a financial or other personal interest in a transaction between Woods and a vendor, supplier, provider, or customer. It is Personnel's responsibility to avoid any situation that can compromise your ability to perform work duties impartially and to report any potential or actual conflict of interest to the Compliance Officer. Examples of situations that may give rise to a conflict of interest include situations such as:

    - Financial interest in a matter Woods deals with, or you are aware that your friends or relatives have a financial interest in the matter.
    - Secondary employment, business, commercial, or other activities outside of the workplace that substantially impact Woods or the Individuals served.
    - Access to non-public information that can be used for personal gain.

2. Personnel shall not engage in any financial, business, or other activity that competes with the Woods business or that may interfere or appear to interfere with the performance of their duties or involve the use of Woods property, facilities, or resources unless advance permission is sought, and obtained in writing.

Recordkeeping and Confidentiality

1. The creation, maintenance, retention and destruction of books and records shall comply with generally accepted accounting principles or other professional or regulatory standards, including any applicable medical record retention laws. All transactions, payments, receipts, accounts, and assets shall be accurately recorded on the company's books and records.

2. No payment shall be approved or made with the intention or understanding that it will be used for any purpose other than that described in the supporting documentation for the payment.

3. All Personnel shall maintain the confidentiality of Woods business information and of information relating to the company's vendors, suppliers, customers and persons covered by any Woods programs. Personnel will only use confidential or proprietary information in appropriate ways to conduct Woods business.

Workplace Practices- see also Employee Handbook

1. All Personnel shall follow safe work practices and comply with all applicable federal and state laws, safety standards and health regulations. Certain tasks require that Personnel use personal protective equipment, particularly those designed to minimize exposure to infectious diseases and those designed to prevent or minimize physical injuries. Personnel will promptly report to their immediate supervisor any hazardous conditions in an office, home, or community setting. Each employee is responsible for advising your supervisor of any situation that presents a danger of injury so that timely and appropriate corrective action may be taken. All injuries occurring during work hours are required to be promptly reported in writing.

2. All Personnel are responsible for ensuring that the work environment is free of discrimination or harassment based upon age, race, creed, gender, color, religion, national origin, disability, pregnancy, marital status, genetic information, citizenship status, sexual orientation, gender identity of expression, covered veteran status, domestic partnership status, civil union status, atypical hereditary cellular or blood trait, or any other characteristic protected under applicable federal, state, or local laws. Any form of harassment, including the creation of a hostile environment, is completely prohibited and must be reported to a Supervisor or Human Resources.

5. Compliance Plan

Written Policies and Procedures

1. To ensure compliance with all applicable federal and state laws and regulations, Woods has policies and procedures in place to detect and prevent fraud, waste and abuse.

2. In addition to meeting legal requirements, individual program policies and procedures also serve to ensure the appropriate care of the Individuals treated by Woods.

Compliance Administration

1. Woods shall comply with this Code of Conduct and Compliance Plan by employing a Compliance Officer or equivalent Compliance Office (collectively, "Compliance Officer"). The Compliance Officer shall report to their President or Chief Operating Officer.

2. The contact information for the Compliance Officer shall be made available to appropriate Personnel. Communications to the Compliance Officer may be made via telephone, email, in person and/or through the Corporate Compliance Hotline.

   If the President and Compliance Officer determine that it is likely that a material violation of policies has occurred, they will promptly report it to the WSOC Legal Office.

3. The Compliance Officer is responsible for the implementation and monitoring of this Code of Conduct and Compliance Plan.

   Responsibilities also include:

   - Implementing and overseeing the confidential hotline and other reporting mechanisms for reporting potential fraud or abuse.

   - Partnering with Human Resources and Contracts to ensure compliance with all federal and state restrictions related to the hiring/engagement of excluded Personnel.

   - Partnering with Contracts to ensure that appropriate contractors and service providers annually receive information about Woods policies and procedures regarding prevention, detection, and reporting of potential waste, fraud, and abuse

   - Investigating compliance matters, developing and implementing processes that encourage employees to report compliance issues without fear of retribution, and organizing and storing all relevant documents, including training information, audits, and results of investigations.

- Developing, coordinating and participating in an educational and training program that focuses on the Code of Conduct and Compliance Plan and seeks to ensure that all Personnel are knowledgeable of and comply with federal and state standards relevant to their job responsibilities.

4. The WSOC Legal Office, working with a WSOC compliance workgroup made up of Compliance Officers, will meet from time to time as needed to review and create standard template policies across the Woods System of Care, and share information and resources. The workgroup will report to the WSOC Executive Team.

Training and Education

1. Upon being hired, and hereafter if there are material changes, all Personnel will be provided and trained in the Woods Code of Conduct and Compliance Plan. Personnel will sign and/or acknowledge that they have read and understand the information contained in the Code of Conduct and Compliance Plan, and will adhere to it.

2. To maintain effective compliance as required under this Compliance Plan, all Personnel will receive appropriate training and education to enable them to identify potential fraud and abuse issues, and conform to the applicable requirements of law. Upon hiring, Personnel also will be made aware of and trained in the program-specific policies and procedures relevant to the person's specific job responsibilities.

3. The education and training shall address Woods's standards for integrity, its commitment to compliance, and the purpose and importance of abiding by applicable federal and state law and regulations.

4. In addition, the education and training shall communicate the importance of reporting suspected violations or abuse, and the various mechanisms available for doing so, and shall stress that there will be no retaliation against Personnel for making such reports or cooperating in an investigation in accordance with this Plan.

5. Woods provides information to Personnel about the role of the federal False Claims Act, the federal Program Fraud Civil Remedies Act, the federal Anti-Kickback Law and applicable state false claims laws in preventing fraud, waste, and abuse in health care programs, including, without limitation, the Medicaid program. In New Jersey and Pennsylvania, these laws include:

    - New Jersey Medical Assistance and Health Services Act – Criminal Penalties, N.J.S. 30:4D-17(a) – (d)
    - New Jersey Medical Assistance and Health Services Act – Civil Remedies, N.J.S. 30:4D-7.h.; N.J.S. 30:4D-17(e) – (i); N.J.S. 30:4D-17.1.a.
    - New Jersey Health Care Claims Fraud Act, N.J.S. 2C:21-4.2 and 4.3; N.J.S. 2C:51-5

- New Jersey Conscientious Employee Protection Act, N.J.S. 34:19-1 et seq.
- New Jersey False Claims Act, N.J.S. 2A:32C-1 et seq.
- New Jersey Insurance Fraud Prevention Act, N.J.S. 17:33-1 et seq.
- Pennsylvania Statutes Title 62 P.S. 1407 and 1408
- Pennsylvania Whistleblower Law, 43 P.S. 1421-1428.

Communication and Reporting of Violations

1. Woods promotes and maintains open lines of communication so as to enable and encourage Personnel to report suspected fraud, abuse, and any other compliance concerns.

2. Illegal acts or improper conduct may subject Woods to civil and criminal penalties, which can include large fines and disbarment from state and federal programs. For this reason, it is important that any illegal acts or violations of this Compliance Plan be brought to the attention of your supervisor and/or your Compliance Officer.

3. Any problems or violations of this Code of Conduct and Compliance Plan must be reported as soon as possible. Failure to report a violation may constitute a separate violation of this Code of Conduct and Compliance Plan and may subject Personnel to discipline. Similarly, encouraging, directing, facilitating, or permitting anyone to actively or passively be non-compliant with the behaviors outlined in this Code of Conduct and Compliance Plan is also a violation that may subject Personnel to discipline.

4. If you are uncertain if an act is a violation of law or ethics, ask your supervisor, Compliance Officer, or contact the Compliance Hotline at 1-855-252-7606, or via the web: https://complianceresource.com/hotline. It is improper, and a violation of this Compliance Plan and Woods policies and culture, for a supervisor to receive a report and not bring it to the attention of the Compliance Officer. All reports will be investigated and documented.

   Alternative means for reporting violations for NJ include the NJ Medicaid Fraud Division Hotline, 888-937-2835 or https://www.nj.gov/comptroller/connect/medcomplaint/ and the New Jersey Insurance Fraud Prosecutor Hotline, 877-55-FRAUD (https://www.njoag.gov/report-fraud/).

   Means to report for PA include the PA Health & Wellness Hotline, 866-685-8664 and the PA Department of Human Services Bureau of Program Integrity, 844-347-8477.

5. Personnel may report violations anonymously. To the extent permitted by law, Woods will take reasonable care to protect the confidentiality of persons reporting violations as well as those accused of the violations. Personnel, however, should be aware that their identity may become known and/or may have to be disclosed at a future date, depending on the results of an investigation prompted by the report.

6. There will be no retaliation against those who report violations or cooperate in the investigation of reported violations. However, any person who makes an intentionally false statement or reports suspected misconduct in bad faith may be subject to disciplinary action.

Auditing and Monitoring

1. Woods recognizes the need to monitor and audit its operations to determine the effectiveness of this Compliance Plan's implementation, and to identify and address illegal conduct, whether civil or criminal. To help ensure that Woods is adhering to all applicable federal and state legal requirements, Woods or an external reviewer will periodically audit the accuracy and validity of its billing and coding procedures as well as the appropriate provision of services to its Individuals.

2. In addition to regular, periodic audits, the company will also undertake targeted audits of problem areas brought to the attention of management by Personnel, payers, or government oversight agencies.

3. Any deficiencies and/or billing errors found during audits will be corrected. Processes and training will be addressed to ensure errors are not repeated.

4. Oversight may include periodic reviews to ensure that reimbursement claims submitted to payers are supported by sufficient documentation, including, as may be required by specific payers, treatment plans, progress notes, incident reports, and discharge summaries.

Employee and Vendor Screening

1. Woods investigates the background of employees by checking with all applicable licensing and certification authorities to verify that requisite licenses and certifications are active and in order, and by performing criminal background checks as mandated by law and payer requirements.

2. In addition, all employees, vendors, contractors, and service providers having access to children as part of their services, will have current criminal record and child abuse clearances and will produce clear Child Abuse History Clearances, Criminal Record Checks, and FBI Criminal History Record Information Reports (CHRI).

3. All employees, vendors, contractors, and service providers whose functions are a necessary component of providing items and services to Individuals and who are involved in generating a claim to Medicaid to bill for services will be screened for exclusion from federal and state programs before employing and/or contracting with them, and, if hired/engaged, will be rescreened on a monthly basis. Woods will check

the List of Excluded Individuals/Entities maintained by the U.S. Department of Health and Human Services Office of Inspector General (which can be found at http://oig.hhs.gov/exclusions/index.asp) and the list of debarred contractors maintained by the U.S. General Services Administration (which can be found at https://www.sam.gov), to verify that employees and contracted vendors/independent contractors are not excluded from participation in federal health care programs. In addition, Woods will check all pertinent required state databases, including:

- NJ Office of the State Comptroller Medicaid Fraud Division Ineligible Provider Report
- NJ Treasurer's exclusions database
- NJ Division of Consumer Affairs licensure databases
- NJ Dept of Health licensure and certification database
- PA "Medicheck List."

4. Woods requires potential employees to certify that they have not been convicted of or pled guilty to an offense that would preclude employment in a facility or program that provides educational, mental health, and/or residential services to minors or if the employees are excluded from participation in federal or state health care programs. Current employees are required to report any criminal convictions that occur during the course of their employment that would also preclude such employment or participation.

5. Woods requires Personnel to report to their supervisors any ongoing government or certification organization's investigation relating to their certification or licensure.

6. Woods requires temporary employment agencies to ensure that temporary staff assigned to any Woods program have undergone background checks to ensure that they have not been convicted of an offense that would preclude employment in the program.

Enforcement and Disciplinary Actions

1. Compliance with the Code of Conduct and Compliance Plan, and laws and regulations applicable to entities participating in Federal Health Care Programs (including but not limited to Medicare and Medicaid), is a condition of employment with Woods. Personnel will be evaluated, in part, based on their promotion of and adherence to the Code of Conduct and Compliance Plan.

2. Failure by any Woods Personnel to comply with any provision of the Code of Conduct and Compliance Plan, or any of the laws and regulations applicable to participants in Federal Health Care Programs, may result in disciplinary action, up to and including termination of employment or association with Woods. Appropriate disciplinary

measures will be imposed on a case-by-case basis, and may include the following sanctions:

- Counseling and/or oral warning
- Written warnings
- Reassignment
- Suspension
- Termination.

Responding to Detected Offenses/Taking Corrective Action

1. It is Woods policy to promptly and thoroughly investigate all reported and suspected violations of applicable federal and state law, and the Code of Conduct and Compliance Plan.

2. The Compliance Officer, or an applicable designee, will undertake such investigations, with the assistance and cooperation of any relevant Personnel (e.g., the director of the program in which the alleged violation took place) and the guidance of the WSOC Legal Office.

3. Based upon the results of the investigation, the Compliance Officer, and/or the WSOC Legal Office, will determine whether a material violation of applicable law or the WSOC Code of Conduct and Compliance Plan has occurred and, if so, what measures, if any, Woods should take to correct any ongoing problems and/or prevent any recurrences of the type of violation in question.

4. The Compliance Officer and/or the WSOC Legal Office will determine on a case-by-case basis whether to investigate potential misconduct, take corrective action, and/or report the results of the investigation to governmental authorities subject to necessary and appropriate Board oversight.

6. Policy Statements

The below statements provide background information from Woods to its Personnel regarding various situations which Personnel may encounter during the performance of their day-to-day job activities.

Fraud and Abuse

***Billing for items or services not rendered*.** Woods policy prohibits the submission of a claim to any third party payer for services, which have not actually been provided to program beneficiaries. Procedures will be maintained to ensure that people in our care and/or their

health care plans are billed only for services provided to them, including itemized billing including the type and date of service.

All inquiries regarding charges for services shall be addressed in a courteous and efficient manner. Credit and collection practices shall be conducted according to generally accepted credit and collection industry standards, the Fair Debt Collection Practices Act, as well as third party payer requirements, where applicable.

***Upcoding*.** Woods prohibits any practice involving the use of billing codes to obtain a higher payment rate than the billing code, which actually reflects the service, furnished to the consumer.

***Duplicate billing*.** Woods will not submit more than one claim for the same service, or submit a bill to more than one primary payer at the same time. Every effort will be made to identify and correct duplicate billing that results from simple error.

***False cost reports*.** Woods will exercise due care to ensure that all cost reports are accurate and in compliance with the requirements of third party payers and industry practices. Particular attention should be paid to cost allocations for fringe benefits and general and administrative costs.

***Clients/Consumers' freedom of choice*.** Woods prohibits any referral practice which limits the rights of any client/consumer to make an informed choice among a group of related providers, and follows applicable state regulations.

***Incentives which violate anti-kickback statutes*.** Woods will not offer, pay, solicit or receive any remuneration to induce referrals of any items or services reimbursable by Federal health care programs. All referral agreements or arrangements, which involve compensation to any party, will be referred for legal review to ensure compliance with anti-kickback statutes.

***Joint ventures*.** Any business arrangement between Woods and other entities that are in a position to refer business, or provide items or services that are covered by federal healthcare programs will be referred for legal review to ensure that the arrangement complies with federal anti-kickback statutes.

<u>Proper Billing and Documentation</u>

Woods requires that written policies and procedures are in place to ensure that billing and documentation activities are consistent with federal and state laws regarding the submission of claims and cost reports. The policies must include a mechanism for the billing and reimbursement staff to communicate effectively and accurately with clinical staff. Policies also address the following:

- Timely and proper documentation of all professional services;

- Claims should only be submitted when appropriate documentation to support the claim is maintained and available for audit and review;
- Woods records and notes used to support a claim are in a legible form for audit and review;
- The diagnosis and procedures reported in a claim should be based on the medical record, and the documentation needed for accurate code assignment is available to the coding staff; and
- No compensation will be paid to billing department coders and billing consultants, if any, that provides a financial incentive to improperly upcode claims.

Conflicts of Interest in Contractual Relationships

Woods will maintain appropriate mechanisms to review business contracts, affiliations and other arrangements for potential conflicts of interest which could harm Woods, Individuals served or their families.

Confidentiality

Woods prohibits the disclosure of confidential business and Protected Health Information (PHI) to any unauthorized person, inside or outside of Woods. Each manager and supervisor has the responsibility to ensure that the persons they supervise understand the requirements regarding the disclosure of confidential information.

Employee Rights

Woods prohibits any behavior which violates the rights of employees to a working environment free from harassment, illegal drugs, alcohol, discrimination or unlawful solicitation. Woods will vigorously enforce all federal, state and local laws and regulations regarding the rights of employees in the workplace.

Rights of Individuals Served

Woods will ensure that all employees, providers, independent contractors and agents are aware of and understand state and federal laws, as well as licensing and accreditation standards regarding the rights of Individuals served. Management will adopt appropriate

procedures to ensure that Individuals' rights requirements are included as part of the orientation of new staff and mandatory annual in-service education for all staff. Woods will vigorously enforce all federal, state and local laws and regulations regarding the rights of Individuals.

Tax Exempt Status

Woods prohibits any business conduct or practice that would jeopardize its status as a tax-exempt organization. All applicable laws and regulations regarding tax exempt status will be vigorously enforced.

Marketing

Woods marketing practices and materials shall be truthful, accurate, fair and responsible to the people under our care, payers and the public at large. Woods adheres to the articles of the Code of Professional Standards for the practice of public relations adopted by the Public Relations Society of America. All marketing materials will reflect only those services available; the level of licensure and accreditation attained; and comply with all federal, state and local laws regarding truth in advertising and non-discrimination.