

**NORTH HUDSON COMMUNITY
ACTION CORPORATION**

**CORPORATE COMPLIANCE
PROGRAM:**

**NORTH HUDSON COMMUNITY ACTION
CORPORATION
CORPORATE COMPLIANCE POLICY
REVISION**

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I. COMPLIANCE POLICY STATEMENT

North Hudson Community Action Corporation (NHCAC) is dedicated to maintaining excellence and integrity in all aspects of its operations and its professional and business conduct. Accordingly, NHCAC is committed to conformance with high ethical standards and compliance with all governing laws and regulations, not only in the delivery of health care but in its business affairs and its dealings with employees, administrative staff, physicians, agents, payers and the communities it serves. As a Federally Qualified Health Center (“FQHC”), NHCAC is also committed to compliance with all requirements specified by the Health Resources and Services Administration (“HRSA”) and Section 330 of the Public Health Service (PHS) Act. It is the personal responsibility of all who are associated with NHCAC to honor this commitment in accordance with the terms of the NHCAC Code of Conduct and related policies, procedures and standards developed by NHCAC in connection with the Corporate Compliance Program.

II. PURPOSE OF COMPLIANCE PROGRAM

The NHCAC Corporate Compliance Program (the “Program”) is intended to provide reasonable assurance that NHCAC:

- Complies in all material respects with all federal, state and local laws and regulations that are applicable to its operations, including but not limited to Health Resources & Services Administration, Health Center Program Compliance Manual and recent amendments, the Public Health Law, Section 330(e) (g) (h) and (i).
- Satisfies the conditions of participation in health care programs funded by the state and federal government and the terms of its other contractual arrangements;
- Detects and deters criminal conduct or other forms of misconduct by trustees, officers, employees, medical staff, agents and contractors that might expose NHCAC to significant civil liability;
- Promotes internal monitoring and auditing and provides for, in appropriate circumstances, voluntary disclosure of violations of laws and regulations;
- Implements appropriate compliance and practice standards;
- Conducts appropriate training and education;
- Develops open lines of communication;
- Designates a Compliance Officer and/or designee or contact;
- Establishes, monitors and enforces high professional and ethical standards;
- Responds appropriately to detected offenses and developing corrective and/or remedial action;

- Enforces disciplinary standards through well-publicized guidelines.

III. SCOPE OF COMPLIANCE PROGRAM

In accordance with HRSA's Health Center Program Compliance Manual ("Compliance Manual"), this manual has been amended to incorporate all the separate policies since the HRSA Public Health Service (PHS) Act (42 U.S.C. 254(b) (section 330"), as amended (including sections 330 (e), (g) (h), and (i), as well as sub-recipient organizations and Health Center Program look-a-likes. The purpose is to provide a consolidated resource to assist with the Health Center Program requirements and a roadmap which form the foundation of NHCAC's program and practices. This management program and policy supersedes all other manuals and policies. Toward this end, the provisions of the Program applies to all medical, business and legal activities performed by NHCAC employees, medical staff, residents, agents and contractors. The expectations for NHCAC employees regarding compliance with the Program are as follows:

- Comply with the NHCAC mission statement and the NHCAC Code of Conduct contained in Section XIII of this document;
- Familiarize themselves with the purpose of the Program;
- Perform their jobs in a manner which demonstrates commitment to compliance with all applicable laws and regulations;
- Report known or suspected compliance issues to the Corporate Compliance Officer or his/her designee or the Corporate Compliance Hotline and participate in investigations to the point of resolution of an alleged violations;
- Any person who makes a good-faith complaint or concern shall not be subject to retaliation, or, in the case of an employee, adverse employment consequences, as a result of raising such complaint or concern
- Strive to prevent errors and violations and provide suggestions to reduce the likelihood of their occurrence.
- The health, welfare and safety of NHCAC employees and the patients, community and stakeholders it serves is paramount and will not be sacrificed.

A.

1. In accordance with Section 3 of the Health Center Program Compliance Manual ("HCPCP").NHCAC will define and annually review the boundaries of the catchment area to be served [service area], including the identification of the medically underserved population or populations within the catchment are in order to ensure that the:
 - a) Size of this area is such that the services to be provide through the center (including any satellite service sites) are available and accessible to the residents of the area promptly an as appropriate;

- b) Boundaries of such area conform, to the extent practicable, to relevant boundaries of political subdivisions, school districts, and areas served by Federal and State health and social service programs; and--Boundaries of such area eliminate, to the extent possible, barriers resulting from the area's physical characteristics, its residential patterns, its economic and social groupings and available transportation.
2. NHCAC will assess the unmet need for health services in the catchment or proposed catchments area of the center based on the population served, or proposed to be served, utilizing, but not limited to, the following factors:
 - a) Available health resources in relation to the size of the area and its population, including appropriate ratios of primary care physicians in general or family practice, internal medicine, pediatrics, obstetrics and gynecology to its population, and health indices for the population of the area, such as infant mortality rate;
 - b) Economic factors affecting the population's access to health services, such as percentage of the population with incomes below the poverty level; and
 - c) Demographic factors affecting the population's need and demand for health services, such as percentage of the population age 65 and over.

B. In accordance with Section 4 of the HCPCM, NHCAC will provide the required primary health services listed in section 330 (b)(1) of the PHS Act ;NHCAC, to the extent it receives a Health Center Program award under section 330(h) of the PHS Act to serve individuals experiencing homelessness will, in addition to the required primary health services mandated, provide substance use disorder services.

1. NHCAC may provide additional (supplemental) health services that are appropriate to meet the health needs of the population served by the health center, subject to review and approval by HRSA;
2. All required and applicable additional health services must be provided through one or more service deliver method(s): directly, or through written contracts and/or cooperative arrangements (which may include formal referrals).
- 3.

To the extent NHCAC serves a population includes a substantial proportion of individuals of

limited English-speaking ability must:

- Develop a plan and make arrangements for interpretation and translation that are responsive to the needs of such populations for providing health center services to the extent practicable in the language and cultural context most appropriate to such individuals; and
- Provide guidance to appropriate staff members with respect to cultural sensitivities and bridging linguistic and cultural differences.

C. In accordance with Section 5 “Clinical Staffing of the HCPCM, NHCAC will provide the required primary and approved additional health services through staff and supporting resources of the center or through contracts or cooperative arrangements;

1. NHCAC will provide the health services of the center so that such services are available and accessible promptly, as appropriate, and in a manner that will assure continuity of service to the residents of the center’s catchment area;
2. NHCAC will utilize staff that are qualified by training and experience to carry out the activities of the center.

D. In accordance for Chapter 6 of HCPCM, NHCAC will ensure that the required primary health services will be available and accessible in the catchment service area of the center promptly, as appropriate, and in a manner, which ensures continuity of service to the residents of the center’s catchment area.

E. In accordance with Chapter 7 of HCPCM, NHCAC, will assure continuity of the required primary health services of the center and will have provisions for promptly responding to patient medical emergencies during the health center’s regularly scheduled hours; and clearly defined arrangements for promptly responding to patient medical emergencies after the health center’s regularly scheduled hours.

F. In accordance with Chapter F of HCPCM, NHCAC will provide the required primary health services of the center promptly and in a manner, which will assure continuity of service to patients within the center’s catchment area (service area), and the center will develop an ongoing referral relationship with one or more hospitals. The center will also have documentation of hospital admitting privileges, internal operating procedures, follow-up actions by health center staff, and documentation that the health center staff follows its operating procedures and formal arrangements by receipt and recording of medical information related to the hospital or ED visit, such as discharge follow up instructions and laboratory, radiology, or other results; and evidence of follow-up actions

taken by health center staff based on the information received, when appropriate.

G. As set forth in HCPCM Chapter 9, Sliding Fee Discount Program, NHCAC:

1. will operate in a manner such that no patient shall be denied service due to an individual's inability to pay
2. will prepare a schedule of fees or payments for the provision of its services consistent with locally prevailing rates or charges and designed to cover its reasonable costs of operation and must prepare a corresponding schedule of discounts [sliding fee discount schedule (SFDS)].
3. will establish systems for [sliding fee] eligibility determination.
4. The schedule of discounts will provide for:
 - a) A full discount to individuals and families with annual incomes at or below those set forth in the most recent Federal Poverty Guidelines (FPG)[100 percent of the FPG]. Except that nominal charges for service may be collected from such individuals and families where imposition of such fees is consistent with project goals; and
 - b) No discount to individuals and families with annual incomes greater than twice those set forth in such Guidelines [200 percent of the FPG].

H. In accordance with Chapter 10 of the HCPCM, NHCAC, will assure an ongoing Quality Improvement/Quality Assurance system that will include clinical services and [clinical] management and maintains the confidentiality of patient records.

1. NHCAC will have an ongoing quality improvement/assurance (AI/QA) system that will include clinical services and [clinical] management and maintains the confidentiality of patient records.
2. NHCAC system will provide for all of the following:
 - a) Organizational arrangements, including a focus of responsibility, to support the quality assurance program and the provision of high quality patient care; and
 - b) Periodic assessment of the appropriateness of the utilization of

services and the quality of services provided or proposed to be provided to individuals served by the center. These assessments will:

- 1) Be conducted by physicians or by other licensed health professionals under the supervision of physicians;
- 2) Be based on the systematic collection and evaluation of patient records;
- c) Assess patient satisfaction, achievement of project objectives, and include a process for hearing and resolving patient grievances; and
- d) Identify and document the necessity for change in the provision of services by the center and result in the institution of such change, where indicated.

NHCAC will maintain the confidentiality of patient records, including all information as to personal fact and circumstances obtained by the center's staff about recipients of services. Specifically, the center will not divulge such information without the individual's consent except as may be required by law or as may be necessary to provide service to the individual or to provide for medical audits by the Secretary of HHS or his/her designee with appropriate safeguards for confidentiality of patient records.

I. As required by HRSA in Chapter 11 of the HCPCM,

1. NHCAC will have position descriptions for key personnel [also referred to as key management staff] that set forth training and experience qualifications necessary to carry out the activities of NHCAC.
2. NHCAC will maintain sufficient key personnel [also referred to as key management staff] to carry out the activities of NHCAC.
3. NHCAC will request prior approval from HRSA for a change in the key person specified in the Health Center Program award or Health Center Program look-alike designation.
4. NHCA will directly employ its CEO.

J. Contracts and Subawards Contracts: Procurement and Monitoring

1. As set forth in Chapter 12, Contracts and Subawards of the HCPCM, NHCAC:
 - a) NHCAC will determine whether an individual agreement that will

result in disbursement of Federal funds will be carried out through a contract or a subaward and structure the agreement accordingly.

- b) NHCAC will request and receive approval from HRSA to contract for [substantive programmatic] work under its Health Center Program award
 - c) NHCAC will use its own documented procurement procedures which reflect applicable State, local, and , if applicable , tribal laws and regulations, provided that for procurement actions paid for in whole or in part under the Federal award, the procurements conform with 45 CFR Part 75.
 - d) NHCAC will perform a cost or price analysis in connection with every procurement action paid for in whole or in part by the Federal award in excess of the Simplified Acquisition Threshold.
 - e) NHCAC will conduct all procurement truncations paid for in whole or in part by the Federal award, in a manner that provides full and open competition consistent with the standards of 45 CFR 75.328.
 - f) Procurements by non-competitive proposals are allowable only when:
 - 1) The item is available only from a single source;
 - 2) The public exigency or emergency for the requirement will not permit a delay resulting in solicitation;
 - 3) The non-competitive proposal is specifically authorized by HRSA (or, in the case of a sub-recipient, the Federal award recipient) in response to a written request from the Federal award recipient or sub-recipient; or
 - 4) Competition is determined to be inadequate after soliciting a number of sources.
2. NHCAC contracts with other providers for the provision of health services within the HRSA-approved scope of project must include a schedule of rates and method of payment for such services.
3. NHCAC will oversee contractors to ensure their performance is in accordance with the terms, conditions, and specifications of their contracts and to assure compliance with applicable Federal requirements.

4. NHCAC will retain financial records, supporting documents, statistical records, and all other records pertinent to the Health Center Program award carried out under contracts for a period of three years from the date of the submission of the final expenditures report to HHS.

Subawards: Monitoring and Management

- NHCAC will determine whether an individual agreement that will result in it makes for the disbursement of Federal program funds will be carried out through a contract or a subaward and structure the agreement accordingly. With respect to subawards:
- NHCAC will make documented, case-by-case determinations whether the agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient, consistent with the characteristics outlined in 45 CFR 75.351;
- NHCAC will identify subawards as such to the subrecipient, and provide all applicable information to the subrecipient as described in 45 CFR 75 CFR.352 (a)(1) change, including the total amount of the Federal Award committed to the subrecipient by the health center awardee;
- If any of the data elements contained in 45 CFR 75.352(a)(1)change, the health center awardee must include the change(s) in a subsequent subaward modification.
- NHCAC will request and receive approval from HRSA to make a subaward under the Federal award.
- NHCAC will ensure that, at the time of making a subaward, each subrecipient, which is a sub awardee of Federal funds, complies with all applicable requirements specified in the Federal award (including those found in section 330 of the PHS Act, implementing program regulations, and grants regulations in 45 CFR Part 75).
- NHCAC will monitor the ongoing activities of the subrecipient to ensure that the subaward is used for authorized purposes and that the subrecipient maintains compliance with all applicable requirements specified in the Federal award (including those found in section 330 of the PHS Act, implementing program regulations, and grants regulations in 45 CFR Part 75).
- NHCAC will retain financial records, supporting documents, statistical records, and all other records pertinent to the award as carried out under any subawards for a period of three years from the date of the submission of the final expenditures report to the health center awardee.
- NHCAC will consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the Program awardee's own records and whether the Program awardee must consider taking enforcement action against non-compliant subrecipients as described in 45 CFR

K. As set for in HRSA's HCPCM's Chapter 14 "Collaborative Relationships" under the Requirements section:

1. NHCAC will make and will continue to make every reasonable effort to establish and maintain collaborative relationships, including with other health care providers that provide care within the catchment area [service area], local hospitals, and specialty providers in the catchment area of the center, to provide access to services not available through the health center and to reduce the non-urgent use of hospital emergency departments.
2. To the extent possible, NHCAC will coordinate and integrate project activities with the activities of other federally-funded, as well as State and local, health services deliver projects and programs serving the same population.

L. In accordance with Chapter 16 of HCPCM, Billing and Collections:

1. NHCAC will prepare a schedule of fees for the provision of its services consistent with locally prevailing rates or charges and designed to cover its reasonable costs of operation
2. NCHAC will assure that any fees or payments require by the center for health care services will be reduced or waived in order to assure that no patient will be denied such services due to an individual's inability to pay for such services.
3. NHCAC will establish systems for eligibility determination and for billing and collections [with respect to third party payors]
4. NHCAC will make every reasonable effort to enter into contractual or other arrangements to collect reimbursement of its costs with the appropriate agency(s) of the State which administers or supervises the administration of:
 - a) A State Medicaid plan approved under title XIX of the Social Security Act (SSA) [42 U.S.C. 1396, et. seq.] for the payment of all or a part of the center's costs in providing health services to persons who are eligible for such assistance; and
 - b) The Children's Health Insurance Program (CHIP) under title XXI of the SSA [42 U.S.C. 1397aa, et seq.] with respect to individuals who are State CHIP beneficiaries.

5. NHCAC will make and continue to make every reasonable effort to collect appropriate reimbursement for its costs on the basis of the full amount of fees and payments for health center services without application of any discount when providing health services to persons who are entitled to:
 - a) Medicare coverage under title XVIII of the SSA [42 U.S.C. 1395 U.S.C. 1395 et. seq.];
 - b) Medicaid coverage under a State plan approved under title XIX of the SSA [42 U.S.C. 1396 et seq.]; or
 - c) Assistance for medical expenses under any other public assistance program (for example, CHIP), grant program, or private health insurance or benefit program.
6. NHCAC will make and continue to make every reasonable effort to secure payment for services from patients in accordance with health center fee schedules and the corresponding schedule of discounts.

M. In accordance with Chapter 17, “Budget”:

1. NHCAC will develop an annual budget that:
 - a) Identifies the projected costs of the Health Center Program project;
 - b) Identifies the projected costs to be supported by the Health Center Program [award] funds, consistent with Federal Cost Principles and any other requirements on the use of Federal funding; and
 - c) Includes all other non-Federal; revenue sources that will support the Health Center Program Project, including:
 1. State, local, and other operational funding; and
 2. Fees, premiums, and third-party reimbursements which the health center may reasonably be expected to receive for its operation of the Health Center Program project.
2. NHCAC will submit this budget annually by the date specified by HRSA for approval through the Federal award or designation process.

N. By the authority set forth in Chapter 18 “Program Monitoring and Data Reporting Systems:

1. NHCAC will establish systems for monitoring program performance

to ensure:

- a) Oversight of the operations of the Federal award [or designation]-supported activities in compliance with applicable Federal requirements;
 - b) Performance expectations [as described in the terms or conditions of the Federal award or designation] are being achieved; and
 - c) Areas for improvement in program outcomes and productivity [efficiency and effectiveness] are identified.
2. NHCAC must compile and report data and other information as required by HRSA, relating to:
- a) Costs of health center operations;
 - b) Patterns of health center service utilization;
 - c) Availability, accessibility, and acceptability of health center services; and
 - d) Other matters relating to operations of the Health Center Program project, as required.
3. NHCAC must submit required data and information to HRSA in a timely manner and with such frequency as prescribed by HRSA.

O. In accordance with the requirements set forth in HRSA's HCPCM Chapter 19 addressing "Board Authority"

1. NHCAC has already established and will continue to maintain a governing board that has specific responsibility for oversight of the Health Center Program Project.
2. The Board has already developed bylaws which specify the responsibilities of the board.
3. The Board holds and will continue to hold monthly meetings and records and continues to records meeting minutes which include those in attendance and not in attendance, key actions, and decisions.
4. The Board, in accordance with HRSA's Manual, has approved and will continue to approve, the selection and termination/dismissal of the health center's Chief Executive Officer (CEO).

5. The Board has, in accordance with HRSA's Manual has, and will continue to have, authority for establishing or adopting policies for the conduct of the Health Center Program project and for updating these policies when needed. Specifically, the Board, has had, and will continue to have, the authority for:
 - a) Adopting policies for financial management practices and a system to ensure accountability for center resources (unless already established by the public agency as the Federal award or designation recipient), including periodically reviewing the financial status of the health center and the results of the annual audit to ensure appropriate follow-up actions are taken;
 - b) Adopting policy for eligibility for services including criteria for partial payment schedules;
 - c) Establishing and maintaining general personnel policies for the health center (unless already established by the public agency as the Federal award or designation recipient), including those addressing selection and dismissal procedures, salary and benefit scales, employee grievance procedures, and equal opportunity practices; and
 - d) Adopting health care policies including quality-of-care audit procedures.
6. The Board has and will continue to have health care policies including the:
 - a) Scope and availability of services to be provided within the Health Center Program project, including decisions to subaward or contract for a substantial portion of the services;
 - b) Service site location(s); and
 - c) Hours of operation of service sites.
7. The Board has and will continue to review and approve the annual Health Center Program project budget.
8. NHCAC has and will continue to develop its overall plan for the Health Center Program project under the direction of the Board.
9. The Board has and will continue to provide direction for long-range planning, including but not limited to identifying health center priorities and adopting a three-year plan for financial management and

capital expenditures.

10. The Board has and will continue to assess the achievement of project objectives through evaluation of health center activities, including service utilization patterns, productivity [efficiency and effectiveness] of the center, and patient satisfaction.
11. The Board has and will continue to ensure that a process is developed for hearing and resolving patient grievances.

P. In accordance with HRSA's Chapter 20, HCPCM, "Board Composition, Section 330(k)(3)(H) of the PHS Act; and 42 CFR 51c.304 and 42 CFR 56.304, NHCAC commits to the following:

1. The Board consists and will continue to consist of at least 9 and no more than 25 members.
2. The majority [at least 51%] of the Board members will be patients served by the health center. The patient board members will, as a group, represent the individuals who are served by the health center in terms of demographic factors, such as race, ethnicity, and gender.
3. Non-patient Board members are and will continue to be representative of the community served by the health center and have been and will be selected for their expertise in relevant subject areas, such as community affairs, local government, finance and banking, legal affairs, trade unions, and other commercial and industrial concerns, or social service agencies within the community.
4. Of the non-patient health center Board members, no more than one-half have derived, or will in the future derive, more than 10% of their annual income from the health care industry.
5. A health center Board member is not now, and will not in the future be an employee of NHCAC, or spouse or child, parent, brother or sister by blood or marriage of such an employee. The Chief Executive Officer may be a non-voting, ex-officio member of the Board. In the future, if there is a project director, the project director may be a non-voting, ex-officio member of the board.
6. The health center bylaws or other internal governing rules prescribe and will continue to process for selection and removal of the health center patient population. The selection process in the bylaws or other rules is subject to approval by HRSA.
7. In cases where a health center receives an award/designation under

section 330(g), 339(h) and/or 330(i) and does not receive and award/ designation under section 330€, the health center may request approval from HRSA for a waiver of the patient majority board composition governance requirement by showing good cause.

Q. In accordance with HRSA’s Health Center Program’s Requirements “HCPCM’s Chapter 21 Federal Tort Claims Act (FTCA) Deeming Requirements, NHCAC has amended its management policy as follows:

1. In order to obtain deemed Public Health Service employment status under sections 224(g)-(n) of the PHS Act for themselves and for their “covered individuals,” NHCAC and any of its sub-recipients (including those defined as sub-recipients under the Health Center FTCA Medical Malpractice Program regulations), hereafter referred to as a “health center”, will submit for approval by HRSA an annual deeming application that demonstrates the health center:
 - a) Has implemented appropriate policies and procedures to reduce the risk of malpractice and the risk of lawsuits arising out of any health or health-related functions performed by the health center;
 - b) Has reviewed and verified the professional credentials, references, claims history, fitness, professional review organization findings, and license status of its physicians and other licensed or certified health Care practitioners;
 - c) Has no history of claims under section 224 of the PHS Act or, if such a history exists, fully cooperates with the Attorney General in defending against any such claims, and takes any necessary steps to assure against necessary steps to assure against such claims in the future; and
2. Will fully cooperate with the attorney General and other applicable agencies in providing required information under section 224 of the PHS act.

NHCAC COMPLIANCE PROGRAM ELEMENTS

- The NHCAC Board of Directors directed the development and implementation of an effective compliance program which includes the following elements recommended in the **Office of Inspector General’s Compliance Program Guidance for FQHC’s** (Section references are to relevant sections within this document):
 1. **Corporate Compliance Officer and Compliance Committee designations (Sections V and VI);**

2. **Education and Training Program Development and Implementation (Section VII)** – to provide general compliance information to the broad-based employee population on a routine basis, as well as focused technical training of those functional areas that have the ability to maintain NHCAC and its member organizations at a sustained and continual of compliance level;
3. **Hotline Process Maintenance (Section VIII)** - to provide the most efficient means to receive complaints confidentially and to provide retaliation protection to all individuals who report concerns via the Corporate Compliance Hotline;
4. **Sanction or Disciplinary Action Enforcement (Section XII)**: the enforcement of appropriate sanctions, referrals or disciplinary actions against employees, physicians, on-site agents, or contractors who violate compliance policies, applicable laws or regulations or federal health program requirements
5. **Monitoring (Section X)** - the performance of audits and risk assessments to identify problems and conduct ongoing compliance monitoring of identified problem areas; and
6. **Investigation and Remediation (Sections IX and XI)** - the investigation and remediation of identified systemic problems and the development of appropriate corrective action plans to remediate such problems.
7. **Code of Conduct (Section XIII)** - development and distribution of the Code, as well as the development of new or revised written policies and procedures that further promote NHCAC’ commitment to compliance. Such policies should be considered an integral part of this Program;

This Program establishes a framework for legal and ethical compliance by NHCAC and the members of the NHCAC workforce community. The Program is a living document and all members of NHCAC workforce are encouraged to suggest changes or additions to the Program. It is not intended to set forth all of the substantive programs and practices of NHCAC that are designed to achieve compliance. Certain functional areas within NHCAC that are more likely to have issues involving compliance with applicable laws, regulations and NHCAC policies and practices, such as laboratory, professional billing, and long-term care may develop specific compliance plans and/or policies that address issues pertinent to those areas. These area-specific compliance plans and policies will augment and further support this program.

CORPORATE COMPLIANCE OFFICER

The Corporate Compliance Officer (CCO) routinely communicates with the NHCAC Compliance Committee and reports to the NHCAC President and CEO. When a complaint or issue must be investigated and/or addressed, the CCO will report directly to the NHCAC

Compliance Committee, Chairperson of the Board of Directors and the members of the Board's Executive Committee, who will serve as an Acting Compliance Committee.

The CCO's primary responsibilities include:

- Overseeing and monitoring the implementation of the NHCAC Compliance Program with the NHCAC Compliance Committee. The CCO and NHCAC Compliance Committee will develop a Compliance Work Plan to guide implementation of the Compliance Program. The Compliance Work Plan will include:
 - An identification of areas which require review and monitoring. (*The Work Plan will also be based on the HRSA Compliance Management Elements and the applicable OIG Work Plan for that particular year. The Work Plan will be reviewed on an annual basis with the President and CEO and the Executive Committee of the NHCAC Board of Directors*);
 - educational and training programs relating to legal and regulatory areas;
 - review and revision of departmental compliance policies or plans, where appropriate;
 - plans for continued monitoring of areas under corrective action based on prior compliance assessments;
- Reporting as necessary to the President and CEO and the Executive Committee of the NHCAC Board of Directors on the progress of Compliance Program implementation.
- Advising NHCAC workforce members in establishing methods to improve their efficiency and quality services, and to reduce NHCAC's vulnerability to fraud, abuse and waste;
- Obtaining from NHCAC's Boards of Directors required commitment of resources to carry out review and monitoring activities;
- Periodically revising the Compliance Program in light of changes in the needs of the organization, and in the laws and policies and procedures of government and third-party private payor health plans;
- Developing, coordinating, and participating in an educational and training program that focuses on the elements of the Compliance Program, and ensures that all appropriate employees and management are knowledgeable of pertinent federal and state standards, including significant changes or revisions of those standards when they may occur;
- Ensuring that independent contractors and agents who furnish services to

NHCAC are aware of the applicable requirements of the NHCAC Compliance Program and adhere to all applicable state and federal regulatory guidelines at all times;

- Coordinating personnel issues with Human Resource and Medical Staff Office personnel to ensure that the National Practitioner Data Bank and Cumulative Sanction Report have been checked with respect to all employees, medical staff and independent contractors relating to adverse actions, federal health care plan exclusions and other relevant issues;
- Assisting NHCAC financial management by coordinating internal compliance review and monitoring activities, including periodic reviews of certain departments that have the most potential to have compliance issues;
- Independently investigating and acting on matters related to compliance, including the design and coordination of internal investigations that respond to reports of problems or suspected violations, and any resulting corrective action with affected departments, providers and sub- providers, agents and, if appropriate, independent contractors and if necessary, self-referral to the appropriate state or federal agency. The CCO and/or his designee have the authority to review all documents and other information that are relevant to compliance activities;
- Monitoring the Corporate Compliance Hotline to ensure that members of the NHCAC workforce are able to report suspected improprieties without fear of retribution or retaliation, and implementing processes to investigate, resolve and document all issues reported via the Corporate Compliance Hotline;
- Monitoring changes in the health care environment, including regulatory changes with which NHCAC must comply, and identifying the impact of such changes on specific risk areas;
- Recommending the revision of policies and procedures, as needed so that such policies support the Code of Conduct and strictly comply with all applicable state and federal regulations and guidelines;
- Reviewing through the types and resolution of hotline calls coming through the Compliance Hotline, identifying trends and patterns;
- Monitoring activities related to the NHCAC Compliance Program and Compliance Work Plan and reporting progress and relevant information to the Board of Directors; and
- Responding, in conjunction with Legal Counsel when appropriate, to external agency requests regarding compliance issues.

EDUCATION AND TRAINING

The CCO and the NHCAC Compliance Committee shall develop a continuing process for the dissemination and implementation of the Program and other compliance education/training initiatives:

- All employees will be introduced to and trained in the Program, the NHCAC Code of Conduct and NHCAC compliance policies and procedures. Such training will

reinforce the need for strict compliance with the law and will advise employees that any failure to comply will be documented on the employees' performance evaluation and may result in disciplinary action.

- Within 90 days of their dates of hire, new employees will be introduced to the Code of Conduct, informed of the Program and informed of the ways in which they may access the CCO and the Corporate Compliance Hotline.
- Corporate Compliance will monitor in-service training for relevant employees involved in the assignment of diagnosis and procedure codes for billing government and private payor programs.
- NHCAC will make compliance training available to physicians, to the extent feasible, and will use its best efforts to encourage physician attendance and participation.
- Attendance at all training programs will be monitored and documented.
- A system to document that training has occurred will be developed jointly by the CCO and Human Resources Director.

NHCAC COMPLIANCE COMMUNICATION

Direct Access to the Compliance Officer

NHCAC recognizes that an open line of communication between the CCO and NHCAC workforce, is critical to the success of the Program. In addition to using the Corporate Compliance Hotline, members of the NHCAC community are strongly encouraged to report incidents of potential fraud or to seek clarification regarding legal or ethical concerns directly from the Corporate Compliance Committee, which a member can be directly contacted as follows:

NHCAC Compliance Committee

Committee Chair Rebecca Acosta, EVP - RAcosta@nhcac.org
Nishie Peres, MA, BSN RN - NishieP@nhcac.org
Bart Mongelli Esq. (General Counsel) - Bmongelli@decotiislaw.com

Employees who, in good faith, report possible compliance violations will not be subjected to retaliation or harassment as a result of their reports. Retribution related to reporting of compliance concerns is prohibited and anyone who engages in such prohibited activity will be subject to disciplinary action. Concerns about possible retaliation or harassment should be reported to the CCO or his designee. All such communications will be kept as confidential as possible, but there may be times when the reporting individual's identity may become known or may have to be revealed if governmental authorities become involved, in spite of the best efforts of NHCAC.

When appropriate, the CCO will seek advice directly from legal counsel to assist in the investigation of fraud and abuse reports concerning members of the NHCAC workforce who

may have participated in illegal conduct.

Compliance Hot Line

A key element of the NHCAC Compliance Program is the Corporate Compliance Hotline that can be accessed by dialing (551) 888-0609. The Hotline is a confidential resource that can be used anonymously to allow all members of the NHCAC workforce to voice concerns over any situation that may conflict with NHCAC' commitment to excellence or to report misconduct that could give rise to legal liability if not corrected.

A log is maintained of all Hotline calls, the results of investigations and continued monitoring, if applicable. Reports of calls will be reviewed annually by the CCO to identify any significant trends or patterns.

Compliance Officer- Jorge de Armas Esq.

New Employee Policy

For all new employees, NHCAC will conduct a reference check, as part of the hiring process. All NHCAC job applications specifically require the applicant to disclose any criminal conviction or adverse action relating to professional licensure, certifications, privileges or provider status as outlined by New Jersey law.

Communications with Government Agencies

NHCAC and member organizations shall document and retain records of all requests for information regarding payment policy from any government agencies regulatory bodies or third-party payors and all written or oral responses received. Such records are critical if NHCAC intends to rely on such responses to guide them in future decisions, actions or claim reimbursement requests or appeals, while further underscoring NHCAC commitment to compliance with the law.

Record Retention

NHCAC is committed to complying with the record and documentation requirements under federal or state law and to the maintenance and retention of records and documentation necessary to confirm the effectiveness of NHCAC' Compliance Program. Such documentation includes but is not limited to a Compliance Hotline log, minutes of Compliance Committee meetings, educational presentation logs, handouts and attendance sheets and documentation of auditing and monitoring efforts.

INVESTIGATIONS

The CCO has the authority with the Compliance Committee to investigate all potential compliance issues and to direct others to do so and shall report the results to the President and CEO and The Executive Committee of the Board of Directors. The CCO or his designee will:

- Promptly initiate an investigation of a potential compliance issue to make a determination as to whether a violation has occurred. The CCO will either personally conduct the investigation or refer the complaint to a more appropriate area within NHCAC or outside, such as internal or outside legal counsel, auditors or health care consultants with needed expertise. The CCO may request assistance in the investigation from the person or persons who filed a complaint, other personnel or external sources, as appropriate;
- Request legal counsel to participate in the investigation and provide legal advice in any such matter, as appropriate. In any investigation involving legal counsel, the fact gathering is to be conducted under counsel's direction and control. All members of NHCAC are obligated to cooperate with counsel.
- Prepare a report of each investigation in conjunction with legal counsel which will include documentation of the issue and, as appropriate, a description of the investigative process, copies of interview notes and key documents, a log of the witnesses interviewed and the documents reviewed, the results of the investigation, any disciplinary action and the corrective action implemented to prevent recurrence. Reports of each investigation and the status of the corrective action will be presented to the President and CEO and Executive Committee of NHCAC' Board of Directors on a quarterly basis, or as deemed necessary.
- Work with relevant areas within NHCAC to ensure return of discovered overpayments to the relevant government programs, utilizing all applicable self-disclosure protocols.

MONITORING

As outlined in Section V., one of the principal responsibilities of the CCO is to oversee and monitor the implementation of the NHCAC Compliance Program with the NHCAC Compliance Committee. The CCO and/ or his designee works with Senior Administration and Directors to develop a Compliance Work Plan to track the effectiveness of the Compliance Program. The Compliance Work Plan will include an annual identification of areas which require monitoring. Progress reports of the ongoing monitoring activities, including identification of suspected noncompliance, will be maintained by the CCO and/or his designee and shared annually with the President and CEO and Executive Committee of the Board of Directors.

Monitoring techniques that will be used by the Corporate Compliance Department

include, but are not limited to the following:

- Compliance audits focused on those areas within NHCAC that have potential exposure to government enforcement actions as identified in (i) Special Fraud Alerts issued by the Office of Inspector General (OIG), (ii) OIG annual Work plan, (iii) Medicare fiscal intermediary or carrier reviews and (iv) law enforcement initiatives.
- Benchmarking which provide operational snapshots from a compliance perspective that identify the need for further assessment, study or investigation.
- Periodic reviews in the areas of Program dissemination, communication of NHCAC' compliance standards and Code of Conduct, the Corporate Compliance Hot Line and adequacy of compliance training and education to ensure that the Program's compliance elements have been satisfied. The review process will be conducted through on-site interviews and surveys of key management in operations, medical records, coding, billing and patient care.
- Subsequent reviews to ensure that corrective actions have been effectively implemented.

CORRECTIVE ACTION PLANS

When a compliance issue that has been identified requires remedial action, the appropriate NHCAC department or administrative personnel responsible for the activity should develop a corrective action plan which specifies the tasks to be completed, completion dates and responsible parties. In developing such a plan, the responsible personnel will obtain advice and guidance from the CCO, NHCAC Compliance Committee, legal counsel and other appropriate personnel, as necessary. Each corrective action plan must be approved by the CCO or his designee prior to implementation. The CCO has the obligation to report directly to the President and CEO and Executive Committee of NHCAC' Board of Directors on (i) all compliance issues noted for which corrective actions have not been implemented; (ii) corrective action plans that have not met his/her approval from an adequacy or timing standpoint; or (iii) corrective action plans that are not subsequently implemented in accordance with the approved plan in terms of substance or timing.

A corrective action plan should ensure that the specific issue is addressed and that similar problems will not occur in other areas or departments, to the extent possible. Corrective action plans may require that compliance issues be handled in a designated way, that relevant training takes place, that restrictions be imposed on particular employees, or that the matter be disclosed externally to the appropriate authorities pursuant to applicable state or federal law. Sanctions or discipline, in accordance with the standard disciplinary policies and procedures of NHCAC may also be recommended. If it appears that certain individuals have exhibited a propensity to engage in practices that raise compliance or competence concerns, the corrective action plan should identify actions that will be taken to prevent such individuals from exercising substantial discretion in that area.

SANCTIONS

All members of the NHCAC workforce are responsible for complying with NHCAC' Corporate Compliance Program, Code of Conduct and related policies and procedures. Corrective action for noncompliance will be initiated by the appropriate management personnel, who must notify Human Resources in accordance with the standard disciplinary policies and procedures of NHCAC. Enforcement will be administered by the parties identified by the CCO in consultation with the immediate supervisor and, if appropriate, Human Resources. Disciplinary actions will be determined on a case-by-case basis and will be administered appropriately, equitably and consistently, given the underlying circumstances and considering the degree of underlying acts or omissions, including whether or not such conduct amounts to inadvertent mistake, negligence, recklessness or intentional violations.

Physicians who violate the Program will be disciplined in accordance with the peer review procedures established in the medical staff bylaws at the member organization level.

General Policy

NORTH HUDSON COMMUNITY ACTION CORPORATION ETHICAL STANDARDS

Summary for Employees, Consultants, Contractors and Vendors

We maintain a strict adherence to the principle of conducting our business and its related services lawfully and ethically. As such we:

GENERAL PRINCIPLES:

- Will deal honestly with customers, families, suppliers, contractors and consultants.
- Non-Discrimination; will not discriminate against clients, visitors, employees and or vendors based on race, age, color or national origin, sex, physical or mental disability, sexual orientation, cultural, religious, moral beliefs or political affiliation. In addition, we will not discriminate against clients on the basis of ability to pay, and institute safeguards to prevent discriminatory organizational practices.
- Will provide equal employment opportunities.
- Will maintain a safe work environment free of use and abuse of controlled substance and alcohol; and sexual harassment and/or hostile or abusive behavior and/or discrimination, and an environment of care, mutual respect and cooperation which meets needs of clients, visitors, medical staff, vendors, contractors, and employees.
- Will provide services to meet identified needs of clients and avoid unnecessary or redundant services.
- Will adhere to one level of care throughout the organization and will provide services only to those patients for whom we can safely care for. Care will be closely based on the assessed needs of the individual patient regardless of ability to pay and/or employee/contractor compensation. Will treat all clients/patients with dignity, respect and courteousness.
- Staff shall conduct all personal and professional activities with honesty, integrity, respect, fairness and good faith.

COMPLIANCE WITH LAWS AND REGULATIONS: All employees, agents, vendors, contractors, must comply with all federal, state, local laws, ordinances, licensing, codes and regulations and will further comply with all organizational policies and procedures, including but not limited to, Human Resources policies and procedures, and immediately report any suspected violations to the Corporate Compliance Officer.

COMPLIANCE WITH PATIENT RIGHTS AND ORGANIZATIONAL ETHICS: All employees must comply with all standards, rules and regulations set forth in the Organization's Patient's Bill of Rights. We will support patients and/or their surrogates right to make autonomous decisions regarding their treatment and goals.

QUALITY OF SERVICES: Provide quality services/standards consistent with available resources, stakeholder preferences and needs, and work to ensure the existence of a resource allocation process that considers client's needs, and those of other stakeholders.

SCOPE OF CARE/PRACTICE/SERVICE: Scope of care and/or services will be consistent with that allowed by federal and state rules, regulations, bylaws, job descriptions and/or policies including but not limited to HRSA.

PLANNING: Work to ensure that all people have reasonable access to healthcare and social services, and consider the short-term and long-term impact of management decisions on both the community, its healthcare needs, and on society.

MARKETING ACTIVITIES: Will fairly and accurately represent and market our capabilities to the public. NHCAC employees will offer factual information or documented evidence to the general public and will not distort, exaggerate or misrepresent the truth, make false claims, engage in comparative advertising or attack or disparage another provider, whether verbally or in print.

ANTITRUST ISSUES: Antitrust laws are designed to ensure that competition exists and to preserve the free enterprise system, and to prohibit competitors from entering into agreements to fix prices or to reduce price competition. Employees should not provide business information to a competitor, *unless* the information is necessary to consummate a bona fide customer/supplier relationship.

ANTI-KICKBACK, STARK LAWS AND FALSE CLAIMS AND SAFE HARBORS: Will not offer or agree to receive a kickback to an entity or person to induce any customer to purchase services or refer patients to us.

BILLING AND REIMBURSEMENT: Will ensure that our billing and reimbursement practices comply with all federal and state laws, regulations and guidelines, including but not limited to. All bills will be accurate and reflect current payment methodologies and we will answer all questions about bills and related policies and practices. In addition we will not: submit a claim containing information known to be false; bill for incomplete charts; or file inaccurate timecards.

ACCURATE BOOKS AND ACCOUNTS: All of our transactions must be properly authorized and recorded in accordance with generally accepted accounting principles and policies. No false, incomplete or unrecorded corporate entries shall be made.

USE OF CORPORATE RESOURCES: Employees may not contribute or donate NHCAC funds, products, services or other resources to any political cause, issue, party, or candidate. NHCAC will safeguard and accurately record all assets.

CONTRACT NEGOTIATIONS: The Organization has a duty to disclose current, accurate and complete cost and pricing data where such data are required under appropriate federal or state law or regulation.

PROVIDING AND/OR RECEIVING BUSINESS COURTESIES: We will not seek to gain an improper advantage by offering business or professional courtesies. Employees/agents must not provide or accept gifts or items more than nominal (\$50 per occurrence, or \$300 annually) from and/or to any referral source or purchase/vendor. Never accept anything of value, as noted above, if the gratuity is offered or appears to be offered in exchange for any type of favorable treatment or advantage.

CONFLICT OF INTEREST: Employees/agents will avoid engaging in any activity that might interfere or appear to interfere with the independent exercise of the employee's/agent judgment in situations where his/her personal interests might detract from or conflict with the best interest or the interests of our customers or suppliers.

CONFIDENTIAL INFORMATION: We must strictly safeguard all confidential information with which we are entrusted and must never discuss, transmit, send, receive, discard such information outside of the normal, necessary and procedural course of our business. In particular, all employees/agents must protect the confidentiality of all patient records and information contained in such records.

MEDICARE HEALTH AND SAFETY STANDARDS: We will maintain our eligibility to participate in Medicare by ensuring continued compliance with all FQHC requirements specified in Medicare regulations (*42 CFR Part 405 Subpart X, and at 42 CFR Part 491, with the exception of §491.3*).

VIOLATIONS: Each employee/agent is expected to report any suspected violations of the CODE OF ETHICAL CONDUCT policy, whether criminal or civil, to the Corporate Compliance Officer, which can be done anonymously on the confidential hotline-

(551-888-0609)

The Code of Conduct is not an employment contract, and NHCAC may at any time modify the provisions of this Code of Conduct as it deems appropriate.

CONFLICT OF INTEREST

Purpose: The purpose of this policy is to ensure North Hudson Community Action Corporation complies with all federal, state and local laws, including HRSA's HCPCM's Chapter 13 "Conflict of Interest, Section 330(a)(1) and 330(k)(3)(d) of the PHS Act; 42 CFR 51c.113 and 42 CFR 56.114; and 45 CFR 75.327. toward that end, the NHCAC will:

- Maintain written standards of conduct covering conflicts of interest which govern the actions of its employees engaged in the selection, award, or administration of contracts that comply with all applicable Federal requirements
- No officers, employees, and agents of NHCAC may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest;
- No officer, employee, and/or agent of NHCAC may solicit or accept gratuities, favors, and/or anything of monetary value from contractors and/or parties to subcontracts;
- NHCAC's standards of conduct will, by incorporation of reference hereto, provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of NHCAC;
- To the extent, NHCAC has, or will have, an affiliate, or subsidiary organization that is not a State, local government, or Indian tribe, NHCAC will maintain written standards of conduct covering organizational conflicts of interest.
- By incorporation of the above, the below specifically addresses, any and all conflicts of references, but does not limit the above.
- The purpose below is to outline specifically NHCAC's specific intent to protect the interests of North Hudson Community Action Corporation when entering into a transaction or arrangement that might benefit the private interests of a board member or office. Also, it serves to protect the interests of the Corporation if the Directors or Management are entering into transactions or arrangements that directly or indirectly conflict with the interests of North Hudson Community Action Corporation. The terms of this policy are intended to supplement any statutory conflict of interest provisions and are in no way intended to limit any applicable state or federal laws governing conflicts of interest.

Policy Statement: No Board member shall be an employee of North Hudson Community Action Corporation. No immediate family member of: (1) a Board member, (2) an employee or (3) a consultant or contractor who furnishes goods or services to the Corporation shall be an employee of the Corporation or otherwise hired in any capacity by the Corporation requiring the payment of compensation and/or fringe benefits. An “immediate family member” of a person means his or her spouse, domestic partner, child, parent or sibling by blood, marriage or adoption. Board members, employees, consultants, agents, contractors or those who provide goods and services to the Corporation shall disclose business or personal relationships, including nepotism, that create actual or potential conflicts of interest.

This policy shall apply to any interested person.

Definitions:

Interested Person. Any Director, principal officer, member of a committee with Board-delegated powers, employee, or agent who has a direct or indirect Financial Interest, as defined below, is an Interested Person. If a person is an Interested Person with respect to any entity of which the Corporation is affiliated, he or she is an Interested Person with respect to all entities in the healthcare system.

Financial Interest. A person has a Financial Interest if the person has, directly or indirectly, through business, investment, or family:

1. an ownership or investment in any entity with which the Corporation has a transaction or arrangement;
2. a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
3. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

A Financial Interest is not necessarily a conflict of interest. A person who has a Financial Interest may have a conflict of interest only if the appropriate Board or committee decides that a conflict of interest exists.

PROCEDURES:

- Duty to Disclose

In connection with actual or potential conflicts of interest, an Interested Person must disclose the existence of his or her personal or business Financial Interest and all material facts to the Board and members of committees with Board-delegated powers considering the proposed transaction or arrangement.

- Determining Whether a Conflict of Interest Exists

After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, he or she shall leave the Board or committee meeting while the determination conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

1. Procedures for Addressing real or apparent Conflict of Interest

- a) An Interested Person may make a presentation at the Board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that result in the conflict of interest.
- b) The Chair of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c) After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict or appearance of interest.
- d) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.
- e) No Corporate employee, board member, contractor, or agent may participate in the selection, award or administration of a contract supported by state, federal or private funds if a real or apparent conflict of interest may be involved. Such a conflict would arise when an employee, board member, contractor, or agent or any member of his or her immediate family, partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.
- f) Board members, employees, contractors, agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from

contractors or parties to sub- agreements. However, the Corporation may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.

- g) Corporate Standards of Conduct and Code of Ethics (see attached) provide disciplinary actions for violations of such standards by board members, employees, or agents of the Corporation.

2. Violations of the Conflicts of Interest Policy

- a) If the Board or committee has reasonable cause to believe that a member has failed to disclose actual, apparent, or potential conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b) If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action including removal from the board of directors or the board's employee termination.

Records of Proceedings: The minutes of the Board and all committees with Board-delegated powers shall contain:

1. the names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or potential conflict of interest, the nature of the Financial Interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.
2. the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Annual Statements: Each Director, principal officer, and member of a committee with Board-delegated powers shall annually sign a statement which affirms that such person:

1. has received a copy of the Conflicts of Interest Policy;
2. has read and understands the policy;
3. has agreed to comply with the policy; and
4. understands the Corporation is a charitable organization and that in order to

maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Periodic Reviews: To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether transactions, including compensation arrangements and benefits are reasonable and are the results of arm's-length bargaining.
2. Whether any transactions or arrangements such as acquisitions of physician practices and other provider services result in inurement or impermissible private benefit.
3. Whether partnership and joint venture arrangements and arrangements with management service organizations, and physician hospital organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Corporation's charitable purposes, and do not result in inurement or impermissible private benefit.
4. Whether agreements to provide healthcare and agreements with other healthcare providers, employees, and third-party payors further the Corporation's charitable purposes and do not result in inurement or impermissible private benefit.
5. If a person or person has been found by the Board, or by an administrative agency, and/or court of law, to have violated the provisions of this policy, and/or regulation, or law, such person is subject to appropriate discipline. If a person has been accused of having violated the provisions of this section, subject to the provisions of whatever due process may be available, appropriate action may be taken, subject to Board review. The Board shall prepare appropriate disciplinary procedures in accordance with the law and as set forth in the sections below.

Use of Outside Experts: In conducting the periodic reviews provided for above, the Corporation may, but need not, use outside advisors. If outside experts are used their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted and documented.

ANTI-KICK BACK

The Corporation recognizes that as a recipient and sub-recipient of federal funds, it is subject to the strictures of the Medicare and Medicaid anti-kickback statute (42 U.S.C. § 1320a – 7b(b)) and shall be cognizant of the risk of criminal and administrative liability under such statutes, specifically under 42

U.S.C. § 1320 7b(b) which states in part that whoever knowingly and willfully solicits or receives (or offers or pays) any remuneration (including kickback, bribe, or rebate) directly or indirectly, overtly or covertly in cash or in kind, in return for referring (or to induce such person to refer) an individual to a person for the furnishing or arranging for the furnishing of any item or service, OR in return for purchasing, leasing, ordering, or recommending purchasing, leasing, or ordering, or to purchase, lease, or order, any goods, facility, services, or item for which payment may be made in whole or in part under subchapter XIII of this chapter or a State health care program, shall be guilty of a felony and upon conviction thereof shall be fined not more than \$25,000 or imprisoned for not more than five years, or both.

FALSE CLAIMS ACT and discounted drugs

As HSRA's administrative dispute resolution (ADR) final rule went into effect in January 2021, NHCAC will continue to assess and monitor the 340 Program and any allegations of potential violations of the 340 Program. Any claims submitted will be immediately forwarded to the Board and to General Counsel for processing and review.¹

CONFIDENTIALITY

Confidentiality: It is understood the Corporation is private, not-for-profit and as such, all of its governance, administrative, fiscal, management information systems, health information systems, and clinical affairs are confidential and private. It is understood and the directors pledge individually and as a group to honor the code of confidentiality as it relates to all Corporate documents and verbal conversations, discussions, meetings, decisions, and plans. It is further understood that defiance of privacy and confidentiality are immediate grounds for permanent dismissal from the Board of Directors.

Employees also are encouraged to seek guidance regarding the application or interpretation of this Code of Conduct and are expected to cooperate fully in any investigation of a potential violation. The statement set forth in this Code of Conduct are intended as guidelines for employees. Routine questions of interpretation regarding the Code shall be directed to the employee's supervisor or to the Corporate Compliance Officer. If any employee believes the Code, or particularly the Compliance Plan, may have been violated, the employee promptly shall report the potential violation to the Corporate Compliance Officer or make use of the confidential **HOT-LINE at (551) 888-0609**. Violations of the Code of Conduct and the Compliance Plan may be disciplined by the Medical Center, up to and including dismissal. However, the Code of Conduct and the Compliance Plan do not set forth all of the reasons or situation in which employees may be disciplined.

Reporting Mechanisms

One of the key ingredients of an effective compliance program is the development of a system which employees can use to report questionable behavior without fear of retaliation. We have established **(551) 888-0609** as the Corporate Compliance Hotline for this purpose. The Hotline will put you in touch with our Compliance Officer who reports directly to the President. Some

examples of behavior that should be reported include the following:

- A serious breach of patient or employee confidentiality by a co-worker;
- Accepting bribes or kickbacks from a vendor;
- Unethical or illegal activities by any co-worker;
- Violations of any state or federal statute, including, but not limited to, HIPAA; EMTALA, OSHA or any state or federal regulations or laws;
- Theft or pilfering of any items owned or controlled by NHCAC by employees or vendors;
- Significant impairment of a NHCAC employee due to the influence of drugs or alcohol abuse;
- Any other violations of state or federal law or regulations relating to health care.

Employees are expected to bring these types of issues or concerns to their immediate supervisor. The supervisor should then evaluate the situation and address it. If an employee feels their concerns are not properly resolved or if the problem involves their supervisor, employees must contact the next level of management or the Corporate Compliance Hotline.

When calling the Hotline, please be sure to provide as much information as possible to enable the Compliance Officer to research the issue. They will begin a detailed investigation and provide the results of that directly to the President. Calls can be made anonymously from an outside phone. However if you want a response to your inquiry, you will need to provide your name and department. All Hotline calls will be kept confidential to the extent possible and still permit investigation.

General Compliance questions or issues may be addressed to any member of the NHCAC Compliance Committee:

Committee Chair Rebecca Acosta, EVP - RAcosta@nhcac.org
Nishie Peres, MA, BSN RN - NishieP@nhcac.org
Bart Mongelli Esq. (General Counsel) - Bmongelli@decotiislaw.com

If you decide to use e-mail to report an issue, your identity will be known to the Compliance Officer through your e-mail address.

STATEMENT OF UNDERSTANDING
NORTH HUDSON COMMUNITY ACTION
CORPORATION CODE OF CONDUCT

I certify that I have read and understand the Code of Conduct for the Corporate Compliance Program and agree to abide by it during the entire term of my employment. I acknowledge that I have a duty to report any alleged or suspected violation of the Code of Conduct or the Corporate Compliance Program to the Compliance Officer, as outlined within the Code of Conduct.

I understand that any violation of the Corporate Compliance Program, the Code of Conduct or any other corporate compliance policy or procedure is grounds for disciplinary action, up to and including discharge from employment.

Please check applicable box:

- This is my first review of the Corporate Compliance Program, Code of Conduct and Conflict of Interest Policy.
- This is an annual review of the Program, Code of Conduct and Conflict of Interest Policy.
- There has been a change of information previously provided. See attached explanation.

Your signature certifies that you have read and understand the Corporate Compliance Program Code of Conduct and Conflict of Interest Policy and agree to abide by them.

Signature Print/Type Name Position

Date

The original of this document signed during the new hire processing will be maintained in the employee's Human Resources personnel file. Subsequent annual documents signed by the employee will be maintained in the employee's departmental file.

**NORTH HUDSON COMMUNITY ACTION
CORPORATION CORPORATE COMPLIANCE
PROGRAM**

Certification of Compliance with the Conflict of Interest Policy

I have no interest that may be deemed a conflict of interest under the Code of Conduct or Conflict of Interest Policy. I understand that any material misstatement or omission made by me in this certificate or my failure to adhere to the terms of the Code of Conduct and Conflict of Interest Policy may subject me to disciplinary action, including termination of employment.

I have violated no federal, state or local rule or regulation in connection with the business of NHCAC and I am not aware of any actions of any other individual or of NHCAC that violates the Code of Conduct or Conflict of Interest Policy except as follows:

Neither I, nor any member of my family is a director, officer, partner or employee, nor do I or any member of my family have any other official position or business relationship with any business or professional enterprises including nonprofit business from, which NHCAC secures goods or services or that provides goods or services competitive with NHCAC except as follows:

Please list any other information that may be perceived as a conflict of interest.

Date

Signature

Print/Type Name Position

The original of this document signed during the new hire processing will be maintained in the employee's Human Resources personnel file. Subsequent annual documents signed by the employee will be maintained in the employee's departmental file. For all copies with handwritten notations concerning potential conflicts of interest please furnish a copy to the Compliance Officer.

¹ Please see separate memo addressing this for the Board's information. There has been a flurry of litigation and the Board should be aware that such litigation might be expected.