

ALLEGANY REHABILITATION ASSOCIATES, INC.

d/b/a Clarity Wellness Community

Corporate Compliance Plan

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Clarity Wellness Community
CORPORATE COMPLIANCE POLICY

I. Policy

It has been and continues to be the policy of Clarity to comply with all applicable federal, state, and local laws and regulations, and payer requirements. It is also Clarity's policy to adhere to the Standards of Conduct that is adopted by the Board of Directors, the Executive Director, and the Compliance Committee.

For purposes of this Policy, the term "Affected Individuals" includes employees, senior leadership members, the Executive Director, contracted practitioners, students, members of the board of directors, and contractors and vendors acting within Clarity's compliance program risk areas.

II. Commitment

We have always been and remain committed to our responsibility to conduct our business affairs with integrity based on sound ethical and moral standards. We will hold our Affected Individuals to these same standards.

Clarity is committed to maintaining and measuring the effectiveness of our Compliance policies and standards through monitoring and auditing systems reasonably designed to detect noncompliance by its Affected Individuals. We shall require the performance of regular, periodic compliance audits by internal and/or external auditors who have expertise in federal and state health care statutes, regulations, and health care program requirements.

III. Responsibility

All Affected Individuals shall acknowledge that it is their responsibility to report any suspected instances of suspected or known noncompliance to their immediate supervisor, the Executive Director or the Compliance Officer. Reports may be made anonymously without fear of retaliation or retribution. Failure to report known noncompliance or making reports which are not in good faith will be grounds for disciplinary action, up to and including termination of employment, contract, assignment, or appointment. Reports related to harassment or other workplace-oriented issues will be referred to Human Resources.

IV. Policies and Procedures and Standards of Conduct

Clarity will communicate its compliance standards and policies through required training initiatives to all Affected Individuals. We are committed to these efforts through distribution of this Compliance Plan and our Standards of Conduct and Philosophy.

V. Compliance Officer and Compliance Committee

Clarity has appointed a Compliance Officer who is responsible for the overall operation of the Compliance Program. A Compliance Committee works with the Compliance Officer to implement and maintain an effective Compliance Program.

VI. Enforcement

This Compliance Plan will be consistently enforced through appropriate disciplinary mechanisms including, if appropriate, discipline of Affected Individuals responsible for failure to detect and/or report noncompliance.

VII. Agency Response

Detected noncompliance, through any mechanism, i.e., compliance auditing procedures and/or confidential reporting, will be responded to in an expedient manner. We are dedicated to the resolution of such matters and will take all reasonable steps to prevent further similar violations, including any necessary modifications to the Compliance Plan and policies and procedures.

VIII. Due Diligence

Clarity will, at all times, exercise due diligence with regard to background and professional license investigations for all Affected Individuals.

IX. Non-Retaliation, Non-Intimidation, and Whistleblower Protections

Clarity will not take any retaliatory action against an Affected Individual who, in good faith, reports actual or suspected noncompliance or illegal activities or for good faith participation in the Compliance Program.

Clarity will not take any retaliatory action against an employee if the employee discloses certain information about Clarity's policies, practices, or activities to a regulatory, law enforcement, or other similar agency or public official. Protected disclosures are those that assert that Clarity is in violation of a law that creates a substantial and specific danger to the public health and safety; or which constitutes health care fraud under the law; or that assert that, in good faith, the employee believes constitute improper quality of patient care.

Policies and Procedures and Standards of Conduct

To support the operation of Clarity's Compliance Program, policies and procedures are established to provide direction to Affected Individuals and address the following components of the Compliance Plan:

- Conflict of Interest
- Reporting and investigation of noncompliance
- Non-retaliation and non-intimidation
- False Claims Act and Whistleblower protections
- Compliance Program education and training
- Auditing and monitoring
- Billing errors and overpayments
- Kickbacks and business courtesies
- Discipline for noncompliance or failure to report
- Responding to governmental investigations
- Other risk areas identified through organizational experience

All Affected Individuals are expected to be familiar with and knowledgeable about the Compliance Program Policies and Procedures. The Policies can be accessed at <https://www.claritywellnesscommunity.org/corporate-compliance>.

The Standards of Conduct serves as a foundational document that describes Clarity's fundamental principles and values, and commitment to conduct its business in an ethical manner. The Standards of Conduct provides Affected Individuals with guidance on requirements for conduct related to their employment, contract, assignment or association with Clarity.

When any person knows or reasonably suspects that the expectations in the Standards of Conduct and the Compliance Program have not been met, this must be reported to the immediate supervisor, a member of Management, the Compliance Officer, member of the Compliance Committee, or the Executive Director so that each situation may be appropriately dealt with. Reports may be made in person; by phone, fax, mail, or email; or anonymously. The Compliance Officer may be reached at (585) 593-6300 ext. 257 or by calling the confidential and anonymous Corporate Compliance Hotline at (585) 808-7660.

Compliance Program Oversight:

I. The Role of the Compliance Officer

The Board of Directors of Clarity designates Emma Timblin as the Compliance Officer. The Compliance Officer has direct lines of communication to the Executive Director, the Board of Directors, and Clarity counsel.

Job Duties

The Compliance Officer is directly obligated to serve the best interests of our agency, consumers and employees. Responsibilities of the Compliance Officer include but are not limited to:

- Developing and implementing compliance policies and procedures (P&P).
- Overseeing and monitoring the implementation of the compliance program.
- Directing Clarity internal audits established to monitor effectiveness of compliance standards.
- Providing guidance to management, medical/clinical program personnel, and individual departments regarding P&P and governmental laws, rules, and regulations.
- Updating, periodically, the Compliance Plan as changes occur within Clarity, within the law and regulations, or governmental and third-party payers.
- Overseeing efforts to communicate awareness of the existence and contents of the Compliance Plan.
- Coordinating, developing, and participating in the educational and training program.
- Guaranteeing independent contractors (consumer care, vendors, billing services, etc.) are aware of the requirements of Clarity's Compliance Plan.
- Actively seeking up-to-date material and releases regarding regulatory compliance.
- Maintaining a reporting system (hotline) and responding to concerns, complaints, and questions related to the Compliance Plan.
- Acting as a resourceful leader regarding regulatory compliance issues.
- Investigating and acting on issues related to compliance.

- Coordinating internal investigations and implementing corrective action.

II. The Structure, Duties, and Role of the Compliance Committee

Compliance Committee members are appointed by the Executive Director and approved by the Board of Directors and represent senior management in Finance, Clinical Services and Information Technology. Compliance issues are reported by the Compliance Committee to the Executive Director and Board, where appropriate. The Compliance Committee purpose is to advise and assist the Compliance Officer with implementation of the Compliance Plan.

Function

The roles of the Compliance Committee include:

- Analyzing the environment where Clarity does business, including legal requirements with which it must comply.
- Reviewing and assessing existing policies and procedures that address these risk areas for possible incorporation into the Compliance Plan.
- Working with departments to develop standards and policies and procedures that address specific risk areas and encourage compliance according to legal and ethical requirements.
- Advising and monitoring appropriate departments relative to compliance matters.
- Developing internal systems and controls to carry out compliance standards and policies.
- Monitoring internal and external audits to identify potential non-compliant issues.
- Implementing corrective and preventive action plans.
- Developing a process to solicit, evaluate, investigate, and respond to complaints and problems.

III. Delegation of Substantial Discretionary Authority

Any employee or prospective employee who holds, or intends to hold, a position with substantial discretionary authority for Clarity is required to disclose any name changes and any involvement in non-compliant activities including health care related crimes. In addition, Clarity performs reasonable inquiries into the background of such applicants,

contractors, vendors, and Members of the Board of Directors, exclusion checks pre-hire or pre-contracting, and monthly exclusion checks on all affected parties.

The following organizations may be queried with respect to potential employees, contractors, vendors and Members of the Board of Directors:

- a) General services administration: list of parties excluded from federal programs. The URL address is <http://epls.gov/epls/servlet/EPLSSearchMain/2>.
- b) HHS/OIG cumulative sanction report. The URL address is <http://exclusions.oig.hhs.gov/search.html>.
- c) NYS Medicaid Fraud Database. The URL address is <http://www.health.state.ny.us/nysdoh/medicaid/dqprvpg.htm>.
- d) Licensure and disciplinary record with NYS Office of Professional Medical Conduct (Physicians, Physician Assistants) (the URL address is <http://www.health.state.ny.us/nysdoh/opmc/main.htm>) and/or New York State Department of Education (other licensed professionals) (the URL address is <http://www.op.nysed.gov/rasearch.htm#name>).

Education and Training

I. Expectations

Education and training are critical elements of the Compliance Plan. Every employee and agent is expected to be familiar and knowledgeable about Clarity's Compliance Plan and have a solid working knowledge of responsibilities under the plan. Compliance policies and standards will be communicated to all employees through required participation in training programs.

II. Training Topics - General

All Affected Individuals shall participate in training on the topics identified below:

- Government initiatives, including the Federal False Claims Act, New York False Claims Act, and Whistleblower Protections;
- History and background of Corporate Compliance;
- Legal principles regarding compliance and Affected Individuals responsibilities related thereto;
- The role and responsibilities of the Compliance Officer and the Compliance Committee;
- Communication channels;
- Government and private payer reimbursement principles;
- General prohibitions on paying or receiving remuneration to induce referrals and the importance of fair market value;
- Prohibitions against submitting a claim for services when documentation of the service does not exist to the extent required;
- Prohibitions against signing for the work of another employee;
- Prohibitions against alterations to medical records and appropriate methods of alteration;
- Prohibitions against rendering services without a signed physician's order or other prescription, if applicable;
- Proper documentation of services rendered;
- Duty to report misconduct;

- Disciplinary standards for non-compliance; and
- Non-retaliation and non-intimidation policy.

III. Training Topics - Targeted

In addition to the above, targeted training will be provided to all managers and any other employees whose job responsibilities include activities related to compliance topics. Managers shall assist the Compliance Officer in identifying areas that require specific training and are responsible for communicating the terms of this Compliance Plan to all independent contractors doing business with Clarity.

IV. Orientation

As part of their orientation, each employee and contractor shall receive an electronic written copy of the Compliance Plan, policies, and specific standards of conduct that affect their position.

V. Attendance

All education and training relating to the Compliance Plan will be verified by attendance and a signed acknowledgement of receipt of the Compliance Plan and Standards of Conduct.

Compliance training completion is mandatory and is a condition of continued employment, contract, appointment, or assignment within Clarity.

Effective Confidential Communication

I. Expectations

Open lines of communication between the Compliance Officer and each Affected Individual subject to this Plan are essential to the success of our Compliance Program. Every Affected Individual has an obligation to refuse to participate in any wrongful course of action and to report the actions according to the procedure listed below.

II. Reporting Procedure

If an Affected Individual witnesses, learns of, or is asked to participate in any activities that are potentially in violation of this Compliance Plan, he or she should contact the Compliance Officer, his or her immediate supervisor, or the Executive Director. Reports may be made in person or by calling a telephone line dedicated for the purpose of receiving such notification, 585-808-7660, or mailing information to 4222 Bolivar Road, Wellsville, NY 14895.

Upon receipt of a question or concern, any supervisor, officer, or director shall document the issue at hand and report to the Compliance Officer. Any questions or concerns relating to potential non-compliance by the Compliance Officer should be reported immediately to the Executive Director.

The Compliance Officer or designee shall record the information necessary to conduct an appropriate investigation of all complaints. If the employee was seeking information concerning the Standards of Conduct or its application, the Compliance Officer or designee shall record the facts of the call and the nature of the information sought and respond as appropriate. Clarity shall, as much as is possible, protect the anonymity of the employee or contractor who reports any complaint or question.

III. Protections

The identity of reporters will be safeguarded to the fullest extent possible and will be protected against retribution. Report of any suspected violation of this Plan by following the above shall not result in any retribution. Any threat of reprisal against a person who acts in good faith pursuant to his or her responsibilities under the Plan is acting against Clarity's compliance policy. Discipline, up to and including termination of employment will result if such reprisal is proven.

IV. Policy of Non-Retaliation and Non-Intimidation

Clarity will not take any retaliatory action against an Affected Individual who, in good faith, reports a compliance concern, as defined by this Plan or for good faith participation in the Compliance Program, including but not limited to:

- Reporting potential issues;

- Investigating issues;
- Self-evaluations;
- Audits;
- Remedial actions; and
- Reporting to appropriate officials as provided in sections 740 and 741 of the New York State Labor Law.

Any threat of retribution, retaliation, or intimidation against a person who acts in good faith pursuant to their responsibilities under the Compliance Plan is acting against Clarity's Compliance Policy. Discipline, up to and including termination of employment, contract, appointment, or assignment, will result if such retribution, retaliation or intimidation is proven.

Affected Individuals who believe they have been subject to retribution, retaliation and/or intimidation for reporting a compliance concern or for good faith participation in the Compliance Program shall report the actions to the Compliance Officer who shall conduct an investigation into the allegation in accordance with Element 7 of this Compliance Plan (Response to Compliance Issues).

V. Guidance

Any Affected Individual may seek guidance with respect to the Compliance Plan or Standards of Conduct at any time by following the reporting mechanisms outlined above.

Enforcement of Compliance Standards

I. Background Investigations

For all employees who have authority to make decisions that may involve compliance issues, Clarity will conduct a reasonable and prudent background investigation, including a reference check, as part of every employment application.

II. Disciplinary Action - General

Affected Individuals who fail to comply with Clarity's compliance policy and standards, or who have engaged in conduct that has the potential of impairing Clarity's status as a reliable, honest, and trustworthy service provider, will be subject to disciplinary action, up to and including termination of employment, contract, assignment, or appointment. Any discipline will be appropriately documented in the employee's personnel file, along with a written statement of reason(s) for imposing such discipline. When the determination is made that a compliance violation occurred involving a contractor or vendor, the Compliance Officer will notify the Executive Director and work collaboratively to determine and execute the appropriate corrective action. The Compliance Officer shall maintain a record of all disciplinary actions involving the Compliance Plan and report at least quarterly to the Board of Directors regarding such actions.

Clarity will apply progressive discipline consistent with the violation. Examples of the disciplinary action that may be taken in accordance with the nature and scope of the infraction include but are not limited to verbal counseling or warning, counseling with written warning, retraining, reassignment or demotion, suspension without pay, and termination of employment, contract, assignment, or appointment. Clarity will consider intentional or reckless behavior as being subject to more significant disciplinary action.

III. Performance Evaluation - Supervisory

Clarity's Compliance Program requires that the promotion of, and adherence to, the elements of the Compliance Program be a factor in evaluating the performance of Clarity employees and contractors. They will be periodically trained in new compliance policies and procedures. In addition, all managers and supervisors will:

- a. Discuss with all supervised employees the compliance policies and legal requirements applicable to their function.
- b. Inform all supervised personnel that strict compliance with these policies and requirements is a condition of employment.
- c. Disclose to all supervised personnel that Clarity will take disciplinary action up to and including termination or revocation of privileges for violation of these policies and requirements.

IV. Disciplinary Action - Supervisory

Managers and supervisors will be sanctioned for failure to adequately instruct their subordinates or failure to detect noncompliance with applicable policies and legal requirements where reasonable diligence on the part of the manager or supervisor would have led to the earlier discovery of any problems or violations and would have provided Clarity with the opportunity to correct them.

Auditing and Monitoring of Compliance Activities

I. Internal Audits

Ongoing evaluation is critical in detecting non-compliance and will help ensure the success of Clarity's Compliance Program. An ongoing auditing and monitoring system, implemented by the Compliance Officer and in consultation with the Compliance Committee, is an integral component of our auditing and monitoring systems. This ongoing evaluation shall include the following:

- Billings;
- Payments;
- Ordered services;
- Medical necessity;
- Quality of care;
- Governance;
- Mandatory reporting;
- Credentialing;
- Contractor, subcontractor, agent, or independent contractor oversight;
- Review of relationships with third-party contractors, specifically those with substantive exposure to government enforcement actions;
- Review of documentation and billing relating to claims made to federal, state, and private payers for reimbursement, performed internally or by an external consultant as determined by Compliance Officer and Compliance Committee.
- Compliance training and education;
- Effectiveness of the Compliance Program; and
- Other risk areas that are or should reasonably be identified by Clarity through its organizational experience

The audits and reviews will examine Clarity's compliance with specific rules and policies through on-site visits, personnel interviews, general questionnaires (submitted to employees and contractors), and consumer record documentation reviews.

II. Compliance Plan Integrity

Additional steps to ensure the integrity of the Compliance Plan will include:

- Annual review with legal counsel of all records of communications and reports by all employees or contractors kept in accordance with this Plan.
- The Compliance Officer will be notified immediately in the event of any visits, audits, investigations, or surveys by any federal or state agency or authority, and shall immediately receive a photocopy of any correspondence from any regulatory agency charged with licensing Clarity and/or administering a federally or state-funded program or County-funded program with which Clarity participates.

- Establishment of a process detailing ongoing notification by the Compliance Officer to all appropriate personnel of any changes in laws, regulations, or policies, as well as appropriate training to assure continuous compliance.

Detection and Response to Compliance Issues

I. Violation Detection

As part of its Compliance Program, Clarity will ensure that all reports of compliance concerns are immediately and objectively investigated and resolved promptly. The Compliance Officer, Executive Director, and the Compliance Committee shall determine whether there is any basis to suspect that a violation of the Compliance Plan has occurred.

If it is determined that a violation *may have* occurred, The Compliance Officer will take immediate measures to secure relevant evidence or documentation and will ensure the confidentiality of any information obtained. Unless a potential conflict of interest exists, the Compliance Officer will inform the Executive Director of any pending investigations. This investigation may include, but is not limited to, the following:

- Interviews with individuals having knowledge of the facts alleged;
- A review of documents; and
- Legal research and contact with governmental agencies for the purpose of clarification.

If advice is sought from a governmental agency, the request and any written or oral response shall be fully documented. The Compliance Officer or Executive Director will arrange to retain legal counsel, as deemed appropriate.

II. Reporting

The results of the investigation and remedial actions will be communicated confidentially to the Executive Director, members of the Board of Directors, and other employees based on a need-to-know basis. The Compliance Officer shall report to the Compliance Committee regarding each investigation conducted unless conducted under attorney privilege.

At the conclusion of an investigation involving legal counsel, they shall issue a report to the Compliance Officer, Executive Director, and Compliance Committee summarizing his or her findings, conclusions, and recommendations and will render an opinion as to whether a violation of the law has occurred. The report will be reviewed with legal counsel in attendance. Any additional action will be on the advice of counsel.

III. Rectification

If Clarity identifies that an overpayment was received from any third-party payer, the appropriate regulatory (funder) and/or prosecutorial (attorney general/police) authority will be appropriately notified with the advice and assistance of counsel. It is our policy to not retain any funds which are received as a result of overpayments. In instances where it

appears an affirmative fraud may have occurred; appropriate amounts shall be returned after consultation and approval by involved regulatory and/or prosecutorial authorities. Systems shall also be put in place to prevent such overpayments in the future. The agency is committed to correcting identified deficiencies or risks promptly and thoroughly and implementing procedures, policies, and systems as necessary to reduce the potential for recurrence.

IV. Record Keeping

Regardless of whether a report is made to a governmental agency, the Compliance Officer shall maintain a record of the investigation, including copies of all pertinent documentation. This record will be considered confidential and privileged and will not be released without the approval of the Executive Director or legal counsel.