



<b>Policy Title:</b> Policy Management		<b>Policy #:</b> 03.001.003
<b>Policy Owner:</b> Associate Executive Director of Administrative Services		<b>Department:</b> Compliance
<b>Issue Date:</b> 03.28.2023	<b>Approval Date:</b> 05.27.2025	<b>Revised Date:</b> 03.12.2025
<b>Last Review Date:</b> 05.27.2025		<b>Next Review Date:</b> 05.26.2026

**Policy:** It is the policy of Clarity to establish a standardized process for policy development, approval, revision, and implementation.

**Purpose:** The Policy and Procedure provides clear direction for the process of developing and maintaining policies and establishes a process that promotes effective, organized, and timely policy development and review.

**Scope:** This policy applies to all “affected individuals,” which include Clarity employees, senior leadership members, the Chief Executive Officer, contracted practitioners, students, members of the board of directors, and contractors and vendors acting within affected compliance program risk areas. This policy must be distributed to all Clarity affected individuals.

**Procedures:**

1. Policies shall be developed and/or revised to meet legal and regulatory requirements and to comply with other Clarity policies.
2. All Organization policies will contain the required header information:
  - a. Policy Title: Name of the policy.
  - b. Policy Number: Two-digit department classification number, followed by a three-digit policy number, followed by a three-digit version number; e.g., xx.xxx.xxx
  - c. Policy Owner: Position title of person who oversees, implements, and amends the policy.
  - d. Department: The department responsible for the policy, corresponds with the two-digit department classification number in the policy number
  - e. Issue Date: The original issue date of the policy before any subsequent updates or revisions
  - f. Approval Date: The most recent date the Board of Directors and Chief Executive Officer approved revisions to the policy and made the changes effective
  - g. Revised Date: The most recent date any content, grammar, or organizational changes were made to the policy. Any of these changes require an update to the three-digit version number in the policy number
  - h. Last Review Date: The most recent date the policy was reviewed by the Board of Directors and Chief Executive Officer
  - i. Next Review Date: The next date the policy needs to be reviewed by the Board of Directors and Chief Executive Officer
3. All Clarity Policies will contain required sections to include:



- a. Policy: Brief description of the policy.
- b. Purpose: A brief description of why the Policy is being promulgated and/or what it seeks to accomplish.
- c. Scope: Who the policy applies to
- d. Definitions: If applicable, any terms requiring clear explanations that are specific to the policy
- e. Procedure: Detailed procedure to be followed to implement the policy appropriately.
- f. Attachments: If applicable, names of additional forms associated with and included at the end of the policy.
- g. References and Regulations: If applicable, regulatory reference numbers (external), other guidance documents and/or training modules.
- h. Footer with the Policy Title & Number, page number, and Uncontrolled Document disclaimer

4. Policy Owners will utilize the Clarity Policy and Procedure Template to ensure adherence to Policy Header and Section requirements, as well as accepted organization branding and formatting.
5. The Policy Owner is the department/ program administrator or individual responsible for the policy implementation and oversight. The Policy Owner shall be responsible for recommending the timely development, review, revision, and implementation of new and existing policies relating to their respective areas of accountability.
6. All newly created or revised policies will be drafted by the appropriate Policy Owner. The Chief Executive Officer and other Senior Management will be consulted as needed throughout the process of developing or revising any policy. All policies will be reviewed annually, and the review process will be initiated by the Policy Owner.
7. Newly created, revised, and due for review policies will be submitted to the Compliance Officer for presentation by the Policy Owner to the Compliance Committee. The Compliance Officer, in collaboration with the Compliance Committee, will review new or revised policies prior to approval to ensure compliance with legal and regulatory requirements and other Clarity policies, and to offer feedback to the Policy Owner.
8. The Compliance Committee is authorized to approve operational-level changes to existing policies. For time sensitive changes, the Chief Executive Officer, the Associate Executive Director of Clinical Services, and the Compliance Officer may collectively approve and implement the changes, which will then be reviewed by the Compliance Committee at its next meeting. These changes will be reviewed by the Board of Directors during the annual policy review. Any policies due for annual review, new policies, or significant changes to policies related to strategy, finance, risk, or human resources must be reviewed and/or approved by the Board of Directors.
9. After review and/or approval from the Compliance Committee, all new or due for review policies, as well as revised policies needing Board approval will be reviewed and/or approved by the Chief Executive Officer and Board of Directors. The Chief Executive Officer and Board of Directors shall approve all applicable policies prior to implementation.



The date of approval of each policy shall be included in the policy. The effective date of the policy shall be the date of approval.

10. The Compliance Officer will be responsible for the overall coordination of approved or reviewed policies. The Compliance Officer will catalog and distribute policies to applicable affected individuals within 10 business days of final approval or review.
11. The Compliance Officer or designee shall develop a plan for informing and educating affected individuals, if applicable, of Clarity's new and revised policies.
12. Clarity will maintain an official organizational policy structure with the most current approved versions, with references to applicable procedures or related documents. Policies will be stored in the HR Policy and Procedure Share Point library. File names will include the policy number (e.g., xx.xxx.xxx), the policy title, and the approval date (e.g., mm.dd.yyyy) separated by underscores.
13. Policies, as they are revised or replaced, shall not be discarded. The Compliance Officer or designee shall maintain an ongoing file of archived policies, including revised policies and substitute policies, that mirror the organizational policy structure of current approved versions. An underscore, the word "ARCHIVE", and the archived date will be appended to the policy file name (e.g., \_ARCHIVE mm.dd.yyyy)
14. Non-compliance with this policy may result in disciplinary action, up to and including termination.
15. As part of its ongoing auditing and monitoring process in its Compliance Program, Clarity will review this policy based on changes in the law or regulations, as Clarity practices change, and, at minimum, on an annual basis. Additionally, this policy will be tested for effectiveness on an annual basis or more frequently as identified in accordance with Clarity's Compliance Program. Testing will include but is not limited to ensuring that the policy is appropriately followed, the policy is effective, and the policy has been disseminated to all affected individuals, as well as notified of any updates or changes. Tracking of the criteria above and results of this testing will be completed by the Compliance Officer, or designee. Additionally, results will be reported to the Compliance Committee and Governing Body on a regular basis.
16. Clarity will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.

**Attachments:**

1. Clarity Policy & Procedure Department Classification Numbers
2. Clarity Policy & Procedure Template 03.903.001

**References & Regulations:**

1. Social Service Law 363-D
2. 18 NYCRR Part 521-1.4(a)(1)



## Clarity Policy & Procedure Department Classification Numbers

Department	Department Number
Administration	01
Human Resources	02
Compliance	03
Information Technology	04
Billing	05
Finance	06
Mental Health Outpatient Treatment & Rehabilitative Services	07
Personalized Recovery Oriented Services	08
Intensive Intervention Services	09
Home Based Crisis Intervention	10
Trauma Systems Therapy	11
Peer Support	12
Street Outreach	13
Medical & Nursing	14



<b>Policy Title: Conflict of Interest</b>		<b>Policy #: 03.002.004</b>
<b>Policy Owner: Associate Executive Director of Administrative Services</b>		<b>Department: Compliance</b>
<b>Issue Date: 01.25.2016</b>	<b>Approval Date: 05.27.2025</b>	<b>Revised Date: 04.09.2025</b>
<b>Last Review Date: 05.27.2025</b>		<b>Next Review Date: 05.26.2026</b>

**Policy:** It is the Policy of Clarity to ensure that decisions about Clarity's operations are made to benefit Clarity when contemplating a transaction or arrangement that could benefit an Affected Individual or their immediate family member.

**Purpose:** All affected individuals of Clarity have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy is established to ensure that services and business activities are conducted in an objective manner and are not motivated by a desire for personal or financial gain. The Board of Directors is responsible for the implementation of the Conflict-of-Interest Policy.

**Scope:** This policy applies to all affected individuals of Clarity, which includes employees, senior leadership members, the Chief Executive Officer, contracted practitioners, students, members of the board of directors, and contractors and vendors acting within Clarity's compliance program risk areas. This policy must be distributed to all Affected Individuals.

**Definitions:**

1. **Conflict of Interest:** Any situation in which financial or other personal considerations may compromise or appear to compromise an Affected Individual's business judgment, delivery of services or ability for an employee to do his or her job. An actual or potential conflict of interest occurs when an employee or Board member is in a position to influence a decision that may result in a personal gain for that employee, Board member, or for an immediate family member as a result of business dealings. For the purpose of this Policy, an immediate family member is any person who is related by blood or marriage, or whose relationship with the employee or Board member is similar to that of persons who are related by blood or marriage. An immediate family member of a person includes:
  - a. The person's spouse.
  - b. Natural or adoptive parent, child, or sibling.
  - c. Stepparent, stepchild, stepbrother, or stepsister.
  - d. Father-in-law, mother-in-law; son-in-law; daughter-in-law; brother-in-law; or sister-in-law.
  - e. Grandparent or grandchild.
  - f. Spouse of a grandparent or grandchild.

**Procedures:**

1. Affected Individuals are required to disclose any actual or potential conflict of interest and seek guidance on how to handle the situation.



2. Business dealings with outside entities should not result in unusual gain for those entities, Clarity, a Board member, or an employee. Unusual gain refers to gifts, bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the employer, the employee, or both or that would reasonably be determined to influence the employer, employee, or both.
3. The materials, products, designs, plans, ideas, and data are the property of Clarity and should never be given to an outside firm or individual without appropriate prior authorization from the Chief Executive Officer. Any improper transfer of material or disclosure of information, even though it is not apparent that an employee has personally gained by such action, is prohibited.
4. Clarity will not enter into a related party transaction unless the Board affirmatively determines that the transaction is fair, reasonable, and in the best interest of the Organization. A related party transaction means any transaction, agreement, or arrangement in which a related party has a financial interest. A related party is defined as: (i) any director, officer, or key employee, (e.g., members of senior leadership, physicians), of Clarity or its related entities; (ii) any relative of any director, officer, or key employee of Clarity or its related entities; or (iii) an entity in which any individual described prior has a 35% or greater ownership or beneficial interest, or in the case of a partnership or professional corporation, a direct ownership interest in excess of 5%.
5. Each employee will be provided with Clarity's Conflict of Interest Policy as part of the new hire orientation process. Each employee shall sign a statement that affirms that the employee has received a copy of the Conflict-of-Interest Policy, has read and understands the Policy, and has agreed to comply with the Policy.
6. Each Board member, officer, key employee, and member of a committee with Governing Board-delegated powers will be provided with Clarity's Conflict of Interest Policy and shall sign a statement at the time of hire, assignment, and/ or Board approval that affirms that such person has received a copy of the Conflict of Interest Policy, has read and understands the Policy, and has agreed to comply with the Policy.
7. Employees must disclose any potential conflicts of interest upon hire and when a potential conflict arises. The Employee completes the Conflict of Interest Disclosure Statement form, (attached to this Policy), to record an actual or potential conflict of interest upon hire and when a potential conflict arises. Completed forms are to be forwarded to and retained by the Compliance Officer.
8. Key employees (members of senior leadership, physicians), the Chief Executive Officer, officers, and Board members must complete a Conflict-of-Interest Disclosure Statement upon hire or prior to being seated (voted on for approval), and annually thereafter in order to report any actual or potential conflict of interest. Such an annual statement shall not exempt any key employee, officer, or Board member from disclosing a potential conflict of interest pursuant to Procedure #17 below. The Compliance Officer shall provide copies of all completed Conflict of Interest Disclosure Statements by key employees, the Chief Executive Officer, officers, and Board members to the President of the Board.



9. An employee or Board member with questions or concerns about a potential conflict of interest will promptly address the issue with appropriate Management staff and/ or the Compliance Officer. Management staff will consult with the Compliance Officer before responding to a concern or question about a potential conflict of interest.
10. Board Members, Officers, the Chief Executive Officer, and Management personnel are expected to avoid actions that could be perceived or interpreted as being in conflict with the best interest of Clarity.
11. Actual or potential conflicts of interest must be disclosed to appropriate management personnel and the Compliance Officer. Employees who may be involved in any Clarity's business transaction in which there is an actual or potential conflict of interest will promptly notify their immediate supervisor and Compliance Officer, and the Compliance Officer will promptly notify the Chief Executive Officer and the President of the Board.
12. The completed Conflict of Interest Disclosure Statements are reviewed by the Compliance Officer and Chief Executive Officer and, if necessary, appropriate actions and adjustments are made to avoid possible conflicts of interest. The Compliance Officer will report significant concerns regarding the Conflict-of-Interest Disclosure Statements to the Compliance Committee and the President of the Board.
13. The Compliance Officer will maintain a written record of any report of potential conflict of interest and of any adjustments made to avoid potential conflicts of interest.
14. The President of the Board, after receiving information about a potential conflict of interest, will take such action as is necessary to ensure that the transaction is completed in the best interest of Clarity without the substantive involvement or influence of the person with the potential conflict of interest.
15. Key employees, officers, and Board members who have a direct or indirect interest in a related party transaction must disclose, in good faith, such interest to the Board or Committee considering the transaction and the material facts concerning such interest.
16. Key employees, officers, and Board members who have a direct or indirect interest in a related party transaction may not be present or otherwise participate in any Board or Committee deliberations or voting concerning the transaction; however, such individuals may present information concerning a related party transaction prior to the commencement of deliberations or voting.
17. Prior to entering into a related party transaction, the Board or Committee must consider alternatives, to the extent available, that would not be a related party transaction.
18. The Board or Committee must approve the related party transaction by not less than a majority vote of those present at the meeting.
19. The Board or Committee must contemporaneously document, in writing, the basis for its approval of the related party transaction, including its consideration of alternatives to the related party transaction.
20. Board members with conflicts will absent themselves from the discussion/ deliberation and vote on the item/ circumstance that the Board member has identified as a conflict. The meeting minutes shall indicate when the member left the room, that the discussion and vote, if any, occurred, and then that the member was invited to return to the meeting. If



any member with a conflict does not excuse themselves from the meeting, the President of the Board shall ask the member to leave the room. The existence and resolution of the conflict, if any, must be documented.

21. Board members are strictly prohibited from any attempt to influence the discussion, deliberations, or vote on any subject that relates to the member's conflict.
22. Employees must seek guidance and approval from appropriate Management personnel prior to pursuing any business or personal activity that may constitute a conflict of interest.
23. Outside employment may not interfere with the employee's ability to perform their job with Clarity. In addition, Clarity employees may not directly compete against Clarity, work for its competitors, or have any ownership interest in a competitor.
24. The Compliance Officer shall document the existence and resolution of any conflict in Clarity's records, including putting in the minutes of any meeting at which a conflict was discussed and voted upon.
25. The Compliance Officer will investigate any violations of this Policy.
26. Non-compliance with this policy may result in disciplinary action, up to and including termination.
27. As part of its ongoing auditing and monitoring process in its Compliance Program, Clarity will review this policy based on changes in the law or regulations, as Clarity practices change, and, at minimum, on an annual basis. Additionally, this policy will be tested for effectiveness on an annual basis or more frequently as identified in accordance with Clarity's Compliance Program. Testing will include but is not limited to ensuring that the policy is appropriately followed, the policy is effective, and the policy has been disseminated to all affected individuals, as well as notified of any updates or changes. Tracking of the criteria above and results of this testing will be completed by the Compliance Officer, or designee. Additionally, results will be reported to the Compliance Committee and Governing Body on a regular basis.
28. Clarity will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.

**Attachments:**

1. Conflict of Interest Disclosure Form 03.904.001

**References & Regulations:**

1. Not-For-Profit Corporation Law § 715



<b>Policy Title: False Claims Act</b>		<b>Policy #: 03.003.005</b>
<b>Policy Owner: Associate Executive Director of Administrative Services</b>		<b>Department: Compliance</b>
<b>Issue Date: 10.31.2014</b>	<b>Approval Date: 05.27.2025</b>	<b>Revised Date: 05.14.2025</b>
<b>Last Review Date: 05.27.2025</b>		<b>Next Review Date: 05.26.2026</b>

**Policy:** It is the policy of Clarity to detect and prevent fraud, waste, and abuse in federal healthcare programs. This Policy explains the Federal False Claims Act, (31 U.S.C. §§ 3729 - 3733), the Federal Program Fraud Civil Remedies Act, (31 USC §§3801-3812), the Patient Protection and Affordable Care Act, (Pub. L. No. 111-148, 124 Stat. 119), the New York State False Claims Act, (State Finance Law §§187-194), and other New York State laws concerning false statements or claims and employee protections against retaliation. This policy also sets forth the procedures Clarity has put into place to prevent any violations of federal or New York State laws regarding fraud or abuse in its health care programs.

**Purpose:** Clarity is committed to prompt, complete, and accurate billing of all services provided to consumers. Clarity and its affected individuals shall not make or submit any false or misleading entries on any bills or claim forms, and no employee, contractor, or agent shall engage in any arrangement or participate in such an arrangement at the direction of another person, including any supervisor or manager, that results in such prohibited acts.

**Scope:** This Policy applies to all affected individuals which include Clarity employees, senior leadership members, the Chief Executive Officer, contracted practitioners, students, members of the board of directors, and contractors and vendors acting within affected compliance program risk areas. This policy must be distributed to all Clarity affected individuals.

A contractor or vendor covered by this policy is any independent contractor, contractor, subcontractor, or agent working on behalf of the organization who:

- Provides or authorizes Medicare or Medicaid healthcare items or services or handles billing or coding tasks.
- Offers important administrative or consultative services, goods, or services related to healthcare, or is involved in delivering items or services reimbursed by Medicare, Medicaid, or another federal healthcare program.
- Monitors the healthcare provided by the organization.

**Procedures:**

1. General Principles:
  - a. Clarity shall provide training to its affected individuals regarding this Policy.
  - b. Billing activities are to be performed in a manner consistent with Medicare, Medicaid, and other payer regulations and requirements.
  - c. To assist in its efforts to detect and prevent fraud, waste, and abuse, Clarity conducts regular audit and monitoring procedures as described in Internal Monitoring and Auditing Process.



2. Reporting Non-Compliance:
  - a. If an affected individual has any reason to believe that anyone is engaging in false billing practices, that employee shall immediately report the practice in accordance with Clarity's Reporting and Investigating Compliance Concerns policy. The Clarity Compliance Hotline phone number is (800) 928-0084. Reports can also be made online at [report.complyline.com](http://report.complyline.com). The organization pin is 894447 and the site ID is 1. Both the organization pin and site ID are needed to report via phone or online.
3. Non-Retaliation
  - a. Clarity will not retaliate against any employee for taking any lawful action under the False Claims Act. Moreover, Clarity will not retaliate against any affected individual for reporting any potential compliance concern, as described in Clarity's Whistleblower Protections and Non-Retaliation policy.
4. Corrective and Remediation Actions
  - a. When errors in claiming for services delivered are identified, whether during a program supervisor's routine pre-claiming review or during an annual audit by the Corporate Compliance Officer or designee, the agency will take steps to determine what the cause of the error was and the best way to prevent further errors. Clarity's Compliance Committee will be apprised anytime corrective or remedial actions are undertaken. Possible corrective actions include:
    - i. Education to improve understanding by employees
    - ii. Corrective billing action including voiding or withdrawal of a claim or refund to the payor if payment has been remitted
    - iii. Development or revision of policy and procedures
    - iv. Employee correction including discipline
    - v. Revision of the Compliance plan or Committee structure
    - vi. Implementing additional auditing or monitoring
    - vii. Voluntary disclosure to an outside oversight agency
  - b. At the time of disclosure, the Corporate Compliance Officer with the assistance of appropriate Compliance Committee members will quantify an anticipated overpayment by assessing the scope of the problem. This can be accomplished through a complete internal audit or by engaging an accountant to pull a test sample and do an extrapolation of estimated overpayment.
  - c. Refunding of Overpayments will be done in accordance with the payer's policies and procedures.
  - d. Clarity will take remedial steps to correct the underlying cause of the Overpayment within sixty (60) days after identification or within such additional time period as may be agreed to by the payer. The corrective action will include correcting the underlying cause of the Overpayment and taking remedial action to prevent the Overpayment from recurring.
5. Employee Handbooks and Contractor Agreements



- a. This Policy will be available to all affected individuals. A discussion of this policy is included in Clarity's employee handbook.
- b. All affected individuals whose responsibilities are affected by this policy are expected to be familiar with the basic procedures and responsibilities created by this policy. Failure to comply with this policy will be subject to disciplinary action pursuant to all applicable policies and procedures, up to and including termination.

6. Overview of Relevant Laws

- a. Federal False Claims Act (31 U.S.C. §§ 3729 - 3733)
  - i. Overview: The False Claims Act is one of the laws the Government uses to prevent and detect fraud, waste, and abuse in federal health care programs. The False Claims Act establishes liability for any person who "knowingly" submits a false claim either directly to the Government or to a contractor or grantee of the Government if the money or property is to be spent or used on the Government's behalf or to advance a Government program or interest. A violation of the False Claims Act can result in a civil penalty as defined by law for each false claim submitted, plus up to three times the amount of the damages sustained by the Government due to the violation(s). The False Claims Act defines "knowingly" to mean that a person has actual knowledge of the false claim, acts in deliberate ignorance of the truth or falsity of the information, or acts in reckless disregard of the truth or falsity of the information. Specifically, the False Claims Act may be violated by the following acts:
    1. Knowingly presenting, or causing to be presented, a false or fraudulent claim for payment or approval
    2. Knowingly making or using, or causing to be made or used, a false record or statement material to a false claim
    3. Conspiring to commit a violation of the False Claims Act
    4. Knowingly making, using, or causing to be made or used, a false record or statement material to an obligation to pay money or transmit property to the Government, or knowingly concealing or avoiding or decreasing an obligation to pay money or transmit property to the Government.
  - ii. Applicability: Among other things, the False Claims Act applies to claims submitted for payment by federal health care programs, including Medicare and Medicaid.
  - iii. Examples: A few examples of actions that violate the False Claims Act include knowingly:
    1. Billing for services that were not actually rendered.
    2. Charging more than once for the same service.
    3. Billing for medically unnecessary services.
    4. Falsifying time records used to bill Medicaid.



- iv. Methods of Enforcement: The Government, or an individual citizen acting on behalf of the Government, (a “Relator”), can bring actions under the False Claims Act. If a Relator brings an action under the False Claims Act, the Government has a period of time to investigate the allegations and decide whether to join the lawsuit. If the Government elects to join the lawsuit, the Relator is entitled to 15-25% of any recovery. If the Government elects not to join the lawsuit, the Relator may still proceed with the action and is entitled to 25-30% of any recovery.
- b. Federal Program Fraud Civil Remedies Act (31 USC §§3801-3812): The Program Fraud Civil Remedies Act of 1986 is a federal law that provides for administrative recoveries by federal agencies including the Department of Health and Human Services, which operates the Medicare and Medicaid Programs. The law prohibits the submission of a claim or written statement that the person knows or has reason to know is false, contains false information, or omits material information. Violations of this law are investigated by the Department of Health and Human Services and monetary sanctions may be imposed in an administrative hearing setting. Monetary sanctions may include penalties as defined by law per claim and damages of twice the amount of the original claim.
- c. Patient Protection and Affordable Care Act “PPACA” (Pub. L. No. 111-148, 124 Stat. 119): The Patient Protection and Affordable Care Act of 2010 is a federal healthcare law that through amendments expanded provisions of the Federal False Claims Act. Most significantly, PPACA expanded FCA liability for possession of overpayments (42 U.S.C. § 1320a-7k). The law clarified that an overpayment must be reported and returned by 60 days after the date on which the overpayment was identified. Overpayments retained after the deadline are considered an obligation as defined in the FCA imposing FCA liability.
- d. New York State False Claims Act (State Finance Law §§187-194): The New York State False Claims Act was modeled after the Federal False Claims Act and its provisions are very similar. This Act provides that anyone who “knowingly” submits false claims to the Government is liable for damages up to three times the amount of the erroneous payment plus mandatory penalties between \$6,000 and \$12,000 for each false claim submitted. The False Claims Act defines “knowingly” to mean that a person has actual knowledge of the false claim, acts in deliberate ignorance of the truth or falsity of the information, or acts in reckless disregard of the truth or falsity of the information.

The Government, or an individual citizen acting on behalf of the Government, (a “Relator”), can bring actions under the New York State False Claims Act. In addition, the New York State False Claims Act prohibits discrimination against an employee for taking lawful actions in furtherance of an action under the Act. Any employee who is discharged, demoted, harassed, or otherwise discriminated against because of lawful acts by the employee in furtherance of an action under the False Claims Act is entitled to all relief necessary to make the employee whole.



- e. Social Service Law §145-b: Under this section it is unlawful to knowingly make a false statement or representation, or to deliberately conceal any material fact, or engage in any other fraudulent scheme or device, to obtain or attempt to obtain payments under the New York State Medicaid program. In the event of a violation of this law, the local social services district or the state has a right to recover civil damages equal to three times the amount of the incorrectly paid claim. In the case of non-monetary false statements, the local social service district or state may recover three times the damages, (or \$5,000, whichever is greater), sustained by the government due to the violation. In addition, the Department of Health may impose a monetary penalty of up to \$10,000 per violation unless a penalty under the section has been imposed within the previous five years, in which case the penalty may be up to \$30,000.
- f. Social Services Law § 145-c: Under this section, if any person individually or as a member of a family applies for or receives public assistance, including Medicaid, by intentionally making a false or misleading statement, or intending to do so, then the needs of that person shall not be taken into account for determining the needs of that person or those of his or her family for a period of 6 months if a first offense, for a period of 12 months if a second offense, or upon an offense which resulted in the wrongful receipt of benefits in an amount of between \$1,000 and \$3,900, and for a period of 18 months if a third offense or upon an offense which resulted in the wrongful receipt of benefits in excess of \$3,900, and 5 years for any subsequent occasion of any such offense.
- g. Social Services law §145: Under this section, any person who submits false statements or deliberately conceals material information in order to receive public assistance, including Medicaid, is guilty of a misdemeanor. This crime is punishable by fines and by imprisonment of up to one year.
- h. Social Service Law § 366-b: Under this section any person who, with intent to defraud, presents for payment any false or fraudulent claim for services or merchandise, or knowingly submits false information for the purpose of obtaining compensation greater than that to which he/she is legally entitled to shall be guilty of a class A misdemeanor.
- i. Penal Law Article 155: Under this Article, the crime of larceny applies to a person who, with intent to deprive another of his property, obtains, takes, or withholds the property by means of trick, embezzlement, false pretense, false promise, including a scheme to defraud, or similar behavior. This Article has been applied to Medicaid fraud cases. This crime is punishable by fines and imprisonment of up to twenty-five years.
- j. Penal Law Article 175: Under this Article, four crimes relating to falsifying business records or filing a false instrument have been applied in Medicaid fraud prosecutions. These crimes are punishable by fines and imprisonment of up to four years.



- k. Penal Law Article 176: This Article establishes the crime of insurance fraud. A person commits such a crime when he/she intentionally files a health insurance claim, including Medicaid, knowing that it is false. This crime is punishable by fines and imprisonment of up to twenty-five years.
- l. Penal Law Article 177: This Article establishes the crime of health care fraud. A person commits such a crime when, with the intent to defraud Medicaid, (or other health plans, including non-governmental plans), he/she knowingly and willfully provides false information or omits material information for the purpose of requesting payment for a health care item or service and, as a result of the false information or omission, receives such a payment in an amount to which he/she is not entitled. Health care fraud is punished with fines and jail time based on the amount of payment inappropriately received due to the commission of the crime.
- m. Labor Law §740: In addition to provisions contained in the Federal and New York State False Claim Acts, this section offers protection to employees who may notice and report inappropriate activities. Under New York State Labor Law §740, an employer may not take any retaliatory personnel action against an employee because the employee:
  - i. discloses, or threatens to disclose to a supervisor or to a public body an activity, policy, or practice of the employer that is in violation of law, rule or regulation that presents a substantial and specific danger to the public health or safety.
  - ii. provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into any such violation of a law, rule, or regulation by such employer.
  - iii. objects to, or refuses to participate in any such activity, policy, or practice in violation of a law, rule or regulation.

To bring an action under this provision, the employee must first bring the alleged violation to the attention of the employer and give the employer a reasonable opportunity to correct the allegedly unlawful practice. The law allows employees who are the subject of a retaliatory action to bring a civil action in court and seek relief such as injunctive relief to restrain continued retaliation, reinstatement, back-pay, and compensation of reasonable costs. The law also provides that employees who bring an action without basis in law or fact may be held liable to the employer for its attorney's fees and costs.

- n. Labor Law §741: Under this section, an employer may not take any retaliatory personnel action against an employee if the employee discloses certain information about the employer's policies, practices, or activities to a regulatory, law enforcement, or other similar agency or public official. Protected disclosures are those that assert that, in good faith, the employee believes constitute improper quality of patient care or improper quality of workplace safety. The employee's disclosure is protected only if the employee first brought up the matter with a supervisor and gives the employer a reasonable opportunity to correct the alleged



violation, unless the danger is imminent to the public or patient, and the employee believes in good faith that reporting to a supervisor would not result in corrective action. The law allows employees who are the subject of a retaliatory action to bring a civil action in court and seek relief such as injunctive relief to restrain continued retaliation, reinstatement, back-pay, and compensation of reasonable costs.



<b>Policy Title:</b> Anti-Kickback- Courtesies, Gifts, Entertainment		<b>Policy #:</b> 03.004.004
<b>Policy Owner:</b> Associate Executive Director of Administrative Services		<b>Department:</b> Compliance
<b>Issue Date:</b> 05.23.2023	<b>Approval Date:</b> 05.27.2025	<b>Revised Date:</b> 04.09.2025
<b>Last Review Date:</b> 05.27.2025		<b>Next Review Date:</b> 05.26.2026

**Policy:** It is the policy of Clarity that any business courtesy intended to induce or reward referrals or result in the purchase of goods or services is strictly prohibited. Gifts, entertainment, and other benefits will not be provided to a potential referral source, except as permitted by this policy. Any business courtesies involving physicians or other individuals or entities in a position to refer individuals or patients to Clarity for services must strictly follow Clarity's policies and be in conformance with all Federal and State laws, regulations, and rules regarding these practices.

**Purpose:** Clarity recognizes that there are legitimate and lawful reasons to accept or provide reasonable business courtesies. However, in healthcare, business courtesies pose a risk for conflict of interest or fraud and/ or abuse related to anti-kickback laws and regulations. The Federal Anti-Kickback law prohibits the offer of payment, solicitation, or receipt of anything of value to induce or reward the referral of Federal health care program recipients, such as Medicare and Medicaid recipients. The Federal Anti-Kickback statute also prohibits the payment or receipt of any remuneration that is intended to induce the purchasing, leasing, or ordering of any item or service that may be reimbursed, in whole or in part, under a federal health care program. It also prohibits the payment or receipt of any remuneration that is intended to induce the recommendation of the purchasing, leasing, or ordering of any such item or service. The purpose of this policy is to assure that Clarity complies with Federal Anti-Kickback laws. The policy provides guidance for providing business courtesies.

**Scope:** This Policy applies to all "affected individuals" which include Clarity employees, senior leadership members, the Chief Executive Officer, contracted practitioners, students, members of the board of directors, and contractors and vendors acting within affected compliance program risk areas.

**Definitions:**

1. **Business Courtesies:** A business courtesy is anything of value, a favor, or a benefit provided free of charge or at a charge less than fair market value in the context of a business relationship. The Policy applies to gifts, entertainment, and hospitality involving Clarity's employees or Board members and its referral sources and business partners intended to enhance business relationships and/or further their mutual business interests. Examples include gifts, entertainment, or hospitality for the purposes of inducing:
  - a. Referrals for Clarity's services or treatment.
  - b. The purchasing, leasing, or ordering of any item or service.
  - c. The recommendation of the purchasing, leasing, or ordering of any such item or service.



2. **Immediate Family Member:** For the purpose of this policy, an immediate family member is any person who is related by blood or marriage, or whose relationship with the employee or Board member is similar to that of persons who are related by blood or marriage. An immediate family member of a person includes:
  - a. The person's spouse.
  - b. Natural or adoptive parent, child, or sibling.
  - c. Stepparent, stepchild, stepbrother, or stepsister.
  - d. Father-in-law, mother-in-law; son-in-law; daughter-in-law; brother-in-law; or sister-in-law.
  - e. Grandparent or grandchild.
  - f. Spouse of a grandparent or grandchild.
3. **Nominal Value:** Clarity has determined that items with a value of \$15 per item or \$75 in the aggregate per patient on an annual basis to be of nominal value.
4. **Potential Referral Source:** A potential referral source includes a physician, other healthcare provider, or party who could reasonably be a source of referral of individuals or patients to Clarity for services or treatment.
5. **Remuneration:** Any type of direct or indirect payment, bribe, rebate, or other type of inducement.

**Procedures:**

1. Clarity's employees and Board members may not offer a potential referral source business courtesy unless all of the following criteria are met:
  - a. The business courtesy is not based, directly or indirectly, on the volume or value of referrals or other business generated by the potential referral source.
  - b. The business courtesy is not solicited by the potential referral source or the referral source's employees.
  - c. The business courtesy does not consist of cash or the equivalent of cash.
  - d. The business courtesy does not violate the Federal Anti-Kickback statute or any state or Federal law governing claims submission.
2. All employees and Board members must receive prior approval from the Compliance Officer before extending business courtesies to potential referral sources and business partners. The Compliance Officer will record any business courtesy extended to potential referral sources and business partners on the Gifts and Entertainment Recording Log attached to this Policy. The Compliance Officer will ensure that business courtesies are of nominal value.
3. Employees, Board members, and their Immediate Family Members are prohibited from receiving and/ or accepting business courtesies from Clarity's business partners or potential business partners as an inducement to purchase or lease goods or services.
4. Employees, Board members, and their Immediate Family Members shall not accept or solicit excessive gifts, meals, expensive entertainment, or other offers of goods or services that have more than a nominal value from vendors, suppliers, contractors, or other persons.



5. Employees and Board members may only retain gifts from vendors that have a nominal value. Gifts from vendors must be reported to the Compliance Officer and recorded on the Gifts and Entertainment Recording Log, (see attachment). If an employee or Board member has any concern as to whether a gift should be accepted, the Compliance Officer should be consulted. To the extent possible, these gifts should be shared with other individuals/ employees at Clarity.
6. Non-compliance with this policy may result in disciplinary action, up to and including termination.
7. As part of its ongoing auditing and monitoring process in its Compliance Program, Clarity will review this policy based on changes in the law or regulations, as Clarity practices change, and, at minimum, on an annual basis. Additionally, this policy will be tested for effectiveness on an annual basis or more frequently as identified in accordance with Clarity's Compliance Program. Testing will include but is not limited to ensuring that the policy is appropriately followed, the policy is effective, and the policy has been disseminated to all affected individuals, as well as notified of any updates or changes. Tracking of the criteria above and results of this testing will be completed by the Compliance Officer, or designee. Additionally, results will be reported to the Compliance Committee and Governing Body on a regular basis.
8. Clarity will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.

**Attachments:**

1. Gifts and Entertainment Recording Log

**References & Regulations:**

1. Social Service Law 363-D
2. 18 NYCRR Part 521



**Clarity Wellness  
Gifts and Entertainment Recording Log**

**For the period 1/1/20\_\_ to 12/31/20\_\_**

Potential Referral Source, Business Partner, or Vendor	Authorized By	Date of Gift/Entertainment	Type of Gift/Entertainment	Gift/Entertainment Amount	Reason for Gift/Entertainment



<b>Policy Title: Exclusion &amp; Sanction Screening</b>		<b>Policy #: 03.005.005</b>
<b>Policy Owner: Associate Executive Director of Administrative Services</b>		<b>Department: Compliance</b>
<b>Issue Date: 10.31.2014</b>	<b>Approval Date: 05.27.2025</b>	<b>Revised Date: 04.09.2025</b>
<b>Last Review Date: 05.27.2025</b>		<b>Next Review Date: 05.26.2026</b>

**Policy:** It is the policy of Clarity not to employ, contract with, or conduct business with an individual or entity excluded from participation in federally funded healthcare programs, such as Medicare and Medicaid. Clarity employees including the Chief Executive Officer and senior leadership, interns, and Board members have an affirmative responsibility to notify the Compliance Officer promptly if charged with a criminal offense related to healthcare or proposed or found to be subject to exclusion from federal healthcare programs. It is the policy of Clarity to conduct exclusion (sanction) screening of all current and proposed employees including the Chief Executive Officer and senior leadership, interns, and Board members. It is the policy of Clarity to verify that contractors, as defined by this Policy, who provide and/ or perform services for Clarity have not been the subject of adverse governmental actions and/ or excluded from the federal healthcare programs. It is the policy of Clarity to verify that any physician or other healthcare practitioner ordering, authorizing, or prescribing goods or services under a federally funded healthcare program, such as Medicare or Medicaid, has not been excluded from participation from federal healthcare programs.

**Purpose:** Clarity is committed to maintaining high quality care and service as well as integrity in its financial and business operations. Therefore, all necessary steps will be taken by Clarity to ensure that it does not employ, contract with, or conduct business with an individual or entity excluded from participation in federally funded healthcare programs, such as Medicare and Medicaid.

For purposes of this Policy, a “contractor” is defined as:

1. Any independent contractor, contractor, subcontractor, or other person who, on behalf of Clarity, furnishes or otherwise authorizes the furnishing of Medicare, Medicaid, or other federally funded healthcare items or services, or performs billing or coding functions.
2. Any independent contractor, contractor, subcontractor, or other person who provides administrative or consultative services, goods, or services that are significant and material, are related to healthcare provision, and/ or are included in or are a necessary component of providing items or services of Medicare, Medicaid, or other federally funded healthcare programs.
3. Any independent contractor, subcontractor, or other person who is involved in the monitoring of healthcare provided by Clarity.

**Scope:** This Policy applies to all affected individuals which include Clarity employees, senior leadership members, the Chief Executive Officer, contracted practitioners, students, members of the board of directors, and contractors and vendors acting within affected compliance program risk areas, and as defined above. This policy must be distributed to all directors, officers, employees, and volunteers, and contractors as defined above who provide substantial services to Clarity.



**Procedures:**

1. Clarity will conduct exclusion checks to verify that all employees including the Chief Executive Officer, senior leadership, interns, and Board members, have not been excluded from federal healthcare programs. An exclusion check is a search of the following sources to determine if the individual's name appears on any of the lists:
  - a. U. S. Department of Health and Human Services, Office of Inspector General's, (OIG), List of Excluded Individuals and Entities, (LEIE), available on the website at <http://exclusions.oig.hhs.gov>.
  - b. The System for Award Management, (SAM), available on the SAM website at <https://www.sam.gov>.
  - c. For New York Agencies only: NYS Medicaid Fraud Database available on the NYS Office of Medicaid Inspector General, (OMIG), website at <https://omig.ny.gov/medicaid-fraud/medicaid-exclusions>.
2. An exclusion check will be performed on all applicants for employment as part of the pre-employment screening process. All names used by the applicant will be obtained and utilized as part of the exclusion screening process. If the exclusion check indicates that any individual has been excluded from federal healthcare programs, the applicant will not be offered employment.
3. An exclusion check will be performed for potential Board members and as part of the screening process. All names used by the potential Board member will be obtained and utilized when conducting the exclusion screening. If the exclusion check indicates that a potential Board member has been excluded from federal healthcare programs, the individual will not be considered for Board affiliation.
4. An exclusion check will be performed on all interns as part of the screening process. All names used by the intern will be obtained and utilized when conducting the exclusion screening. If the exclusion check indicates that the intern has been excluded from federal healthcare programs, the intern will not be offered an internship.
5. The Executive Assistant or designee will maintain an updated list of employees, and interns, in an approved format and will make the list available to the personnel responsible for exclusion screening of such parties. The Chief Executive Officer or designee will maintain the list of board members. The exclusion checks shall be completed by the Executive Assistant or designee monthly and the results documented in the Compliance Committee minutes.
6. The Executive Assistant will ensure that exclusion screening is conducted on all employees, interns, and Board members at least every 30 days thereafter. All names used by the parties will be utilized when the exclusion screening is conducted.
7. Any potential matches identified in the ongoing exclusion screening process for employees, interns, and Board members will be reviewed and resolved by the Compliance Officer. The excluded party will be immediately relieved from duty and the Compliance Officer will consult with legal counsel in the event Clarity has been reimbursed for services from the excluded party.



8. The exclusion will be reported as a violation of the Compliance Program and investigated and reported in accordance with the Reporting and Investigation of Compliance Concerns Policy and Procedure.
9. If any employee, intern, or Board member is charged with a criminal offense related to healthcare or is proposed or found to be subject to exclusion from federal healthcare programs, they must be removed from direct responsibility or involvement in any federally funded healthcare program while the matter is pending. If the matter results in conviction or exclusion, Clarity will immediately terminate Clarity's relationship with the employee, intern, or Board member.
10. In addition to exclusion screening, the credentials of medical/ healthcare and other professionals employed by Clarity will be verified with appropriate licensing and disciplining authorities, including any adverse actions taken against the individuals that might impair their performance of duties on behalf of Clarity. The process is applicable to all employees for which license/certification is required for their duties. The verification will be conducted as part of the hiring process and at least annually thereafter.
11. Applicable to Contractors:
  - a. Clarity personnel responsible for negotiating or securing contracts shall require exclusion checks prior to entering into an agreement with a contractor, as defined by this Policy. An exclusion check is a search of the following sources to determine if the individual's or entity's name appears on any of the lists:
    - i. U. S. Department of Health and Human Services, Office of Inspector General's, (OIG), List of Excluded Individuals and Entities, (LEIE), available on the website at <http://exclusions.oig.hhs.gov>.
    - ii. The System for Award Management, (SAM), available on the SAM website at <https://www.sam.gov>.
    - iii. For New York Agencies only: NYS Medicaid Fraud Database available on the NYS Office of Medicaid Inspector General, (OMIG), website at <https://omig.ny.gov/medicaid-fraud/medicaid-exclusions>.
  - b. If the exclusion check indicates that a contractor has been excluded from federal healthcare programs, the contract will not be executed until a determination is made by the Compliance Officer as to whether the contract pertains to activities subject to the prohibition on participation by excluded entities.
  - c. The Executive Assistant will maintain an up-to-date list of contractors in an approved format and will make the list available to the personnel responsible for exclusion screening of such parties.
  - d. The Executive Assistant or designee will ensure that an exclusion check of contractors is conducted prior to entering into a business contract with the contractor and at least every 30 days thereafter. The results will be documented in the Compliance Committee minutes.
  - e. Any matches identified in the ongoing exclusion screening process for contractors will be reviewed and resolved by the Compliance Officer. If the exclusion check indicates that a contractor has been excluded from federal healthcare programs,



the Compliance Officer will make a determination as to whether the contract pertains to activities subject to the prohibition on participation by excluded entities. The contract will be immediately terminated if the goods or services are subject to the prohibition on participation by excluded entities.

- f. The Compliance Officer will consult with legal counsel if Clarity has been reimbursed for goods or services from the excluded individual or entity.
- g. The indicated exclusion will be reported as a violation of the Compliance Program and investigated and reported in accordance with the Reporting and Investigation of Compliance Concerns Policy and Procedure.
- h. The Executive Assistant or designee will ensure that all contracts entered into by Clarity will contain a certification that the federal or state government does not exclude the contractor, its employees, or subcontractors.

12. Applicable to Ordering/Prescribing Physicians and Other Healthcare Practitioners:

- a. Clarity will ensure that an initial exclusion check is conducted on each physician and healthcare practitioner who authorizes, prescribes, or orders goods or services funded by Medicaid, Medicare, or other federally funded healthcare programs. An exclusion check is a search of the following sources to determine if the party's name appears on any of the lists:
  - i. U. S. Department of Health and Human Services, Office of Inspector General's, (OIG), List of Excluded Individuals and Entities, (LEIE), available on the website at <http://exclusions.oig.hhs.gov>.
  - ii. The System for Award Management, (SAM), available on the SAM website at <https://www.sam.gov>.
  - iii. For New York Agencies only: NYS Medicaid Fraud Database available on the NYS Office of Medicaid Inspector General, (OMIG), website at <https://omig.ny.gov/medicaid-fraud/medicaid-exclusions>.
- b. Any Clarity department or program providing healthcare services that require an authorization, order, or prescription by a physician or other healthcare practitioner will ensure that an initial exclusion check is conducted on each physician or practitioner who authorizes, orders, or prescribes goods or services reimbursed by Medicaid, Medicare, or other federally funded healthcare programs.
- c. The department or program will maintain an up-to-date list of physicians and practitioners who authorize, order, or prescribe Medicaid, Medicare, or other federally funded healthcare program services. The list will be maintained in an approved manner and be made available to the personnel responsible for the exclusion screening of such parties.
- d. The Executive Assistant or designee will ensure that an exclusion check of all physicians and practitioners who authorize, order, or prescribe healthcare goods or services provided by Clarity is conducted at least every 30 days, and the results will be documented in the Compliance Committee minutes.
- e. Any matches identified in the ongoing exclusion screening process for physicians and practitioners will be reviewed and resolved by the Compliance Officer. If the



exclusion check indicates that a physician or practitioner has been excluded from federal healthcare programs, the services or goods will not be billed to Medicaid, Medicare, or other federally funded healthcare programs. The Compliance Officer will consult with legal counsel if Clarity has been reimbursed for goods or services authorized, ordered, or prescribed by an excluded physician or practitioner.

- f. The indicated exclusion will be reported as a violation of the Compliance Program and investigated and reported in accordance with the Reporting and Investigation of Compliance Concerns Policy and Procedure.
13. Monitoring for Compliance with Policy:
  - a. The Compliance Officer will ensure the results of all exclusion checks are maintained for a period of at least six years.
  - b. The Compliance Officer is responsible for monitoring this Policy for compliance and ensuring results are reported to the Compliance Committee and the Board, along with any recommendations for remedial actions or improvements to the program.
  - c. An annual audit of employment applications, Board appointments, and contractors, (as defined by this Policy), with which Clarity enters into a contractual relationship will be conducted by the Compliance Officer to verify that this policy is enforced. A report of this audit will be made to the Compliance Committee and Board, along with any recommendations for remedial actions or improvement to the process as part of the annual compliance report.
14. Non-compliance with this policy may result in disciplinary action, up to and including termination.
15. As part of its ongoing auditing and monitoring process in its Compliance Program, Clarity will review this policy based on changes in the law or regulations, as Clarity practices change, and, at minimum, on an annual basis. Additionally, this policy will be tested for effectiveness on an annual basis or more frequently as identified in accordance with Clarity's Compliance Program. Testing will include but is not limited to ensuring that the policy is appropriately followed, the policy is effective, and the policy has been disseminated to all affected individuals, as well as notified of any updates or changes. Tracking of the criteria above and results of this testing will be completed by the Compliance Officer, or designee. Additionally, results will be reported to the Compliance Committee and Governing Body on a regular basis.
16. Clarity will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.

#### **References & Regulations:**

1. Medicare-Medicaid Anti-Fraud and Abuse Amendments of 1977
2. Public Law 95-142
3. 18 NYCRR Part 521
4. Department of Health and Human Services Office of Inspector General: Special Advisory Bulletin on the Effect of Exclusion from Participation in Federal Health Care Programs, (5/8/2013).



<b>Policy Title: Standards of Conduct</b>		<b>Policy #: 03.006.003</b>
<b>Policy Owner: Associate Executive Director of Administrative Services</b>		<b>Department: Compliance</b>
<b>Issue Date: 03.28.2023</b>	<b>Approval Date: 05.27.2025</b>	<b>Date Revised: 04.09.2025</b>
<b>Last Review Date: 05.27.2025</b>		<b>Next Review Date: 05.26.2026</b>

**Policy:** It is the Policy of Clarity to develop, maintain, and update as appropriate written Standards of Conduct to provide affected individuals with guidance on requirements for conduct related to employment, contract, association, or appointment by Clarity.

**Purpose:** Clarity is committed to conducting its business ethically and in conformance with all Federal and State laws, regulations, interpretations thereof, and its Standards of Conduct. To support this commitment, Clarity will maintain and update as appropriate written Standards of Conduct to provide guidance on employee and organizational responsibilities related to compliance. The Standards of Conduct document serves as a foundational document that describes Clarity's fundamental principles, values, and commitment to conduct its business in an ethical manner.

**Scope:** This Policy applies to all affected individuals which include Clarity employees, senior leadership members, the Chief Executive Officer, contracted practitioners, students, members of the board of directors, and contractors and vendors acting within affected compliance program risk areas.

**Procedures:**

1. The Compliance Officer is responsible for the development and periodic update of Clarity's Standards of Conduct.
2. The Standards of Conduct will be reviewed at least annually as part of the review of the Compliance Plan and Compliance Program Policies and Procedures.
3. The Compliance Committee and the Board of Directors will be responsible for oversight and final approval of the Standards of Conduct.
4. The Standards of Conduct will be written at a basic reading level, avoiding complex language and legal terminology.
5. The Standards of Conduct will communicate the expectation that all affected individuals will act in accordance with the Standards of Conduct, that they must refuse to participate in unethical or illegal conduct, and that they must report any unethical or illegal conduct to the Compliance Officer.
6. The Standards of Conduct will address specific areas of potential fraud or similar wrongdoing, (e.g., claims development, submission processes, and coding).
7. The Standards of Conduct will address critical areas such as compliance with laws and regulations, key human resource practices, conflicts of interest, proprietary rights, confidentiality, recordkeeping, service provision, reimbursement practices, fair dealing,



gifts and kickbacks, Clarity's risk areas, and its measures to prevent fraud, waste, and abuse.

8. The Standards of Conduct will communicate the responsibility of staff to report suspected fraud, waste, and abuse, illegal or unethical acts, actual or suspected violations of Federal or State laws and regulations, actual or suspected violations of the Standards of Conduct, the Compliance Program and Clarity's policies and procedures, improper acts in the delivery or billing of services, and other wrongdoing, (collectively referred to as "compliance concerns" for purposes of this Policy), directly to the Compliance Officer or other management personnel.
9. Clarity's confidential reporting and non-retaliation/non-intimidation policies will be referenced as part of the Standards of Conduct for the purpose of encouraging communication and the reporting of potential non-compliance.
10. The Standards of Conduct will provide written guidance on how staff may report actual or suspected compliance concerns without fear of retribution, retaliation, or intimidation to the Compliance Officer through a confidential and/or anonymous mechanism that bypasses Management.
11. The Standards of Conduct will include a description of disciplinary mechanisms utilized by Clarity and the procedures for addressing disciplinary actions.
12. Clarity's Standards of Conduct and Compliance Plan will be provided to all staff as defined by this Policy.
13. The Compliance Officer will ensure that all staff, as defined by this Policy, are provided with a copy of the Compliance Plan and Standards of Conduct as part of their orientation to Clarity.
14. The Compliance Officer will ensure that each Board member is provided with a copy of the Compliance Plan and Standards of Conduct at the time of Board orientation.
15. All staff will sign and date an Acknowledgement Form, electronically, that acknowledges receiving a copy of the Compliance Plan and Standards of Conduct, reading and understanding the contents, and agreeing to abide by the provisions of the documents.
16. The Compliance Officer will ensure that all staff, as defined by this Policy, receive training annually related to the contents of the Standards of Conduct to help them understand how it applies to everyday situations. The Compliance Officer will ensure that records are maintained to document the receipt of training.
17. The Compliance Officer will include in their report to the Compliance Committee and Board of Directors the status of training, along with any recommendations for updating or improving the contents of the Standards of Conduct and/ or training.
18. The Compliance Officer and appropriate senior leadership are responsible for investigations of possible violations of the Standards of Conduct and Compliance Program and ensuring that appropriate disciplinary action has been taken when necessary.
19. Non-compliance with this policy may result in disciplinary action, up to and including termination.
20. As part of its ongoing auditing and monitoring process in its Compliance Program, Clarity will review this policy based on changes in the law or regulations, as Clarity practices



change, and, at minimum, on an annual basis. Additionally, this policy will be tested for effectiveness on an annual basis or more frequently as identified in accordance with Clarity's Compliance Program. Testing will include but is not limited to ensuring that the policy is appropriately followed, the policy is effective, and the policy has been disseminated to all affected individuals, as well as notified of any updates or changes. Tracking of the criteria above and results of this testing will be completed by the Compliance Officer, or designee. Additionally, results will be reported to the Compliance Committee and Governing Body on a regular basis.

21. Clarity will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.

**References & Regulations:**

1. Social Service Law 363-D
2. 18 NYCRR Part 521.



<b>Policy Title:</b> Role and Responsibilities of the Compliance Committee		<b>Policy #:</b> 03.007.002
<b>Policy Owner:</b> Associate Executive Director of Administrative Services		<b>Department:</b> Compliance
<b>Issue Date:</b> 07.23.2024	<b>Approval Date:</b> 05.27.2025	<b>Revised Date:</b> 04.09.2025
<b>Last Review Date:</b> 05.27.2025		<b>Next Review Date:</b> 05.26.2026

**Policy:** It is the Policy of Clarity to ensure Clarity maintains an effective Compliance Program in compliance with regulatory standards. This Policy defines the roles and responsibilities of the Compliance Committee and their duty to help ensure that Clarity has an effective Compliance Program.

**Purpose:** Clarity Wellness Community (“Clarity”) is committed to the operation of an effective Compliance Program. Therefore, Clarity established the Compliance Committee to monitor results of the compliance functions and determine its strategy for promoting compliance.

**Scope:** This policy applies to all affected individuals which include Clarity employees, senior leadership members, the Chief Executive Officer, contracted practitioners, students, members of the board of directors, and contractors and vendors acting within affected compliance program risk areas. This policy must be distributed to all directors, officers, employees, and volunteers, and contractors as defined above who provide substantial services to Clarity.

**Procedures:**

1. The Compliance Committee is appointed by the President of the Board of Directors and Chief Executive Officer to advise and assist the Compliance Officer with the implementation of the Compliance Program. The Compliance Committee will report directly to the Chief Executive Officer and Board of Directors.
2. The Compliance Committee will be comprised of Senior Leadership, at minimum.
3. The Compliance Committee will meet regularly, but at minimum quarterly. Meeting minutes will be recorded. The Compliance Officer will maintain the minutes of all meetings.
4. The Organization will develop and implement a Compliance Committee Charter. The Charter will outline the Compliance Committee's duties and responsibilities, membership, designation of a chairperson, and frequency of meetings.
5. The Compliance Committee will review and update the Compliance Committee Charter at least annually.
6. Affected Individuals will be introduced to the role and responsibilities of the Compliance Committee as part of the Compliance Program education and training.
7. The Compliance Committee is responsible for the following:



- a. Analyzing the regulatory environment where Clarity does business, including legal requirements with which it must comply.
- b. Reviewing and assessing existing policies and procedures that address risk areas for possible incorporation into the Compliance Program.
- c. Reviewing and monitoring Compliance Program training and education to ensure that they are effective and completed in a timely manner.
- d. Ensuring that the Organization has effective systems and processes in place to identify Compliance Program risks, overpayments, and other issues and has effective policies and procedures for correcting and reporting such issues.
- e. Working with departments to develop standards and policies and procedures that address specific risk areas and to encourage compliance according to legal and ethical requirements.
- f. Coordinating with the Compliance Officer to ensure that the written policies and procedures and Standards of Conduct are current, accurate, and complete.
- g. Developing internal systems and controls to carry out compliance standards, Standards of Conduct, and policies and procedures.
- h. Coordinating with the Compliance Officer to ensure communication and cooperation by Affected Individuals on compliance-related issues, internal or external audits, or any other function or activity.
- i. Developing a process to solicit, evaluate, and respond to complaints and problems.
- j. Monitoring internal and external audits to identify issues related to non-compliance.
- k. Implementing corrective and preventative action plans and follow-up to determine effectiveness.
- l. Ensuring the development and implementation of an annual Compliance Work Plan.
- m. Advocating for sufficient funding, staff, and resources to be allocated to the Compliance Officer to carry out duties related to the Compliance Program.
- n. Ensuring that the Organization has appropriate systems and policies in place that effectively identify risks, overpayments, and other areas of concerns including fraud, waste, and abuse.
- o. Monitoring and evaluating the Organization's Compliance Program for effectiveness at least annually and making recommendations for necessary modifications to the Compliance Program as applicable.
- p. Developing and implementing a Compliance Committee Charter. The Charter will outline the Compliance Committee's duties and responsibilities, membership, designation of a chairperson and frequency of meetings. The Charter will be reviewed and updated annually.

8. Non-compliance with this policy may result in disciplinary action, up to and including termination.



9. As part of its ongoing auditing and monitoring process in its Compliance Program, Clarity will review this policy based on changes in the law or regulations, as Clarity's practices change, and, at minimum, on an annual basis. Additionally, this policy will be tested for effectiveness on an annual basis or more frequently as identified in accordance with Clarity's Compliance Program. Testing will include but is not limited to ensuring that the policy is appropriately followed; the policy is effective; the policy has been disseminated to all affected individuals, as well as notified of any updates or changes. Tracking of the criteria above and results of this testing will be completed by the Compliance Officer, or designee. Additionally, results will be reported to the Compliance Committee and Governing Body on a regular basis.
10. Clarity will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.

**References & Regulations:**

1. Social Service Law 363-D
2. 18 NYCRR Part 521



<b>Policy Name:</b> Compliance Education and Training		<b>Policy #:</b> 03.008.003
<b>Policy Owner:</b> Associate Executive Director of Administrative Services		<b>Department:</b> Compliance
<b>Issue Date:</b> 03.28.2023	<b>Approval Date:</b> 05.27.2025	<b>Revised Date:</b> 05.14.2025
<b>Last Review Date:</b> 05.27.2025		<b>Next Review Date:</b> 05.26.2026

**Policy:** It is the Policy of Clarity to ensure that all affected individuals receive formal training relating to the Clarity's Compliance Program. Clarity will ensure that all training is provided in a way that is accessible to all affected individuals and is in alignment with the required State and Federal laws, rules, and regulations.

It is the Policy of Clarity to ensure that affected individuals in identified risk areas, and members of the Board of Directors and Management, receive detailed education related to their function and responsibilities.

**Purpose:** The development and implementation of regular, effective education and training seminars is an integral part of the Compliance Program. Compliance education is divided into two general components. First, all affected individuals must receive an introduction to the Compliance Program. Second, those parties whose work is linked to identified risk areas should receive specialized compliance education pertaining to their function and responsibilities.

**Scope:** This policy applies to all affected individuals which include Clarity employees, senior leadership members, the Chief Executive Officer, contracted practitioners, students, members of the board of directors, and contractors and vendors acting within affected compliance program risk areas. Successful completion of the training sessions is mandatory and a condition of continued employment, contract, appointment, or assignment with Clarity.

**Procedures:**

1. The Compliance Officer is responsible for developing the compliance education curriculum and monitoring and ensuring that compliance training and orientation meet the Policy standards on this subject.
2. Compliance education and training seminars must include an explanation of the structure and operation of the Compliance Program. They will introduce the Compliance Officer and the roles and responsibilities of the Compliance Committee to staff.
3. Compliance education and training seminars will include, at a minimum, information on the following aspects of the Compliance Program:
  - a. Clarity's Compliance Plan.
  - b. Standards of Conduct and other related written guidance.
  - c. Federal False Claims Act.
  - d. New York False Claims Act.



- e. Whistleblower Protections.
- f. Risk areas and organizational experience.
- g. The role and responsibilities of the Compliance Officer and the Compliance Committee.
- h. Communication channels, (Name of Compliance Officer, reporting mechanisms, anonymous Compliance Hotline & web reporting portal).
- i. Clarity's expectations for reporting known or suspected fraud, waste, and abuse; illegal or unethical acts; actual or suspected violations of Federal or State laws and regulations; actual or suspected violations of the Standards of Conduct, the Compliance Program, and Clarity's policies and procedures; improper acts in the delivery or billing of services; and other wrongdoing, (collectively referred to as "compliance concerns" for purposes of this Policy).
- j. How Clarity responds to reports of compliance concerns, including the investigation process and corrective actions.
- k. Clarity's disciplinary policy and standards.
- l. Prevention of fraud, waste, and abuse
- m. Non-retaliation and non-intimidation policy.

Specialized areas for education will include, but not be limited to, the following risk areas:

- a. Improper or fraudulent billing for services.
- b. Misuse of Clarity assets and resources.
- c. Payment or receipt of remuneration or gifts in return for referrals of service recipients or business contracts.
- d. Medicaid requirements specific to Clarity's services and programs.
- e. Coding and billing requirements and best practices, if applicable.
- f. Claim development and the submission process, if applicable.
- g. Government and private payor reimbursement principles.
- h. Government initiatives related to the services provided by Clarity, if applicable.

4. Comprehensive education materials will be developed to facilitate the compliance sessions and ensure that a consistent message is delivered to all staff. Education protocols and materials must be standardized, so as to evidence that everyone attending a seminar receives the same instruction.
5. As part of their initial orientation, each affected individual shall receive a training session within the first 30 days of employment or association with Clarity. Every effort will be made to provide the training within the first 48 hours of hire. Each party will receive an introduction to Clarity's Compliance Program and objectives, and be provided access to Standards of Conduct, the Compliance Plan, and Compliance Program policies and procedures. Each party will attest that they are aware of and will abide by the Compliance Program and Standards of Conduct.
6. All staff will receive training and/ or education at least once per year that includes a review of the existing Compliance Plan, the Standards of Conduct, and any applicable policies and procedures. The session will also focus on any changes in Federal or State laws and regulations.



7. All education and training relating to the Compliance Program will be verified by attendance or other tracking document. Training records will include the date, start and end time of the training, and the content of the material presented. The Compliance Officer will maintain records of attendance for all training sessions.
8. Only properly trained individuals will be used to provide compliance education and training seminars. Compliance Program trainers must be knowledgeable of the Compliance Plan, applicable Federal laws and regulations, relevant Clarity policies/ procedures, operations of the Compliance Program, and content of the Standards of Conduct.
9. The Compliance Officer is responsible for coordinating with Management to ensure that specialized compliance education occurs in identified risk areas.
10. The Compliance Officer will ensure that all contractors and vendors meeting the criteria below are provided with a copy of the Compliance Plan and the False Claims Act and Whistleblower Protections Policy upon entering into a contractual agreement with Clarity. For purposes of this Procedure, contractor and vendor are defined as:
  - a. Any independent contractor, contractor, subcontractor, or other person who, on behalf of Clarity, furnishes or otherwise authorizes the furnishing of Medicare, Medicaid, or other federally-funded healthcare items or services, or performs billing or coding functions.
  - b. Any independent contractor, contractor, subcontractor, or other person who provides administrative or consultative services, goods, or services that are significant and material, are directly related to healthcare provision, and/ or are included in or are a necessary component of providing items or services reimbursed by Medicare, Medicaid, or other federally funded healthcare program.
  - c. Any independent, contractor, subcontractor, or other person who is involved in the monitoring of healthcare provided by Clarity.
11. Clarity will ensure that the Compliance Officer has sufficient opportunities to receive training on compliance issues. Compliance training will be secured and made available to new Compliance Officers as part of the orientation to the role.
12. The Compliance Officer is responsible for submitting periodic reports to the Compliance Committee and Board of Directors on all education seminars related to the Compliance Program. This information will be trended and analyzed to evaluate and ensure that Clarity has an effective Compliance Program.
13. All education and/ or training related to the Compliance Program will be incorporated into Clarity's training plan. The training plan shall, at a minimum, outline the subjects or topics for training and education, the timing and frequency of the training, which staff are required to attend, how attendance will be tracked, and how the effectiveness of the training will be periodically evaluated. The training plan will be reviewed by the Compliance Officer and Compliance Committee and updated as needed, but at minimum on an annual basis.
14. As part of its ongoing auditing and monitoring process in its Compliance Program, Clarity will review this policy based on changes in the law or regulations, as Clarity's practices change, and, at minimum, on an annual basis. Additionally, this policy will be tested for



effectiveness on an annual basis or more frequently as identified in accordance with Clarity's Compliance Program. Testing will include but is not limited to ensuring that the policy is appropriately followed, the policy is effective, the policy has been disseminated to all affected individuals, as well as notified of any updates or changes. Tracking of the criteria above and results of this testing will be completed by the Compliance Officer, or designee. Additionally, results will be reported to the Compliance Committee and Governing Body on a regular basis.

15. Clarity will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.

**References & Regulations:**

1. Social Service Law 363-D
2. 18 NYCRR Part 521



<b>Policy Title:</b> Reporting & Investigation of Compliance Concerns				<b>Policy #:</b> 03.009.006
<b>Policy Owner:</b> Associate Executive Director of Administrative Services				<b>Department:</b> Compliance
<b>Issue Date:</b> 03.28.2023		<b>Approval Date:</b> 10.28.2025		<b>Revised Date:</b> 10.09.2025
<b>Last Review Date:</b> 10.28.2025				<b>Next Review Date:</b> 05.26.2026

**Policy:** It is the Policy of Clarity to maintain a formal confidential and anonymous compliance reporting process to encourage the reporting of any known or suspected fraud, waste, and abuse, illegal or unethical acts, actual or suspected violations of Federal or State laws and regulations, actual or suspected violations of the Standards of Conduct, the Compliance Program, and Clarity's policies and procedures, improper acts in the delivery or billing of services, and other wrongdoing, (collectively referred to as "compliance concerns" for purposes of this Policy).

It is the Policy of Clarity to fully and promptly investigate all reports of any compliance concerns and take appropriate remedial and/or disciplinary action upon completion of the investigation.

**Purpose:** Clarity recognizes that a critical aspect of its Compliance Program is the establishment of a culture that promotes prevention, detection, and resolution of instances of conduct that do not conform to Federal and State requirements, Clarity's ethical and business policies, and fraud, waste, and abuse prevention.

To promote this culture, Clarity has established processes to encourage effective communication and the reporting of compliance questions, issues, concerns, or events that will result in a thorough investigation and appropriate remedial actions.

**Scope:** This policy applies to all affected individuals which include Clarity employees, senior leadership members, the Chief Executive Officer, contracted practitioners, students, members of the board of directors, and contractors and vendors acting within affected compliance program risk areas. This policy must be distributed to all Clarity affected individuals.

**Procedures:**

1. Reporting Process

- a. All affected individuals have an affirmative duty and responsibility to promptly report any compliance concerns.
- b. An "open-door policy" will be maintained at all levels of Management to encourage the reporting of problems and compliance concerns through normal business channels and appropriate levels of Clarity for timely and effective resolution. Clarity recognizes there may be situations where such reporting is impractical or inappropriate. In those instances, direct access to various levels of Management may be more appropriate.
- c. Clarity encourages all staff, service recipients, vendors, and any party conducting business with it to promptly communicate questions, issues, or compliance concerns through any one of the following means:



- i. Direct written or oral communication by fax (585-593-1868), mail (4222 Bolivar Road, Wellsville, NY 14895), email ( [hbradley@goclarity.org](mailto:hbradley@goclarity.org) ), telephone (585-593-6300), or personal contact to the immediate supervisor, a member of Management, the Chief Executive Officer, a member of the Compliance Committee, or the Compliance Officer.
- ii. Confidentially or anonymously to the Compliance Officer. The Clarity Compliance Hotline phone number is (800) 928-0084. Reports can also be made online at [report.complyline.com](http://report.complyline.com). The organization pin is 894447 and the site ID is 1. Both the organization pin and site ID are needed to report via phone or online.. If the reporter elects to make the report anonymously to the Compliance Officer, no attempt will be made to trace the source of the report or identify the person making the report.
- d. If the compliance concern is about the Compliance Officer, the Chief Executive Officer is to be notified.
- e. If the Compliance Officer receives a concern related to the Chief Executive Officer, the Compliance Officer shall report such information to the President of the Board of Directors.
- f. If a Board member has knowledge of a compliance concern as defined by this Policy, the Compliance Officer and the Chief Executive Officer are to be notified. If there is a concern about the Chief Executive Officer, the Compliance Officer and the President of the Board of Directors are to be notified.
- g. Employees have the same obligations for reporting suspected compliance concerns committed by Clarity's vendors or contractors.
- h. Affected individuals cannot exempt themselves from the consequences of their own misconduct by reporting the issue, although self-reporting may be considered in determining the appropriate course of action.
- i. Strict confidentiality regarding the reporting of compliance concerns will be maintained unless the matter is subject to a disciplinary proceeding, referred to or under investigation by Federal, State, or local law enforcement, or should the disclosure be required during a legal proceeding. Those staff assigned to complete any investigation of a compliance concern shall treat the investigation as entirely confidential and shall reveal no details or discuss the content or status of the investigation with Clarity staff or any other party except as may be directed by the Compliance Officer or legal counsel. Failure of staff to respect the confidentiality of any investigation of a compliance concern may be grounds for disciplinary action up to and including termination of employment.
- j. The Compliance Officer will ensure that all reports of compliance concerns as defined by this Policy are recorded and tracked in the compliance reporting case management portal.
- k. Any member of Management who receives a report of a compliance concern will immediately notify the Compliance Officer and complete a report of relevant events including a thorough account of the incident(s) and the names, dates,



specific events, the names of any witnesses, and the location or any document that supports the compliance concern. The completed report will be promptly forwarded to the Compliance Officer.

- l. Knowledge of a violation or potential violation of this Policy must be reported directly to the Compliance Officer or the Compliance Hotline.
- m. Affected individuals who report issues or concerns that are unrelated to the Compliance Program shall be redirected to the appropriate department or party. In instances where staff seeks confidentiality or reports anonymously, the Compliance Officer shall redirect the report to the appropriate department or party while maintaining the request for confidentiality/ anonymity.
- n. Clarity strictly prohibits its Management, employees, and Board members from engaging in any act, conduct, or behavior that results in, or is intended to result in, retribution, retaliation or intimidation, (hereafter, collectively referred to as “retaliation”), against any party for reporting compliance concerns as defined by this Policy.
- o. If an affected individual believes in good faith that they have been retaliated against for reporting a compliance concern or for participating in any investigation of such a report, the retaliation should be immediately reported to the Compliance Officer or the Compliance Hotline. The report should include a thorough account of the incident(s) and should include the names, dates, specific events, the names of any witnesses, and the location or name of any document that supports the alleged retaliation.
- p. The Compliance Officer will ensure that the means for reporting actual or suspected compliance concerns to the Compliance Officer are communicated to all staff and service recipients. The Compliance Officer’s contact information and Compliance Hotline number will be published on Clarity’s website and visibly posted in a manner consistent with employee notification in locations frequented by Clarity employees.
- q. The Compliance Officer’s contact information and the Compliance Hotline number shall be made available to all recipients of service.

2. Investigation and Resolution

- a. It is the responsibility of the Compliance Officer to conduct or oversee the conduction of all internal investigations involving compliance concerns and shall have the authority to engage legal counsel or other consultants, as needed. The Compliance Officer, in conjunction with the Chief Executive Officer and legal counsel, will consider whether the investigation should be conducted under attorney privilege.
- b. Before conducting an investigation of any compliance concern as defined by this Policy, the Compliance Officer shall ensure a full understanding of the relevant laws, regulations, and government issuances. If a reported violation is related to improper billing, the Compliance Officer will consider the need for an audit of billing practices and determine the scope of interviews.

- c. If deemed appropriate, the Compliance Officer will recommend the cessation of internal activities that may be the cause of, or contribute to, the alleged non-compliance.
- d. The Compliance Officer will determine the scope of the reported compliance concern and make a determination regarding the course of action, including the investigation process and notifications to be made.
- e. Upon report notice or discovery of an alleged compliance concern, the Compliance Officer will conduct an initial inquiry into the alleged situation. The purpose of the initial inquiry is to determine whether there is sufficient evidence of possible non-compliance to warrant further investigation. The initial inquiry may include documentation review, interviews, audit, or other investigative techniques. The Compliance Officer should conduct a fair impartial review of all relevant facts, restrict the inquiry to those necessary to resolve the issues and conduct the inquiry with as little visibility as possible while gathering pertinent facts relating to the issue.
- f. If, during the initial inquiry, the Compliance Officer determines that there is sufficient evidence of possible noncompliance with any criminal, civil, or administrative law to warrant further investigation, the issue should be turned over to legal counsel. A memorandum to this effect should be directed to legal counsel with a copy to the Chief Executive Officer. The Compliance Officer or Chief Executive Officer will immediately make arrangements to retain legal counsel and no further internal discussion, or investigative activity shall take place regarding the report except as directed by legal counsel. Once legal counsel is retained, it will be determined whether legal counsel or the Compliance Officer will be leading the investigation.
- g. All documents produced during the investigation by or under legal counsel to be possibly protected from disclosure should include the notation: "Privileged and Confidential Document; Subject to Attorney-Client Privileges; Attorney Directed Work Product."
- h. For investigations that do not involve legal counsel, the Compliance Officer will determine which personnel possess the requisite skills to examine the particular issue(s) and will assemble a team of investigators, as needed. The Compliance Officer shall work with the investigation team to develop a strategy for reviewing and examining the facts surrounding the possible violation. The Compliance Officer will also decide whether Clarity has sufficient internal resources to conduct the investigation or whether external resources are necessary. If it is determined that additional resources are needed, the Compliance Officer will work with the Chief Executive Officer to secure such resources.
- i. The Compliance Officer will be responsible for the investigation of and follow-up on any reported retaliation against a party for reporting a compliance concern or participating in the investigation of a compliance concern. The Compliance Officer



will report the results of an investigation into suspected retaliation to the Chief Executive Officer, the Compliance Committee, and the Board of Directors.

- j. If at any time, during an investigation, it is determined that the situation warrants the retention of legal counsel, the Compliance Officer will immediately suspend the investigation and follow the process in Procedure 2(f), (Investigations and Resolution), above.
- k. The Compliance Officer, in consultation with the Compliance Committee and, where appropriate, the Board, may undertake measures during an investigation of a compliance concern to protect the integrity of the investigation, prevent the destruction of documents or other evidence relevant to the investigation, and respect the due process rights of involved parties. Measures may include, but are not limited to, reassignment or placement on administrative leave until the investigation is complete.
- l. The Compliance Officer will track the investigation, responsible parties, and due dates, and document the resolution of the investigation.
- m. The Compliance Officer should ensure that the following objectives are accomplished for each investigation:
  - i. The complainant or reporter, if known, is fully debriefed.
  - ii. Appropriate internal parties are notified.
  - iii. The cause of the problem, desired outcome, affected parties, applicable guidelines, and possible regulatory or financial impact are identified.
  - iv. A complete list of findings and recommendations are provided.
  - v. The necessary corrective action measures, (e.g., policy changes, operational changes, system changes, personnel changes, discipline, training/ education), are identified.
  - vi. The investigation is documented.
- n. Upon receipt of the results of the investigation, depending upon the scope and severity of the identified violations, the Compliance Officer may consult with legal counsel, the Chief Executive Officer and/or the Compliance Committee to determine the results of the investigation and the adequacy of recommendations for corrective actions, the completeness, objectivity, and adequacy of recommendations for corrective actions and/ or further actions to be taken as necessary and appropriate.
- o. Upon conclusion of the investigation, the Compliance Officer will organize the information in a manner that enables Clarity to determine if an infraction did, in fact, occur. The Compliance Officer will maintain all notes of the interviews, all evidence and documents as part of the investigation file. The investigation file will be securely maintained by the Compliance Officer.
- p. If the Compliance Officer, in consultation with legal counsel, identifies credible evidence or credibly believes that a State or Federal law, rule, or regulation has been violated, the Compliance Officer will promptly report such violation to the appropriate governmental entity, where such reporting is otherwise required by



law, rule or regulation. The Compliance Officer will receive and maintain copies of any reports submitted to governmental entities.

- q. The Compliance Officer, in consultation with legal counsel, the Chief Executive Officer, and the Compliance Committee, will evaluate any confirmed violation to determine if a voluntary self-disclosure of the violation is appropriate. In the event that voluntary disclosure is appropriate or required, the Compliance Officer will consult with legal counsel on the notification of appropriate government officials, private payors, or other entities. Notification shall be made within a reasonable time period from date of discovery and may include restitution of monies paid by the applicable Federal or State agency, payer, or other entity. The Compliance Officer will ensure that all overpayments are reported and refunded to the appropriate payer within 60 days of the identification of the overpayment and in accordance with the Billing Errors, Overpayments, and Self-Disclosure Policy and Procedure.
- r. The Compliance Officer will be responsible for reporting the results of all investigations to the Chief Executive Officer, Compliance Committee, and the Board.
- s. The Compliance Officer or appropriate member of Management will inform the reporter, if known, of the conclusion of the investigation and the outcome, if appropriate.
3. Non-compliance with this policy may result in disciplinary action, up to and including termination.
4. As part of its ongoing auditing and monitoring process in its Compliance Program, Clarity will review this policy based on changes in the law or regulations, as Clarity practices change, and, at minimum, on an annual basis. Additionally, this policy will be tested for effectiveness on an annual basis or more frequently as identified in accordance with Clarity's Compliance Program. Testing will include but is not limited to ensuring that the policy is appropriately followed, the policy is effective, and the policy has been disseminated to all affected individuals, as well as notified of any updates or changes. Tracking of the criteria above and results of this testing will be completed by the Compliance Officer, or designee. Additionally, results will be reported to the Compliance Committee and Governing Body on a regular basis.
5. Clarity will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.

#### **References & Regulations:**

1. Social Service Law 363-D
2. 18 NYCRR Part 521



<b>Policy Title:</b> Whistleblower Protections & Non-Retaliation		<b>Policy #:</b> 03.010.005
<b>Policy Owner:</b> Associate Executive Director of Administrative Services		<b>Department:</b> Compliance
Issue Date: 10.27.2014	Approval Date: 05.27.2025	Revised Date: 05.14.2025
<b>Last Review Date:</b> 05.27.2025		<b>Next Review Date:</b> 05.26.2026

**Policy:** It is the policy of Clarity to strictly prohibit any form of retaliation or intimidation against affected individuals or entities, for reporting compliance concerns.

Clarity strictly prohibits affected individuals from engaging in any act, conduct, or behavior that results in, or is intended to result in, retribution, intimidation or retaliation against any individual or entity for reporting compliance concerns to Clarity or government agency.

No Clarity supervisor, manager, or employee is permitted to discharge, demote, suspend, threaten, harass, or in any other manner discriminate against an employee, vendor, contractor, or other individual or organization, (all such activity collectively referred to as "retaliation"), who in good faith participates in the Compliance Program, including but not limited to reporting potential compliance concerns, investigating or participating in an investigation, self-evaluations, audits, and reporting to the appropriate officials.

**Purpose:** Clarity is committed to promoting an environment where concerns regarding known or suspected fraud, waste, and abuse, illegal or unethical acts, actual or suspected violations of Federal or State laws and regulations, actual or suspected violations of the Standards of Conduct, the Compliance Program, and Clarity's policies and procedures, improper acts in the delivery or billing of services, and other wrongdoing, (collectively referred to as "compliance concerns" for purposes of this Policy), are reported and addressed without fear of retaliation, intimidation, retribution or harassment for good faith reporting of such concerns. To reinforce this commitment, Clarity maintains a policy of non-intimidation and non-retaliation for good faith participation in the Compliance Program, including but not limited to reporting potential issues and compliance concerns, investigating issues, self-evaluations, audits and remedial actions, and reporting to appropriate officials as provided in the Labor Law.

**Scope:** This policy applies to all affected individuals which include Clarity employees, senior leadership members, the Chief Executive Officer, contracted practitioners, students, members of the board of directors, and contractors and vendors acting within affected compliance program risk areas. This policy must be distributed to all Clarity affected individuals.

**Procedures:**

1. If an affected individual or service recipient believes in good faith that they have been retaliated against for reporting a compliance concern or for participating in any investigation of such a report, the retaliation should be immediately reported to the Compliance Officer or the Compliance Hotline. The report should include a thorough account of the incident(s) and should include the names, dates, specific events, the names



of any witnesses, and the location or name of any document that supports the alleged retaliation.

2. Knowledge of a violation or potential violation of this Policy must be reported directly to the Compliance Officer or the Compliance Hotline.
3. Any employee who believes they are subjected to retaliation, intimidation, harassment, discrimination, or an adverse employment consequence must immediately report the actions to the Compliance Officer or Human Resource Representative.
4. The Compliance Officer will implement this Policy and take appropriate actions in response to the whistleblower's complaint of retaliation based on the nature of the report. Legal counsel will be consulted, if appropriate.
5. The Compliance Officer will investigate all reports of retaliation in accordance with the Reporting and Investigation of Compliance Concerns Policy and report results to the Human Resources Representative and the Chief Executive Officer.
6. The Chief Executive Officer or designee will investigate any report that the Compliance Officer is engaging in intimidation or retaliation.
7. The Compliance Officer will provide information on each report of retaliation and any actions taken to the Compliance Committee and the Board of Directors.
8. The right of the reporter to protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.
9. Any affected individual who commits or condones any form of retaliation will be subject to discipline up to, and including, termination.
10. The Compliance Officer will ensure this Policy is disseminated to all affected individuals and that these individuals have received relevant training in accordance with Clarity's training plan.
11. Further Information Regarding Employee Protections
  - a. New York Labor Law §740: An employer may not take any retaliatory personnel action against an employee if the employee discloses information about the employer's policies, practices, or activities to a regulatory, law enforcement, or other similar agency or public official. This law offers protection to an employee who:
    - i. Discloses, or threatens to disclose, to a supervisor or to a public body an activity, policy, or practice of the employer that is in violation of law, rule, or regulation that presents a substantial and specific danger to the public health or safety.
    - ii. Provides information to, or testifies before, any public body conducting an investigation, hearing, or inquiry into any such violation of a law, rule, or regulation by the employer.
    - iii. Objects to, or refuses to participate in, any such activity, policy, or practice in violation of a law, rule, or regulation.

The employee's disclosure is protected under this law only if the employee first brought up the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation, with certain exceptions. The law



allows employees who are the subject of a retaliatory action to bring a suit in State court for reinstatement to the same, or an equivalent position, any lost back wages and benefits and attorneys' fees. More information can be found at <http://public.leginfo.state.ny.us/lawssrch.cgi?NVLWO%20: under LAB-Labor>.

- b. New York Labor Law §741: Under this law, a healthcare employer may not take any retaliatory action against an employee if the employee discloses certain information about the employer's policies, practices, or activities to a regulatory, law enforcement, or other similar agency or public official. Protected disclosures are those that assert that, in good faith, the employee believes constitute improper quality of patient care or improper quality of workplace safety. This law offers protection to an employee who:
  - i. Discloses or threatens to disclose to a supervisor, to a public body, to a news media outlet, or to a social media forum available to the public at large, an activity, policy, or practice of the employer or agent that the employee, in good faith, reasonably believes constitutes improper quality of patient care or improper quality of workplace safety.
  - ii. Objects to or refuses to participate in any activity, policy, or practice of the employer or agent that the employee, in good faith, reasonably believes constitutes improper quality of patient care or improper quality of workplace safety.

The employee's disclosure is protected under this law only if the employee first brought up the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation, unless the danger is imminent to the public or patient and the employee believes in good faith that reporting to a supervisor would not result in corrective action. Certain exceptions apply. If the employer takes a retaliatory action against the employee, the employee may sue in State court for reinstatement to the same or an equivalent position, any lost back wages and benefits, and attorneys' fees. If the employer is a healthcare provider and the court finds that the employer's retaliatory action was in bad faith, it may impose a civil penalty of \$10,000 on the employer. More information can be found at <http://public.leginfo.state.ny.us/lawssrch.cgi?NVLWO%20: under LAB-Labor>.

12. Non-compliance with this policy may result in disciplinary action, up to and including termination.
13. As part of its ongoing auditing and monitoring process in its Compliance Program, Clarity will review this policy based on changes in the law or regulations, as Clarity practices change, and, at minimum, on an annual basis. Additionally, this policy will be tested for effectiveness on an annual basis or more frequently as identified in accordance with Clarity's Compliance Program. Testing will include but is not limited to ensuring that the policy is appropriately followed, the policy is effective, and the policy has been disseminated to all affected individuals, as well as notified of any updates or changes. Tracking of the criteria above and results of this testing will be completed by the



Compliance Officer, or designee. Additionally, results will be reported to the Compliance Committee and Governing Body on a regular basis.

14. Clarity will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.

**References & Regulations:**

1. Social Service Law 363-D
2. 18 NYCRR Part 521
3. New York Labor Law §740 and §741 (refer to Procedures).



<b>Policy Title:</b> Discipline & Enforcement of Compliance Standards		<b>Policy #:</b> 03.011.005
<b>Policy Owner:</b> Associate Executive Director of Administrative Services		<b>Department:</b> Compliance
<b>Issue Date:</b> 10.27.2014	<b>Approval Date:</b> 05.27.2025	<b>Revised Date:</b> 05.14.2025
<b>Last Review Date:</b> 05.27.2025		<b>Next Review Date:</b> 05.26.2026

**Policy:** It is the policy of Clarity to ensure that affected individuals who, upon investigation, are found to have committed compliance violations will be subject to appropriate disciplinary action, up to and including termination of employment, contract, assignment, or appointment with Clarity.

The following actions shall result in disciplinary action:

- Authorization of or participation in actions that violate Federal or State laws, regulations, the Compliance Program, Standards of Conduct, or any related policies and procedures.
- Failure to comply with Clarity's policies governing the prevention, detection, or reporting of fraud and abuse.
- Falsification of records.
- Submitting or causing to submit a false claim.
- Failure to report a violation by a peer or subordinate.
- Failure to cooperate in an investigation.

Retribution, retaliation, or intimidation against a person for reporting a possible compliance violation or participating in an investigation.

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.

The Compliance Officer will be responsible for assuring that disciplinary actions related to compliance violations are consistent with actions taken in similar instances of non-compliance and that the same disciplinary action applies to all levels of affected individuals.

**Purpose:** Clarity is committed to conducting its business ethically and in conformance with all Federal and State laws, regulations, interpretations thereof, and Clarity's Standards of Conduct. To support this commitment, Clarity has developed procedures for disciplinary actions to be taken for illegal or unethical acts, violations of Federal or State laws and regulations, violations of the Standards of Conduct, the Compliance Program, and Clarity's policies and procedures, improper acts in the delivery or billing of services, and other wrongdoing, (collectively referred to as "compliance violations" for purposes of this Policy), by affected individuals.

**Scope:** This policy applies to all affected individuals which include Clarity employees, senior leadership members, the Chief Executive Officer, contracted practitioners, students, members



of the board of directors, and contractors and vendors acting within affected compliance program risk areas. This policy must be distributed to all Clarity affected individuals.

**Procedures:**

1. All reports of compliance violations are to be reported to the Compliance Officer in accordance with the Reporting and Investigation of Compliance Concerns Policy and Procedure.
2. To the extent possible, disciplinary action for employees will be taken in accordance with Clarity's Employee Handbook.
3. When the determination is made that a compliance violation by staff has occurred, the Compliance Officer will notify the Chief Executive Officer, and the appropriate department/ program administrator. The employee's supervisor will be notified at a time deemed necessary by the Compliance Officer, Chief Executive Officer and/or program director.
4. When the determination is made that a compliance violation by a Board member or a corporate officer has occurred, the Compliance Officer will notify the Chief Executive Officer and the President of the Board. If the President of the Board is implicated in the violation, the Compliance Officer and Chief Executive Officer will work with the other officers of the Board to determine and execute appropriate disciplinary action.
5. When the determination is made that a compliance violation by the Chief Executive Officer has occurred, the Compliance Officer will notify the President of the Board in order to determine and execute appropriate disciplinary action. Legal counsel may be consulted, as appropriate.
6. When the determination is made that a compliance violation occurred involving a contractor or vendor, the Compliance Officer will notify the Chief Executive Officer and work collaboratively to determine and execute the appropriate corrective action.
7. If appropriate, the Compliance Officer may notify the Board or the Compliance Committee prior to the next regularly scheduled meeting when a full report of compliance-related disciplinary actions would normally be presented.
8. The Compliance Officer and Human Resources representative will work in collaboration with the appropriate supervisor/ manager in determining and executing the disciplinary action related to a compliance violation by an employee. The Compliance Officer shall have the discretion to recommend a disciplinary process other than the normal procedure.
9. The Compliance Officer and/or Human Resources representative shall consult with the Compliance Committee, the Chief Executive Officer, and legal counsel, as necessary to determine the appropriate disciplinary action to be taken.
10. Discipline will be appropriately documented in the disciplined employee's personnel file, along with a written statement of reason(s) for imposing such discipline. Such documentation will be considered during the employee's regular and promotional evaluations.
11. The Compliance Officer will maintain a written record of all disciplinary actions taken against affected individuals, including verbal warnings., and will reference these records when necessary to ensure consistency in the application of disciplinary measures.



12. The Compliance Officer shall maintain a record of all disciplinary actions, including verbal warnings, taken against affected individuals related to compliance violations and report regularly to the Compliance Committee and not less than annually to the Board of Directors, regarding such actions.
13. The Compliance Officer will reference the record of disciplinary actions as necessary to ensure consistency in the application of disciplinary measures related to compliance violations.
14. The Compliance Officer will ensure that the disciplinary procedures are disseminated to all staff and that these individuals have received relevant training in accordance with Clarity's training plan.
15. Non-compliance with this policy may result in disciplinary action, up to and including termination.
16. As part of its ongoing auditing and monitoring process in its Compliance Program, Clarity will review this policy based on changes in the law or regulations, as Clarity practices change, and, at minimum, on an annual basis. Additionally, this policy will be tested for effectiveness on an annual basis or more frequently as identified in accordance with Clarity's Compliance Program. Testing will include but is not limited to ensuring that the policy is appropriately followed, the policy is effective, and the policy has been disseminated to all affected individuals, as well as notified of any updates or changes. Tracking of the criteria above and results of this testing will be completed by the Compliance Officer, or designee. Additionally, results will be reported to the Compliance Committee and Governing Body on a regular basis.
17. Clarity will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.

#### **References & Regulations**

1. Social Service Law 363-D
2. 18 NYCRR Part 521



<b>Policy Title:</b> Auditing & Monitoring		<b>Policy #:</b> 03.012.004
<b>Policy Owner:</b> Associate Executive Director of Administrative Services		<b>Department:</b> Compliance
<b>Issue Date:</b> 12.02.2009	<b>Approval Date:</b> 05.27.2025	<b>Revised Date:</b> 05.14.2025
<b>Last Review Date:</b> 05.27.2025		<b>Next Review Date:</b> 05.26.2026

**Policy:** It is the policy of Clarity to conduct ongoing auditing and monitoring of identified risk areas related to compliance including but not limited to billing, fiscal management, clinical operations, and service provision. It is the responsibility of the entire Management Team to ensure that ongoing auditing and monitoring is properly executed, documented, and evidenced. It is the policy of Clarity to analyze and trend the results of all audits, (both internal and external), on a regular basis to ensure that Clarity's Compliance Program is effective.

**Purpose:** Clarity developed and implemented a Compliance Program in an effort to establish, in part, effective internal controls that promote adherence to applicable Federal and State laws and requirements. An important component of the Compliance Program is the use of audits and/ or other evaluation techniques to monitor compliance and assist in the reduction of identified risk areas. Clarity recognizes the need for internal controls, but also realizes that resources are limited. Therefore, this policy focuses on Clarity's resources to effectively and efficiently audit and monitor risk areas.

**Scope:** This policy applies to all affected individuals which include Clarity employees, senior leadership members, the Chief Executive Officer, contracted practitioners, students, members of the board of directors, and contractors and vendors acting within affected compliance program risk areas. This policy must be distributed to all Clarity affected individuals.

**Procedures:**

1. On an annual basis, the Compliance Officer, in conjunction with the Chief Executive Officer, Senior Management, and Compliance Committee, will determine the scope and format of routine audits of Clarity's operations based on organizational risk. The Compliance Officer will include all scheduled audits on a work plan or audit plan that is shared with the Compliance Committee and the Board of Directors.
2. Each Clarity program or department will conduct a review of its compliance with applicable regulations and quality measures on a quarterly basis at minimum. Senior Management staff shall be responsible for identifying needs for internal auditing of specific issues under their oversight. This should occur at least annually as a part of Clarity's ongoing evaluation processes and for consideration in the annual work plan and audit plan.
3. The Compliance Officer will recommend and facilitate auditing and monitoring of the identified risk areas related to compliance with laws and regulations, as well as Clarity's policies, procedures, and Standards of Conduct, (risk areas may be identified through the regular course of business, external alerts, external audits or reviews, or internal reporting channels).



4. The Compliance Officer will be responsible for oversight of Clarity's internal auditing system and is authorized to delegate auditing duties to other Clarity personnel, accountants, consultants, and attorneys, as necessary and appropriate.
5. The Compliance Officer will conduct and/ or oversee compliance audits and reviews with assistance from Management staff and/or Quality Assurance/Internal Audit staff with the requisite skills to carry out the audit. Whenever feasible, the Compliance Officer will seek to have audits conducted by Clarity employees who are not involved in the delivery of services subject to the audit.
6. The Chief Executive Officer will facilitate all audits of financial processes or systems with the Chief Financial Officer. The audits will serve to ensure that internal controls are in place so that Generally Accepted Accounting Principles, (GAAP), are followed and Federal, State, and local laws, regulations, and requirements are met.
7. The Compliance Officer will facilitate all audits of operational and programmatic issues with Clarity's Chief Executive Director, the Associate Executive Director of Clinical Operations.
8. The ongoing auditing and monitoring will serve to evaluate, at minimum, the following risk areas:
  - a. Billings.
  - b. Payments.
  - c. Ordered Services.
  - d. Medical Necessity.
  - e. Quality of Care.
  - f. Governance.
  - g. Mandatory Reporting.
  - h. Credentialing.
  - i. Contractor, subcontractor, agent, or independent contract oversight.
  - j. Review of contracts and relationships with contractors, specifically those with substantive exposure to government enforcement actions.
  - k. Review of documentation and billing relating to claims made to Federal, State, and third-party payers for reimbursement.
  - l. Compliance Training and Education.
  - m. Effectiveness of the Compliance Program
  - n. Other risk areas that are or should reasonably be identified by Clarity through its organizational experience.
9. 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), clinical record reviews to support claims for reimbursement, and documentation reviews.
10. The Compliance Officer will review and approve the sample size and sample criteria prior to each audit unless the detail is included in the annual audit plan or work plan.
11. All audit and review tools used will be standardized throughout Clarity and approved by the Compliance Officer.



12. A written report of all internal audit and review results will be forwarded to the Compliance Officer and respective department or division director within seven, (7), business days from the completion of the review or audit. Within 10 business days from the receipt of the written report of findings, the department or division director will submit a written Plan of Corrective Action to the Compliance Officer for review. The department head or director is responsible for ensuring that corrective measures are implemented and monitored for effectiveness.
13. The Compliance Officer will determine the timeframe for a post-audit review. The objective of the post-audit review is to ensure that corrective actions were completed and effective in preventing any recurrences of the deficiencies.
14. The results of all internal auditing and monitoring activities, including records reviewed, audit results, and corrective actions, will be recorded and maintained by the Compliance Officer.
15. Should non-compliance be detected during routine internal monitoring and activities, the Compliance Officer will ensure a thorough investigation in accordance with the Reporting and Investigation of Compliance Concerns Policy.
16. Any correspondence from any regulatory agency charged with administering a federally- or state-funded program received by any department of Clarity will be copied and promptly forwarded to the Compliance Officer for review and subsequent discussion by the Compliance Committee.
17. Program management will immediately notify the Compliance Officer of any visits, audits, investigations, or surveys by any regulatory agency or authority. Results, (whether oral or written), of any visits, audits, investigations, or surveys will be forwarded to the Compliance Officer promptly upon receipt by Clarity personnel.
18. The Compliance Officer will be responsible for reporting to the Compliance Committee on the general status of all audits and reviews, the outcome of compliance auditing and monitoring, and the corrective actions taken. The reporting will occur at the first regularly scheduled Compliance meeting after the conclusion of the audit or review.
19. The Compliance Officer will be responsible for reporting the results of auditing and monitoring activities and corrective actions at least annually to the Board of Directors. Reports will also include monitoring of trends, an assessment of any compliance risks to Clarity, and an evaluation of the effectiveness of Clarity's Compliance Program.
20. At least annually, the Compliance Officer will benchmark audit results and compare results of similar audits to determine whether improvement is occurring.
21. On an annual basis, the Compliance Officer, in collaboration with the Compliance Committee, will conduct a review to monitor the effectiveness of the Compliance Program, Compliance Program Policies and Procedures, and the Standards of Conduct to determine:
  - a. Whether such written policies, procedures, and Standards of Conduct have been implemented.
  - b. Whether Affected Individuals are following the policies, procedures, and Standards of Conduct.
  - c. Whether such policies, procedures, and Standards of Conduct are effective.



- d. Whether any updates are required.

The Compliance Officer will provide a report of this review to the Compliance Committee and the Board of Directors.

- 22. Non-compliance with this policy may result in disciplinary action, up to and including termination.
- 23. As part of its ongoing auditing and monitoring process in its Compliance Program, Clarity will review this policy based on changes in the law or regulations, as Clarity's practices change, and, at minimum, on an annual basis. Additionally, this policy will be tested for effectiveness on an annual basis or more frequently as identified in accordance with Clarity's Compliance Program. Testing will include but is not limited to ensuring that the policy is appropriately followed, the policy is effective, the policy has been disseminated to all affected individuals, as well as notified of any updates or changes. Tracking of the criteria above and results of this testing will be completed by the Compliance Officer, or designee. Additionally, results will be reported to the Compliance Committee and Governing Body on a regular basis.
- 24. Clarity will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.

**References & Regulations:**

- 1. Social Service Law 363-D
- 2. 18 NYCRR Part 521



<b>Policy Title:</b> Billing Errors, Overpayments, Self-Disclosure		<b>Policy #:</b> 03.013.004
<b>Policy Owner:</b> Associate Executive Director of Administrative Services		<b>Department:</b> Compliance
<b>Issue Date:</b> 03.28.2023	<b>Approval Date:</b> 05.27.2025	<b>Revised Date:</b> 05.14.2025
<b>Last Review Date:</b> 05.27.20252		<b>Next Review Date:</b> 05.26.2026

**Policy:** It is the policy of Clarity that any overpayments or inaccurate billing of claims be detected, reported, and returned in a timely manner following all rules, regulations, and laws.

Clarity is committed to ensuring that in the event that Clarity has received an overpayment under the Medicaid Assistance Program, (Medicaid), Medicare, or another third-party payer, Clarity shall report and return the overpayment, notify the appropriate payer, and comply with all Federal and State laws, regulations, guidelines, and policies.

**Purpose:** Clarity is committed to adopting and implementing an effective Compliance Program that includes ensuring the ability to detect, correct, and resolve payment and billing errors as quickly and as efficiently as possible.

**Scope:** This policy applies to all affected individuals which include Clarity employees, senior leadership members, the Chief Executive Officer, contracted practitioners, students, members of the board of directors, and contractors and vendors acting within affected compliance program risk areas.

**Procedures:**

1. Identification of Billing Errors and Overpayments:
  - a. The Compliance Officer must be promptly notified of all potential or actual billing errors and suspected overpayments. Examples of billing errors or reasons for overpayment may include, but are not limited to, the following:
    - i. Coding errors.
    - ii. Errors in rate or unit.
    - iii. Keying or inputting errors.
    - iv. Provision of unauthorized services.
    - v. Services are not medically necessary, or necessity is not documented in the record.
    - vi. Absence of one or more required elements of documentation.
    - vii. Service was not rendered.
    - viii. Falsification of service or billing documents.
    - ix. Duplicate payments.
    - x. Fraudulent behavior by employees or others.
    - xi. Discovery of an employee or contractor on the Federal or State exclusion lists.
    - xii. Damaged, lost, or destroyed records.



- b. The Compliance Officer will notify the Chief Executive Officer of potential billing issues and overpayments. The preliminary circumstances will be reviewed to determine if a suspension of billing is to be initiated.
- c. The Compliance Officer or designee will investigate the issue, review any underlying facts quantify and identify the amount of overpayment, ensure that any errors are corrected, and ensure that any refunds are made to the appropriate governmental agency or third-party payer. The investigation will be conducted in accordance with the Reporting and Investigation of Compliance Concerns Policy and Procedure. The Compliance Officer may engage outside legal counsel, auditors, or other consultants to help determine whether an overpayment has occurred and/ or to quantify the overpayment.
- d. An overpayment is deemed “identified” when it is determined or should have been determined through the exercise of reasonable diligence, that an overpayment was received, and the amount of the overpayment has been quantified.
- e. The Compliance Officer is responsible for ensuring that Clarity properly discloses all overpayments to the appropriate payer and makes any reports and refunds that are necessary within the required timeframe for the payer.
- f. Medicaid and Medicare overpayments must be reported and returned no later than 60 days after the date the overpayment was identified or by the date that any corresponding cost report is due, if applicable.
- g. Medicaid overpayments must be reported and returned in accordance with the Office of Medicaid Inspector General's, (OMIG), Self-Disclosure Protocol. The Protocol is available on OMIG's website at <https://omig.ny.gov/>, (for further information, refer to the Medicaid Self-Disclosure section below).
- h. Medicare overpayments are reported and refunded to the Medicare Administrative Contractor, (MAC), or through the Office of Inspector General's Voluntary Self Disclosure program.
- i. Overpayments to other third-party payers will be made in accordance with the contractual agreement.
- j. Any overpayments retained by Clarity after the deadline for reporting and returning the overpayment may be subject to a monetary penalty.
- k. The Compliance Officer must approve the overpayment and self-disclosure procedures and/or any revisions to procedures or forms before implementation.
- l. Failure to report a potential reimbursement and billing issue or suspected overpayment will result in disciplinary action, up to and including termination of employment or contract.
- m. The Compliance Officer will maintain a file for each overpayment and self-disclosure. All interview notes, evidence, claims data, and written communication to and from the government agency or third-party payer will be maintained in the file in a secure location.
- n. Clarity program directors submit routine or transactional void requests using the Void Claim Form. The Director of Revenue Management monitors the Log of



submissions and processes the adjustment and void requests for all payers. The Compliance Officer monitors the reasons for the requests and submits abbreviated self-disclosures to OMIG on a monthly basis. The following information is recorded in the Void Claim Form Log:

- i. The date that the overpayment was identified/quantified.
- ii. The date that the overpayment was disclosed.
- iii. The date that the overpayment was refunded.
- iv. The cause of the overpayment.
- v. The department, program, or service.
- vi. The amount of the overpayment.
- o. The Compliance Officer will maintain a separate log of all overpayments that have been disclosed to governmental authorities and third-party payers that were not routine or transactional in nature. The following information will be recorded on the Overpayment and Disclosure Log, (see Attachment):
  - i. The date that the overpayment was identified/quantified.
  - ii. The date that the overpayment was disclosed.
  - iii. The date that the overpayment was refunded.
  - iv. The cause of the overpayment.
  - v. The department, program, or service.
  - vi. The amount of the overpayment.
  - vii. The corrective action(s) to prevent the overpayment from recurring.
- p. A report of overpayments, the results of investigations, and remedial actions will be reported to the Compliance Committee on a quarterly basis, and to the Board of Directors at least annually.

2. Medicaid Self-Disclosure

- a. Clarity will participate in the OMIG's self-disclosure program under the following eligible conditions as required:
  - i. Clarity is not currently under audit, investigation, or review by the Medicaid Inspector General, unless the overpayment and the related conduct being disclosed does not relate to the OMIG audit, investigation, or review.
  - ii. Clarity is disclosing an overpayment and related conduct that at the time is not being determined, calculated, researched, or identified by OMIG.
  - iii. The overpayment and related conduct will be reported by the deadline previously specified, (i.e., within 60 days of identification and the overpayment is quantified), or the date any corresponding cost report is due.
  - iv. Clarity is not a party to any criminal investigation being conducted by the deputy attorney general for the Medicaid Fraud Control Unit or any agency of the US government or any political subdivision thereof.



- b. Clarity will pay the overpayment amount determined by OMIG within 15 days of OMIG notifying Clarity of the amount due, unless the OMIG permits Clarity to repay the overpayment and interest due in installments.
  - c. Clarity will enter into a self-disclosure compliance agreement with the Medicaid Inspector General that will be executed within 15 days of receiving said agreement from the Medicaid Inspector General or other time frame permitted by OMIG, but not less than 15 days.
  - d. Any false material information or omitted material information when submitting a self-disclosure, any attempts to evade an overpayment due, or any failure to comply with the terms of a self-disclosure and compliance agreement will not be tolerated and will be subject to disciplinary action up to and including termination.
3. Non-compliance with this policy may result in disciplinary action, up to and including termination.
4. As part of its ongoing auditing and monitoring process in its Compliance Program, Clarity will review this policy based on changes in the law or regulations, as Clarity's practices change, and, at minimum, on an annual basis. Additionally, this policy will be tested for effectiveness on an annual basis or more frequently as identified in accordance with Clarity's Compliance Program. Testing will include but is not limited to ensuring that the policy is appropriately followed, the policy is effective, the policy has been disseminated to all affected individuals, as well as notified of any updates or changes. Tracking of the criteria above and results of this testing will be completed by the Compliance Officer, or designee. Additionally, results will be reported to the Compliance Committee and Governing Body on a regular basis.
5. Clarity will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.

Attachments:

1. Overpayment and Disclosure Log

References & Regulations:

1. Social Service Law 363-D
2. 18 NYCRR Part 521
3. Affordable Care Act of 2010 §6402
4. 42 USC §1302a-7k(d).



## Attachment 1: Overpayment & Disclosure Log



<b>Policy Name:</b> Response to Governmental Investigation		<b>Policy #:</b> 03.014.003
<b>Policy Owner:</b> Associate Executive Director of Administrative Services		<b>Department:</b> Compliance
<b>Issue Date:</b> 03.28.2023	<b>Approval Date:</b> 05.27.2025	<b>Revised Date:</b> 04.09.2025
<b>Last Review Date:</b> 05.27.2025		<b>Next Review Date:</b> 05.26.2026

**Policy:** It is the policy of Clarity to appropriately respond and not interfere with any lawful audit, inquiry, or investigation by a government agency.

**Purpose:** Federal and State law enforcement and regulatory agencies routinely conduct interviews to gather information during audits, inquiries, and investigations. It is important that Clarity responds to any official requests for information consistently and appropriately. Therefore, this Policy is established to provide guidance on how to handle any unannounced visits by government representatives. This Policy does not address visits by regulatory agencies to perform program certification or quality assurance functions.

**Scope:** This policy applies to all affected individuals which include Clarity employees, senior leadership members, the Chief Executive Officer, contracted practitioners, students, members of the board of directors, and contractors and vendors acting within affected compliance program risk areas. This policy must be distributed to all affected individuals.

**Procedures:**

1. Announcement of an impending visit by any government investigator or auditor should be immediately reported to the Chief Executive Officer, who is responsible for notifying the Compliance Officer and legal counsel. In the absence of the Chief Executive Officer, the Compliance Officer should be notified directly.
2. Employees will remain courteous and professional when dealing with investigators or agents.
3. Procedures for handling the receipt of a search warrant or subpoena are covered by separate policies. Please refer to specific policies.
4. Visits to any of Clarity's facilities:
  - a. If an individual arrives at any Clarity facility and identifies themselves as a government auditor, investigator, or other representative, the individual, (agent), will be treated with respect and courtesy. Request the reason for the visit. Do not attempt to photocopy credentials, as this is a violation of Federal law.
  - b. The agent will be asked to wait in an unused office or a location where business is not conducted.
  - c. Immediately contact the Chief Executive Officer, who will contact the Compliance Officer and legal counsel. The Chief Executive Officer will identify one employee to be responsible for responding to the agent's questions.
  - d. Await direction from legal counsel. Do not submit to questioning or an interview. Do not provide documents or other information at this point.



- e. Refer to policy on Search Warrants, if applicable.
- f. Other than providing information to direct the agents to information requested in the search warrant, do not submit to any form of questioning or interviewing.
5. Visits to any location outside Clarity, (e.g., personal residence): Note: Employees and Board members are free to speak to government investigators or auditors; however, they are not required to submit to questioning. The following is provided as general information regarding off-site visits:
  - a. Individuals have the right to decline an interview or to postpone an interview until they have had an opportunity to seek legal counsel or other advice.
  - b. Employees and Board members who agree to be interviewed should always be truthful. If the party does not know the answer to a question, they should say so.
  - c. Employees and Board members should report any off-site visits by government agents, investigators, or auditors to the Chief Executive Officer. The Chief Executive Officer will notify the Compliance Officer and legal counsel.
  - d. Refer to policy on Search Warrants, if applicable.
6. Non-compliance with this policy may result in disciplinary action, up to and including termination.
7. As part of its ongoing auditing and monitoring process in its Compliance Program, Clarity will review this policy based on changes in the law or regulations, as Clarity practices change, and, at minimum, on an annual basis. Additionally, this policy will be tested for effectiveness on an annual basis or more frequently as identified in accordance with Clarity's Compliance Program. Testing will include but is not limited to ensuring that the policy is appropriately followed, the policy is effective, and the policy has been disseminated to all affected individuals, as well as notified of any updates or changes. Tracking of the criteria above and results of this testing will be completed by the Compliance Officer, or designee. Additionally, results will be reported to the Compliance Committee and Governing Body on a regular basis.
8. Clarity will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.



<b>Policy Title:</b> Search Warrants			<b>Policy #:</b> 03.015.003
<b>Policy Owner:</b> Associate Executive Director of Administrative Services			<b>Department:</b> Compliance
<b>Issue Date:</b> 03.28.2023		<b>Approval Date:</b> 05.27.2025	<b>Revised Date:</b> 04.09.2025
<b>Last Review Date:</b> 05.27.2025			<b>Next Review Date:</b> 05.26.2026

**Policy:** It is the policy of Clarity to respond professionally and cooperate with the lawful execution of a search warrant.

**Purpose:** A search warrant permits agents to immediately seize documents and other types of information. The execution of a search warrant can be seriously disruptive and frightening for many employees. Furthermore, if not handled properly, an organization subject to a search warrant may compound its problems. Therefore, Clarity has established this policy to advise all employees how to appropriately respond to an official search warrant.

**Scope:** This policy applies to all affected individuals which include Clarity employees, senior leadership members, the Chief Executive Officer, contracted practitioners, students, members of the board of directors, and contractors and vendors acting within affected compliance program risk areas.

**Procedures:**

1. Employees are expected to remain courteous and professional when dealing with agents executing a search warrant. Employees will not interfere with the lawful execution of a search warrant.
2. The senior staff member present is responsible for contacting the Chief Executive Officer/designee, who will contact the Compliance Officer and legal counsel and carry out the response procedures. In the absence of the Chief Executive Officer, the Compliance Officer should be notified directly.
3. The responsible senior staff member will:
  - a. Obtain and record the name of the lead agent and the agency they represent. Do not attempt to photocopy the credentials of an agent; it is a violation of Federal law.
  - b. Request to view and photocopy the search warrant document. Agents are not required to provide a copy, but often will comply with a request for a copy. If a copy is not provided, review the warrant, and take notes on the scope and details of the search warrant.
  - c. Immediately contact the Chief Executive Officer/designee and provide them with details of the search warrant. The Chief Executive Officer/designee will contact the Compliance Officer and legal counsel and provide details of the search warrant. The Chief Executive Officer/designee will identify one employee to be responsible for responding to the agent's questions.



4. The agent is limited by the scope of the warrant to where they can search and what they can seize. If the agent requests access to areas or documents that are not within the scope of the search warrant, do not consent to an expanded search.
5. Request an “inventory list” of the documents and items seized by the agents. Ensure that it is detailed enough to properly identify the documents and items taken by the agents. Maintain a separate record for each of the areas searched, listing the documents/items seized from the area.
6. Other than providing information to direct the agents to information requested, do not submit to any form of questioning or interviewing.
7. Always remain present while the agents are conducting the search.
8. Senior Management Responsibilities: The Chief Executive Officer/ designee will carefully examine the search warrant, (with legal counsel, if possible), to:
  - a. Determine the specific areas or locations that it covers.
  - b. Ensure that it is being executed during the hours indicated on the document, (most warrants should limit the hours they can be executed, e.g., “daylight hours”).
  - c. Ensure that it has not expired, (all warrants should have an expiration date).
  - d. Ensure that it is signed by a Judge, (all warrants should be signed by a Judge).
  - e. Speak to employees and advise them to cooperate in the search by facilitating the search team’s ability to locate records or items that they are entitled to seize or by opening containers that they are entitled to search.
  - f. Relieve all non-essential personnel from duty until the search is complete.
  - g. Avoid any substantive conversation with the agent. If legal counsel is available by phone or at the scene, refer all questions to counsel.
  - h. Advise employees that they have the right to speak to law enforcement, or to refuse to speak to law enforcement, (a search warrant does not compel speech), or to consult with an attorney before speaking to law enforcement. If you yourself decide that you want to speak to law enforcement, it is best to defer that conversation until you have had a chance to consult with legal counsel and legal counsel has had an opportunity to arrange the terms of the interview. If employees decide to speak to law enforcement, you should advise them to answer questions completely, accurately, and truthfully.
  - i. Politely object if there is any overt flaw in the search warrant, (as described above) or if the agents are searching anything deemed to be outside the scope of the warrant. Do not interfere should agents proceed and search. Note the fact for legal counsel to support a future protest.
9. Non-compliance with this policy may result in disciplinary action, up to and including termination.
10. As part of its ongoing auditing and monitoring process in its Compliance Program, Clarity will review this policy based on changes in the law or regulations, as Clarity practices change, and, at minimum, on an annual basis. Additionally, this policy will be tested for effectiveness on an annual basis or more frequently as identified in accordance with Clarity’s Compliance Program. Testing will include but is not limited to ensuring that the



policy is appropriately followed, the policy is effective, and the policy has been disseminated to all affected individuals, as well as notified of any updates or changes. Tracking of the criteria above and results of this testing will be completed by the Compliance Officer, or designee. Additionally, results will be reported to the Compliance Committee and Governing Body on a regular basis.

11. Clarity will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.



<b>Policy Title:</b> Subpoenas		<b>Policy #:</b> 03.016.003
<b>Policy Owner:</b> Associate Executive Director of Administrative Services		<b>Department:</b> Compliance
<b>Issue Date:</b> 5.23.23	<b>Date Reviewed:</b> 05.27.2025	<b>Date Revised:</b> 04.09.2025
<b>Board Approved:</b> 05.27.2025		<b>Next Review Date:</b> 05.26.2026

**Policy:** It is the policy of Clarity to comply with any lawful subpoena. Employees will remain courteous and professional when dealing with investigators or agents delivering a subpoena. No one is to impede in any way efforts to deliver a subpoena. This Policy refers only to subpoenas related to Clarity business matters.

**Purpose:** A subpoena is an official demand for testimony or the disclosure of documents or other information. They may originate from law enforcement or administrative agencies. Every subpoena requires a careful legal review prior to response. In view of this and the serious legal implications of the receipt of a subpoena, Clarity has established standing policies and procedures to ensure that legal counsel reviews any subpoena which identifies Clarity as a defendant or a party in a legal action immediately and coordinates Clarity's response.

**Scope:** This policy applies to all affected individuals which include Clarity employees, senior leadership members, the Chief Executive Officer, contracted practitioners, students, members of the board of directors, and contractors and vendors acting within affected compliance program risk areas. This policy must be distributed to all affected individuals.

**Procedures:**

1. Employees will remain courteous and professional when dealing with investigators or agents delivering a subpoena. No one is to impede in any way efforts to deliver a subpoena.
2. If a subpoena related to Clarity as a defendant or involved party is received, either in person or via the mail, it must be delivered immediately to the Chief Executive Officer, or, in the absence of the Chief Executive Officer to the Compliance Officer.
3. If delivered in person, the senior staff on duty must be provided with any information obtained during the service of the subpoena, (e.g., the name, title, and telephone number of the serving agent/ investigator, information provided by the agent/ investigator).
4. Employees will only provide the agent/ investigator with direction or information so they may deliver the subpoena to the appropriate or requested individual. Do not volunteer information to an agent/ investigator or submit to any form of questioning or interviewing.
5. The Chief Executive Officer shall be immediately notified of the receipt or delivery of a subpoena. The Chief Executive Officer will promptly notify the Compliance Officer and determine who is most qualified and available to assist legal counsel in responding to the subpoena.
6. The Chief Executive Officer and Compliance Officer will await direction from legal counsel and then proceed under such direction.



7. Non-compliance with this policy may result in disciplinary action, up to and including termination.
8. Clarity may receive subpoenas for its staff and/or records where Clarity is not a defendant or involved party. In these cases, the subpoena or court order should immediately be reported to the Compliance Officer. Under New York State Mental Hygiene Law, clinical records maintained by Office of Mental Health licensed or operated facilities may be released in response to a court order upon a finding by the court that the interests of justice significantly outweigh the need for confidentiality. A court order is a written decision signed by a judge. A subpoena signed by an attorney does not satisfy court order requirements.
9. As part of its ongoing auditing and monitoring process in its Compliance Program, Clarity will review this policy based on changes in the law or regulations, as Clarity practices change, and, at minimum, on an annual basis. Additionally, this policy will be tested for effectiveness on an annual basis or more frequently as identified in accordance with Clarity's Compliance Program. Testing will include but is not limited to ensuring that the policy is appropriately followed, the policy is effective, and the policy has been disseminated to all affected individuals, as well as notified of any updates or changes. Tracking of the criteria above and results of this testing will be completed by the Compliance Officer, or designee. Additionally, results will be reported to the Compliance Committee and Governing Body on a regular basis.
10. Clarity will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.

**Regulations & References:**

1. MHL § 33.13 Clinical records; confidentiality



<b>Policy Title:</b> Travel & Other Expense Reimbursement		<b>Policy #:</b> 03.017.003
<b>Policy Owner:</b> Associate Executive Director of Administrative Services		<b>Department:</b> Compliance
<b>Issue Date:</b> 03.28.2023	<b>Approval Date:</b> 05.27.2025	<b>Revised Date:</b> 04.09.2025
<b>Last Review Date:</b> 05.27.2025		<b>Next Review Date:</b> 05.26.2026

**Policy:** It is the policy of Clarity to establish a standardized process for expense reporting and reimbursement.

**Purpose:** The Board of Directors of Clarity recognizes that Board members, officers, and employees (“Personnel”) of Clarity may be required to travel or incur other expenses from time to time to conduct Clarity business. The purpose of this Policy is to ensure that adequate cost controls are in place, ensure that travel and other expenditures are appropriate, and provide a uniform and consistent approach for the timely reimbursement of authorized expenses incurred by Personnel. It is the policy of Clarity to reimburse only reasonable and necessary expenses actually incurred by Personnel.

When incurring business expenses, Clarity expects Personnel to exercise discretion and good business judgment with respect to those expenses, be cost conscious and spend Clarity’s money as carefully and judiciously as the individual would spend their own funds, and report expenses, supported by required documentation, as they were actually spent.

**Scope:** This policy applies to all affected individuals which include Clarity employees, senior leadership members, the Chief Executive Officer, contracted practitioners, students, members of the board of directors, and contractors and vendors acting within affected compliance program risk areas. This policy must be distributed to all affected individuals.

**Procedures:**

1. Expenses will not be reimbursed unless the individual requesting reimbursement submits a written expense report. The expense report, which shall be submitted at least monthly or within two weeks of the completion of travel, if travel expense reimbursement is requested, must include:
  - a. The individual’s name.
  - b. If reimbursement for travel is requested, the date, origin, destination, and purpose of the trip, including a description of each Clarity-related activity during the trip.
  - c. The name and affiliation of all people for whom expenses are claimed, (i.e., people on whom money was spent in order to conduct Clarity’s business).
  - d. An itemized list of all expenses for which reimbursement is requested.
  - e. Expense reports must be submitted and approved by the employee’s supervisor. The Chief Executive Officer’s review and authorization are required for expense requests submitted by Management personnel.



- f. Expense reports of the Chief Executive Officer must be approved by the President of the Board or any other authorized check signer.
  - g. Falsification of expenses: Submission of fraudulent receipts or falsifying expense reports will result in disciplinary action, up to and including termination.
2. Receipts are required for all expenditures billed directly to Clarity, such as airfare and hotel charges. No expense will be reimbursed to Personnel unless the individual requesting reimbursement submits, with the expense report, written receipts from each vendor, (not a credit card receipt or statement), showing the vendor's name, a description of the services provided, (if not otherwise obvious), the date, and the total expenses including tips, if applicable.
3. Employees authorized to do business for Clarity and attend meetings in other places are expected to use Clarity vehicles. If there is no Clarity vehicle available, and the employee has prior approval of the appropriate supervisor, personal vehicles shall be reimbursed at the rate established by the Internal Revenue Service. Reimbursable mileage does not include an employee's normal commute between home and work. Trips made between sites during work times or unscheduled work-related trips made between home and work may be claimed for reimbursement. Mileage reports should be submitted to the appropriate supervisor every month and should include route information and mileage for trips made on Clarity business.
4. When claiming mileage for business related trips that exceed an employee's usual commute, reimbursable mileage should not include an employee's mileage between home and work. For example, if driving 20 miles and an employee's normal commute is 10 miles, then 10 miles should be subtracted from the mileage claimed for reimbursement. If a business-related trip is less than the employee's normal commute, no mileage should be claimed for reimbursement.
5. General Travel Requirements:
  - a. Advance Approval: All trips involving air travel or at least one overnight stay must be approved in advance by the individual's supervisor; however, any out-of-state travel must be approved by the Chief Executive Officer or their designee.
  - b. Necessity of Travel: In determining the reasonableness and necessity of travel expenses, Personnel and the person authorizing the travel shall consider the ways in which Clarity will benefit from the travel and weigh those benefits against the anticipated costs of the travel. The same considerations shall be taken into account in deciding whether a particular individual's presence on a trip is necessary. In determining whether the benefits to Clarity outweigh the costs, less expensive alternatives, such as participation by telephone or video conferencing, or the availability of local programs or training opportunities, shall be considered.
  - c. Personal and Spousal Travel Expenses: Individuals traveling on behalf of Clarity may incorporate personal travel or business with their Clarity-related trips; however, Personnel shall not arrange Clarity travel at a time that is less advantageous to Clarity or involving greater expense to Clarity in order to accommodate personal travel plans. Any additional expenses incurred as a result of personal travel,



including but not limited to extra hotel nights, additional stopovers, meals, or transportation, are the sole responsibility of the individual and will not be reimbursed by Clarity. Expenses associated with travel of an individual's spouse, family, or friends will not be reimbursed by Clarity.

6. Air Travel:

- a. Air travel reservations should be made as far in advance as possible in order to take advantage of reduced fares. Clarity will reimburse or pay only the cost of the lowest coach class fare actually available for direct, non-stop flights from the airport nearest the individual's home or office to the airport nearest the destination.
- b. Saturday Stays: Personnel traveling on behalf of Clarity are not required to stay over Saturday nights in order to reduce the price of an airline ticket. An individual who chooses to stay over a Saturday night shall be reimbursed for reasonable lodging and meal expenses incurred over the weekend to the extent the expenses incurred do not exceed the difference between the price of the Saturday night stay ticket and the price of the lowest price available ticket that would not include a Saturday night stay. To receive reimbursement for such lodging and meal expenses, the individual must supply, along with the expense report, documentation of the amount of the difference between the price of the Saturday stay and non-Saturday stay airline tickets.
- c. Frequent Flyer Miles and Compensation for Denied Boarding: Personnel traveling on behalf of Clarity may accept and retain frequent flyer miles and compensation for denied boarding for their personal use. Individuals may not deliberately patronize a single airline to accumulate frequent flyer miles if less expensive comparable tickets are available on another airline.

7. Lodging: Personnel traveling on behalf of Clarity may be reimbursed at the single room rate for the reasonable cost of hotel accommodation. Convenience, the cost of staying in the city in which the hotel is located, and proximity to other venues on the individual's itinerary shall be considered in determining reasonableness. Personnel shall make use of the available corporate and discount rates for hotels. "Deluxe" or "luxury" hotel rates will not be reimbursed.

8. Out-Of-Town Meals: Personnel traveling on behalf of Clarity are reimbursed for the reasonable and actual cost of meals, (including tips), subject to a maximum per diem meal allowance per day and the terms and conditions established by Clarity relating to the per diem meal allowance. Please consult the Employee Handbook for the current reimbursement amounts.

9. Ground Transportation: Personnel are expected to use the most economical ground transportation appropriate under the circumstances and should generally use the following, in this order of desirability:

- a. Courtesy Cars - Many hotels have courtesy cars, which will take you to and from the airport at no charge. The hotel will generally have a well-marked courtesy phone at the airport if this service is available. Employees should take advantage of this free service whenever possible.



- b. Airport Shuttle or Bus - Airport shuttles or buses generally travel to and from all major hotels for a small fee. At major airports, such services are as quick as a taxi and considerably less expensive. Airport shuttle or bus services are generally located near the airport's baggage claim area.
- c. Taxi Service/Ride Share - When courtesy cars and airport shuttles are not available, a taxi/Ride Share is often the next most economical and convenient form of transportation when the trip is for a limited time and minimal mileage is involved. A taxi/Ride Share may also be the most economical mode of transportation between an individual's home and the airport.
- d. Rental Car - Car rentals are expensive so other forms of transportation should be considered when practical. Employees will be allowed to rent a car while out of town, if the individual's supervisor has given advance approval and the cost is less than alternative methods of transportation.

10. Personal Car: Personnel are compensated for the use of their personal cars when used for Clarity business. When individuals use their personal car for such travel, including travel to and from the airport, mileage will be allowed at the currently approved IRS rate per mile. In the case of individuals using their personal cars to take a trip that normally would be made by air, mileage will be allowed at the currently approved rate; however, the total mileage reimbursement will not exceed the sum of the lowest available round-trip coach airfare.

11. Parking/ Tolls: Parking and toll expenses, including charges for hotel parking, incurred by Personnel traveling on Clarity business will be reimbursed. The costs of parking tickets, fines, car washes, valet service, etc. are the responsibility of the employee, and will not be reimbursed. On-airport parking is permitted for short business trips. For extended trips, Personnel should use off-airport facilities.

12. Entertainment and Business Meetings: Reasonable expenses incurred for business meetings or other types of business-related entertainment will be reimbursed only if the expenditures are approved by the employee's supervisor and qualify as tax-deductible expenses. Detailed documentation for any such expense must be provided, including:

- a. Date and place of entertainment.
- b. Nature of expense.
- c. Names, titles, and business affiliation of those entertained.
- d. A complete description of the business purpose for the activity including the specific business matter discussed.
- e. Vendor receipts, (not credit card receipts or statements), showing the vendor's name, a description of the services provided, the date, and the total expenses, including tips, if applicable.

13. Other Expenses: Reasonable Clarity-related telephone, fax, and Wi-Fi charges due to absence of Personnel from the individual's place of business are reimbursable. In addition, reasonable and necessary gratuities that are not covered under meals may be reimbursed. Finally, emergency secretarial work and/ or postal charges incurred are reimbursable for the purpose of work on behalf of Clarity.



14. **Non-Reimbursable Expenditures:** Clarity maintains a strict policy that expenses in any category that could be perceived as lavish or excessive will not be reimbursed, as such expenses are inappropriate for reimbursement by a non-profit, charitable organization. Expenses that are not reimbursable include but are not limited to travel insurance, first class tickets or upgrades, limousine travel, membership dues at any country club, private club, athletic club, golf course, tennis club, or similar recreational organization, movies, liquor, or bar costs, purchase of golf clubs or any other sporting equipment, traffic citations, credit card interest charges, laundry or dry-cleaning, spa, massage, or exercise chairs, clothing, business conferences and entertainment that are not approved by a designated officer of Clarity, Valet service, car washes, toiletry articles, overnight retreats without prior approval of the Chief Executive Officer or their designee, political or charitable contributions, participation in or attendance at golf, tennis, or sporting events, without the advance approval of the Chief Executive Officer, (or the President of the Board for Chief Executive Officer expense approval), expenses for spouses, friends, or relatives, (if a spouse, friend, or relative accompanies Personnel on a trip, it is the responsibility of the Personnel to determine any added cost for double occupancy and related expenses and to make the appropriate adjustment in the reimbursement request), and when lodging accommodations have been arranged by Clarity and the individual elects to stay elsewhere, reimbursement is made at the amount no higher than the rate negotiated by Clarity. Reimbursement shall not be made for transportation between the alternate lodging and the meeting site.
15. Non-compliance with this policy may result in disciplinary action, up to and including termination.
16. As part of its ongoing auditing and monitoring process in its Compliance Program, Clarity will review this policy based on changes in the law or regulations, as Clarity practices change, and, at minimum, on an annual basis. Additionally, this policy will be tested for effectiveness on an annual basis or more frequently as identified in accordance with Clarity's Compliance Program. Testing will include but is not limited to ensuring that the policy is appropriately followed, the policy is effective, and the policy has been disseminated to all affected individuals, as well as notified of any updates or changes. Tracking of the criteria above and results of this testing will be completed by the Compliance Officer, or designee. Additionally, results will be reported to the Compliance Committee and Governing Body on a regular basis.
17. Clarity will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.