

CORPORATE COMPLIANCE PLAN (CCP), CODE OF ETHICS AND COMPLAINT PROCEDURE

Ethics are a set of values and beliefs. Ethical practices mean working and providing care in a way that is honest, legal and respectful of others; and reflects the Mission, Vision and Values of L.A.D.D., Inc.

Compliance means abiding by the law and following L.A.D.D., Inc.'s policies, which are designed to promote ethical behavior.

STANDARDS FOR EXCELLENCE

L.A.D.D., Inc. is a non-profit corporation dedicated to making the difference in people's lives. L.A.D.D., Inc. must act ethically when establishing expectations of behavior, character, and conduct; and maintain the distinction between right and wrong, moral duty, and obligation to the community. L.A.D.D., Inc. is accountable for achieving results through improved quality of life.

L.A.D.D., Inc. standards for excellence are based on honesty, integrity, fairness, respect, trust, responsibility, and accountability in operations, governance, human resources, financial management, community supports and fundraising.

The following are some of the documents addressing L.A.D.D., Inc. standards for ethical practices concerning staff, Management and all operations for L.A.D.D., Inc. Inclusive in these is the expectation that support services are provided responsibly, fairly and with awareness of the surrounding community.

- Mission, Vision, and Values
- Code of Conduct/Employee Handbook
- Job Essentials
- Job Description
- Policy on Good Moral Character
- Employee Performance Appraisal
- Employment of Relatives
- Equal Employment Opportunity
- Gifts, Bequest and Donations
- Leadership Policy
- Open Door Communications
- Policy on Human Resource Development
- Policy on Financial Planning and Management
- Policy on Legal Requirements

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PURPOSE

To establish standards and policies that clearly communicate appropriate ethical and legal behavior. To help prevent fraud, abuse and other unethical practices; and to ensure all employees are striving to meet the highest standards of ethical conduct. To provide a process for the people we serve, guardians, employees, personnel from other agencies, and community members to discuss or file complaints, grievances, violations, or problems with this organization or its employees, including Management, and to receive careful consideration and a prompt resolution.

SCOPE

This policy applies to all programs, practices and employees of L.A.D.D., Inc.

POLICY

It is the policy of L.A.D.D., Inc. that all programs, services or supports provided by L.A.D.D., Inc. are driven by the Mission, Vision and Values of the company; that all employees follow the Mission, Vision, and Values and policies and procedures of L.A.D.D., Inc. including but not limited to the Standards for Excellence and the Code of Conduct / Employee Handbook; and all programs adhere to the rules and regulations of the licensing and contract agencies, the local, state and federal governments and any agencies that have jurisdiction in the operations of the support services.

L.A.D.D., Inc.'s Code of Conduct directs the daily operations and ensures our compliance with legal, regulatory, and ethical standards of practice as defined by the L.A.D.D., Inc. Code of Ethics in all our relationships with our colleagues and those we serve. It is expected that awareness of our Code of Conduct will prevent the occurrence of fraudulent, abusive or unethical practices. This Code also guides us in our response to inappropriate or unlawful behavior.

Our Code is built upon our Mission, Vision, and Values and our commitment to the highest possible standards of excellence in practice.

All billing practices and other business/administrative responsibilities are expected to uphold ethical practices.

Practicing ethics within the Corporate Compliance Plan (CCP) means honoring the rights of the people we support and treating people with dignity and respect.

Corporate Compliance Officer (CCO): The Corporate Compliance Officer is the individual who assists in ensuring the policies of the organization are carried out properly. Reports regarding incidents of suspected corporate fraud and abuse can be made to Management or directly to the CCO. These reports may be made openly or

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anonymously; and will not result in retaliation by the organization. Although every effort will be made to maintain the confidentiality regarding the identity of the person making a report, there may be a point in certain instances where that person's identity may become known, or may need to be revealed. An investigation will be conducted based on all reports, and disciplinary action will be applied to individuals for whom fraud and or abuse can be substantiated. The Complaint Forms are available in all L.A.D.D., Inc. facilities, L.A.D.D., Inc. Directories, and Information Packets.

The Role of Leadership--The role of the leadership is essential in establishing and maintaining a culture of compliance and ethical conduct. L.A.D.D., Inc. employees in Management and leadership positions are expected to:

1. Serve as examples by modeling the expected behaviors.
2. Create a culture in the workplace, which promotes and reinforces ethical behavior and legal practice.
3. Ensure that those they supervise have information and are educated regarding applicable laws, regulations, and policies and legal requirements pertinent to their function.
4. Inform all staff they supervise that strict compliance with policies and regulation is a condition of employment and violation will result in disciplinary action up to and including separation.
5. Make available the resources necessary to resolve ethical dilemmas.
6. Encourage the reporting and discussion of concerns related to legal and ethical practice; ensure adequate follow up to concerns.
7. Ensure that business practices do not compromise ethical behavior or our core values.
8. Members of Management who do not adequately instruct employees regarding compliance or who fail to detect noncompliance will be disciplined.

PROCEDURE

L.A.D.D., Inc. Code of Conduct/Employee Handbook, the L.A.D.D., Inc. Directory and Administrative/Management Manual contain several policies that add a variety of corporate and ethical issues, and are designed to help employees understand their rights and responsibilities, to work more efficiently and to behave and provide care in an ethical way. Training will occur regarding each person's role at L.A.D.D., Inc. and compliance with the Corporate Compliance Plan (CCP), the law and the reporting procedure.

A telephone number shall be identified as the Corporate Compliance Officer's (CCO) number available during all working hours, as well as a voicemail system and e-mail account, both of which shall be checked regularly. When the CCO or another member of L.A.D.D., Inc. Management receives a call, voicemail or e-mail, they will listen to or read the report, document the report, take an initial statement, ask questions, and document information. An employee may make an anonymous report. If the employee chooses to report anonymously, Management/ CCO will ask the reporting party to call

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back or e-mail the next day so that they can ask any follow-up questions. Upon receiving a report with respect to matters that Management/CCO believes appropriate, Management/CCO shall contact appropriate personnel as necessary to review and develop additional questions.

1. Communication/Prevention

- a. The opportunity for personnel to ask questions and raise concerns is a cornerstone of a successful Corporate Compliance Program. L.A.D.D., Inc. supports open discussion of ethical and legal questions and concerns regarding compliance issues and will not tolerate retaliation against any individual who, in good faith, raises questions or reports suspected violations.
- b. The current managed care environment is very complex, with many complicated regulations that dictate how L.A.D.D., Inc. must conduct its behavioral healthcare business. The purpose of the compliance program is to establish standards and policies that clearly communicate appropriate ethical and legal behavior. It is better for an individual to raise a question than to be concerned about the legality of his or her actions or those of a co-worker. It is better to ask a question than to do something wrong.
- c. When L.A.D.D., Inc. personnel have a question regarding what should be the legal or ethical action, a number of options are available, including the following:
 1. Communication with an immediate Supervisor or Manager;
 2. Talk with higher-level management;
 3. Talk with Finance Personnel regarding billing, personnel regarding data gathering and reporting, and/or the Quality Assurance Department regarding issues of quality improvements, internal audits, etc. and/or
 4. Talk with the Corporate Compliance Officer.
 5. Fill out a Confidential Complaint Form.

2. Complaint Reporting Procedure

- a. The L.A.D.D., Inc. reporting system is designed with confidentiality and anonymity in mind. Callers who wish to remain anonymous will be provided with a date/time and/or numerical identifier. This numeric identifier may be used by the caller to identify him/herself if additional information becomes available or further questioning is necessary.
- b. If a person/guardian/employee, etc. becomes aware of any wrongdoing whether committed by that employee or by someone else, he or she must report the wrongdoing to Management via telephone call, email, face-to-face interview, or completion of a Confidential Complaint Form (available in programs) for submission to Corporate Compliance Officer/Management.
- c. If the person chooses or if necessary, a meeting will be held with Management to discuss the complaint and attempt a resolution.
- d. If a resolution is not found after discussion with Management, then the complainant should refer the complaint to the next higher level of Management using the following corporate structure: Managers, Area Supervisors, Area

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- Directors, Administrator, Board of Directors. At that time the complainant must provide Management with a written account of the grievance or problem. Management will respond in writing within 5 business days to any written complaint. This process can continue up the Management chain of command.
- e. If all the above steps fail to yield a resolution, a written detailed account of the grievance should be submitted to the CCO for review. The CCO will respond in writing within seven business days of the submission of the complaint in writing.
 - f. Provided a resolution has not been found, the final step in the complaint/grievance process is to have the complaint/grievance heard by an impartial Grievance Committee. This committee will consist of three or more people made up of one or more Professional Care Technicians or Management within the Corporation. After the Grievance Committee has heard the grievance, a written account of their findings will be given to the complainant within fourteen days. Recommendations by the Grievance Committee are advisory only.
 - g. The Quality Assurance Department will keep copies of all written complaints.
 - h. L.A.D.D., Inc.'s Management and CCO will be responsible for receiving written complaints concerning L.A.D.D., Inc.'s privacy policies and procedures, as well as L.A.D.D., Inc.'s compliance with the HIPAA privacy rule. Written complaints whenever possible should be on the L.A.D.D., Inc. Confidential Complaint Form and may be turned in following the above procedure or mailed to: Attention CCO, P.O. Box 965 Clarkston, Michigan 48347. Complaint Forms are available in each location or you may request one from the above address. Anyone may file complaints without penalty or retaliation for filing a complaint. Anyone may also file a complaint with the Secretary of Health and Human Services if so desired. The CCO will be responsible for tracking all complaints related to HIPAA.
 - i. Management has the obligation to conduct a prompt, thorough, and impartial investigation.

3. Investigating allegations

- a. **Response**--Upon receiving a written report of a wrongdoing under the Compliance Program, Management/CCO will take the following response steps as appropriate and complete a Complaint Form for each report received.
 1. The CCO, in consultation with Administration, shall determine whether the alleged wrongdoing is a violation of the L.A.D.D., Inc. Compliance Program, a violation of federal law, or otherwise puts L.A.D.D., Inc. at risk of economic injury or injury to reputation. Thereafter, the CCO shall take action commensurate with the gravity of the allegation to determine if the allegation has a basis in fact; what internal remedial and/or disciplinary action, if any, is warranted; whether the alleged violation must, by law or should by discretion, be reported to the appropriate governmental authorities; and what modifications in the program might help prevent similar future conduct.
 2. If Management/CCO, in consultation with Administration, conclude that reporting to governmental authorities may be appropriate, then a report should be made to the appropriate governmental authorities.

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3. Management/CCO shall make modifications to the program, as needed, to help prevent future violations similar to any detected through the reporting system. The CCO also shall report at least annually (and more frequently if warranted) to the Steering Committee all allegations of wrongdoing, the results of subsequent investigations, any related disciplinary and/or remedial actions taken, and any modifications taken to prevent future wrongdoing.

4. Dealing with Violators

Remedial Action

- a. Remedial actions are intended to correct mistakes and enhance compliance with the Corporate Compliance Plan and state and federal regulations. In most cases, remedial actions are designed to improve the performance of L.A.D.D., Inc. personnel. Management will identify the exact nature of and need for remedial action in collaboration with Administration and/or CCO.
- b. Upon investigating what appears to be behavior requiring remedial actions, (as a result of negligence or inadvertence) the CCO/Management will clarify policies, review and revise, if necessary, administrative procedures in order to prevent future errors. If remedial action is deemed necessary, the affected individual(s) will be notified, informed of the concerns regarding their performance, and made aware, if applicable, of the right to grieve.
 1. Behaviors that could require remedial actions might include the following:
 - a. Failure of an individual to understand and carry out required procedures and policies;
 - b. Inappropriate or improper implementation of the L.A.D.D., Inc. Corporate Compliance Plan;
 - c. Ambiguous communication regarding job performance expectations; or
 - d. Negligent behavior.
 2. Remedial actions may include:
 - a. The individual(s) will be required to take part in an educational/training program focused on the problem area and/or
 - b. The individual(s) may be reassigned, separated from or there may be a change of duty.

5. Corrective or Disciplinary Actions

- a. Failure to comply with the L.A.D.D., Inc. Corporate Compliance Plan or the laws and/or regulations applicable to federally funded behavioral health care programs, or any program of training, counseling or remedial action which an employee has been required to undertake pursuant to Section A above, will result in discipline up to and including separation from employment or association with L.A.D.D., Inc.
- b. In cases of intentional misconduct, repeated violations, or after documented remediation(s) have failed to correct the problem, L.A.D.D., Inc. will initiate corrective or disciplinary actions. The initiation of corrective or disciplinary action by L.A.D.D., Inc. does not preclude or replace any criminal proceedings that may be taken by the appropriate legal authority.

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- c. L.A.D.D., Inc. personnel subject to corrective or disciplinary action have due process rights under applicable existing L.A.D.D., Inc. personnel policies.
- d. Discipline shall apply to both individuals who fail to report known non-compliant conduct, and those persons involved in the non-compliant conduct. The disciplinary action imposed will depend on the nature, severity, and frequency of the violation and may include one or more of the following:
 1. Verbal and/or written warnings, followed by a written reprimand;
 2. Subject to availability, placement of the individual in a different position if the individual is determined to be qualified to perform the essential functions of a different position within the same job classifications;
 3. Reduction in pay;
 4. Suspension;
 5. Termination of employment; or
 6. Other disciplinary action felt to be appropriate for the specific misconduct.
- e. Management reserves the right to impose that discipline which they deem to be appropriate given the nature of the offense involved, the facts and circumstances giving rise to the violation and the past disciplinary history of the employee. The use of progressive discipline or the designation of a specific offense as dischargeable does not prohibit L.A.D.D., Inc. from terminating employment for any or no reason, with or without cause, as L.A.D.D., Inc. may deem to be appropriate. L.A.D.D., Inc. may terminate employment without prior warning or notice.

According to the Federal Sentencing Guideline (8A1.2.3.k(5)), L.A.D.D., Inc. provides a reporting system whereby employees and other agents can report, without fear of retribution, suspected criminal conduct by others within the organization.

6. **Risk Assessment**--L.A.D.D., Inc.'s Management team will conduct an annual assessment in the area of Corporate Compliance to identify and monitor high-risk areas for the agency. Identified high-risk areas will be monitored and audited as deemed necessary by L.A.D.D., Inc.'s Steering Committee.
7. **Retribution**--No Reprisal System--All L.A.D.D., Inc. personnel are strongly encouraged to report issues, concerns or suspected violations related to L.A.D.D., Inc. programs and services. L.A.D.D., Inc. shall not take disciplinary action against an employee for merely reporting what the employee reasonably believes to be a violation of the Compliance Plan. However, L.A.D.D., Inc. may take disciplinary action against an employee on several bases related to reporting:
 - a. An employee will be subject to disciplinary action if L.A.D.D., Inc. concludes that the employee knowingly fabricated, exaggerated, or minimized a report of wrongdoing to either injure someone else or to protect himself/herself or others.
 - b. An employee whose report contains admissions of personal wrongdoing will not be guaranteed protection from discipline. L.A.D.D., Inc. generally will give positive weight to self-confession in determining disciplinary action but the extent depends on factors such as whether the employee's conduct was previously known

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- to L.A.D.D., Inc., whether discovery of the conduct was imminent, and whether the confession was complete and truthful and whether the conduct violated people's rights or agency contracts.
8. **Personal Behavior:** Employees are expected to conduct themselves in a professional manner which is respectful to all the people we serve. The Code of Conduct/Employee Handbook specifies areas of expected behavior. These policies outline expectations including but not limited to dress code & appearance, interactions with the people we serve and other people and agencies, reporting requirements and confidentiality.
 9. **Business Practices: Employees** involved with billing practices and other business/administrative responsibilities are also expected to uphold certain ethical practices. Unethical business practices may include but are not limited to:
 - a. Unlawful Billing Practices knowingly committed:
 1. Duplicate billing, or billing more than one claim for the same service
 2. Using a billing code that gives higher payment rather than the billing code that reflects the actual services provided
 - b. False Claims knowingly committed:
 1. Filing claims for services that were not provided
 2. Filing claims for services that are not medically necessary
 - c. Kickbacks
 1. Receiving benefits for promoting certain brands of drugs, or medical equipment
 2. Receiving gifts or services from residents in exchange for using certain medications and products.
 - d. Unbundling knowingly committed:
 1. This can happen when separate claims are submitted for services that should be billed together in a single claim.
 - e. Filing Unnecessary Claims with Medicare or Medicaid knowingly committed:
 1. One of the reasons for developing a CCP is to prevent Medicare and Medicaid fraud. It is illegal to bill Medicare or Medicaid for services that are not reasonable or medically necessary.
 - f. Business Records and Cost Reports:
 1. These records must be kept up-to-date and accurate. Falsifying or altering business records or cost/mileage reports is illegal.
 - g. Trained Support staff will conduct quarterly documentation verification reviews of a representative sampling of records of the persons served to document that dates of services provided coincide with billed episodes of care, determine that the bills accurately reflect the services that were provided, and identify necessary corrective action.
 10. **Marketing Practices:** All business and administrative practices including marketing of programs and services must be done ethically and legally. This includes the following areas:
 - a. Illegal Referrals: It is illegal to refer a person to a particular facility or healthcare provider in exchange for certain benefits.

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- b. Joint Ventures: It is wrong for a healthcare provider to refer people to each other in exchange for certain benefits. This is similar to a kickback.
11. **Clinical Practices:** Practicing ethics within the Corporate Compliance Plan (CCP) means honoring individuals' rights, and treating them with respect and dignity.

Complete listings of Rights of the people receiving supports are located in the Code of Conduct available in each program and provided to each person and guardian prior to the start of services. A summary of rights are listed below:

- a. Treatment: Residents have the right to be treated without discrimination of any kind. Discrimination should be reported to the Manager or the CCO.
- b. Confidentiality: Access to a resident's records should be limited to those individuals involved in his or her care. All aspects of an individual in our care should remain confidential. A Disclosure Authorization is necessary for anyone other than the guardian, billing purposes or treatment team.
- c. Respect: Care is provided in a way that respects the individual's values, needs and wishes.
- d. Privacy: All care (examinations, tests, clinical discussions, etc.) is provided in a way that respects the person's dignity at all times.
- e. Advanced Medical Directives: These include a living will, and/or durable power of attorney for healthcare. People who have advanced directives will have that denoted on the cover of their clinical record; employees should be aware if a person served has an Advanced Directive.
- f. Involvement in Care Decisions: People have the right to be involved in making decisions about their care. They also have the right to refuse care as coordinated with their guardianship status.
- g. Informed Consent: People receiving supports are given all the information they need to make informed decisions. This ensures they know their treatment options, including benefits, risks, side effects, and costs of each.
- h. Access to information: People have the right to see their medical records and get information about their diagnosis, condition, treatment and chances for recovery. The Information Pack includes a policy on Access to Records with the procedure for a person to access their own clinical records, if a person makes a request to see their records Management should be informed for assistance in following the procedure.

12. **Information Management:**

- a. Accurate and truthful documentation and management of information is a critical concern of the CCP.
- b. Medical Records must not be changed. Records must be complete and accurate and up to date.
- c. Documentation: All care given to residents must be recorded. An individual's progress should be documented, and all entries should be signed and dated.
- d. Releasing Information: Information is confidential and should not be given out to

unauthorized persons, without guardian approval. Please see the Disclosure Authorizations located in the program.

- 13. Employee Rights and Responsibilities:** Under the Corporate Compliance Plan(CCP), employees have the right to receive education and training regarding their role within the organization and compliance with the CCP and the law; and the reporting procedure for violations of the CCP. Documentation regarding training will be maintained. Employee responsibilities depending on their position within the organization include:
- a. Respect the rights, values and boundaries of all we serve, with consideration of our values and the law.
 - b. Respect and protect the privacy and confidentiality of all we serve and of those who serve us.
 - c. Provide quality services in a timely manner to all regardless of age, race, gender, religion, sexual orientation, ethnic background, terminal diagnosis, infectious disease, or ability to pay.
 - d. Achieve increasing proficiency and expertise in the delivery of care and in organizational performance.
 - e. Act in accordance with the highest standards of personal and professional integrity, treating others with respect, honesty and fairness.
 - f. Accurately present the scope of our services, expertise and financial operations to people receiving supports, families, charitable donors and the community.
 - g. Provide services consistent with L.A.D.D., Inc. Mission, Vision and Values.

TRAINING & REVIEW PROCEDURE

1. All potential employees will receive a copy of the Mission, Vision and Values for the company at the initial interview.
2. A copy of the Code of Conduct / Employee Handbook will be given to all employees at the time of hire and will be available at all locations.
3. The Corporate Compliance Plan/Code of Ethics will be reviewed at the time of hire with the Employee Training Sheet and a copy will be available at each location in the L.A.D.D., Inc. Directory.
4. Information on Corporate Compliance and Ethics will be given to all people receiving support services, parents and/or guardians in the L.A.D.D., Inc. Information Packet.
5. The Corporate Compliance/Code of Ethics and the Standards for Excellence will be reviewed with all staff during annual training.
6. The Corporate Compliance/Code of Ethics and the Standards for Excellence will be reviewed annually with the LADDERS publication, which is received, by all programs/services, guardians/family members, and community members.
7. L.A.D.D., Inc. Administration/Management will enforce the Corporate Compliance/ Code of Ethics and the Standards for Excellence of the corporation with all the employees by utilizing Corporate Compliance Plan and the Code of Conduct / Employee Handbook to strengthen the quality and integrity of services within the company.

8. The Steering Committee will annually review the Corporate Compliance Plan/Code of Ethics, the Standards for Excellence and the Code of Conduct/ Employee Handbook with the annual review of Policy and Procedures to ensure that all L.A.D.D., Inc. employees are acting ethically and providing quality services.
9. The Board of Directors will annually review the Corporate Compliance Plan/Code of Ethics and the Standards for Excellence when they review the Annual Outcome Management Report.
10. Any violations of the Corporate Compliance Plan will be addressed through disciplinary action including and up to separation from employment.
11. Employee violations will be tracked via the Disciplinary Tracking System.