

COMPLIANCE MANUAL

Our commitment to ethical conduct and compliance depends on all North Country Healthcare (NCH) and its Affiliates' officers, board members, employees, volunteers, trainees, credentialed professionals, and other health care practitioners and their staff ("Workforce Members").

If you find yourself in an ethical dilemma or suspect inappropriate or illegal conduct, promptly discuss it with your supervisor or use the reporting process in this Compliance Manual, including the Compliance Hotline (toll free at 1-866-989-3757) or reporting via the NCH Intranet Portal (Compliance/Privacy Reporting tab).

Reporting is required as soon as possible, but no later than 24 hours, after becoming aware of the issue.



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Introduction

NCH has developed this Compliance Manual as a resource, to summarize basic healthcare compliance standards and provide an overview of the NCH Compliance Program. The Compliance Manual is not intended to fully describe all of the laws and regulations that apply to Workforce Members or to fully detail company policies and procedures. The Compliance Manual should be read along with the NCH Code of Conduct (describes compliance concepts and gives guidance on acceptable behavior for Workforce Members) and the NCH Compliance Policies summarized in Appendix A. Current versions of the Code and Policies can be found on the NCH Intranet Portal.

Any reference to “NCH Facilities” or “Facility” refers to the affiliates of North Country Healthcare—Androscoggin Valley Hospital, North Country Home Health & Hospice Agency, Upper Connecticut Valley Hospital, and Weeks Medical Center and their related clinics and delivery sites (“Affiliates”).

PART I – NCH COMPLIANCE PROGRAM OVERVIEW

Patient Care

NCH is committed to providing high-quality patient care in the communities we serve, and advocates a responsive management style and a patient-first philosophy based on integrity and competence. We treat our patients with respect and dignity, providing high-quality, compassionate care in a clean, safe environment.

Commitment to Compliance

NCH is committed to full compliance with all applicable laws and regulations. Adherence to compliance and ethical standards is part of the job performance evaluation criteria for all NCH Workforce Members. Failure to comply with these requirements is viewed seriously, and will subject individuals to disciplinary action, up to and including termination. NCH and its Affiliates have developed policies and procedures that describe how the duties and obligations of NCH Workforce Members are to be performed. NCH Workforce Members are required to know, understand and follow all policies and procedures that apply to their work, and to seek clarification from their supervisor if they have any questions.

Code of Conduct

NCH has developed a Code of Conduct that is designed to deter wrongdoing and promote honest and ethical conduct. The Code of Conduct details the fundamental ethical and organizational principles, values and framework for compliance within the organization, providing guidance on acceptable behavior for NCH Workforce Members and making clear the expectation that NCH Workforce Members comply with all applicable governmental laws, rules and regulations, and will report suspected and actual violations of the law, unethical conduct, or compliance policies to appropriate persons as soon as possible, but no later than 24 hours, after becoming aware of the issue. The Code of Conduct is available on the NCH Intranet Portal, from the NCH or Facility human resources department, the Facility Compliance Officer, or the NCH Compliance Office.



Leadership Responsibilities

NCH expects its leaders to set the example, to be in every respect a role model. Our leaders help to create a culture that promotes the highest standards of ethics and compliance. This culture must encourage everyone in the organization to share concerns when they arise, without fear of retaliation. We must never sacrifice ethical and compliant behavior in the pursuit of business objectives.

NCH Compliance Program

NCH is committed to running an effective Compliance Program that includes the following elements:

1. Designation of a NCH Compliance Officer, NCH Compliance Committee, Facility Compliance Officers, and Facility Compliance Committees

2. Development of written Compliance Policies and Procedures and the NCH Code of Conduct, which contains written standards of conduct
3. Open lines of communication including a toll-free hotline and internet-based reporting that permit anonymous reporting without fear of retaliation
4. Appropriate training and education
5. Internal monitoring and auditing activities
6. Enforcement of disciplinary standards
7. Response to detected deficiencies
8. Periodic evaluation and assessment of the effectiveness of the NCH Compliance Program
9. Education of Workforce Members regarding the Code of Conduct, NCH Compliance Manual, NCH and Facility Compliance policies and compliance requirements, and training relevant Workforce Members to conduct their job activities in compliance with state and federal law and according to the policies and procedures of the Compliance Program.
10. Implement auditing, monitoring and reporting functions to measure the effectiveness of the Compliance Program and to address problems in an efficient and timely manner.

The NCH Compliance Program is part of the operations of all NCH Facilities and corporate functions. NCH and Facility compliance professionals are tasked with reviewing and evaluating compliance issues and concerns within the organization relating to federal and state healthcare programs.

Overall responsibility for operation and oversight of the Compliance Program belongs to the NCH Board of Directors; however, the day-to-day responsibility for operation and oversight rests with the NCH Compliance Officer, who has direct access to the Board of Directors and makes regular reports to the Board on the status of the NCH Compliance Program and its activities. The NCH Compliance Officer is supported in these duties by the NCH Compliance Committee. The NCH Compliance Officer will also interface with Facility Compliance Officers as necessary to ensure that the NCH Compliance Manual and associated compliance policies and procedures are being implemented and followed in NCH facilities. “Facility Compliance Officer” means the compliance officer appointed at each NCH Facility.

Compliance Officer and Compliance Committee Designation

NCH has designated a NCH Compliance Officer to oversee the NCH Compliance Program. The NCH Compliance Officer focuses on compliance with the rules and regulations of regulatory agencies and NCH policies and procedures, and works to assure that behavior meets appropriate standards of conduct. The NCH Compliance Officer is responsible for—in conjunction with the Compliance Committee—designing, coordinating, and implementing the NCH Compliance Program including policies, procedures, education, and training to ensure that Workforce Members are familiar with the NCH Compliance Program and comply with applicable state and federal laws and regulations.

Each NCH Facility has a designated Facility Compliance Officer (“FCO”) who oversees the compliance program and obligations of the Facility. The NCH Compliance Officer supervises the Compliance Program-related actions and activities of the Facility Compliance Officers.

The NCH Compliance Committee supports the NCH Compliance Officer and provides oversight for the implementation and operation of the Compliance Program. Members of the Compliance Committee include:

- NCH Compliance Officer, who chairs the Committee
- NCH Chief Executive Officer
- NCH Chief Financial Officer

- NCH Board Member
- Facility Compliance Officers

The Compliance Committee reviews the reports and recommendations of the NCH Compliance Officer concerning Compliance Program activities, including data regarding compliance generated through audits, monitoring, and individual reporting. Based on these reports, the Compliance Committee makes recommendations regarding the effectiveness of the Compliance Program. The Compliance Committee also advises and assists the NCH Compliance Officer in the development and management of the NCH Compliance Program. The NCH Compliance Committee is discussed further in the Compliance Committee policy referenced in Appendix A.

Although the NCH Compliance Officer and the NCH Compliance Committee are responsible for overall design and content of the NCH Compliance Program, compliance is the responsibility of every NCH Workforce Member.

Compliance Policies and Procedures

NCH has developed written compliance policies and procedures that are designed to establish bright-line rules to help Workforce Members carry out their job functions in compliance with federal and state laws, regulations, and healthcare program requirements, and to further the mission and objectives of NCH and its facilities. Attached to this Compliance Manual in Appendix A is a summary of the NCH compliance policies. Copies of the NCH compliance policies and procedures are available on the NCH Intranet Portal or by contacting the applicable Facility Compliance Officer or the NCH Compliance Office.

Open Lines of Communication

NCH encourages open communication on compliance issues without fear of retaliation in order to promptly identify and respond to compliance problems. If there are any questions or concerns regarding compliance with state or federal law, or any aspect of the Compliance Program, including the compliance policies or procedures, Workforce Members shall seek immediate clarification from their supervisor, Facility Compliance Officer, or the NCH Compliance Office. They can also call the toll-free Compliance Hotline (1-866-989-3757) or report via the NCH Intranet Portal (Compliance/Privacy Reporting tab). Reports using these methods may be made anonymously, and those who will report will not be subject to retaliation or any adverse action.



If anyone has knowledge of, or in good faith suspects, any wrongdoing:

- in the documenting, coding, or billing for services, equipment, or supplies
- in the organization's financial or business practices
- in HIPAA or other laws or policies relating to patient privacy
- involving a violation of any state or federal law or regulation
- involving a violation of any NCH or Facility policy
- any other compliance concern

They are required to report it within 24 hours of the time the Workforce Member is aware of such a violation or potential violation in the manner described in this manual so that an investigation can be conducted and appropriate remedial action can be taken.

Response to Detected Deficiencies

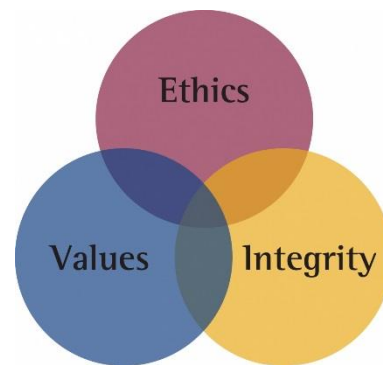
NCH is committed to responding consistently and decisively to detected deficiencies. As deficiencies are discovered through audits, reporting mechanisms, and other activities involved with the operation of the Compliance Program, corrective measures and disciplinary actions will be developed to address noncompliance. NCH has developed Compliance Policies that set forth the policies and procedures the organization uses for, among other things:

- conducting internal investigations
- developing Corrective Action Plans for specific instances involving compliance-related issues
- implementing remedial action, when a gap has been identified in the Compliance Program or a compliance violation is detected, to prevent recurrence of a compliance violation in the organization

Corrective Action Plans and other remedial actions will typically include, among other actions, Workforce Member education and training, disciplinary action up to and including termination of employment or contract, additional monitoring and auditing, and may involve reporting to outside agencies and authorities as required by law and NCH and Facility policies.

Enforcement of Disciplinary Standards

NCH Workforce Members who violate the law, NCH or Facility policies, or the guidelines described in the NCH Code of Conduct, NCH Compliance Manual and the Code of Business Conduct and Corporate Standards, including the duty to report suspected violations, are subject to disciplinary action. Disciplinary actions will reflect the severity of the noncompliance, up to and including immediate termination. In addition, adherence to compliance and ethical standards will be part of the job performance evaluation criteria for all Workforce Members. Supervisors and compliance officers are expected to work with the applicable human resources departments to assure that each instance involving the enforcement of disciplinary standards is thoroughly documented and that disciplinary standards are enforced consistently across the organization. All NCH Workforce Members are expected and required to adhere to and follow the NCH and Facility compliance policies. The failure to do so can result in disciplinary action, including but not limited to immediate termination.



Reporting Improper Conduct

NCH is committed to complying with all applicable laws and regulations, including those designed to prevent and deter fraud, waste and abuse such as the Stark Law, the Anti-kickback Law, the False Claims Act, and the Civil Monetary Penalties law. NCH desires a climate that discourages improper conduct and facilitates open communication of any compliance concerns and/or questions. If any NCH Workforce Member has knowledge of, or in good faith, suspects any wrongdoing in the documenting, coding, or billing for services, equipment, or supplies; in the organization's financial or business practices; involving any violation of any law or regulation; or involving a violation of any NCH or Facility policy, they are required to report it within 24 hours of the time the Workforce Member is aware of such a violation or potential violation so that an investigation can be conducted and appropriate action can be taken.

There are many ways to report suspected improper conduct. In most cases, any concerns should be brought to the attention of a supervisor. However, if this report does not result in appropriate action, or if the individual is

uncomfortable discussing these issues with their supervisor, they should take their concerns to another member of management, or use the reporting methods available through the NCH Compliance Program. Failure to report any known illegal conduct can have serious consequences.

NCH requires all Workforce Members to bring any concerns forward immediately using the established internal channels. Individuals may be reluctant to discuss wrongdoing with their supervisors because they fear retaliation. No retaliation will be permitted against NCH Workforce Members who bring forward concerns made in good faith. Only where it has been clearly determined that someone has made a report of wrongdoing maliciously, frivolously, or in bad faith will disciplinary action be considered.

Below is the procedure for reporting and investigating potential compliance issues:

1. If at any time an NCH Workforce Member becomes aware of or suspects illegal or unethical conduct or a violation of NCH or Facility compliance policies, they must report it immediately to an appropriate individual. Such individuals may include their immediate supervisor, manager, risk manager, Facility Compliance Officer, applicable HR Director, NCH Compliance Office or NCH Legal Counsel.
2. Anyone may also make a report by using the toll-free Compliance Hotline (1-866-989-3757) or via the NCH Intranet Portal (Compliance/Privacy Reporting tab). Reports using these methods may be made anonymously, if the individual chooses.
3. Self-reporting is encouraged and respected. Everyone makes mistakes, and it is often a reflection of good character for one to self-report a perceived wrongdoing. Such self-reporting builds transparency and trust within an organization and will be taken into consideration.
4. Once a report is received, an appropriate person will then conduct an investigation into the allegations to determine the nature, scope, and duration of wrongdoing, if any in accordance with the NCH Compliance Policy entitled "Conducting Internal Investigations" as referenced in Appendix A. If the allegations are substantiated, a plan for corrective action will be developed. Appropriate corrective action may include, for example, restitution of any overpayment amounts, notifying an appropriate governmental agency, disciplinary action, or making changes to NCH policies and procedures to prevent future occurrences.
5. Retaliation in any form against anyone who makes a report of wrongdoing or cooperates in an investigation in good faith is strictly prohibited. If any individual feels that they have been retaliated against, they should report it immediately, using any of the reporting methods referenced in this policy.

Our commitment to compliance and ethical conduct depends on all Workforce Members. Should anyone find themselves in an ethical dilemma or suspect inappropriate or illegal conduct, they should remember the internal processes that are available for guidance or for reporting suspected unethical conduct, including the Compliance Hotline (1-866-989-3757) or via the NCH Intranet Portal.

Supervisors Receiving Complaints

Supervisors receiving a complaint that raises a potential compliance issue shall promptly report the complaint to their Facility Compliance Officer who shall involve the NCH Compliance Officer as necessary. Complaints that do not raise a potential compliance issue will be referred to the appropriate department (e.g., risk management, quality assurance, human resources, Facility management). Supervisors shall not take any retaliatory action against Workforce Members who report complaints in good faith and/or cooperate in an investigation.

Retaliation or reprisal against anyone for reporting a complaint in good faith or cooperates in an investigation is strictly prohibited by law and is a violation of both the NCH Code of Conduct and NCH policy.

Internal Monitoring and Auditing

NCH Workforce Members are expected to cooperate with all NCH-authorized auditing and monitoring activities. Each Facility Compliance Officer shall develop an annual audit work plan for their Facility and also conduct or oversee audits, which is designed to monitor and detect misconduct, noncompliance or failure to follow applicable requirements. The NCH Compliance Officer shall develop a yearly audit work plan for the organization, including risk assessment results and OIG work plan review. The NCH Compliance Officer shall initiate compliance audits at least annually, and more often as needed, to identify problems deemed high-risk for compliance and to address other significant compliance issues. Audit reports prepared by the NCH Compliance Officer shall be presented to the NCH Compliance Committee and audit work plans shall be reviewed annually.

Training and Education

NCH provides compliance training and education for its Workforce Members that:

- Reviews the elements of the NCH Compliance Program
- Provides information about applicable laws, policies and procedures
- Discusses the ethical standards and compliance expectations set forth in the NCH Code of Conduct

The purpose of the training and education program is to ensure that Workforce Members and other individuals that function on behalf of NCH are fully capable of performing their work in compliance with rules, regulations, policies, procedures, and other established standards.

Ineligible Persons – Excluded Individuals and Entities

NCH does not do business with, hire or bill for services rendered by individuals or entities that are excluded or ineligible to participate in federal healthcare programs. NCH human resources departments are responsible for screening Workforce Members and maintaining a record of this information. NCH Workforce Members have a responsibility to report to their supervisor or human resources department if they become excluded, debarred, or otherwise ineligible to participate in Federal healthcare programs. NCH has a compliance policy that describes the policy and requirement that appropriate checks be performed for applicable individuals in accordance with state and federal laws relating to exclusion from government healthcare programs and licensure status. This policy is designed to assure that no government healthcare program payment is sought for any items or services directed or prescribed by a physician, practitioner or contractor who provides and/or orders services and who is an ineligible person.

PART II – Healthcare Laws, Regulations, and Requirements

This section of the Compliance Manual contains an overview of some of the more important federal, state, and local laws and regulations that apply to NCH and its Facilities. It is not intended to be a complete discussion of these laws and regulations, or to describe every applicable law and regulation. NCH expects its Workforce Members to fully comply with all applicable laws and regulations. Failure to comply with legal requirements is viewed seriously by NCH, and can lead to serious disciplinary action, up to and including immediate termination.

Maintenance and Retention of Medical Records

NCH strives to ensure medical records are accurate and provide information that documents the treatment provided and supports the claims submitted. Tampering with or falsifying medical records, financial documents or other business records of NCH will not be tolerated. The confidentiality of patient records and information must be maintained in accordance with state and federal privacy and security laws and regulations that protect patient information, including protected health information (PHI) under HIPAA, HITECH and applicable state laws such as RSA 332-I.

Submission of Accurate Claims and Information

All claims and requests for reimbursement from the Federal healthcare programs including Medicare, Medicaid, and the Veterans Administration—and all documentation supporting such claims or requests — must be complete and accurate and comply with legal requirements. They must reflect reasonable and necessary services ordered by appropriately licensed medical professionals who are participating providers in the healthcare program. This includes, among other important areas, appropriate outpatient procedure coding, admissions and discharges, supplemental payment considerations and the proper use of information technology. Workforce Members shall not engage in illegal billing or coding practices such as up-coding, unbundling of services, billing for services not provided, or billing for unnecessary services.

NCH expects all persons involved in healthcare billing and claims reimbursement activities to submit timely, accurate and proper claims and information. Appropriate documentation is needed to support all claims, and the diagnosis and procedure codes on bills must accurately reflect the information documented in the medical records and other applicable documents. NCH Workforce Members must adhere to all relevant rules and regulations pertaining to federal and state healthcare program requirements, as well as the applicable Facility's billing policies, including but not limited to the following:



- accuracy in all billing activities, including the submission of claims and information
- billing for items actually rendered
- billing only for medically necessary services
- billing with correct billing codes
- preparing accurate cost reports
- assuring that no duplicate billing occurs

If a billing error is identified subsequent to the submission of a claim to Medicare, Medicaid, or other government payer, then steps should be taken to submit the corrected claim. The error should be reported using the following process:

- The Facility will use best efforts to quantify the overpayment as soon as practicable, but in no event later than 6 months from the date the investigation into the overpayment begins.
- The billing department supervisor shall immediately report to the Facility Compliance Officer all potential or actual overpayments.
- Within 60 days after identification and quantification of any overpayment from any government payor, the Facility will repay the overpayment unless such overpayment would be subject to reconciliation and/or

adjustment pursuant to routine policies and procedures established by the government payor or fiscal intermediary.

- The Facility and the NCH Compliance Committee will take remedial steps to correct the problem and prevent the overpayment from recurring at the Facility or elsewhere in the NCH system.

Referral Statutes

The federal Anti-Kickback statute and Stark law (Sections 1128B(b) and 1877 of the Social Security Act), as well as certain state laws, prohibit the offer or payment of any compensation or other remuneration to any party for the referral of patients and/or federal healthcare business.

The Anti-Kickback statute prohibits anyone from knowingly offering to pay or receive anything of value for the inducement of referrals for federal healthcare program business. The Stark Law prohibits a hospital from billing Medicare, Medicaid or other government payers for services rendered as a result of an improper financial arrangement with a referring physician or an immediate family member of a referring physician. When NCH Facilities enter into financial arrangements for the purchase of goods and/or services with physicians (including immediate family members), physician groups, any entity owned or operated by physicians, and/or any other existing or potential healthcare referral sources (“Referral Sources”), they shall consider the appropriate use of resources, and all agreements and contracts shall be in accordance with legal statutory and regulatory requirements, as well as NCH and Facility policies and procedures.

- NCH Facilities and their Workforce Members shall not solicit or receive from any person or entity, nor offer or give to any person or entity, anything of material value if that person or entity is in a position to refer business to a NCH Facility or if the NCH Facility is in a position to refer business to that person or entity, except as permitted by law.
- NCH Facilities and their Workforce Members will not submit or cause to be submitted a bill or claim for reimbursement for services provided pursuant to a prohibited referral.
- All agreements between NCH Facilities and physicians (including immediate family members of physicians) or other Referral Sources must be submitted in accordance with the NCH contracting process and will be prepared, reviewed and approved by the NCH Legal Counsel to assure their compliance with the Anti-Kickback statute, Stark Law, and state law requirements.
- All agreements where remuneration is exchanged between a NCH Facility and a physician or other Referral Source must, at a minimum, be based upon fair market value and commercially reasonable and will not take into account the value or volume of referrals to any NCH Facility.
- Any non-monetary compensation provided to physicians on staff is subject to tracking and annual limits and must not be based upon the volume or value of referrals or violate the Anti-Kickback Statute or Stark Law.

Quality of Patient Care

Participation in Medicare and Medicaid requires that hospitals and other healthcare providers deliver care to patients that is medically necessary and is of a quality that meets professionally recognized standards of care. NCH is committed to providing high quality care to patients and will not tolerate Facilities or Workforce Members who provide substandard or unnecessary care. Facilities must meet the Medicare conditions of participation that apply to them including those requiring a quality assessment and performance improvement program, and must develop quality of care protocols and implement mechanisms for evaluating compliance with the protocols.

The Office of Inspector General (OIG) is authorized to exclude healthcare providers from participation in federal healthcare programs that provide unnecessary or substandard items or services to any patient. Government

authorities are increasingly focused on the issue of substandard care and have brought enforcement actions ranging from administrative remedies to sanctions, which could include monetary penalties and exclusion from government programs.

NCH Workforce Members are expected to adhere to all applicable standards and conditions including the conditions of participation (COPs) for Medicare. NCH Workforce Members must obtain and maintain the professional skill and training necessary to competently and effectively carry out their job responsibilities, including all professional licenses necessary to perform their work at NCH Facilities.

Emergency Medical Treatment and Labor Act (EMTALA)

NCH Facilities and their Workforce Members are expected to comply with all applicable requirements of the Emergency Medical Treatment and Active Labor Act (“EMTALA”) (Section 1867(a) of the Social Security Act). EMTALA is a federal law requiring, among other things, that a Medicare-participating hospital with an emergency department provide a medical screening examination (“MSE”) to any individual who comes to the emergency department (“ED”) and requests such an examination regardless of their ability to pay or insurance coverage status. EMTALA prohibits such hospital from refusing the MSE and, if the individual has an emergency medical condition (“EMC”), the hospital must provide appropriate stabilizing treatment or appropriate transfer of such individual to another facility, and accept appropriate transfers if the hospital has the specialized capabilities and capacity to treat the individual to be transferred that another facility lacks.

EMTALA applies to situations such as the following:

- When any person comes to the ED and makes a request for examination or treatment for an EMC.
- When visitors in the hospital or on hospital property (entire main campus of the hospital with certain exceptions) experience an EMC.
- After a patient receives a MSE and it is determined that an EMC exists then EMTALA continues to apply through such time as the patient’s EMC is stabilized, the patient is admitted to the hospital or the patient is transferred.
- To an “off-campus” site that is licensed as an emergency room, is held out to the public as a place that provides care for EMCs (e.g. urgent care centers) or a location that provided care for EMC to at least 1/3 of the outpatients it treated for the previous month period.
- To 23-hour observation patients that are not admitted to the Facility and to hospital-owned ambulances; however, if an ambulance diverts a patient due to a community-wide emergency medical service (“EMS”) protocol for hospital diversion, there is no EMTALA violation. Certain states extend this responsibility to non-hospital-owned ambulances who contact the ED en route. Please contact legal counsel to determine whether your facility is in one of these states.
- To non-hospital owned ambulances on hospital property.



Privacy and Security of Patient Health Information

Patient health information is protected under both state and federal laws and NCH expects all Workforce Members to maintain the confidentiality and integrity of this information. Under federal law, a patient’s health information is referred to as “protected health information” or PHI and is governed by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009, and their implementing regulations, including the HIPAA Privacy Rule and

the HIPAA Security Rule. State laws such as NH RSA 332-I and NH RSA 359-C similarly protected the confidentiality of protected health information.

The HIPAA Privacy Rule provides federal privacy protections for PHI held by covered entities such as NCH Facilities and describes patient rights with respect to their PHI. The HIPAA Security Rule requires covered entities and their business associates that use electronic PHI to use administrative, physical, and technical safeguards to assure the confidentiality, integrity, and availability of electronic PHI.

NCH Facilities have policies and procedures in place addressing the applicable HIPAA and state law privacy and security requirements, which can be found on the NCH Intranet Portal. All Workforce Members receive training on HIPAA and state law privacy requirements and are expected to obey these requirements and keep PHI confidential during its collection, use, storage and destruction. NCH Workforce Members are not permitted to access, obtain, disclose or discuss PHI without written authorization from the patient or their legal representative, unless necessary for treatment, payment or healthcare operations or as otherwise required or allowed by law.



False Claims Laws and Whistleblower Protection

NCH intends to fully comply with the False Claims Act (FCA) (31 U.S.C. § 3729 *et seq.*) and any similar state laws. These laws fight fraud and abuse in government healthcare programs. The FCA applies to both organizations and individuals who engage in billing fraud. FCA lawsuits function to recover government funds paid as a result of false claims. Fines against the entity that submitted the false claims include a penalty of up to three times the government's damages, civil penalties ranging from \$5,500 to \$11,000 per false claim, and the costs of the lawsuit. The federal FCA applies to claims for reimbursement for federally funded programs including, for example, claims submitted to Medicare or Medicaid.

The federal FCA contains a "qui tam" provision, commonly called the "whistleblower" provision, which permits a private person with knowledge of a false claim to file a lawsuit on behalf of the United States Government by filing a complaint confidentially "under seal" in court. An individual who exposes wasteful, harmful, or illegal acts is often called a "whistleblower," or "qui tam relator." A qui tam relator may be awarded a percentage of the funds recovered through a False Claims Act lawsuit. The FCA provides protection for qui tam relators from termination, demotion, suspension, or discrimination related to these claims.

In addition to the federal FCA, there are individual state laws such as NH RSA 167:61-a, *et. seq.* providing that persons who report fraud and abuse by participating healthcare providers in the state's Medicaid Program may be entitled to a portion of the recovery against the healthcare providers, that whistleblowers are protected against retaliation, and that violators may be subject to per-claim penalties.

Relationships with Federal Healthcare Beneficiaries – Gifts or Other Improper Incentives

Federal fraud and abuse laws prohibit offering or providing inducements to beneficiaries in government healthcare programs and authorize the OIG to impose civil money penalties (CMPs) for these violations. NCH Workforce Members may not offer valuable items or services to Medicare, Medicaid, Veterans Administration or other government healthcare program beneficiaries to attract their business. This includes gifts, gratuities, certain cost-sharing waivers, free transportation, and other things of value.

PART III - Government Investigations, Subpoenas, and Audits

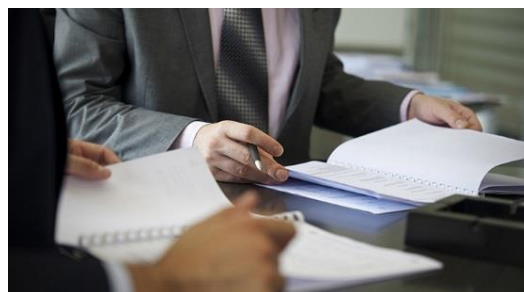
It is the policy of NCH to cooperate fully with any lawful government investigation, subpoena or audit. NCH has developed a compliance policy addressing these situations titled Response to Government Inquiries, Investigations or Audits (See Appendix A to this Compliance Manual). If an NCH Workforce Member is contacted at an NCH workplace by an official, representative, investigator or other individual acting on behalf of the government, or receives an investigative demand, subpoena, court order, or search warrant, they should first ask to see credentials or proper identification, including a business card, before speaking further with the person. They should next immediately contact their direct supervisor who shall then promptly contact the NCH Compliance Office or Facility Compliance Officer who should then contact NCH Legal Counsel. The NCH Compliance Officer and/or Facility Compliance Officer is responsible for coordinating the responses to investigations and for the release of any associated information. Do not copy or release documents without authorization. Workforce Members should also not answer questions until the NCH Compliance Officer or Facility Compliance Officer has given them permission to do so. The NCH Compliance Officer will notify NCH Legal Counsel who will work with the NCH Compliance Officer to direct the investigation and work with the government authorities to provide the requested information.

Request for Interviews

An interview of Facility or NCH Workforce Members may be requested by a government official, representative, investigator or other individual acting on behalf of the government. Any NCH Workforce Member who is asked to give an interview or statement to a government official, representative or other individual acting on behalf of the government shall promptly report the request to their supervisor who shall report the request to the NCH Compliance Officer and/or Facility Compliance Officer. NCH Legal Counsel should be immediately notified by the NCH Compliance Officer and may be consulted regarding any such request. Health care practitioners should consult with NCH Legal Counsel before an interview or deposition with government officials. The Compliance Policy described above contains additional information regarding government requests for interviews.

Demand for Documents

A government official, representative, investigator or other individual acting on behalf of the government may arrive at an NCH Facility with written authority seeking documents. This authorization may come in the form of a demand letter, subpoena, search warrant, or court order. NCH Workforce Members should notify the NCH Compliance Office, Facility Compliance Officer, NCH Legal Counsel, the Administrator on-call, and/or other NCH Facility official "in charge" immediately. Once the NCH or its Affiliates have received notice of an



investigation, the destruction portion of any policy on record retention is suspended and NO documents may be destroyed until notified otherwise by NCH Legal Counsel. If a government official, representative, investigator or other individual acting on behalf of the government presents a valid search warrant and identification, NCH Workforce Members must understand that they have the authority to enter the premises, to search for evidence of criminal activity, and to seize those documents or items listed in the warrant except in the case of medical records, which may not be seized and instead must be produced pursuant to a court for *in camera* review. No Workforce Member shall interfere with the search and must provide the documents or items sought in the warrant after consultation with the NCH Compliance Officer or other pertinent supervisory personnel listed above.

PART IV – Employment

NCH promotes diversity and strives to provide a workplace environment that is in full compliance with all applicable employment-related laws. NCH has a vital interest in maintaining a safe and healthy work environment, for the protection of both patients and employees. NCH prohibits workplace violence, threats of harm, and any kind of harassment of or retaliation against its employees.

Equal Employment Opportunity/Non-Discrimination

It is NCH policy to provide equal employment opportunities to all employees, prospective and current. NCH is committed to complying with all laws and regulations relating to equal employment and non-discrimination matters for all protected classes of employees. NCH, its Affiliates, and all of their Workforce Members shall not discriminate on the basis of race, color, national origin, age, disability, religion, creed, sex, gender identity, disability, marital status, familial status or veteran status. Reasonable accommodations will be made for known disabilities in accordance with the Americans with Disabilities Act. NCH Workforce Members with questions concerning these guidelines or who are aware of any breach of the Equal Employment Opportunity (EEO) guidelines, should contact the applicable human resources department.



Labor Laws

NCH is committed to compliance with federal and state wage and hour laws, including:

- The Fair Labor Standards Act (FLSA) which addresses federal minimum wage and overtime pay requirements.
- The Immigration and Nationality Act, which applies to employers that hire foreign workers on a temporary or permanent basis to perform certain types of work.
- The Consumer Credit Protection Act (CCPA), as it relates to protection for workers whose wages are garnished.
- The Family Medical Leave Act (FMLA), which entitles eligible employees of covered employers to take unpaid, job-protected leave for specified family and medical reasons with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave.
- The National Labor Relations Act (NLRA) which governs the rights of workers to join labor unions and engage in other concerted activity.
- Other applicable laws and regulations relating to the wages and hours of workers.

PART V – Conflicts of Interest

NCH Workforce Members have a duty to be loyal, to advance the legitimate business interests of NCH, to not obtain any improper personal benefit by virtue of employment with NCH, and to avoid conflicts of interest with NCH. The NCH Compliance Policy on Conflicts of Interest applies to all Workforce Members.

NCH Workforce Members should not place themselves in a position where their actions or the activities or interests of others with whom they or with whom a member of their family may have a financial, business, professional, family or social relationship that could be in conflict with the interests of NCH or its subsidiaries. Examples of conflicts of interest include:

- A direct or indirect interest in any transaction which might in any way affect a Workforce Member's objectivity, independent judgment or conduct in carrying out his or her job responsibilities.
- Conducting any business or performing any services for another individual or company while at work.
- Using NCH property or other resources for outside activities.
- Direct or indirect involvement in outside commercial interests, such as vendors, physicians, patients, competitors or others having a business relationship with the Facility, which could influence the decisions or actions of a Workforce Member performing his or her job.
- Using or revealing outside the Facility any confidential or proprietary information concerning the Facility or NCH.
- Using for personal gain confidential or "insider" information obtained as a result of employment with the Facility or NCH.

NCH Workforce Members are required to disclose any situation that creates an actual or potential conflict of interest to their supervisors or the applicable NCH human resources department, Facility Compliance Officer or to the Compliance Officer. In some situations, a waiver may be obtained only when full disclosure and appropriate reviews are made and approval is granted. Violations of conflict of interest policies are subject to corrective action, up to and including immediate dismissal. If appropriate under the circumstances, NCH may seek to recover damages or improperly received gains and/or encourage prosecution for potential criminal offenses.

PART VI - What Should I Report and How?

This list is not all-inclusive. Any concern that a violation of law, regulation, or Code of Conduct has occurred must be reported as soon as possible, but no later than 24 hours, after becoming aware of the issue. Workforce Members are protected from retaliation when making a report in good faith.

Anti-Kickback

- Offering items of value to groups who may refer patients to an NCH Affiliate
- Giving or receiving free items or discounts

Claims/Billing Process

- Billing for services not provided, not medically necessary, not supported by documentation, up-coded, unbundled, or in any way fraudulent, false or inaccurate

Conflict of Interest

- Any situation where job performance or decision making is influenced by anything other than patient needs or NCH interests. Examples include:
 - Receipt of gifts or entertainment from vendors
 - Outside employment or activity presents conflict with NCH or Facility duties or relationships

Copyright

- Copying of print or electronic books, journals, or other publications

Documentation

- Incomplete, missing, deliberately altered, or inaccurate documentation

Human Resources

- Discrimination or retaliation
- Labor law violations

Inducement

- Offering items of value to influence a Medicare/Medicaid beneficiary to choose an NCH Affiliate

Privacy/Security

- HIPAA violations/breaches - even incidental - any wrongful access/disclosure
 - Fax sent to incorrect number
 - Wrong paperwork given to patient
 - Test results sent to incorrect physician
 - Identity theft/fraud - patient registering under false name
 - Social media posts by Workforce Members regarding patients or patient care

If you find yourself in an ethical dilemma or suspect inappropriate or illegal conduct, promptly discuss it with your supervisor or use the reporting process in this Compliance Manual, including the Compliance Hotline (toll free at 1-866-989-3757) or via the NCH Intranet Portal (Compliance/Privacy Reporting tab). Reporting is required as soon as possible, but no later than 24 hours, after becoming aware of the issue.



Appendix A: Summary of Compliance Policies and Procedures

NCH has developed written compliance policies and procedures that are designed to establish bright-line rules that help Workforce Members carry out their job functions in compliance with federal and state healthcare program requirements, and to further the mission and objectives of NCH and its Facilities. Copies of the NCH compliance policies and procedures are available on the NCH Intranet Portal or by contacting the applicable Facility Compliance Officer or the NCH Compliance Office.

Below is a summary of NCH's compliance policies.

1. NCH Compliance Program: This policy outlines the Compliance Program components and describes the program's goal of assuring compliance with all laws, rules and regulations relating to federal and state healthcare programs.
2. NCH Compliance Officer: This policy describes the role and responsibilities of the NCH Compliance Officer, who is charged with overseeing the Compliance Program and with assuring the effectiveness of healthcare compliance functions at every level of the organization.
3. NCH Compliance Committee: This policy describes the composition, duties and responsibilities of the NCH Compliance Committee, which provides support for the NCH Compliance Officer in overseeing the Compliance Program for NCH.
4. Facility Compliance Officers: This policy provides a description of the role and responsibilities of the Facility Compliance Officers, who are tasked with assuring an effective compliance program at each of the Facilities they serve.
5. Education on Federal and State False Claims Law: This policy sets forth the education requirements for the organization regarding federal and state false claims statutes, whistleblower protections and the role of such laws in preventing and detecting fraud, waste, and abuse in the federal healthcare programs, as required by the Deficit Reduction Act of 2005 (DRA).
6. Reporting Unethical or Illegal Conduct: This policy describes the mechanisms developed by NCH for Workforce Members to report any known or suspected ethical violations or other activity that may be inconsistent with any provisions of the NCH Code of Conduct, Compliance Program, or NCH or Facility policies, or that an individual believes may otherwise violate any law or regulation. These mechanisms provide for anonymous reporting.
7. Process for Handling the NCH Compliance Hotline and Web Reporting Program: This policy establishes protocols for how the Compliance Hotline and internet-based reports are received, documented, investigated, and ultimately resolved, including a process to allow for anonymous reporting, if that is requested by the complainant.
8. Conducting Internal Investigations: This policy discussed the procedures NCH uses for conducting internal investigations, which are overseen by the NCH Compliance Officer, and sets forth the expectation that all NCH Workforce Members are expected to cooperate in these investigations.
9. Compliance Corrective Action: This policy describes the process for the development and imposition of Corrective Action Plans for compliance-related issues. Corrective Action Plans are intended to assist

noncompliant individual(s) to understand specific issues and to reduce the likelihood of future noncompliance. These plans are developed to effectively address the particular instances or issues of noncompliance and are intended to reflect the severity of the noncompliance.

10. Compliance Remedial Action: The Compliance Remedial Action policy outlines the procedure for developing and implementing remedial action, particularly when a gap has been identified in the Compliance Program or a compliance violation is detected. Remedial action is intended to be used to prevent recurrence of compliance violations in the organization and is a key factor in the success of the Compliance Program.
11. Compliance Document Retention: The Compliance Document Retention policy sets forth the process and policy for Compliance Program-related document retention, destruction, and privacy.
12. Ineligible Persons: The Ineligible Persons policy requires that appropriate background checks be performed for applicable individuals in accordance with the state and federal laws relating to exclusion from government healthcare programs and licensure status. This policy is designed to assure that no government healthcare program payment is sought for any items or services directed or prescribed by a physician, practitioner, or contractor who provides and/or orders services and who is an ineligible person.
13. Response to Government Inquiries, Investigations, or Audits: This policy establishes procedures for Workforce Members regarding inquiries, investigations, and audits from government officials, representatives, investigators, or other individuals acting on behalf of the government, to assure that Workforce Members act appropriately in cooperation with the investigation or audit, and to enable NCH to lawfully protect its interests.
14. Billing and Claims Reimbursement: The Billing and Claims Reimbursement policy discusses the expectation that NCH Workforce Members will comply with all federal and state healthcare program requirements and applicable Facility policies for billing and claims reimbursement, including the preparation and submission of accurate claims consistent with such requirements. The policy also describes the procedures for overpayment refunds and reporting in the event a billing error is identified, and also discusses the privacy laws relating to patient billing information.
15. Conflicts of Interest: The Conflicts of Interest policy sets forth the conflict of interest policy for NCH Workforce Members concerning the identification, disclosure, and management or elimination of potential and actual conflicts of interest.

The NCH commitment to compliance and ethical conduct depends on all Workforce Members. Should you find yourself in an ethical dilemma or suspect inappropriate or illegal conduct, remember the internal processes that are available for guidance or reporting, including reporting to your supervisor or using the toll-free compliance hotline at 1-866-989-3757 or report via the NCH Intranet Portal (Compliance/Privacy Reporting tab). Reporting is required as soon as possible, but no later than 24 hours, after becoming aware of the issue.

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