

## **Peter Young Housing, Industries and Treatment Program Corporate Compliance Policy**

The Altamont Program, Inc., 820 River Street, Inc., Peter Young Shelter Services, Inc.,  
VESTA Community Housing Development Board, Inc., Peter G. Young Foundation, Inc.

### **Introduction**

#### **Purpose**

The purpose of this Corporate Compliance Program is to assist and ensure that all employees understand and adhere to the Code of Ethical Conduct. The Program is designed to educate employees, ensure compliance with the Code, foster an ethical corporate environment, establish a mechanism to detect and identify violations of the Code or other unethical behavior, and audit the company's and employees' compliance and adherence to the Code.

To comply with all applicable laws, rules and regulations and the Office of Inspector General, among others, this policy establishes a code of ethical conduct and ethical operational standards for all covered entities/individuals doing business with Peter Young Housing, Industries & Treatment (PYHIT). This policy is not intended to address all situations; it is a safeguard. Therefore, questions should be addressed with immediate supervisors and/or the Compliance Officer as appropriate.

#### **What is PYHIT?**

Peter Young Housing, Industries and Treatment (PYHIT) is the umbrella entity encompassing five nonprofit organizations, and certain for-profit ventures, that provide essential services daily to help the impoverished, addicted or socially disenfranchised.

While disparate in their individual day-to-day activities, these entities function together under the PYHIT banner to put into practice the inspired lifework of our founder and driving force, Father Peter G. Young. As Father has done for more than 50 years, the organization helps troubled individuals – many of them suffering from addiction; many imprisoned or returning from prison to society; many military veterans; increasing numbers of women and children.

The incorporated components of PYHIT are The Altamont Program, Inc.; 820 River Street, Inc.; VESTA Community Housing and Development Board, Inc.; Peter Young Shelter Services, Inc.; and the Peter G. Young Foundation. Together, they carry out Father Young's vision of a "Glide Path to Recovery" for those seeking to start a new life. Our programs offer a wide range of coordinated and skilled treatment options, educational and employment services, and housing opportunities that have made PYHIT unique among professional treatment providers.

#### **Philosophy**

- PYHIT, as a multifaceted nonprofit organization, is guided by the following common beliefs: Recovery from addiction requires a three-pronged support system that includes the essential elements of Treatment, Housing and Employment/Education, all working seamlessly together.
- Individuals with a chemical dependency shall be given every opportunity and encouragement we can provide to break loose from the hopeless cycle of addiction.

- People who have recovered can serve, not only as role models, but also as counselors and support for those who aspire to conquer their addictions. For those who dedicate themselves as help mates we coined the name “a wounded healer.” Some 70 percent of our staff fit that category.
- Rehabilitation works more effectively than incarceration with most of those whose chemical dependency resulted in criminal acts.
- Those exiting prison need a safe place to live, a meaningful job, and often, professional treatment provided by caring people for any real opportunity at successful reintegration to society.
- Homeless veterans shall be provided with special facilities with the services and support for adjustment to a life restored with dignity.
- Relevant vocational training, complemented by job placement services, is provided to clients in need of skills or further training to obtain meaningful employment.
- We try to offer assistance to everyone who comes to our doors for help, aware that many times the person has complex co-occurring mental health problems and often has been shunted aside due to the lack of adequate services elsewhere.

### **Mission**

The core mission of PYHIT is to create taxpayers. PYHIT does so by serving people who are afflicted with chemical dependencies, the homeless and those unequipped and unprepared to make a successful transition from prison to the world of work and good citizenship, responsibility and community reintegration.

Our mission consists of the following: To help individuals recover from the disease of alcohol and drug addiction; To help ease the transition from correctional facilities to community living and assist the individual in innovative and effective ways to confront and overcome the underlying problems that trigger and sustain substance abuse, negative and self-destructive behaviors; To end the cycle of incarceration and relapse and assist the individual in successful and constructive reentry into society; To create taxpayers.

Making taxpayers of people who are afflicted by chemical dependencies, the homeless and those unequipped to transition from prison to the world of work and responsibility can be achieved by:

- Making available a continuum of treatment, housing and employment/educational services;
- Offering professionally administered treatment services in licensed locations;
- Establishing licensed, safe, clean and appealing living environments that encourage progression to full independence;
- Tailoring educational and vocational programs to meet individualized needs as preparation for full integration with civic responsibilities.

### **I. Policy**

It is the policy of the Peter Young Housing, Industries and Treatment Program to comply with all applicable federal, state and local laws and regulations and payer requirements. It is also the PYHIT policy to adhere to the Code of Ethics adopted by the Board of Directors, the Chief Executive Officer and the Compliance Committee.

## **II. Commitment**

We have always been and remain committed to our responsibility to conduct our business affairs with integrity based on sound ethical and moral standards. We will hold our employees, contracted practitioners, and vendors to these same standards.

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

## **III. Responsibility**

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

## **IV. Policies and Procedures**

PYHIT will communicate its compliance standards and policies through required training initiatives to all employees, contracted practitioners, and vendors. We are committed to these efforts through distribution of this Compliance Policy and our Code of Conduct and Philosophy.

### **Plan Overview**

The policy of PYHIT always has been to conduct its business in compliance with all applicable federal, state and local laws and regulations as well as to adhere to the highest ethical standards. This Compliance plan reflects the commitment of the Board of Directors, management and staff to integrate compliance and quality into all aspects of PYHIT activities. This Plan is designed to promote compliance with applicable laws and regulations as well as all requirements of government contracts and conditions of participation in public programs.

The Compliance Plan reflects a commitment to:

- Prevent fraud, abuse and other improper activities by maintaining a culture of compliance within PYHIT;
- Detect errors and potential or suspected misconduct at an early stage;
- Respond swiftly to compliance problems through appropriate disciplinary and corrective action; and
- Encourage employees to report compliance concerns and protect employees from retaliation for making reports in good faith.

Many aspects of the Compliance Plan have been in effect since before the development of a formal Compliance Plan document. Existing policies, procedures and standards are integral to compliance controls. The Compliance Plan is an evolving document. It will be amended and

supplemented from time to time to reflect experience and to conform to changes in law, regulations, guidance and best practices.

### **Scope of Responsibility of Compliance Plan**

The Compliance Plan reflects principles that all PYHIT employees, managers, officers, directors and contractors are expected to adhere to as they perform their duties with regard to PYHIT. Employees, managers, officers directors are referred to collectively in the Compliance Plan as “Covered Persons.”

All Covered Persons are expected to:

- Familiarize themselves with this Code of Conduct and the compliance procedures that pertain to their PYHIT responsibilities;
- Understand the key policies that govern their responsibilities to PYHIT;
- Report any suspected fraud, abuse, non-compliance or other improper activity through the mechanisms established under the Plan;
- Reports may be made anonymously without fear of retaliation or retribution;
- Cooperate in training, reviews and other Compliance Plan functions; and
- Carry out their responsibilities to PYHIT in a manner that demonstrates a commitment to honesty, integrity and compliance with the law.

Failure to report known non-compliance or making reports which are not in good faith will be grounds for disciplinary action, up to and including termination.

## **V. PYHIT Code of Ethical Conduct / Conflict of Interest**

### **Intent**

PYHIT’s Code of Ethical Conduct (the Code) applies to all employees and independent contractors. At the discretion of the Chief Executive Officer or the Board of Directors, a Board member, management and other employees may be required to complete a Conflict of Interest Disclosure Statement (Attachment A).

The Code of Conduct was approved by PYHIT’s Board of Directors and is a formal statement of the Agency's commitment to the standards and rules of ethical conduct.

PYHIT is committed to preventing the occurrence of unethical or unlawful behavior, stopping such behavior as soon as possible after discovery, and to discipline employees who violate the Code, including employees who neglect to report a violation.

All employees must comply with this Code, immediately report any alleged violations of wrongdoing, and assist management and compliance personnel in investigating allegations of wrongdoing.

While these standards addressed in the Code of Conduct are intended to guide employees in the course of their day-to-day responsibilities, they do not replace any Agency or program policies and procedures. There may be instances that are not addressed by the Code of Conduct or existing policies and procedures, or activities that may conflict with these standards. Employees

must seek direction from their supervisor, other Agency management staff or the Compliance Officer in these instances.

### **Ethics**

It is the policy of PYHIT to observe all laws and regulations applicable to its business and to conduct business with the highest degree of integrity. To accomplish this, all employees and contractors must obey the laws and regulations that govern their work and always act in the best interest of the people we serve, their families and the Agency.

### **Guidelines for Employees and Contractors**

- You are expected to keep management staff informed of what you are doing; to document or record all services or transactions accurately; and to be honest and forthcoming with PYHIT, regulatory agencies, and internal and external auditors.
- You are expected to comply with the PYHIT's policies and procedures, accounting rules, and internal controls.
- You are expected to function with honesty in your work for PYHIT and with people we serve, providers, suppliers and all others with whom PYHIT does business.

### **Conflict of Interest**

Employees and contractors must not allow any outside financial interest, or competing personal interest to influence their decisions or actions taken on behalf of PYHIT.

Employees and contractors must avoid any situation where a conflict of interest exists or might appear between their personal interests and those of PYHIT. The appearance of a conflict of interest may be as serious as an actual conflict of interest.

It is a conflict of interest for you to personally take for yourself opportunities that are discovered through the use of PYHIT property, information or position with PYHIT; to use PYHIT property or information for personal gain; or to compete with PYHIT.

There are many types of situations where potential conflicts may arise. You must promptly report any actual or potential conflicts of interest to your immediate supervisor or directly to the Compliance Officer.

### **Outside Activities and Employment**

- You may not conduct outside activities during work time. Such activities interfere with your regular duties and negatively impact the quality of your work.
- You are a representative of PYHIT in your every day life and must represent PYHIT positively in the community.
- Outside employment must not conflict in any way with your responsibilities to PYHIT or its consumers. You may not compete against PYHIT, work for its competitors, or have any ownership interest in a competitor.

### **Use of PYHIT Funds and Resources**

- PYHIT assets are to only be used for the benefit of PYHIT and the people we serve. Assets include funds, equipment, inventory, and office supplies, but also concepts,

business plans and strategies, information about people served, financial information, computer property rights, and other business information about PYHIT.

- You may not use PYHIT assets for personal gain or give them to any other persons or entities, except in the ordinary course of business as part of an approved transaction.

### **Confidentiality**

- During your employment, you may acquire confidential information about PYHIT, its staff and people we serve that must be handled in strict confidence and not discussed with outsiders. The protection of confidential business, staff and consumer information is very important.

### **Business Dealings Between the Agency and Employees**

- PYHIT will not be inappropriately influenced with goods or services from any business in which you or your immediate family members have a substantial interest.
- Property and resources of PYHIT should only be used for the benefit of the Agency or the people we serve.

### **Maintenance of Records**

Employees and contractors must record and report all agency, consumer and financial information fully, accurately, and honestly. Records include, but are not limited to, records of the people we serve, documentation of services, accounting books or records, financial statements, timesheets or records, expense reports, vouchers, bills, payroll, claims payment records, correspondence, and any other method of communication. Employees or contractors must not omit or conceal any relevant information.

Many of the PYHIT forms are legal documents used to prove that a service was provided, to bill for a service to a consumer, to record a job task, or to record specific happenings. You must document accurately and honestly, and only for those services that you provided or those events you were involved in.

### **Falsification of Records**

- You must not make any false entries in any of PYHIT's records or in any public record for any reason.
- You may not alter any permanent entries in PYHIT's records.
- You may only approve payments or receipts on, behalf of PYHIT that are described in documents supporting the transaction. "Slush funds" or similar of-book accounts, where there is no accounting for receipts or expenditures on the agency books, are strictly prohibited.
- You may not create or participate in the creation of any records that are intended to mislead or to conceal anything that is improper.

### **Expense Records**

- You must always charge expenses accurately and to the appropriate cost center or account, regardless of the financial status of the program, project, or contract, or the budget status of a particular account or line item.

## **Retention of Records**

- The retention, disposal, or destruction of records of or pertaining to PYHIT must always comply with legal and regulatory requirements and Agency policy.
- You may not destroy records pertaining to litigation or government investigations or audit without express written approval of the Compliance Officer.

## **Protection of Confidential Information**

The Agency has developed policies and procedures to assure that the confidentiality of Agency information and information about the people we serve is protected and released only with the appropriate authorization or for lawful reasons, in addition to purposes of treatment, payment, and operations. All employees and contractors are required to comply with the PYHIT Privacy Policy. If you have any questions concerning confidential information or the Privacy Policy, contact your immediate supervisor or the Compliance Officer.

## **Guidelines for Employees and Contractors**

You must treat all PYHIT records and information as confidential.

You may not release confidential information without the proper authorization. Confidential information includes not only information about the people that we serve and their families, but also non-public information about PYHIT that may be of use to the PYHIT's competitors or harmful to PYHIT or its customers if released.

You must protect PYHIT information and avoid discussing or disclosing PYHIT information, purposefully or inadvertently (through casual conversation), to any unauthorized person inside or outside PYHIT. Furthermore, staff may not share confidential PYHIT information with anyone, except where required for a legitimate business purpose.

PYHIT information may not be removed from PYHIT property without permission from a supervisor or administrator with proper authority over the information. Ask your supervisor if you are not sure whether certain information is confidential.

## **Termination of Employment**

- You may not use any confidential information gained from your employment with PYHIT for your or another company's benefit. You may not take copies of any reports, documents, or any other property belonging to PYHIT.
- Upon termination of employment with PYHIT you must return all agency property including, but not limited to, copies of documents, notes and other records containing confidential information; computer disks; PYHIT ID; keys and credit cards.
- You are responsible for properly using information stored and produced by all of PYHIT's computer systems.

## **Information Security**

- You are responsible for properly using information stored and produced by all of

PYHIT's computer systems.

- Computers, Internet access, email, or other office communications systems are intended for business-related purposes only and not for uses that may be disruptive, offensive, harassing, or harmful to others.
- Do not share your system user name or password with another person or allow another to access the computer with your password.
- All employees and contractors are required to comply with PYHIT's information technology policy and procedure. If you have any questions concerning information security, contact your immediate supervisor or Compliance Officer.

### **Fair Dealing**

Conducting business with providers, contractors, suppliers, people we serve, and competitors may pose ethical problems. Employees and contractors are expected to deal fairly with providers, contractors, people we serve, and competitors.

The Code of Conduct and the following guidelines are intended to help you make appropriate, responsible and correct decisions in these and all matter:

- Kickbacks and rebates in cash, credit, or other forms are prohibited. They are not only unethical but, in many cases, illegal.

### **Gifts and Gratuities and Entertainment**

- You may not solicit money, gifts, gratitude, or any other personal benefits or favors of any kind from providers, contractors, producers, accounts, or people we serve and their families.
- You must not offer or accept entertainment that is not a reasonable addition to a business relationship but is primarily intended to gain favor or to influence a business decision.

### **Agreements with Contractors and Vendors**

PYHIT must assure that any agreements with contractors and vendors clearly and accurately describe the services to be performed or items to be purchased. Performance standards, and the applicable compensation, if any, must be reasonable in amount, not be excessive in terms of industry practice and must equal the value of the services rendered.

### **Improper Use of Funds or Assets**

Use of the Agency's funds or assets for any improper purpose is strictly prohibited. If you are aware of or have reason to believe that funds or assets are being improperly used, you must report this immediately to your supervisor or the Compliance Officer.

### **Federal and State Programs**

PYHIT is committed to complying with the laws and regulations that govern the federal and state programs that it administers. Policies and procedures, the Compliance Program, and this Code of Conduct are developed to provide guidance in your day-to-day work. You must abide by the policies and procedures and the standards set by PYHIT.

### **Governmental Investigations**



There may be times that PYHIT is asked to cooperate with an investigation by a federal or state governmental agency, or to respond to a request for information. A request may be formally addressed to the agency or an individual within PYHIT. Employees and contractors must report any requests for information or cooperation with an investigation to the Compliance Officer immediately.

### **Political Activities and Contributions**

Because PYHIT is a nonprofit organization, it is prohibited from engaging in any political campaign activities and a "substantial" amount of lobbying. Agency funds and resources, including your work time, may not be used for political contributions or activities.

You may not act as a representative of PYHIT in any political campaign activity. In expressing your personal political views or support or opposition of a candidate for public office, it must be very clear that you are expressing your personal view, support, or opposition as an individual and not a representative of the agency.

Laws and regulations prohibit a "substantial" amount of lobbying. There are allowances for PYHIT to advocate its position on public issues. To assure that PYHIT does not violate any laws or regulations, or risk losing its tax-exempt status, you must seek prior approval from the Compliance Officer before engaging in any lobbying activities. The Compliance Officer may need to consult with legal counsel on the matter and will need to record the amount of time spent in lobbying activities.

### **Employment Environment**

PYHIT is committed to creating a safe and professional workplace where employees and others are treated with respect and without regard to protected characteristics such as their race, sex, age, religion, national origin, color, marital status, disability or sexual orientation. Business integrity, teamwork, trust, and respect are PYHIT's most important values. Unlawful discrimination or harassment of any sort violates these values. All PYHIT employees must exhibit and promote respect, integrity, trust, and teamwork in the workplace and must comply with this policy prohibiting discrimination and harassment in all facets of the agency's work.

All employees are required to support the PYHIT commitment to a safe and professional work environment and to demonstrate appropriate behavior in the workplace.

All employees are prohibited from joking about another employee's race, sex, age, religion, national origin, color, marital status, disability, sexual orientation or other protected characteristics.

All employees are prohibited from considering someone's race, color, religion, sex, national origin, age, disability, sexual orientation or other protected characteristic in making decisions about hiring, placement, assignment of duties, training, promotion, termination, compensation, benefits and other work terms.

Sexual harassment is prohibited. Sexual harassment includes any form of unwelcome sexual advance, request for sexual favors, or other verbal or physical conduct of a sexual or sex-based

nature.

You are responsible for understanding the PYHIT policy prohibiting discrimination and sexual harassment. You should consult with an appropriate supervisor or administrator if you have questions about your right to a workplace free from unlawful harassment or discrimination or if you have questions about your duty to avoid discrimination.

### **Seeking Guidance and Reporting Violations**

Employees and contractors must report any actual or suspected violations of this Code of Conduct, any applicable law or regulation, or any PYHIT policy and procedure to their immediate supervisor or the Compliance Officer. A **Compliance Hotline (518-265-4103)** is also available for confidential or anonymous reporting of such issues.

When an actual or suspected violation of this Code of Conduct, any applicable law or regulation, or any Agency policy and procedure is reported to any PYHIT employee, it must be promptly referred to the Compliance Officer. Steps will be taken to protect confidentiality and anonymity, when appropriate and warranted. PYHIT will not tolerate any form of retaliation against a person who makes a good-faith report in accordance with this Code of Conduct.

All employees and contractors must cooperate fully and honestly in any investigation into a reported violation of this Code of Conduct, any applicable law or regulation, or Agency policy, procedure, or practice.

### **Corrective Action and/or Discipline**

Any employee or contractor who violates or knowingly fails to report any violation of this Code of Conduct, any applicable law or regulation, or PYHIT policy, procedure, or practice is subject to appropriate disciplinary action, up to and including termination.

Disciplinary action may range from a warning to suspension or discharge, depending upon the nature of the incident and the relevant surrounding circumstances.

### **Your Responsibilities**

- Attend required training, and read and understand PYHIT Corporate Compliance Plan, Corporate Compliance Policies and Procedures, and Code of Conduct.
- Follow the PYHIT Code of Conduct and abide by all policies and procedures, guidelines, and federal and state laws and regulations.
- Be alert to any situation that could violate the PYHIT Code of Conduct, policies and procedures, guidelines, and/or federal and state laws and regulations.
- Promptly report any issues, concerns, violations or suspected violations to your supervisor, other management staff, Director of Human Resources, Compliance Officer, or the Chief Executive Officer.

## **VI. Compliance Oversight**

### **Designation of a Compliance Officer and a Compliance Committee**

The Corporate Compliance Officer position was created by a resolution of the Board of Directors (See Attachment B).

The PYHIT Corporate Compliance Officer will report directly to the Chief Executive Officer and to the Board of Directors. The Corporate Compliance Officer will be tasked to oversee and monitor the implementation of the Compliance Plan and serve as a member of the Compliance Committee which will be comprised of representatives of both the service and administrative sides of the PYHIT organization and provide coordination, oversight and evaluation of PYHIT operations, including subcontractors and providers.

The Corporate Compliance Officer will be given the authority to review all documents and other information that is relevant to the compliance activities, including, but not limited to, member records, billing records, employee records, contracts and obligations of PYHIT and its subcontractors and providers as applicable.

The Corporate Compliance Officer has responsibility for the day-to-day operation of the compliance program. The Corporate Compliance Officer chairs the Compliance Committee and has responsibilities that include:

- Overseeing the development and implementation of policies and procedures that govern PYHIT's compliance efforts;
- Coordinating various functions, such as auditing, training, reporting, following up with investigations, and making recommendations for corrective action;
- Implementing plans for correction of deficiencies;
- Overseeing administration of agency risk assessment relative to compliance issues;
- Developing and implementing internal audit procedures relative to compliance issues;
- Maintaining a library of regulations, agency policies, and procedures;
- Overseeing the implementation of the compliance training program, in conjunction with the Manager of Human Resources and others;
- Investigating matters related to compliance issues;
- Ensuring proper reporting of violations to enforcement agencies as appropriate; and
- Developing and implementing communication channels, which encourage employees to report potential problems without fear of retaliation.

The Compliance Committee is a steering committee consisting of the Compliance Officer, Chief Operating Officer of Administrative Operations, Chief Operating Officer of Treatment Services, Chief Financial Officer, and Purchasing Agent.

The Compliance Committee's duties shall include, but are not limited to, the following:

- Receiving regular reports from the Compliance Officer and providing guidance regarding the operation of the program;
- Approving the internal auditing plan carried out under the Program;
- Approving the compliance training program provided to all staff, contractors, and Board members;
- Reviewing and confirming the adequacy of all investigations of suspected non-compliance and any corrective actions taken as a result of such investigations;
- Reviewing policies and procedures related to compliance; and

- Recommending and approving any changes to the program.

## **VII. Training and Education**

Training regarding compliance issues, expectations and compliance program operation will be presented to the Board of Directors, officers, managers, employees and contractors to an extent and in a manner pertinent to their PYHIT responsibilities. Training may be in person or online and a schedule for various sessions will be established annually (see Attachment C). Training is mandatory and will be required during orientation periods.

Training areas will include the Corporate Compliance Plan, an overview of fraud and abuse laws, the False Claims Act, a summary of the standards of conduct, explanation of the elements of the Corporate Compliance Plan including the complaint or reporting process, and highlights of PYHIT's commitment to integrity in its business operations and compliance with laws and regulations.

Additional training may be required for employees in specific areas of risk and the Compliance Officer will coordinate and schedule this as needed and will supplement with training and/or specialty materials. Informational updates will be provided through newsletters, emails and other methods of communication. Records will be maintained on all formal training and educational activities and participants will be required to sign a statement indicating that they have read and understand the material and agree to abide by its principles.

## **VIII. Effective, Confidential Communication**

PYHIT maintains an open door policy toward employees, especially in areas concerning compliance. Any communication brought to the attention of the Compliance Officer will be investigated thoroughly and fairly.

Employees are required to promptly report any suspected improper activity of which they become aware in one of the following ways:

- Notifying their supervisor, manager, or director;
- Notifying the Compliance Officer;
- Notifying any other member of the Compliance Committee; or
- Filing a report through the Compliance Hotline

Employees may report compliance concerns in any fashion with which they are comfortable, including face-to-face, telephone, written communications, and e-mail. Employees who wish to anonymously report suspected violations of the Compliance Plan or Code of Conduct may do so through the Compliance Hotline or in writing to the Compliance Officer.

Other Covered persons, and any other individual, may report compliance concerns by contacting the Compliance Officer, contacting a member of the Compliance Committee, or calling the Compliance Hotline.

PYHIT will make every reasonable effort to maintain in confidence the identity of any individual who reports possible misconduct, to the extent consistent with PYHIT obligations to investigate

the report, take corrective action, cooperate with government agencies, and to comply with applicable laws. A strict non-retaliation policy shall be established to protect employees and others who report problems and concerns in good faith from retaliation.

The PYHIT policy for reporting compliance concerns and non-retaliation shall include:

1. All employees have an affirmative duty and responsibility for promptly reporting any known or suspected misconduct, including actual or potential violations of laws, regulations, policies, procedures, Agency's Corporate Compliance Plan, or the Agency's Code of Conduct.
2. The "open-door policy" will be maintained at all levels of management to encourage employees to report problems and concerns.
3. PYHIT will maintain a Compliance Hotline. Employees may report their compliance concerns confidentially to the Compliance Officer through use of the Compliance Hotline.
4. Any form of retaliation against any employee who reports a perceived problem or concern in good faith is strictly prohibited.
5. Any employee who commits or condones any form of retaliation will be subject to discipline up to, and including, termination.
6. Employees cannot exempt themselves from the consequences of their own misconduct by reporting the issue, although self-reporting may be taken into account in determining the appropriate course of action.
7. Employees have the same reporting obligations for actual or suspected violations committed by PYHIT vendors or subcontractors.
8. Confidentiality will be maintained to the extent that is practical and allowable by law.
9. Employees may report their compliance concerns confidentially to the Compliance Hotline and provide his or her identity. Callers should be aware, however, that it may not be possible to preserve anonymity if they identify [themselves, provide other information that identifies them, the investigation reveals their identity, or if they inform others that they have called the Compliance Hotline.
10. The Compliance Hotline number will be published and visibly posted in a manner consistent with employee notification in locations frequented by PYHIT employees.
11. If an employee believes in good faith that he has been retaliated against for reporting a compliance complaint or concern or for participating in any investigation of such a report or complaint, the employee should immediately report the retaliation 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, and specific events, the names of any witnesses, and the location or name of any document that supports the alleged retaliation.
12. Knowledge of a violation or potential violation of this policy must be reported directly to the Compliance Officer or the Compliance Hotline.

**Procedures that apply to Management** (which includes executives, directors, managers, and supervisors)

1. Any member of management who receives a report of a violation or suspected violation will immediately notify the Compliance Officer and complete a Compliance Issue Report Form (Attachment D). The completed Form will be forwarded to the Compliance Officer.

2. Management must take appropriate measures to ensure that all levels of management support this policy and encourage the reporting of problems and concerns. At a minimum, the following actions should be taken and become an ongoing aspect of the management process:

- Meet with department staff and discuss the main points within this policy; and
- Provide all department staff with a copy of this policy.

#### **Procedures that apply to the Compliance Officer**

- The Compliance Officer will ensure that all reports of violations or suspected violations are recorded on the Compliance Issue Report Form.
- The Compliance Officer will determine the scope of the reported issue and make a determination regarding the course of action, including the investigation process and notifications to be made. (Refer to Investigation of Compliance Issues Policy.)
- The Compliance Officer will be responsible for the investigation and follow-up of any reported retaliation against an employee 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 governing entity deemed appropriate, such as the Corporate Compliance Committee or the Board of Directors.

### **IX. Enforcement of Compliance Standards / Disciplinary Policies**

PYHIT has developed procedures for disciplinary actions to be taken for violations of the Corporate Compliance Program and/or Code of Conduct by employees and/or independent contractors.

#### **A. Policy**

1. Employees and independent contractors who, upon investigation, are found to have committed violations of applicable laws and regulations, the Corporate Compliance Program, the Code of Conduct, or the Agency's policies and procedures will be subject to appropriate disciplinary action, up to and including termination.
2. The following actions may result in disciplinary action:
  - Authorization of or participation in actions that violate the law, regulations, and Corporate Compliance Program, including the Code of Conduct, and all related policies and procedures;
  - Failure to comply with Agency's policies governing the prevention, detection, or reporting of fraud and abuse;
  - Failure to report a violation by a peer or subordinate;
  - Failure to cooperate with an investigation;
  - Retaliation against an individual for reporting a possible violation or participating in an investigation; and
  - Failure to act as an honest, reliable and trustworthy service provider.
3. Discipline will be appropriately documented in the disciplined employee's personnel file (or in the independent contractor's file), along with a written statement of reason(s) for imposing such discipline. Such documentation will be considered during regular and

promotional evaluations.

4. The Compliance Officer and Director of Human Resources will be responsible for assuring that disciplinary actions related to non-compliance with the law, regulations and Corporate Compliance program, including the Code of Conduct, are consistent with actions taken in similar instances of non-compliance.

## **B. Procedures**

1. PYHIT shall 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: (a) verbal counseling or warning; (b) counseling with written warning; (c) retraining; (d) reassignment or demotion; (e) suspension without pay; and (f) termination of employment (or arrangement with an independent contractor).
2. To the extent possible, disciplinary action will be taken in accordance with the PYHIT's Human Resource Manual.
3. When the determination is made that a compliance violation has occurred, the Compliance Officer will notify the Executive Director and the individual's supervisor or representative for independent contractors. If appropriate, the Compliance Officer may notify the Board or the Corporate Compliance Committee before the next regularly scheduled meeting when a full report of compliance-related disciplinary actions would normally be presented.
4. The Compliance Officer and Chief Operating Officer or a designee shall work in collaboration with the appropriate supervisor/manager in determining disciplinary action related to an instance of non-compliance. The Compliance Officer shall have the discretion to recommend a disciplinary process other than the normal procedure.
5. The Compliance Officer and/or the Chief Operating Officer shall consult with the Corporate Compliance Committee, the Executive Director and inside or outside legal counsel, as necessary, to determine the appropriate disciplinary action to be taken.
6. The Chief Operating officer is responsible for reporting disciplinary actions taken as a result of violations of PYHIT's Code of Conduct and/or Corporate Compliance Program to the Compliance Officer.
7. The Compliance Officer will maintain a written record of disciplinary actions, including verbal warnings, and will reference these records when necessary to ensure consistency in application of disciplinary measures.
8. The Compliance Officer shall maintain a written record of all disciplinary actions, including verbal warnings, related to compliance violations and report regularly to the Corporate Compliance Committee and not less than annually to the Board of Directors regarding such actions.
9. 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.

## **X. Identification of Compliance Risk Areas and Non-Compliance**

PYHIT, in developing and implementing a Compliance Program, endeavors to detect non-compliance through any mechanism; e.g., compliance auditing procedure and/or confidential reporting, training and institution of a non-retaliation policy. PYHIT is dedicated to the resolution of such matters and will take all reasonable steps to prevent further similar violations,

including any necessary modifications to the Compliance Plan.

**A. Policy**

1. PYHIT will 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.
2. PYHIT is committed to prompt, complete and accurate billing of all services provided to individuals. PYHIT and its employees, contractors and agents shall not make or submit any false or misleading entries on any claim forms. No employee, contractor or agent shall engage in any arrangement or participate in such arrangement at the direction of another person, including any supervisor or manager, which results in the submission of a false or misleading entry on claims forms or documentation of services that result in the submission of a false claim.
3. This policy applies to all employees, including management, contractors and agents.

**B. Procedures**

1. On an annual basis, the Compliance Officer, in conjunction with the Executive Director, senior management and Corporate Compliance Committee, will determine the scope and format of routine audits of PYHIT's operations. The Compliance Officer will include all scheduled audits on a work plan that is shared with the Corporate Compliance Committee and the Board of Directors.
2. The Compliance Officer will recommend and facilitate auditing and monitoring of the identified risk area related to compliance with laws and regulations, as well as PYHIT policies, procedures and standards of conduct. Risk areas may be identified through the regular course of business, external alerts or internal reporting channels.
3. The Corporate Compliance 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.
4. The compliance Officer will facilitate all audits of operational and programmatic issues with PYHIT's Chief Operating Officer. The audits will serve to evaluate, at minimum, the following:
  - Compliance with laws, regulations and related policies and procedures governing PYHIT's programs and operations;
  - Fraud and abuse issues;
  - Third party billing practices;
  - Service delivery and documentation practices;
  - Employment practices;
  - Conflict of interest;
  - Contract review;
  - Employee, independent contractor and related Board compliance training and education; and
  - Corporate Compliance Plan and related policies.
5. The audits and reviews will examine the PYHIT'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. The Compliance Officer will conduct and/or oversee compliance 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 PYHIT employees who are not involved in the delivery of services subject to the audit.

6. The Compliance Officer will determine the sample size and sample criteria prior to each audit. All review tools used will be standardized throughout PYHIT and approved by the Compliance Officer.
7. Each agency program will conduct a review of its compliance with applicable regulations and quality measures on semiannual basis. Senior management staff shall be responsible to identify needs for internal auditing of specific issues under their oversight.
8. A written report of audit findings will be forwarded to the Compliance Officer and Program Director within seven days from the completion of the internal audit.
9. Within thirty days of receipt of the written report of findings, the Program Director will submit a written Plan of Corrective Action to the Compliance Officer for review. The Program Director is responsible to ensure that corrective measures are implemented and monitored for effectiveness.
10. The Compliance Officer will ensure that a post-audit review is scheduled to occur within six months of the completion dates specified in the Plan of Corrective Action.
11. The results of all internal auditing and monitoring activities, including records reviewed, audits results, and corrective actions, will be recorded and maintained by the Compliance Officer.
12. Any correspondence from any regulatory agency charged with administering a federally or state-funded program received by any department of the Agency will be copied and promptly forwarded to the Compliance Officer for review and subsequent discussion by the Corporate Compliance Committee.
13. Program management will immediately notify the Compliance Officer of any visits, audits, investigations, or surveys by any regulatory agency or authority. Results (oral or written) of any visits, audits, investigations, or surveys will be forwarded to the Compliance Officer promptly upon receipt by Agency personnel.
14. The Compliance Officer will be responsible to report to the Corporate Compliance Committee on the general status of compliance reviews, the outcome of compliance auditing and monitoring, and the corrective actions taken. The reporting will occur at the first regularly scheduled Corporate Compliance meeting after the conclusion of the audit.
15. The Compliance Officer will be responsible to report the results of auditing and monitoring activities and corrective actions at least annually to the Board of Directors. The report will also include an assessment of any compliance risks to the Agency.
16. On a year-to-year basis, the Compliance Officer will benchmark audit results and compare results of similar audits to determine whether improvement is occurring.
17. On an annual basis, the Compliance Officer will monitor the effectiveness of the Corporate Compliance Plan and will update compliance policies and procedures as necessary to comply with regulatory changes or industry trends. The Compliance

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

18. The Compliance Officer will ensure that all employees and agents receive training related to the contents of this policy and the False Claims Act. The Compliance Officer will ensure that records are maintained to document the receipt of training.
19. The Compliance Officer will ensure that this policy and procedure is made available upon request to outside contractors, their designated agents or such others as are defined by this policy.

## **XI. Investigation and Resolution of Compliance Issues**

The implementation of the Plan is part of an effort to establish a culture within the organization that promotes prevention, detection and resolution of misconduct. This accomplished, in part, by establishing communication channels for employees to report problems and concerns.

Employees are encouraged to report issues via the traditional chain of command, Human Resources, Compliance Hotline, or directly to the Compliance Officer. Therefore, the Compliance Officer is responsible for responding to compliance issues that are raised through the various communication channels. This policy is designed to establish a framework for managing and responding to compliance issues that are raised to the Compliance Officer.

### **A. Policy**

PYHIT will respond to reports or reasonable indications of suspected non-compliance by commencing a prompt and thorough investigation of the allegations to determine whether a violation has occurred.

### **B. Procedures**

1. The Compliance Officer will conduct or oversee the conduction of all internal investigations involving compliance-related issues and shall have the authority to engage either inside legal counsel or outside legal counsel or other consultants, as needed. The Compliance Officer will consider whether the investigation should be conducted under attorney/client privilege.
2. Before conducting an investigation of any compliance-related issue, the Compliance Officer shall ensure a full understanding of the relevant laws, regulations, and government issuances.
3. Upon report or notice of alleged non-compliance, 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 technique. The Compliance Officer should: (a) conduct a fair impartial review of all relevant facts; (b) restrict the inquiry to those necessary to resolve the issues; and (c) conduct the inquiry with as little visibility as possible while gathering pertinent facts relating to the issue.
4. 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.
5. If, during the initial inquiry, the Compliance Officer determines that there is

- sufficient evidence of possible noncompliance of 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 Executive Director. The memorandum should state whether legal counsel or the Compliance Officer would be leading the investigation. All documents produced during the investigation by 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."
6. The Compliance Officer, in consultation with legal counsel, the Executive Director, and the Corporate Compliance Committee, will evaluate the violation to determine if a voluntary self-disclosure of the violation is appropriate. In the event voluntary disclosure is appropriate or required, the Compliance Officer will consult with internal counsel or external counsel on the notification of appropriate government officials, private payers, 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.
  7. For investigations that do not involve legal counsel, the Compliance Officer will determine what personnel possess the requisite skills to examine the particular issue(s) and will assemble a team of investigators, as needed. The Compliance Officer will also decide whether the Agency has sufficient internal resources to conduct the investigation or whether external resources are necessary.
  8. 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 consider the need for an audit of billing practices and determine the scope of interviews.
  9. The Compliance Officer will maintain all notes of the interviews and review of documents as part of the investigation file.
  10. The Compliance Officer should ensure that the following objectives are accomplished:
    - Fully debrief complainant;
    - Notify appropriate internal parties;
    - Identify cause of problem, desired outcome, affected parties, applicable guidelines, and possible regulatory or financial impact;
    - Provide a complete list of findings and recommendations;
    - Determine the necessary corrective action measures, (e.g., policy changes, operational changes, system changes, personnel changes, training/education); and
    - Document the investigation.
  11. Upon receipt of the results of the investigation, depending upon the scope and severity of the identified violations, the Compliance Officer may consult with inside legal counsel or outside legal counsel, the Executive Director, and/or the Corporate Compliance Committee to determine: (a) the results of the investigation and the adequacy of recommendations for corrective actions; (b) the completeness, objectivity, and adequacy of recommendations for corrective actions; and/or (c) further actions to be taken as necessary and appropriate.
  12. Upon conclusion of the investigation, the Compliance Officer will organize the information in a manner that enables the Agency to determine if an infraction did, in

fact, occur. The Corporate Compliance Officer will track the investigation, responsible parties, and due dates in a compliance log. The log will include the resolution of the investigation as closed or fully resolved.

13. The Compliance Officer will be responsible for reporting the results of all investigations to the Executive Director, Corporate Compliance Committee, and the Board of Directors.
14. The Compliance Officer or Program Director will inform the reporter, if known, of the conclusion of the investigation and the outcome, if appropriate.

## **XII. Response to Government Investigations**

PYHIT's Corporate Compliance Plan addresses the agency's intent to fully comply with the law and will cooperate with any reasonable and appropriately authorized government investigation or audit by law enforcement or regulatory authorities.

PYHIT directors, management, staff and subcontractors may not conceal, destroy or alter any documents nor lie or intentionally make misleading statements to authorized government representatives. PYHIT directors, management, staff and subcontractors may not aid in any attempt to provide inaccurate or misleading information nor unreasonably delay communication of information or records to a possible violation of the law in response to a legally authorized inquiry by a government representative acting within the scope of its authority.

## **XIII. Summary**

In summary, the Peter Young Housing, Industries and Treatment Program Corporate Compliance Plan and associated policies and procedures confirm the establishment of a Corporate Compliance Officer, Committee and a Program for effective training, education, auditing and monitoring. Effective and clear lines of communication have been established and internal investigation and disciplinary processes developed. Specific controls have been set in place to prevent and detect fraud and abuse and procedures for reporting of fraud and abuse are in place. PYHIT has established a clear commitment to compliance.

February 2, 2012